



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Rickelle Williams, Interim City Manager

DATE: July 24, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, RENEWING, PURSUANT TO CHAPTER 170, FLORIDA STATUTES, AND SUBJECT TO THE APPROVAL OF A MAJORITY OF THE AFFECTED PROPERTY OWNERS, THE SPECIAL ASSESSMENT DISTRICT KNOWN AS THE LINCOLN ROAD BUSINESS IMPROVEMENT DISTRICT, WHICH IS SET TO EXPIRE IN 2025, FOR AN ADDITIONAL TERM OF TEN (10) YEARS, TO STABILIZE AND IMPROVE THE LINCOLN ROAD RETAIL BUSINESS DISTRICT, WHICH IS LOCATED WITHIN A NATIONALLY RECOGNIZED HISTORIC DISTRICT, THROUGH PROMOTION, MANAGEMENT, MARKETING, AND OTHER SIMILAR SERVICES (THE "SERVICES"); PROVIDING FOR THE LEVY AND COLLECTION OF SPECIAL ASSESSMENTS IN THE AMOUNT OF \$1,570,117 IN THE FIRST YEAR, WHICH SHALL INCREASE BY THREE (3%) PERCENT EVERY YEAR; INDICATING THE LOCATION, NATURE, AND ESTIMATED COST OF THE SERVICES, WHOSE COSTS ARE TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING THE LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR PUBLICATION OF THIS RESOLUTION, IN ACCORDANCE WITH SECTION 170.05, FLORIDA STATUTES; AUTHORIZING THE CITY ADMINISTRATION TO CAUSE TO BE MADE A PRELIMINARY ASSESSMENT ROLL, IN ACCORDANCE WITH SECTION 170.02 AND 170.06, FLORIDA STATUTES; AND UPON COMPLETION OF SUCH PRELIMINARY ASSESSMENT ROLL, PROVIDING THAT SUCH ASSESSMENT ROLL SHALL BE ON FILE WITH THE OFFICE OF THE CITY CLERK AND OPEN TO THE INSPECTION OF THE PUBLIC.

RECOMMENDATION

Adopt the Resolution, which is sponsored by Mayor Steven Meiner, and co-sponsored by Vice Mayor Laura Dominguez, Commissioner Kristen Rosen Gonzalez, Commissioner Alex Fernandez, and Commissioner Joseph Magazine.

The Resolution would renew the Lincoln Road Business Improvement District, Inc ("Lincoln Road BID" or the "District") for an additional 10-year term, in accordance with the accompanying exhibits, subject to a special election of affected property owners.

BACKGROUND/HISTORY

On April 15, 2015, the Mayor and City Commission (City Commission) adopted Resolution No. 2015-28992, which created a special assessment district to be known as the Lincoln Road Business Improvement District for a period of ten (10) years, to stabilize and improve the Lincoln Road retail business district, which is located within a nationally recognized historic district, through promotion, management, marketing, and other similar services.

The District is bounded on the west by Alton Road; on the east by Washington Avenue; on the north by 17th Street; and on the south by Lincoln Lane South; provided, however, that the following properties are excluded and exempted from the District: (i) residential properties; (ii) properties owned or occupied by a religious institution and used as a place of worship or education (as defined in Section 170.201(2), Florida Statutes); and (iii) common areas owned by condominium associations.

As approved in 2015, the District contained 76 tax folios: 58 properties with property lines abutting Lincoln Road and 18 properties, located in close proximity on adjacent cross streets (Lenox, Michigan, Jefferson, Meridian, and Drexel Avenues), that do not share property lines abutting Lincoln Road.

On May 20, 2015, the City Commission adopted Resolution No. 2015-29026, which called for a special mail ballot election (the "2015 Election") that the City conducted from June 29, 2015 to July 24, 2015, to determine whether a majority (50% plus one) of the affected property owners approved the creation of the District. Fifty-seven (57) ballots were cast in favor of the creation of the District, three (3) ballots were cast in opposition to the creation of the District, four (4) ballots were rejected as improperly cast, and twelve (12) ballots were not returned.

On July 31, 2015, the City Commission approved Resolution No. 2015-29098, adopting the Official Election Certification of the Canvassing Board for the 2015 Election, and setting a public hearing on September 30, 2015, for the owners of the property to be assessed or any other interested persons to appear before the City Commission and be heard as to the propriety and advisability of making such improvements, as to the cost thereof, as to the manner of payment therefor, and as to the amount thereof to be assessed against each property so improved.

Following the duly noticed hearing on September 30, 2015, the City Commission voted to levy the special assessments. Thereafter, pursuant to Section 170.08, Florida Statutes, the City Commission met as an equalizing board to hear and consider any and all complaints as to the special assessments and to adjust and equalize the assessments on a basis of justice and right, following which the City Commission adopted Resolution No. 2015-29145, approving the final assessment roll.

On November 2, 2015, the City and the Lincoln Road Business Improvement District, Inc. entered into a Memorandum of Understanding (MOU), which set forth the obligations of the Lincoln Road BID to administer the District, as well as the rights and obligations of the City to collect the special assessments, conduct an annual review of the Lincoln Road BID's budget and activities, and audit the Lincoln Road BID. The Lincoln Road BID was formally organized and incorporated by filing Articles of Incorporation with the Secretary of State of the State of Florida on October 30, 2015, and was granted a tax exemption under Section 501(c)(6) of the Internal Revenue Code.

With the current term of the District expiