

# The Comprehensive Economic and Tax Revenue Impacts for the Development of the Proposed Residential Tower in the City of Miami Beach

Submitted to:

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Submitted by:



Economic Development Solutions  
Maximize Your Marketplace

October 9, 2024

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## I. Executive Summary

- The Washington Economics Group (WEG) was retained to conduct an economic impact study and to estimate the ad valorem real estate taxes associated with all the multifaceted activities of a proposed mixed-use tower, which includes 100-high rise multifamily residential units and a 180-seat fine dining restaurant. This development is referred to as “1250 West” throughout this Study. The quantifiable economic impacts on the City of Miami Beach economy consist of the following five broad categories of economic impacts:

1. **Impact of Construction (Estimated Timeline of 40 Months)**
2. **Impact of Annual Living Expenditures by Residents**
3. **Impact of Annual On-Site Restaurant Sales**
4. **Impact of Additional Annual Visitors Based on Traffic Assessment**
5. **Impact of Annual Residential Unit Sales**

- **The quantifiable economic impacts of 1250 West extend beyond what is *directly* related to these five categories of spending.** These “spillover” or multiplier impacts are primarily the result of the impact of local industries buying goods and services from other local industries (known as an *indirect* effect), as well as increased labor income and the propensity of households to spend income on goods produced within the local areas (known as an *induced* effect). WEG quantified and estimated the comprehensive economic impacts of 1250 West utilizing the professionally accepted and widely used IMPLAN Input/Output Methodology.
- These economic impacts are presented in 2024 dollars and are presented for the entire 40-month period during the Construction Phase, as well as on an annually recurring basis during the “steady-state” Ongoing Operations Phase once construction is completed.
- The construction of 1250 West is estimated to take 40 months (just over 3.3) years. **Throughout this entire period of construction, the Total Economic Impact is estimated at \$572 million.** In addition, the construction of 1250 West will generate over **3,350 jobs**, **\$224 million** in Household Income, more than **\$293 million** in GDP and over **\$48 million** in Federal, State and Local Fiscal Revenues from the increase in economic activity as detailed in Table ES-1 on the following page.

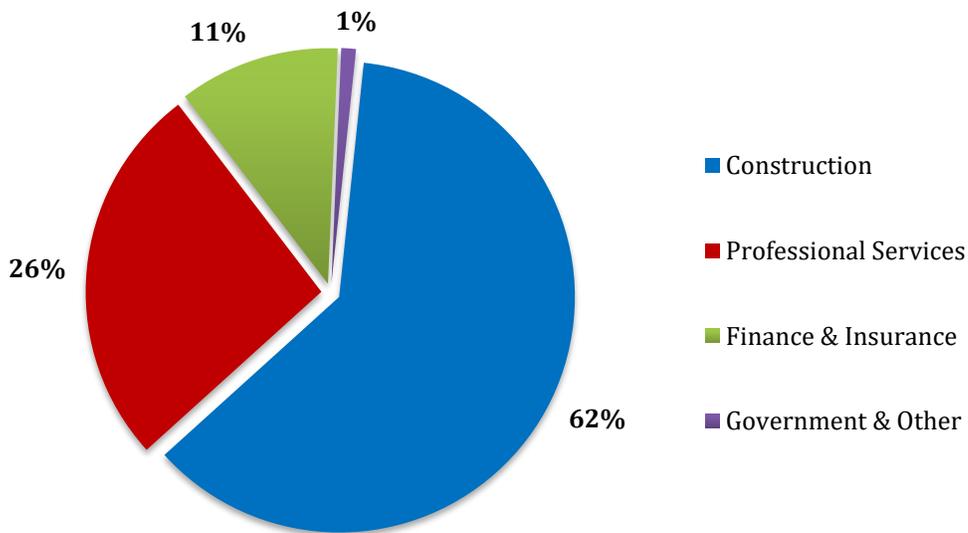
**Table ES-1. Summary of the Economic Impacts of the Construction Phase of 1250 West in Miami Beach**

| Impact on:                                     | Direct | Indirect & Induced | Total Impact |
|--|--------|--------------------|--------------|
| Employment (Jobs)                              | 3,309  | 46                 | <b>3,356</b> |
| Household Income (\$ MM)                       | \$222  | \$3                | <b>\$225</b> |
| GDP (Value Added \$ MM)                        | \$289  | \$4                | <b>\$293</b> |
| Total Economic Impact (\$ MM)                  | \$564  | \$8                | <b>\$572</b> |
| Federal, State & Local Fiscal Revenues (\$ MM) | \$48   | \$1                | <b>\$48</b>  |

Note: Total may not equal the sum of all due to rounding.  
 Source: The Washington Economics Group (WEG).

- The Total Economic Impact of 1250 West positively impacts a variety of Miami Beach’s top industry sectors during the Construction Phase. Just under \$353 million, or 62 percent of the impacts occur within the Construction sector, followed by Professional Services with over \$150 million, or 26 percent and Finance & Insurance with \$63 million, or 11 percent. The remaining 1 percent is distributed within Government & Other sectors as presented in Figure ES-1 below.

**Figure ES-1. Total Economic Impact Generated by the Construction Phase of 1250 West in Miami Beach**



Source: The Washington Economics Group (WEG).

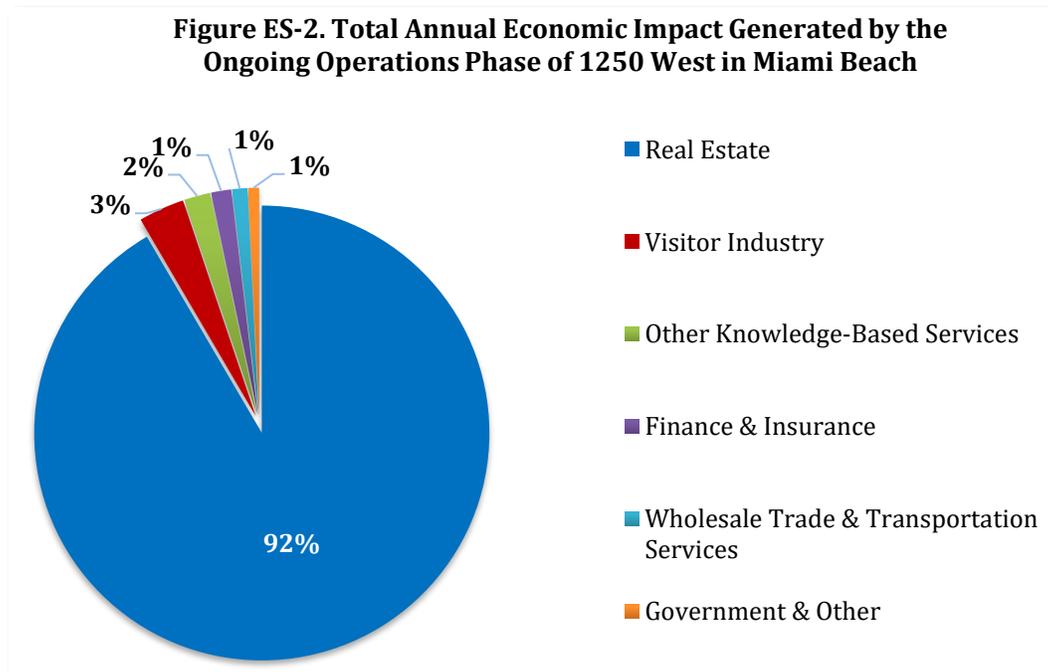
- Once the Ongoing Operations Phase begins, **the Total Annual Economic Impact is estimated at \$303 million.** In addition, the construction of 1250 West will result in over **1,320 jobs**, **\$23 million** in Household Income, **\$150 million** in GDP and over **\$23 million** in Federal, State and Local Fiscal Revenues each year as detailed in Table ES-2 below.

**Table ES-2. Summary of the Total Annual Economic Impacts of the Ongoing Operations Phase of 1250 West in Miami Beach**

| Impact on:                                     | Direct | Indirect & Induced | Total Impact |
|--|--------|--------------------|--------------|
| Employment (Jobs)                              | 1,288  | 32                 | <b>1,320</b> |
| Household Income (\$ MM)                       | \$21   | \$2                | <b>\$23</b>  |
| GDP (Value Added \$ MM)                        | \$147  | \$3                | <b>\$150</b> |
| Total Economic Impact (\$ MM)                  | \$297  | \$6                | <b>\$303</b> |
| Federal, State & Local Fiscal Revenues (\$ MM) | \$22   | <\$1               | <b>\$23</b>  |

Note: Total may not equal the sum of all due to rounding.  
Source: The Washington Economics Group (WEG).

- The Total Economic Impact of 1250 West each year during the Ongoing Operations Phase is just under \$303 million.** Of this total, a significant \$277 million, or 92 percent, of the impacts occur within the Real Estate sector, followed by Visitor Industry with \$10 million, or 3 percent.



Source: The Washington Economics Group (WEG).

The remaining 5 percent is distributed within various other Knowledge-Based Services, Government & Other industry sectors as presented in Figure ES-2 on the previous page.

- The Fiscal Revenue Assessment provides estimates for 10, 20 and 30-year projections of ad valorem tax receipts that the project may generate for the City of Miami Beach. Overall, **this project is expected to generate over \$24 million in new revenue for the City of Miami Beach during the next 10 years and almost \$218 million over the next 30 years.**
- By 2030 and once construction is completed, it is estimated that the new taxable value at the property located at 1250 West Ave will be \$299.6 million, compared to the current taxable value of \$39.5 million. The project's construction alone represents a significant increase in the property's taxable value and ad valorem tax receipts to Miami Beach.
- Additionally, over the next 30 years, the project can generate over \$175 million for Miami-Dade County, \$250 million for Miami-Dade Schools, and almost \$20 million for the Children's Trust. Overall, this project is expected to generate over \$200 million in new tax revenue for the City of Miami Beach during the next 30 years as shown in Table ES-3 below, and will continue to produce revenue for the City beyond the initial timeframe of this assessment.

**Table ES-3. Net Present Value of New City Ad Valorem Tax Revenue**

| <b>10-Year</b> | <b>Gross</b> | <b>\$24,186,669</b>  |
|----------------|--------------|----------------------|
| 3.5%           | NPV          | \$ 21,663,473        |
| 5.0%           | NPV          | \$19,022,796         |
| <b>20-Year</b> | <b>Gross</b> | <b>\$102,115,829</b> |
| 3.5%           | NPV          | \$60,979,876         |
| 5.0%           | NPV          | \$49,567,277         |
| <b>30-Year</b> | <b>Gross</b> | <b>\$217,946,808</b> |
| 3.5%           | NPV          | \$105,577,178        |
| 5.0%           | NPV          | \$79,571,870         |

Source: BusinessFlare Economic Development Solutions.

## II. Quantifying the Economic Impacts of the Proposed Residential Tower on the City of Miami Beach: Background and Methodology

The proposed redevelopment (“1250 West”) consists of a mixed-use tower with 100-high rise multifamily residential units and a 180-seat fine dining restaurant. Parking is provided on-site, and a traffic assessment prepared by Kimley Horn was utilized to estimate net increases in visitors to these facilities. The *quantifiable* economic impacts are discussed below and consist of the following five broad categories of economic impacts:

1. **Impact of Construction (Estimated Timeline of 40 Months)**
2. **Impact of Annual Living Expenditures by Residents**
3. **Impact of Annual On-Site Restaurant Sales**
4. **Impact of Additional Annual Visitors Based on Traffic Assessment**
5. **Impact of Annual Residential Unit Sales**

**The quantifiable economic impacts of 1250 West extend beyond what is *directly related to these five categories of spending*.** These “spillover” or multiplier impacts are primarily the result of the impact of local industries buying goods and services from other local industries (known as an *indirect* effect), as well as increased labor income and the propensity of households to spend income on goods produced within the local areas (known as an *induced* effect). The economic impacts of 1250 West make an important contribution to the economy of the City of Miami Beach.

WEG quantified and estimated the comprehensive economic impacts utilizing the professionally accepted and widely used IMPLAN Input/Output Methodology. The IMPLAN Group, LLC. (IMPLAN) provides the software and basic data needed to formulate the economic multiplier model developed for this Study. IMPLAN has been providing economic multiplier models for regional economic impact analysis since 1985.<sup>1</sup> IMPLAN models are widely used by both public and private-sector decision makers throughout Florida.

**The *direct, indirect and induced* economic effects provided by the IMPLAN model were combined in the tables and figures that follow.** These impacts are presented in 2024 dollars and are presented for the entire 40-month period during the Construction Phase, as well as on an annually recurring basis during the “steady-state” Ongoing Operations Phase once construction is completed. The following text provides a technical description of the

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<sup>1</sup>Information on the IMPLAN Group, LLC models and the company history can be found at [www.implan.com](http://www.implan.com).

*direct, indirect* and *induced* multiplier effects. For more information on the IMPLAN model, see Methodology below.

***Input/Output Methodology:  
Technical Description***

Economic models that explicitly account for inter-industry linkages (supply relationships), the generation of labor and capital income and the spending of household income have been used since the 1960's to estimate the contribution that a particular business or industry makes to the general economy. These "input-output" models recognize that, as an industry experiences an increase in the demand for its products or services, it in turn needs more goods and services from its suppliers and must increase its purchases from other industries in the economy. The effect on regional production resulting from successive rounds of inter-industry linkages is referred to as the *indirect effect*. The resulting increases in regional production also lead to expansions in employment and labor income, and the increases in labor income lead to increases in consumer spending, further expanding sales and production throughout the regional economy. The latter economic impacts are referred to as the *induced effects*. The successive waves of production, spending and more production result in *economic multiplier effects*, where the final or total increase in regional production, income and employment, respectively, is larger than the initial (or "*direct*") increase in production, income and employment. The total quantitative economic contribution of these activities, therefore, is comprised of a *direct effect*, an *indirect effect* and an *induced effect*.

The following sections estimate the positive economic impacts on the City of Miami Beach resulting from all multifaceted activities of the proposed mixed-use tower located at 1250 West Avenue in terms of:

- A. *Employment (Jobs)*
- B. *Household Income*
- C. *Gross Domestic Product (Value Added)*
- D. *Total Economic Impact (Gross Economic Output)*
- E. *Public Revenues (taxes) for State and Local Governments*

## Construction Phase: Summary of the Economic Impacts

The construction of 1250 West is estimated to take 40 months (just over 3.3) years. **Throughout this entire period of construction, the Total Economic Impact is estimated at \$572 million.** In addition, the construction of 1250 West will generate over **3,350 jobs**, **\$224 million** in Household Income, more than **\$293 million** in GDP and over **\$48 million** in Federal, State and Local Fiscal Revenues from the increased economic activity as detailed in Table 1 below.

**Table 1. Summary of the Economic Impacts of the Construction Phase of 1250 West in Miami Beach**

| Impact on:                                     | Direct | Indirect & Induced | Total Impact |
|--|--------|--------------------|--------------|
| Employment (Jobs)                              | 3,309  | 46                 | <b>3,356</b> |
| Household Income (\$ MM)                       | \$222  | \$3                | <b>\$225</b> |
| GDP (Value Added \$ MM)                        | \$289  | \$4                | <b>\$293</b> |
| Total Economic Impact (\$ MM)                  | \$564  | \$8                | <b>\$572</b> |
| Federal, State & Local Fiscal Revenues (\$ MM) | \$48   | \$1                | <b>\$48</b>  |

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group (WEG).

### **A. Just Over 3,356 Jobs are Supported in the City of Miami Beach During the Construction Phase of 1250 West**

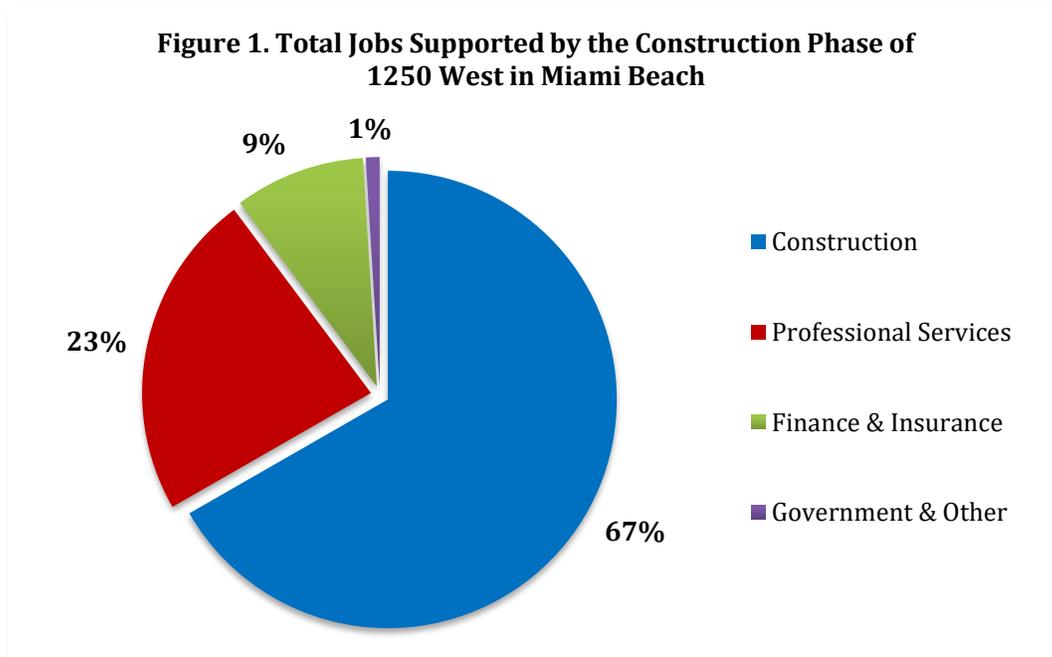
**Throughout the 40-month Construction Phase, 3,356 jobs are supported in the City of Miami Beach.** The jobs supported are within several industry sectors. Of this total 3,309, or 99 percent of the jobs are supported through *direct* economic effects, while 46 jobs are supported via *indirect* and *induced* effects (see Table 1 above).

The most important industry sector is Construction with 2,238 jobs supported, or 67 percent of the total. The next most important sector is Professional Services with 775 jobs, or 23 percent of the impacts and Finance & Insurance, with 310 jobs, or 9 percent. The remaining 1 percent of employment is created within the Government & Other sectors as shown in Table 2 and Figure 1 on the next page.

**Table 2. Total Jobs Supported by the Construction Phase of 1250 West in Miami Beach**

| Industry              | Jobs Supported | % of Total  |
|-----------------------|----------------|-------------|
| Construction          | 2,238          | 67%         |
| Professional Services | 775            | 23%         |
| Finance & Insurance   | 310            | 9%          |
| Government & Other    | 33             | 1%          |
| <b>Total</b>          | <b>3,356</b>   | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
 Source: The Washington Economics Group (WEG).



Source: The Washington Economics Group (WEG).

**B. The Total Household Income Created in the City of Miami Beach is Over \$224 Million During the Construction Phase**

**The Total Household Income created during the Construction Phase is just over \$224 million.** Of the total Household Income of over \$224 million, \$222 million, or 99 percent, is *directly* generated, while \$3 million or 1 percent is created through *indirect* and *induced* effects. (See Table 1, page 7.) As with the jobs supported, the largest share of Household Income is within Construction, comprising of over \$128 million, or 57 percent of the impacts. Professional Services is the next most important sector with just under \$75 million, or 33

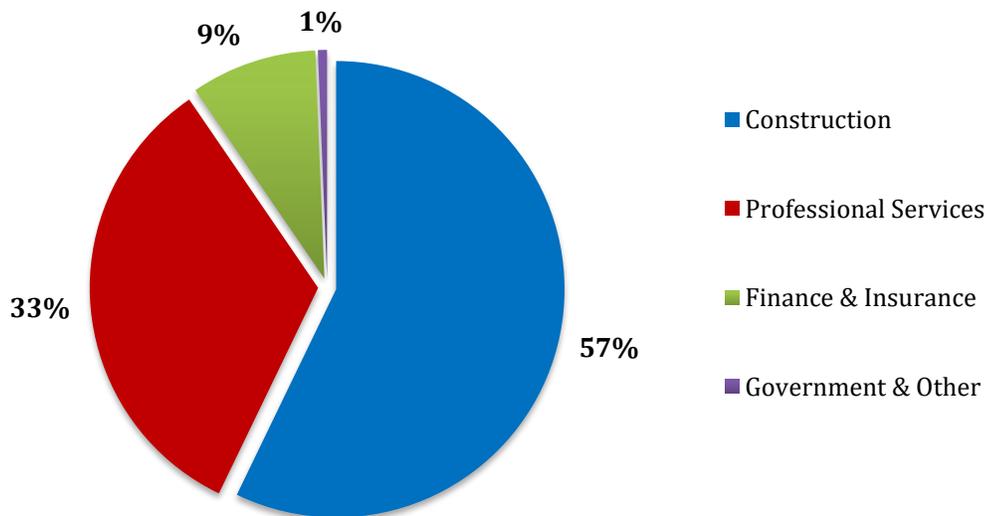
percent in total Household Income for Miami Beach residents, and Finance & Insurance generates almost \$20 million, or 9 percent in Household Income. The remaining 1 percent is distributed in the Government & Other industries as detailed in Table 3 and in Figure 2 below.

**Table 3. Total Household Income Created by the Construction Phase of 1250 West in Miami Beach (\$ Thousands)**

| Industry              | Total Impact     | % of Total  |
|-----------------------|------------------|-------------|
| Construction          | \$128,338        | 57%         |
| Professional Services | \$74,753         | 33%         |
| Finance & Insurance   | \$19,998         | 9%          |
| Government & Other    | \$1,442          | 1%          |
| <b>Total</b>          | <b>\$224,531</b> | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
 Source: The Washington Economics Group (WEG).

**Figure 2. Total Household Income Created by the Construction Phase of 1250 West in Miami Beach**



Source: The Washington Economics Group (WEG).

**C. The Total GDP (Value-Added) Impacts Arising from the Construction Phase of 1250 West Are Important to the City of Miami Beach**

Gross Domestic Product (Value-Added) impacts is the portion of business revenue that is available to pay compensation to workers, capital income and indirect business taxes.

**The GDP (Value-Added<sup>2</sup>) impacts of the Construction Phase totals over \$293 million.**

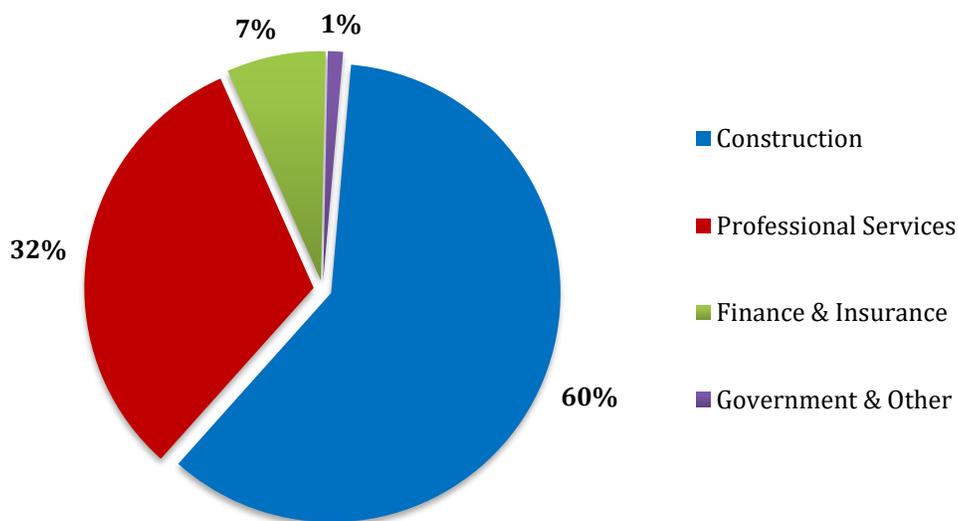
Of this total, \$289 million, or 98 percent, is *directly* generated, with over \$4 million or 2 percent attributable to *indirect* and *induced* economic effects. (See Table 1, page 7.) The most important contribution to GDP is created in the Construction sector, with over \$176 million, or 60 percent of the impacts. The next most important sectors are Professional Services with \$93 million, or 32 percent, and Finance & Insurance with over \$20 million, or 7 percent of the impacts, respectively. The remaining 1 percent is spread among the Government & Other industries as shown in Table 4 and Figure 3 below.

**Table 4. Total GDP (Value-Added) Impacts Generated by the Construction Phase of 1250 West in Miami Beach (\$ Thousands)**

| Industry              | Total Impact     | % of Total  |
|-----------------------|------------------|-------------|
| Construction          | \$176,691        | 60%         |
| Professional Services | \$93,100         | 32%         |
| Finance & Insurance   | \$20,486         | 7%          |
| Government & Other    | \$3,125          | 1%          |
| <b>Total</b>          | <b>\$293,402</b> | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
 Source: The Washington Economics Group (WEG).

**Figure 3. Total GDP (Value-Added) Impacts Generated by the Construction Phase of 1250 West in Miami Beach**



Source: The Washington Economics Group (WEG).

<sup>2</sup>Value added also includes compensation to government workers.

**D. The Total Economic Impact of the Construction Phase of 1250 West is Expected to Generate Over \$572 Million to the City of Miami Beach**

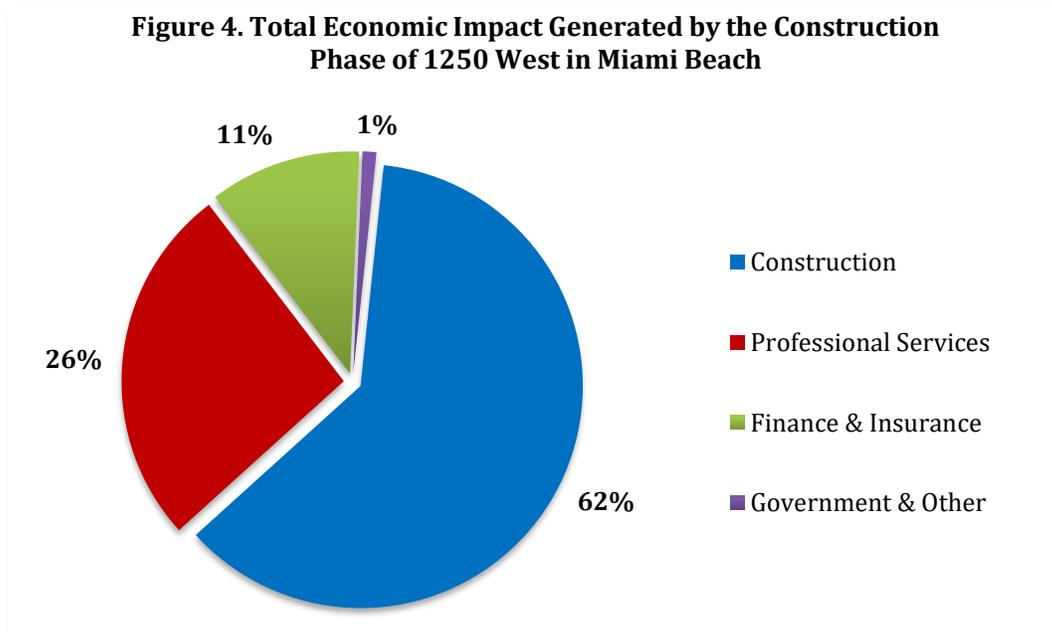
A comprehensive measure of the Total Economic Impact of 1250 West is *Gross Economic Output*, representing the sum of gross revenues (receipts) of private firms plus the value of government services (valued at cost). Total Economic Impact represents the sum of commercial transactions taking place in the economy. **The Total Economic Impact of 1250 West during the Construction Phase is \$572 million, in 2024 dollars.** Of this total, \$564 million is generated by *direct* activities, while an additional \$8 million is generated by *indirect* and *induced* activities (see Table 1, page 7). As presented in Table 5 below, the Total Economic Impact of 1250 West positively impacts a variety of Miami Beach’s top industries.

**Table 5. Total Economic Impact Generated by the Construction Phase of 1250 West in Miami Beach (\$ Thousands)**

| Industry              | Total Impact     | % of Total  |
|-----------------------|------------------|-------------|
| Construction          | \$352,545        | 62%         |
| Professional Services | \$150,576        | 26%         |
| Finance & Insurance   | \$63,184         | 11%         |
| Government & Other    | \$5,747          | 1%          |
| <b>Total</b>          | <b>\$572,051</b> | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
 Source: The Washington Economics Group (WEG).

**Figure 4. Total Economic Impact Generated by the Construction Phase of 1250 West in Miami Beach**



Source: The Washington Economics Group, Inc. (WEG)

**E. Total Federal, State and Local Fiscal Revenues Generated by 1250 West During the Construction Phase**

The economic impacts of the Construction Phase result in Fiscal Revenues for Federal, State & Local governments. These arise via *direct*, *indirect* and *induced* economic effects due to increased economic activity (see Table 1, page). In total, **over \$48 million in tax revenue will be generated by 1250 West during the 40-month Construction Phase**. Of this total, just under **\$41 million** flows to the Federal government, and almost **\$8 million** flows to the State as well as Local governments within Florida. This is detailed in Table 6 below.

**Table 6. Total Federal, State and Local Fiscal Revenues Generated by the Construction Phase of 1250 West in Miami Beach (\$ Thousands)**

| Impact on:                | Federal Taxes   | State & Local Taxes | Total           |
|---------------------------|-----------------|---------------------|-----------------|
| Labor                     | \$22,807        | \$15                | \$22,821        |
| Capital                   | \$2,122         | \$0                 | \$2,122         |
| Indirect Business Taxes   | \$309           | \$7,212             | \$7,521         |
| Households                | \$13,303        | \$58                | \$13,361        |
| Corporations              | \$2,178         | \$446               | \$2,625         |
| <b>Total Tax Revenues</b> | <b>\$40,719</b> | <b>\$7,731</b>      | <b>\$48,451</b> |

Note: Total may not equal the sum of all due to rounding.  
Source: The Washington Economics Group (WEG)

**Ongoing Operations Phase: Summary of the Economic Impacts**

Once the Construction Phase is completed and sales of residential units begin, 1250 West will be in a “steady-state” Ongoing Operations Phase, with significant annually recurring impacts. Once the Ongoing Operations Phase begins, **the Total Annual Economic Impact is estimated at \$303 million**.

In addition, the ongoing operations of 1250 West will result in over **1,320 jobs**, **\$23 million** in Household Income, **\$150 million** in GDP and over **\$23 million** in Federal, State and Local Fiscal Revenues each year as detailed in Table 7 on the following page.

**Table 7. Summary of the Total Annual Economic Impacts of the Ongoing Operations Phase of 1250 West in Miami Beach**

| Impact on:                                     | Direct | Indirect & Induced | Total Impact |
|--|--------|--------------------|--------------|
| Employment (Jobs)                              | 1,288  | 32                 | <b>1,320</b> |
| Household Income (\$ MM)                       | \$21   | \$2                | <b>\$23</b>  |
| GDP (Value Added \$ MM)                        | \$147  | \$3                | <b>\$150</b> |
| Total Economic Impact (\$ MM)                  | \$297  | \$6                | <b>\$303</b> |
| Federal, State & Local Fiscal Revenues (\$ MM) | \$22   | <\$1               | <b>\$23</b>  |

Note: Total may not equal the sum of all due to rounding.  
Source: The Washington Economics Group (WEG).

**F. Total Annual Jobs Supported by the Ongoing Operations Phase of 1250 West in the City of Miami Beach**

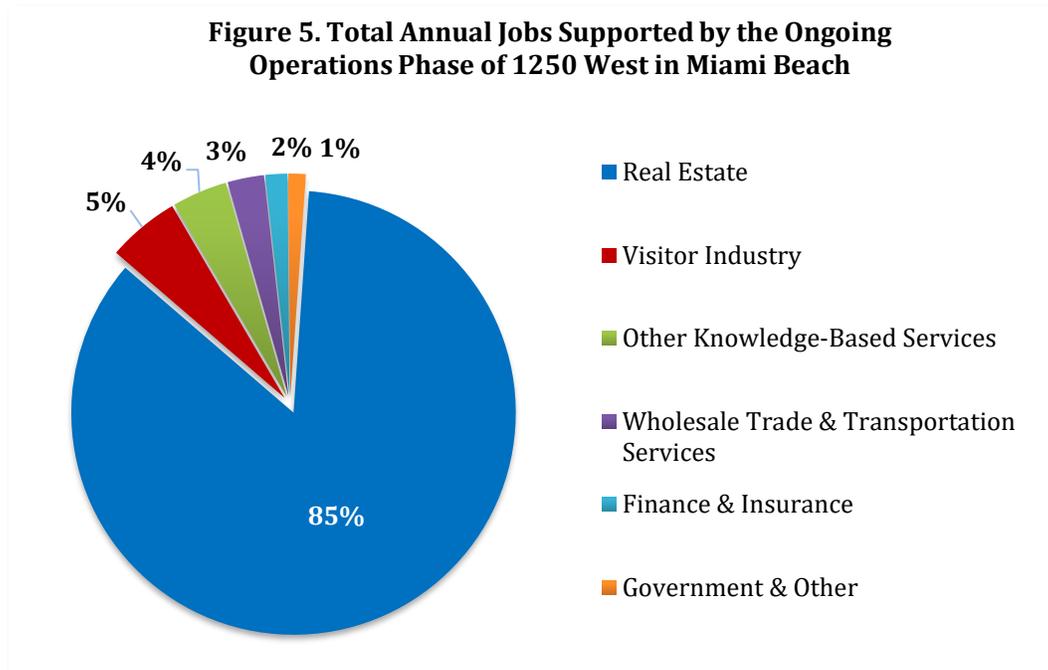
Due to significant expected sales of residential units, the most important industry in terms of employment during the Ongoing Operations Phase is Real Estate with 1,125 jobs supported, or 85 percent, as shown in Table 8 below. Real Estate is considered a “Knowledge-Based Service”. **Knowledge-Based Services include categories such as Real Estate, Professional and Business Services and Finance, and jobs within this industry sector pay higher than the statewide average and are thus critically important to the City of Miami Beach’s economic development goals.**

**Table 8. Total Annual Jobs Supported by the Ongoing Operations Phase of 1250 West in Miami Beach**

| Industry                                  | Jobs Supported | % of Total  |
|---|----------------|-------------|
| Real Estate                               | 1,125          | <b>85%</b>  |
| Visitor Industry                          | 69             | <b>5%</b>   |
| Other Knowledge-Based Services            | 53             | <b>4%</b>   |
| Wholesale Trade & Transportation Services | 35             | <b>3%</b>   |
| Finance & Insurance                       | 21             | <b>2%</b>   |
| Government & Other                        | 17             | <b>1%</b>   |
| <b>Total</b>                              | <b>1,320</b>   | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
Source: The Washington Economics Group (WEG).

The next most important sector is Visitor Industry with 69 jobs, or 5 percent of the impacts and Other Knowledge-Based Services, with 53 jobs, or 4 percent. The remaining 6 percent of employment is spread among the Wholesale Trade & Transportation Services, Finance & Insurance and Government & Other industries as shown in Figure 5 below.



Source: The Washington Economics Group (WEG).

**G. Total Annual Household Income Created in the City of Miami Beach by 1250 West During the Ongoing Operations Phase**

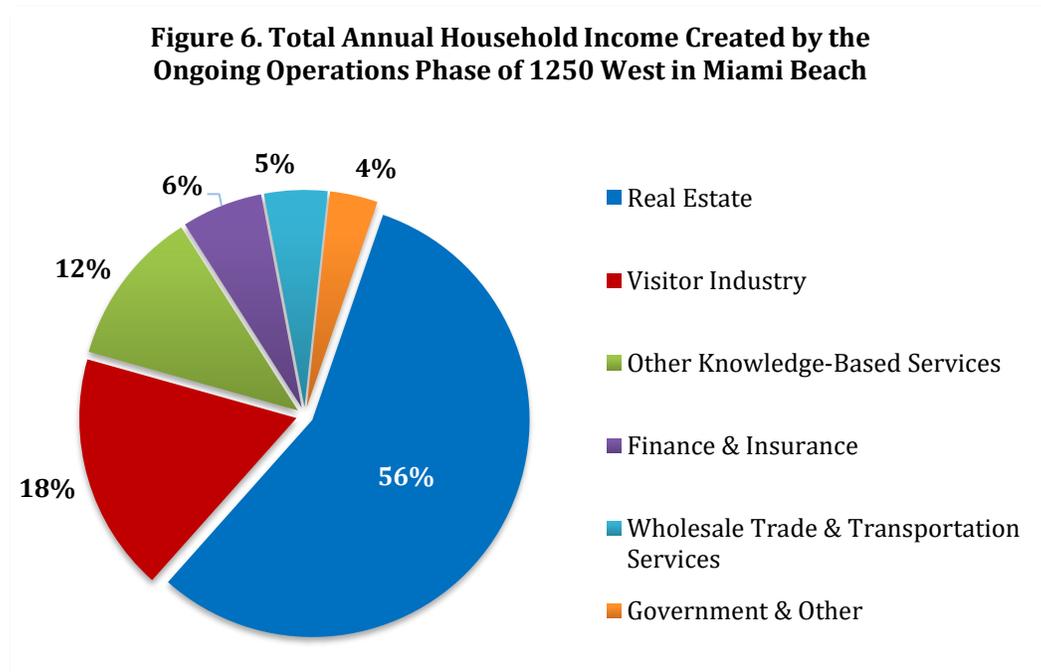
**The Total Household Income created each year during the Ongoing Operations Phase is just under \$23 million.** Of the total Household Income of \$23 million, \$21 million or 93 percent, is *directly* generated, while \$2 million, or 7 percent, is created through *indirect* and *induced* effects. (See Table 7, page 13.)

As with the jobs supported, the largest share of Household Income is generated in the Real Estate sector, comprising of almost \$13 million, or 56 percent of the impacts. Visitor Industry is the next most important sector with \$4 million, or 18 percent, in total Household Income for Miami Beach residents, and Other Knowledge-Based Services generate just under \$3 million, or 12 percent in Household Income. The remaining 15 percent is spread among the Finance & Insurance, Wholesale Trade & Transportation Services and Government & Other sectors as detailed in Table 9 and in Figure 6 on the next page.

**Table 9. Total Annual Household Income Created by the Ongoing Operations Phase of 1250 West in Miami Beach (\$ Thousands)**

| Industry                                  | Total Impact    | % of Total  |
|---|-----------------|-------------|
| Real Estate                               | \$12,773        | 56%         |
| Visitor Industry                          | \$4,036         | 18%         |
| Other Knowledge-Based Services            | \$2,635         | 12%         |
| Finance & Insurance                       | \$1,368         | 6%          |
| Wholesale Trade & Transportation Services | \$1,067         | 5%          |
| Government & Other                        | \$810           | 4%          |
| <b>Total</b>                              | <b>\$22,689</b> | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
Source: The Washington Economics Group (WEG).



Source: The Washington Economics Group (WEG).

**H. Total Annual GDP (Value-Added) Impacts Generated by the Ongoing Operations Phase of 1250 West in the City of Miami Beach**

The GDP (Value-Added) impacts of the Ongoing Operations Phase totals to almost **\$150 million each year**. Of this total, \$147 million, or 98 percent, is *directly* generated, with \$3 million, or 2 percent attributable to *indirect* and *induced* economic effects (see Table 7,

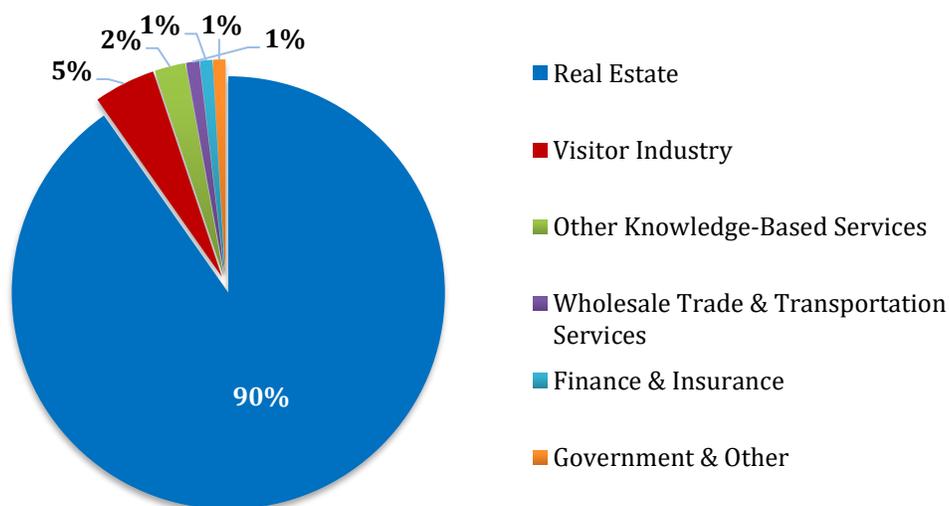
page 13). The most important contribution to GDP is in Real Estate, with \$135 million, or 90 percent of the impacts. The next most important sectors are Visitor Industry with close to \$7 million, or 5 percent. The remaining 5 percent is spread among various other sectors including Other Knowledge-Based Services, Wholesale Trade & Transportation Services, Finance & Insurance and Government & Other as shown in Table 10 and Figure 7 below.

**Table 10. Total Annual GDP (Value-Added) Impacts Generated by the Ongoing Operations Phase of 1250 West in Miami Beach (\$ Thousands)**

| Industry                                  | Total Impact     | % of Total  |
|---|------------------|-------------|
| Real Estate                               | \$135,183        | 90%         |
| Visitor Industry                          | \$6,891          | 5%          |
| Other Knowledge-Based Services            | \$3,447          | 2%          |
| Wholesale Trade & Transportation Services | \$1,462          | 1%          |
| Finance & Insurance                       | \$1,402          | 1%          |
| Government & Other                        | \$1,392          | 1%          |
| <b>Total</b>                              | <b>\$149,776</b> | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
 Source: The Washington Economics Group (WEG).

**Figure 7. Total Annual GDP (Value-Added) Impacts Generated by the Ongoing Operations Phase of 1250 West in Miami Beach**



Source: The Washington Economics Group (WEG).

**I. Total Annual Economic Impact Generated by the Ongoing Operations Phase of 1250 West in the City of Miami Beach**

A comprehensive measure of the Total Economic Impact of 1250 West is *Gross Economic Output*, representing the sum of gross revenues (receipts) of private firms plus the value of government services (valued at cost). **The Total Economic Impact of 1250 West each year during the Ongoing Operations Phase is just under \$303 million of the total, directly generating \$297 million, or 98 percent. Indirect and Induced effects generate \$6 million, or 2 percent of the total (see Table 7, page 13).**

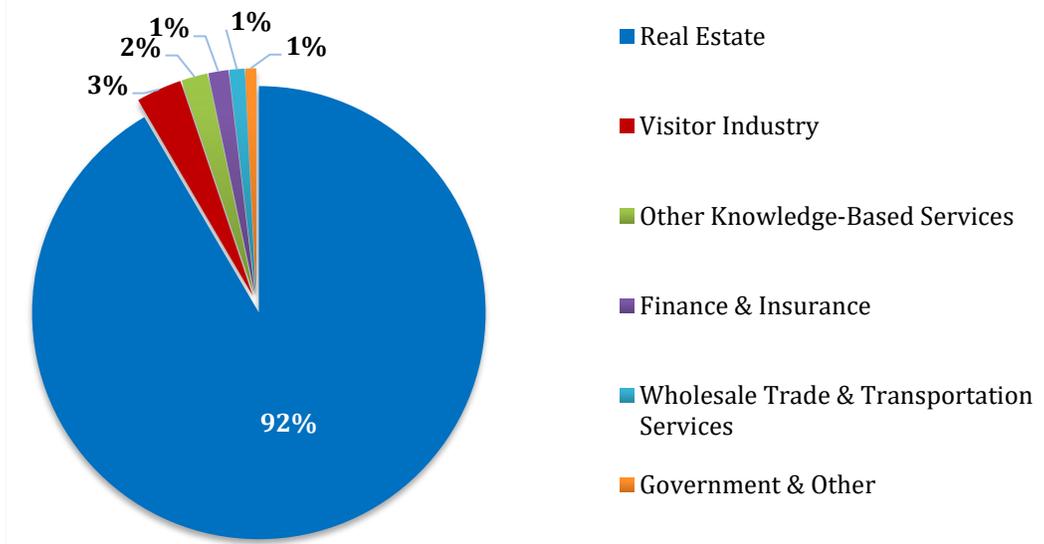
**Table 11. Total Annual Economic Impact Generated by the Ongoing Operations Phase of 1250 West in Miami Beach (\$ Thousands)**

| Industry                                  | Total Impact     | % of Total  |
|---|------------------|-------------|
| Real Estate                               | \$277,100        | 92%         |
| Visitor Industry                          | \$9,845          | 3%          |
| Other Knowledge-Based Services            | \$5,664          | 2%          |
| Finance & Insurance                       | \$4,324          | 1%          |
| Wholesale Trade & Transportation Services | \$3,315          | 1%          |
| Government & Other                        | \$2,363          | 1%          |
| <b>Total</b>                              | <b>\$302,611</b> | <b>100%</b> |

Note: Total may not equal the sum of all due to rounding.  
Source: The Washington Economics Group (WEG).

As shown in Table 11 above, a significant \$277 million, or 92 percent of the impacts occur within Real Estate, followed by Visitor Industry with close to \$10 million, or 3 percent. The remaining 5 percent is distributed within Other Knowledge-Based Services, Finance & Insurance, Wholesale Trade & Transportation Services and Government & Other sectors as presented in Figure 8 on the next page.

**Figure 8. Total Annual Economic Impact Generated by the Ongoing Operations Phase of 1250 West in Miami Beach**



Source: The Washington Economics Group (WEG).

**J. Total Annual Federal, State and Local Fiscal Revenues Generated by the Ongoing Operations Phase of 1250 West in the City of Miami Beach**

The impacts on annual tax revenues due to residential unit sales and other economic activities within 1250 West are significant. In total, **over \$22 million in tax revenue will be generated each year by 1250 West during the Ongoing Operations Phase.** Of this total, over **\$7 million** flows to the Federal government, and **\$15 million** flows to the State as well as Local governments within Florida. This is detailed in Table 12 below.

**Table 12. Total Annual Federal, State and Local Fiscal Revenues Generated by the Ongoing Operations Phase of 1250 West in Miami Beach (\$ Thousands)**

| Impact on:                | Federal Taxes  | State & Local Taxes | Total           |
|---------------------------|----------------|---------------------|-----------------|
| Labor                     | \$3,709        | \$2                 | \$3,712         |
| Capital                   | -\$149         | \$0                 | -\$149          |
| Indirect Business Taxes   | \$615          | \$14,346            | \$14,962        |
| Households                | -\$619         | -\$2                | -\$622          |
| Corporations              | \$3,914        | \$802               | \$4,716         |
| <b>Total Tax Revenues</b> | <b>\$7,470</b> | <b>\$15,149</b>     | <b>\$22,619</b> |

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group (WEG).

### III. Estimating the Ad Valorem Real Estate Taxes of the Proposed Residential Tower at 1250 West Ave in the City of Miami Beach

#### A. Fiscal Revenue Assessment

The Fiscal Revenue Assessment provides estimates for 10, 20 and 30-year projections of ad valorem tax receipts that the project may generate for the City of Miami Beach. The project is a 100-unit high-end waterfront condominium development located at 1250 West Avenue in Miami Beach, Florida.

A linear methodology is applied to develop estimates of ad valorem tax receipts:

- 1) The current taxable value of the property is established, followed by an estimate of the new value following the acquisition of the property by the developer.
- 2) Based on the projected construction timeline and construction costs, an estimate of taxable value is developed for the first tax year following the project's receipt of a Certificate of Occupancy (C.O.).
- 3) Finally, estimates are developed for the taxable value of the condominium units as they are closed on by the buyers and as resales occur in the property over time.

***This project is expected to generate over \$24 million in new revenue for the City of Miami Beach during the next 10 years and almost \$218 million over the next 30 years***

#### B. Assumptions

For purposes of this analysis, the following metrics are utilized using inputs provided by the Developer:

- Total Hard Costs \$352,527,819
- Average Unit Size (sf) 3,731

Further, the Miami Beach condominium market was investigated to develop additional factors necessary for this analysis. Based on research and experience with other projects, we expect that a realistic price per square foot for these units is expected to be between \$2,500 and \$2,800, which may very well be higher at the time the developer begins sales, which will last from 2026 through 2029. For this assessment, the following market factors were utilized:

- Average Sale Price per SF \$2,680
- Average Sale Price \$9,700,600
- Annual Unit Turnover 7%
- Homestead Exemptions 15%

The additional factors utilized for this assessment include the following:

- Average Annual Growth (general) 4.5%
- Average Annual Growth (homesteads) 3.0%
- Average Annual Growth (non-homestead) 4.5%
- Assessed Value compared to Market Value 85.0%
- Resales (of total units) 7.0%
- Resale Price Premium 6.0%
- City Millage Rate per \$1,000 of value 5.8522

The property has a current taxable value of \$ 39,486,824 in 238 units. 13.4 percent of the units have homestead exemptions, and the homestead units have a taxable value of \$1,884,258 or 4.8 percent of the building’s total taxable value. The property currently produces \$231,085 in ad valorem tax revenue for the City of Miami Beach.

### C. Construction Value

Following the acquisition, the Property Appraiser will reset the property’s value based on the acquisition cost, estimated to be \$130 million. Following completion of construction and receipt of a C.O., the property value will reset again on the following January 1<sup>st</sup>. For this assessment, the following timeline applies:

| <b>Milestone</b>               | <b>Reset Date</b> | <b>Fiscal Year</b> |
|--------------------------------|-------------------|--------------------|
| Acquisition                    | 1/1/2025          | 2025               |
| Pre-Construction               | 1/1/2025          | 2025               |
| Construction Start             | 1/1/2026          | 2026               |
| Under Construction             | 1/1/2027          | 2027               |
| Under Construction             | 1/1/2028          | 2028               |
| Under Construction             | 1/1/2029          | 2029               |
| Construction Finish/TCO        | 1/1/2030          | 2030               |
| Unit Closings                  | 1/1/2031          | 2031               |
| Unit Ownership & Resales begin | 1/1/2032          | 2032               |

Source: BusinessFlare Economic Development Solutions.

Based on this timeline, Table 13 on the next page highlights the estimates of taxable value through the receipt of the C.O. The property’s value will reset on January 1, 2025, following

the acquisition in 2024, with an additional reset based on the construction value occurring on January 1, 2030, following receipt of the C.O. in 2029.

**Table 13. Taxable Value Projections / Construction Phase**

| Milestone               | Fiscal Year | Market Value  | Assessed Value | Non-HEX       | HEX         | Taxable Value |
|-------------------------|-------------|---------------|----------------|---------------|-------------|---------------|
|                         | 2024        | \$47,131,508  | \$41,021,213   | \$37,602,566  | \$1,884,258 | \$39,486,824  |
| Acquisition             | 2025        | \$130,000,000 | \$110,500,000  | \$110,500,000 |             | \$110,500,000 |
| Pre-Construction        | 2025        | \$135,850,000 | \$115,472,500  | \$115,472,500 | -           | \$115,472,500 |
| Construction Start      | 2026        | \$141,963,250 | \$120,668,763  | \$120,668,763 | -           | \$120,668,763 |
| Under Construction      | 2027        | \$148,351,596 | \$126,098,857  | \$126,098,857 | -           | \$126,098,857 |
| Under Construction      | 2028        | \$155,027,418 | \$131,773,305  | \$131,773,305 | -           | \$131,773,305 |
| Under Construction      | 2029        | \$162,003,652 | \$137,703,104  | \$137,703,104 | -           | \$137,703,104 |
| Construction Finish/TCO | 2030        | \$352,527,819 | \$299,648,646  | \$299,648,646 | -           | \$299,648,646 |

Source: BusinessFlare Economic Development Solutions.

Following receipt of the C.O., we estimate that the property's new taxable value will be \$299.6 million, compared to the current taxable value of \$39.5 million. The project's construction alone represents a significant increase in the property's taxable value and ad valorem tax receipts to Miami Beach.

#### **D. Sales Value**

Following receipt of the C.O., the developer will begin closings with the buyers of the condominium units. When a condominium unit is sold, the Property Appraiser will reset the property's value the following January 1<sup>st</sup>. Additionally, any buyers who plan to live in the unit permanently will apply for the Homestead Exemption by March of that year. For this assessment, it is assumed that 15 percent of the units will have homestead exemptions. Following a review of other buildings, such as this one which has a 13 percent exemption ratio, Murano and Murano Grande, which have exemptions on 20 percent of the units, and the nearby Waverly, with 31 percent, it is estimated that exemptions in this building are likely to be in the 15 percent range, based on the product, the unit mix, and the high price, which will lend itself to ownership as second and third homes and fewer homestead exemptions, similar to what is observed in other high-end buildings. Regardless of the number of exemptions the property ultimately has, the initial pricing of the units and the resale of units over time will drive significant new ad valorem tax receipts based on the new taxable values.

Table 14 below illustrates the new estimated taxable value after closings (2031), as well as the first year (2032) that resales and homestead exemptions will begin applying to the property:

**Table 14. Taxable Value Projections / With Unit Closings**

| Milestone                 | Fiscal Year | Market Value    | Assessed Value | Non-HEX       | HEX*          | Taxable Value |
|---------------------------|-------------|-----------------|----------------|---------------|---------------|---------------|
|                           | 2024        | \$47,131,508    | \$41,021,213   | \$37,602,566  | \$1,884,258   | \$39,486,824  |
| Acquisition               | 2025        | \$130,000,000   | \$110,500,000  | \$110,500,000 | -             | \$110,500,000 |
| Pre-Construction          | 2025        | \$135,850,000   | \$115,472,500  | \$115,472,500 | -             | \$115,472,500 |
| Construction Start        | 2026        | \$141,963,250   | \$120,668,763  | \$120,668,763 | -             | \$120,668,763 |
| Construction              | 2027        | \$148,351,596   | \$126,098,857  | \$126,098,857 | -             | \$126,098,857 |
| Construction              | 2028        | \$155,027,418   | \$131,773,305  | \$131,773,305 | -             | \$131,773,305 |
| Construction              | 2029        | \$162,003,652   | \$137,703,104  | \$137,703,104 | -             | \$137,703,104 |
| Construction Finish/TCO   | 2030        | \$352,527,819   | \$299,648,646  | \$299,648,646 | -             | \$299,648,646 |
| Unit Closings             | 2031        | \$970,060,000   | \$824,551,000  | \$824,551,000 | -             | \$824,551,000 |
| Ownership & Resales begin | 2032        | \$1,013,712,700 | \$861,655,795  | \$732,407,426 | \$127,393,130 | \$859,800,555 |

\* Homestead exemption will no longer exist on the property following its acquisition and redevelopment, and will begin again to be applied for following the closings of the new units in 2032.

Source: BusinessFlare Economic Development Solutions.

### **E. Ad Valorem Tax Revenue**

During the first 10 years, the project located at 1250 West Avenue may generate up to \$24 million in net new ad valorem taxes to the City of Miami Beach. As units are resold in the marketplace, the project should generate over \$102 million for the City in the first 20 years and almost \$218 million over 30 years.

Additionally, over the next 30 years, the project can generate over \$175 million for Miami-Dade County, \$250 million for Miami-Dade Schools, and almost \$20 million for the Children’s Trust.

Table 15 on the following page illustrates the potential ad valorem tax receipts to the City of Miami Beach, Miami-Dade County, the School District and the Children’s Trust.

**The Comprehensive Economic and Tax Revenue Impacts for the Development of the Proposed Residential Tower in the City of Miami of Miami Beach**

**Table 15. Projections of Taxable Value and Ad Valorem Tax Revenue**

| Fiscal Year    | Taxable Value   | City Ad Valorem      | Net New City Ad Valorem | County Tax           | Schools Tax          | Children's Tax      |
|----------------|-----------------|----------------------|-------------------------|----------------------|----------------------|---------------------|
| 2024           | \$39,486,824    | \$231,085            | -                       | \$180,613            | \$255,401            | \$19,743            |
| 2025           | \$110,500,000   | \$646,668            | \$415,583               | \$505,427            | \$714,714            | \$55,250            |
| 2025           | \$115,472,500   | \$675,768            | \$444,683               | \$528,171            | \$746,876            | \$57,736            |
| 2026           | \$120,668,763   | \$706,178            | \$475,093               | \$551,939            | \$780,486            | \$60,334            |
| 2027           | \$126,098,857   | \$737,956            | \$506,871               | \$576,776            | \$815,607            | \$63,049            |
| 2028           | \$131,773,305   | \$771,164            | \$540,079               | \$602,731            | \$852,310            | \$65,887            |
| 2029           | \$137,703,104   | \$805,866            | \$574,781               | \$629,854            | \$890,664            | \$68,852            |
| 2030           | \$299,648,646   | \$1,753,604          | \$1,522,519             | \$1,370,593          | \$1,938,127          | \$149,824           |
| 2031           | \$824,551,000   | \$4,825,437          | \$4,594,353             | \$3,771,496          | \$5,333,196          | \$412,276           |
| 2032           | \$859,800,555   | \$5,031,725          | \$4,800,640             | \$3,932,728          | \$5,561,190          | \$429,900           |
| 2033           | \$899,656,794   | \$5,264,971          | \$5,033,887             | \$4,115,030          | \$5,818,980          | \$449,828           |
| 2034           | \$941,400,582   | \$5,509,264          | \$5,278,180             | \$4,305,966          | \$6,088,979          | \$470,700           |
| 2035           | \$985,122,585   | \$5,765,134          | \$5,534,050             | \$4,505,951          | \$6,371,773          | \$492,561           |
| 2036           | \$1,030,917,862 | \$6,033,138          | \$5,802,053             | \$4,715,418          | \$6,667,977          | \$515,459           |
| 2037           | \$1,078,886,085 | \$6,313,857          | \$6,082,772             | \$4,934,825          | \$6,978,235          | \$539,443           |
| 2038           | \$1,129,131,756 | \$6,607,905          | \$6,376,820             | \$5,164,649          | \$7,303,224          | \$564,566           |
| 2039           | \$1,181,764,449 | \$6,915,922          | \$6,684,837             | \$5,405,391          | \$7,643,652          | \$590,882           |
| 2040           | \$1,236,899,052 | \$7,238,581          | \$7,007,496             | \$5,657,576          | \$8,000,263          | \$618,450           |
| 2041           | \$1,294,656,031 | \$7,576,586          | \$7,345,501             | \$5,921,757          | \$8,373,835          | \$647,328           |
| 2042           | \$1,355,161,701 | \$7,930,677          | \$7,699,593             | \$6,198,510          | \$8,765,186          | \$677,581           |
| 2043           | \$1,418,548,507 | \$8,301,630          | \$8,070,545             | \$6,488,441          | \$9,175,172          | \$709,274           |
| 2044           | \$1,484,955,329 | \$8,690,256          | \$8,459,171             | \$6,792,186          | \$9,604,691          | \$742,478           |
| 2045           | \$1,554,527,794 | \$9,097,408          | \$8,866,323             | \$7,110,410          | \$10,054,686         | \$777,264           |
| 2046           | \$1,627,418,604 | \$9,523,979          | \$9,292,894             | \$7,443,813          | \$10,526,144         | \$813,709           |
| 2047           | \$1,703,787,884 | \$9,970,907          | \$9,739,823             | \$7,793,126          | \$11,020,100         | \$851,894           |
| 2048           | \$1,783,803,540 | \$10,439,175         | \$10,208,090            | \$8,159,117          | \$11,537,641         | \$891,902           |
| 2049           | \$1,867,641,646 | \$10,929,812         | \$10,698,728            | \$8,542,593          | \$12,079,906         | \$933,821           |
| 2050           | \$1,955,486,835 | \$11,443,900         | \$11,212,815            | \$8,944,397          | \$12,648,089         | \$977,743           |
| 2051           | \$2,047,532,724 | \$11,982,571         | \$11,751,486            | \$9,365,415          | \$13,243,442         | \$1,023,766         |
| 2052           | \$2,143,982,350 | \$12,547,014         | \$12,315,929            | \$9,806,575          | \$13,867,278         | \$1,071,991         |
| 2053           | \$2,245,048,627 | \$13,138,474         | \$12,907,389            | \$10,268,852         | \$14,520,975         | \$1,122,524         |
| 2054           | \$2,350,954,835 | \$13,758,258         | \$13,527,173            | \$10,753,267         | \$15,205,976         | \$1,175,477         |
| 2055           | \$2,461,935,124 | \$14,407,737         | \$14,176,652            | \$11,260,891         | \$15,923,796         | \$1,230,968         |
| <b>10-Year</b> |                 | <b>\$26,728,602</b>  | <b>\$24,186,669</b>     | <b>\$20,890,712</b>  | <b>\$29,541,129</b>  | <b>\$2,283,637</b>  |
| <b>20-Year</b> |                 | <b>\$107,430,779</b> | <b>\$102,115,829</b>    | <b>\$83,966,437</b>  | <b>\$118,735,224</b> | <b>\$9,178,666</b>  |
| <b>30-Year</b> |                 | <b>\$225,572,606</b> | <b>\$217,946,808</b>    | <b>\$176,304,484</b> | <b>\$249,308,570</b> | <b>\$19,272,462</b> |

Source: BusinessFlare Economic Development Solutions.

Table 16 below present an assessment of the potential ad valorem tax revenue to the City of Miami Beach was also prepared utilizing discount rates of 3.5 percent and 5.0 percent respectively.

**Table 16. Net Present Value of New City Ad Valorem Tax Revenue**

|                |              |                      |
|----------------|--------------|----------------------|
| <b>10-Year</b> | <b>Gross</b> | <b>\$24,186,669</b>  |
| 3.5%           | NPV          | \$ 21,663,473        |
| 5.0%           | NPV          | \$19,022,796         |
| <b>20-Year</b> | <b>Gross</b> | <b>\$102,115,829</b> |
| 3.5%           | NPV          | \$60,979,876         |
| 5.0%           | NPV          | \$49,567,277         |
| <b>30-Year</b> | <b>Gross</b> | <b>\$217,946,808</b> |
| 3.5%           | NPV          | \$105,577,178        |
| 5.0%           | NPV          | \$79,571,870         |

Source: BusinessFlare Economic Development Solutions.

#### **F. Conclusion**

The 1250 West Avenue project represents a significant investment in new waterfront residential development in the City of Miami Beach, which will result in new tax revenue to the City of Miami Beach and other taxing jurisdictions such as Miami-Dade County Public Schools and the Children’s Trust. This project is expected to generate over \$200 million in new tax revenue for the City of Miami Beach during the next 30 years and will continue to produce revenue for the City beyond the initial timeframe of this assessment.

**Appendix I:  
IMPLAN Methodology**

### IMPLAN Model

The multiplier impacts calculated by the IMPLAN model are based on input-output methodology, which explicitly considers the inter-industry linkages that exist within an economy. Each industry needs labor and inputs from other industries in order to produce economic output. Whenever an industry experiences an increase in the demand for its output, many other industries within that economy indirectly experience an increase in demand as well because of these inter-industry linkages. This increase in demand that results from the need for material inputs is called the *indirect effects*. In addition, an increase in production within a region also leads to an increase in household income through the hiring of workers, which in turn generates further demands for goods and services within the region. Firms also need to expand their base of physical capital to meet higher levels of demand, and this too stimulates regional economic growth. The latter effects are referred to as *induced effects*. The inter-industry linkages and the induced effects on consumer and capital spending lead to successive rounds of production, and this process results in an increase in output that exceeds the initial change in demand, or a *multiplier effect*. Similarly, the increase in household income will exceed the initial payroll increase encountered in the industry that experienced the original increase in demand. The total change in employment in the regional economy is a multiple of the direct change in employment.

The following represents the system of equations that comprise the regional economy in an extended input-output model like IMPLAN:

$$\begin{aligned}
 x_1 &= a_{11}x_1 + a_{12}x_2 + a_{13}x_3 + \dots + a_{1k}x_k + a_{1h}x_h + a_{1i}x_i + f_1 \\
 x_2 &= a_{21}x_1 + a_{22}x_2 + a_{23}x_3 + \dots + a_{2k}x_k + a_{2h}x_h + a_{2i}x_i + f_2 \\
 x_3 &= a_{31}x_1 + a_{32}x_2 + a_{33}x_3 + \dots + a_{3k}x_k + a_{3h}x_h + a_{3i}x_i + f_3 \\
 &\vdots \\
 x_k &= a_{k1}x_1 + a_{k2}x_2 + a_{k3}x_3 + \dots + a_{kk}x_k + a_{kh}x_h + a_{ki}x_i + f_k \\
 x_h &= a_{h1}x_1 + a_{h2}x_2 + a_{h3}x_h + \dots + a_{hk}x_k + a_{hh}x_h + a_{hi}x_i + f_h \\
 x_i &= a_{i1}x_1 + a_{i2}x_2 + a_{i3}x_h + \dots + a_{ik}x_k + a_{ih}x_h + a_{ii}x_i + f_i
 \end{aligned}$$

The variables  $x_1$  to  $x_k$  represent total production of output in each industry. The coefficients  $a_{ij}$  represent the purchases from industry “i” that are needed to produce a dollar of output in industry “j”. These are known as the *direct requirement* coefficients. The variable  $x_h$  refers

to household income and the coefficients  $a_{ih}$  refer to the average amount of household income spent on purchases from industry “i”, or the *average propensities to consume*. The coefficients  $a_{hi}$  are similar to the inter-industry purchases ( $a_{ij}$ ’s), but they represent the household income that is generated from each dollar of output produced in industry “i”. Similarly the variable  $x_i$  represents regional spending on capital goods, and the coefficients  $a_{ij}$  represents the spending on capital goods for each dollar of output produced in industry “j”. The coefficients  $a_{ji}$  represent the amount purchased from industry “j” for each dollar spent on capital goods within the region. The variables  $f_j$  represent the exogenous final demand faced by each industry, respectively.

This system of equation reduces, using matrix notation, to the following solution for industry output and household income:

$$X = (I - A)^{-1} F$$

X is the vector of industry outputs plus household income, and F is a vector of exogenous final demands. The “output multipliers” (i.e., the change in industry output and household income that results from a change in final demand for the output of a particular industry) are given in the columns of the  $(I-A)^{-1}$  matrix. The IMPLAN software calculates these multipliers for counties, states and other sub-state regions. These multipliers can be used to provide a sense of the economic importance of an industry or an economic activity in a given region. The multipliers impacts for gross state product, labor and capital income and the government revenue impacts are derived from the basic output multipliers given by  $(I-A)^{-1}$ .

The IMPLAN model uses historical relationships between public-sector revenues and regional economic output in order to estimate the public-sector revenue impact resulting from the establishment of a new, or expansion of an existing economic activity.

## **Appendix II: Economic Glossary**

### Definitions of Economic Terms Used in the Analysis

|   |  |
|---|--|
| <b>Employment (Jobs)</b>                        | Total of full-time or part-time jobs.  |
| <b>Household (Labor) Income</b>                 | All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income.  |
| <b>Gross Domestic Product (GDP)/Value Added</b> | The increased value of a product as a result of the economic inputs (labor and capital) expended at a given stage. In the IMPLAN Model, GDP is the sum of: Employee Compensation, Proprietor Income, Other Property Type Income (Interest) and Indirect Business Taxes.  |
| <b>Economic Impact (Output)</b>                 | Total value of all transactions attributed to an activity.   |
| <b>Direct Effects</b>                           | The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes. |
| <b>Indirect Effects</b>                         | The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.   |
| <b>Induced Effects</b>                          | The response by an economy to an initial change ( <i>direct</i> effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is re-circulated through the household spending patterns causing further local economic activity.  |

**Appendix III:  
The Washington Economics Group, Inc.  
Project Team and Qualifications**



**J. Antonio Villamil**  
Founder and Senior Advisor

Tony Villamil is a nationally recognized economist, with over thirty-five years of a successful career as a business economist, university educator, corporate Board Director and high-level policymaker for both federal and state governments. Tony was selected in 2008 as the founding Dean of the School of Business of St. Thomas University, serving successfully until the end of 2013 at which time he resigned to return as senior advisor to the growing economic consulting practice that he founded, The Washington Economics Group, Inc. (WEG), a Florida-based firm established in 1993 upon returning to the State from his public service in Washington, D.C.

Tony is the immediate past Chairman of the Governor's Council of Economic Advisors of Florida, and during 1999-2000, he was selected by Governor Jeb Bush as his first Director for Tourism, Trade and Economic Development. Previously, he was appointed by President George H. W. Bush as U.S. Undersecretary of Commerce for Economic Affairs, receiving unanimous U.S. Senate confirmation. Presently he is active on Corporate Board of Directors, including Pan American Life Insurance Group (PALIG) and Spanish Broadcasting System (SBS). At PALIG he serves as Chair of the Governance and Nominating Committee of the Board. Tony is currently Chair of the Board Compensation Committee at SBS. He also served in multiple bank boards for over 20 years.

Among civic and professional leadership positions, he is currently a member of the Board of Directors of the Miami-Dade Beacon Council, the official economic development organization of the County. He is also on the Board of Directors of the Greater Miami Chamber of Commerce. He serves as Senior Fellow of the James Madison Institute (JMI) of Tallahassee, Florida.

He earned Bachelor and Master Degrees in Economics from Louisiana State University (LSU), where he also completed coursework for the Ph.D. Degree. In 1991, Florida International University (FIU) awarded Tony a Doctoral Degree in Economics (hc), for "distinguished contributions to the Nation in the field of economics." He frequently speaks to business, government and university audiences on the Florida economy, U.S. trade policy and economic development issues..



**KEVIN S. CROWDER, CECD, EDP**

Founder, BusinessFlare® and Co-Founder of Street Economics™

Kevin S. Crowder is the founder of BusinessFlare® and co-founder of Street Economics™, and is an IEDC Certified Economic Developer and an IEDC Certified Entrepreneurship Development Professional. Mr. Crowder has almost 30 years' experience planning and implementing economic development, including 15 years as the Director of Economic Development and Government Affairs for the City of Miami Beach and the Miami Beach Redevelopment Agency working out of the City Manager's office. Kevin is a veteran of the U.S. Army, where he served in intelligence.

One of his career highlights is his time working for the City of Miami Beach and the Miami Beach Redevelopment Agency as the Director of Economic Development and Government Affairs, leading the City's economic development program and multi-jurisdictional lobbying efforts. He began his economic development career in 1994 with the South Beach Business Improvement Districts and the South Beach Marketing Council.

Since leaving the City of Miami Beach and establishing the BusinessFlare® brand in January 2013, Mr. Crowder has used the BusinessFlare® approach to help more than 60 communities improve their economic condition ranging in size from 1,500 to over 600,000, and last year he performed economic and fiscal analysis on projects representing more than \$5 billion in private sector investment. He has further co-founded Street Economics™, an interactive economic platform for municipalities that provides actionable insights on the implementation of economic development. He is also the President of the BusinessFlare® Academy, a 501c3 not-for-profit dedicated to economic development education for local elected officials, and the co-founder of Goodnight's Red River Spice Company, a venture that celebrates American culture through food and flavor with a focus on healthy lifestyles. He has is currently integrating artificial intelligence into both his economic development and healthy lifestyle ventures.



**Ivan Noltenius**  
Economic Analyst

Ivan Noltenius is an Economic Analyst at The Washington Economics Group (WEG). Ivan conducts data acquisition and economic analysis for the multifaceted projects of the firm. Ivan has over five years of experience in financial data analysis as well as accounting.

Prior to working at WEG, Ivan was a hedge fund accountant at Kaufman Rossin (now ALPS), and also worked in operations and managed company financial records at tech startup company 71 Pounds.

Ivan received his Bachelors of Arts degree in Economics with a minor in Mathematics from the University of Memphis. Ivan is a resident of Kendall, Florida.



**Haydee M. Carrion**  
Senior and Project Research Assistant

Haydee M. Carrion has been Executive Assistant to Dr. Villamil since the firm's founding in 1993. She has senior level expertise in multi-media presentations and in the preparation and design of complex reports and documents for clients, utilizing the latest technologies.

In 2012, WEG promoted her to Senior and Project Research Assistant to the firm, given outstanding performance in web-based research and in assistance to the firm's Principal in the preparation of audio-visual presentations for clients and in desktop publishing. Ms. Carrion is fluent in Spanish, with experience in the preparation of economics and business documents in the language.

Ms. Carrion has been with WEG for 30 years. Ms. Carrion holds degrees in Business Administration and Office System Technologies from Miami-Dade College.

**The Washington Economics Group®** has been successfully meeting client objectives since 1993 through economic consulting services for corporations, institutions and governments of the Americas. We have the expertise, high-level contacts, and business alliances to strengthen your competitive positioning in the growing marketplaces of Florida, Latin America and the Caribbean.

Our roster of satisfied clients, over the past 28 years, includes corporations, financial institutions, public entities, and non-profit associations expanding their operations in the Americas.

### **Exclusive Consulting Approach:**

Each client is unique to us. We spend considerable time and effort in understanding the operations, goals, and objectives of clients as they seek our consulting and strategic advice. We are not a mass-production consulting entity nor do we accept every project that comes to us. We engage a limited number of clients each year that require customized consulting services in our premier areas of specialization. These premier and exclusive services are headed by Founder and Senior Advisor J. Antonio (Tony) Villamil. Tony is a former U.S. Under Secretary of Commerce with over thirty-five years of experience as a business executive and as a senior public official of the U.S. and most recently of Florida.

### **Premier Consulting Services:**

*Economic Impact Studies* highlight the importance of a client's activities in the generation of income, output and employment in the market area serviced by the entity. These studies are also utilized to analyze the impact of public policies on key factors that may affect a client's activities such as tax changes, zoning, environmental permits and others.

*Strategic Business Development Services* are customized to meet client objectives. Recent consulting assignments include customized marketing strategies, country risk assessments for investment decisions and corporate spokesperson activities and speeches on behalf of the client at public or private meetings.

*Economic Development Strategies.* The firm supports cities, counties and states in developing targeted economic development plans and strategies to attract, retain and expand high-wage industries. Each plan is based on the factor endowments of the area, and in close coordination with public officials in charge of economic development.

**For a full description of WEG capabilities and services,  
please visit our website at:**

[www.weg.com](http://www.weg.com)

The Washington Economics Group (WEG)  
Representative Client List 1993-2024

Multinational Corporations

|  |                              |
|--|------------------------------|
| ALSTOM                                   | Lucent Technologies          |
| Ameritech International                  | MasterCard International     |
| Bureau Veritas (BIVAC)                   | MediaOne/AT&T                |
| Carrier                                  | Medtronic                    |
| Carnival Corp.                           | Merck Latin America          |
| Esso Inter-America                       | Microsoft Latin America      |
| FedEx Latin America                      | Motorola                     |
| Genting Group                            | PricewaterhouseCoopers (PWC) |
| Hyatt                                    | Phelps Dodge                 |
| IBM                                      | SBC Communications           |
| Joseph E. Seagram & Sons, Inc. (Vivendi) | Telefonica Data Systems      |
| KPMG                                     | Visa International           |
| Lockheed Martin                          |                              |

Construction and Real Estate Development Firms

|                                |                                      |
|--------------------------------|--------------------------------------|
| Areas USA, Inc.                | Inland Port Systems, LLC             |
| Barron Collier Companies       | Landstar Development                 |
| Berkowitz Development Group    | LXR Luxury Resorts                   |
| Boca Developers                | Miami Asset Management Company, Inc. |
| CDS International              | Miapolis, LLC                        |
| Century Homebuilders           | Odebrecht Construction, Inc.         |
| Codina Realty                  | Palazzo Las Olas Group, LLC          |
| 600 Hallandale Partners, LLC   | Tate Capital                         |
| Chateau Group                  | The Allen Morris Company             |
| Empire World Towers, LLC       | The Related Group, Inc.              |
| ESJ Capital Partners           | The Rouse Company                    |
| Ferro Investment Group, LLC    | The St. Joe Company                  |
| Flagler Development            | Trammel Crow Company                 |
| Florida East Coast Realty Inc. | WCI Development Companies            |
| Florida Realtors               |                                      |

Engineering, Planning and Design Firms

|                                     |   |
|-------------------------------------|---|
| AECOM (DMJM Harris)                 | Kimley-Horn and Associates                |
| Atkins (PBSJ)                       | Parsons Brincherhoff                      |
| CDM Smith (Wilbur Smith Associates) | Redevelopment Management Associates (RMA) |
| Golder Associates                   | Business Flare                            |
| HNTB                                |   |

Colleges and Universities

|  |  |
|--|--|
| Alabama State University                     | Palm Beach Medical Education Corporation                 |
| Barry University                             | Rocky Mountain College of Art and Design                 |
| Eckerd College                               | San Ignacio College                                      |
| Embry-Riddle Aeronautical University         | Sistema Universitario Ana G. Méndez                      |
| Florida Agricultural & Mechanical University | St. Thomas University                                    |
| Florida International University             | University of Central Florida                            |
| Full Sail University                         | Universidad Politécnica de Puerto Rico                   |
| Keiser University                            | University of Florida                                    |
| Los Angeles Film School                      | University of Miami                                      |
| Miami-Dade College                           | UM's Rosenstiel School of Marine and Atmospheric Science |
| New Hampton School                           | University of South Florida/ENLACE                       |
| Northeastern University (NEU)                | University of South Florida                              |

Law Firms

|                     |                        |
|---------------------|------------------------|
| Becker & Poliakoff  | Gloria Roa Bodin, Esq. |
| Bilzin Sumberg      | Greenberg Traurig, LLP |
| Carlton Fields      | Holland & Knight, LLP  |
| Colson Hicks Eidson | Steel Hector & Davis   |
| DLA Piper           | Tew Cardenas, LLP      |
| Dunbar & Dunbar     |                        |

Financial Institutions

|                                      |   |
|--------------------------------------|---|
| ABN-AMRO Bank                        | Fiduciary Trust International                   |
| Advantage Capital                    | First Union National Bank (Wells Fargo)         |
| AMERANT (former Mercantil Bank N.A.) | Hemisphere National Bank                        |
| Allen & Company                      | HSBC/Marine Midland                             |
| BNP Paribas                          | International Bank of Miami (First United Bank) |
| BAC Florida                          | Lazard Freres & Co.                             |
| Bank Atlantic Corp.                  | Pan American Life Insurance Group (PALIG)       |
| BankUnited, FSB                      | PointeBank, N.A.                                |
| Barclays Bank                        | Seitlin Insurance                               |
| Century Bank                         | Sun Trust Corporation                           |
| ESJ Capital Partners                 | The Equitable/AXA Advisors                      |
| Espirito Santo Bank                  | TD Bank, N.A.                                   |
| FBA                                  | Union Planters Bank of Florida (Regions)        |
| FIBA                                 |   |

**The Comprehensive Economic and Tax Revenue Impacts for the Development of the Proposed Residential Tower in the City of Miami of Miami Beach**

**Florida-Based Companies**

|  |  |
|--|--|
| AmericanAirlines Arena                     | Iberia Tiles                             |
| Atlantic Sapphire                          | International Speedway Corporation (ISC) |
| BMI Companies                              | Jungle Island                            |
| Brightline (former All Aboard Florida)     | Lake Nona                                |
| Communikatz                                | Mercy Hospital                           |
| CoreMessages                               | Miami Dolphins                           |
| Daytona International Speedway             | Nopetro LLC                              |
| Dosal Tobacco                              | Palm Beach Premier                       |
| Drivers Club Miami                         | Resorts World Miami (RWM)                |
| eMerge Americas                            | Ron Sachs Communications                 |
| Farm Stores                                | Rolling Loud                             |
| Fishkind & Associates                      | Synapse Florida                          |
| Florida Hospital                           | Sprint of Florida                        |
| Florida Marlins                            | The Biltmore Hotel                       |
| Florida Power & Light                      | The Heat Group                           |
| Flo-Sun Sugar Corp.                        | Ultimate Software                        |
| Greater Miami Convention & Visitors Bureau | Ultra-Music Festival                     |
| Greater Ft. Lauderdale Alliance            | VICTUS                                   |
| Homestead-Miami Speedway                   |  |

**Non-Florida-Based Institutions**

|                                      |   |
|--------------------------------------|---|
| Darlington Raceway                   | Richmond International Raceway          |
| Georgia Retail Federation            | RoadAmerica                             |
| Illinois Retail Merchant Association | Talladega Superspeedway                 |
| Indiana Retail Council               | The Seed Foundation                     |
| Kansas Speedway                      | United States Tennis Association (USTA) |
| Martinsville Speedway                | Virginia International Raceway          |
| New Jersey Motorsports Park (NJMP)   | Washington Retail Association           |
| Progress Energy                      | Watkins Glen International              |

**Public Institutions and Non-Profit Organizations**

|   |   |
|---|---|
| Baptist Health South Florida                                  | Independent Colleges and Universities of Florida (ICUF) |
| BayCare Health System   | Indian River County Chamber of Commerce                 |
| Broward County Public Schools                                 | Inter-American Development Bank                         |
| Career Source North Central Florida                           | Jackson Health Systems                                  |
| Chapman Partnership   | Jacksonville Chamber of Commerce                        |
| Citizens of Clean Energy                                      | Jewish Community Services                               |
| City of Boca Raton  | Lakeland Regional                                       |
| City of Coral Gables  | Louisiana Committee for Economic Development            |
| City of Doral   | Miami Marine Stadium                                    |
| City of Plantation  | Miami Museum of Science                                 |
| City of West Palm Beach                                       | Miami-Dade County Public Schools                        |
| Conservatives of Clean Energy                                 | Miami-Dade Expressway Authority                         |
| Economic Development Commission of Collier County             | Miami Downtown Development Authority                    |
| Economic Development Commission of Lee County                 | Nicklaus Children's Health System                       |
| Economic Development Commission of Mid-Florida                | Palm Beach International Agricultural Summit            |
| Enterprise Florida, Inc.                                      | Port of Miami   |
| Farm Share, Inc.  | SEIU Florida  |
| Florida Bankers Association                                   | South Florida Progress Foundation                       |
| Florida Citrus Mutual   | Space Florida   |
| Florida Chamber of Commerce                                   | St. Mary's Medical Center                               |
| Florida International Bankers Association                     | State of Florida  |
| Florida Institute for Commercialization of Florida Technology | SW Florida Regional Chamber of Commerce                 |
| Florida League of Cities                                      | Sylvester Comprehensive Cancer Center                   |
| Florida Nursing Homes Alliance                                | Tampa-Hillsborough Expressway Authority                 |
| Florida Outdoor Advertising Association                       | Tampa General   |
| Florida Ports Council   | The Beacon Council                                      |
| Florida Retail Association                                    | The Florida Bar   |
| Florida Sports Foundation                                     | The Florida Chamber Foundation                          |
| Florida Venture Forum   | The Florida Coalition for Capital                       |
| Friends of Miami Marine Stadium                               | United Nations Economic Development Program             |
| Tampa Bay Chamber (former Greater Tampa Chamber of Commerce)  | United Teachers of Dade                                 |
| Greater Tallahassee Chamber of Commerce                       | Visit Florida   |
|   | Zoological Society of Florida                           |

**Latin America-Based Institutions**

|   |  |
|---|--|
| Allied-Domecq, Mexico   | Fonalledas Enterprises, Puerto Rico                |
| Association of Peruvian Banks                                 | <i>Mercantil Servicios Financieros</i> , Venezuela |
| Estudios Técnicos   | Peruvian Management Institute (IPAE)               |
| Federation of Inter-American Financial Institutions (FIBAFIN) | The Brunetta Group of Argentina                    |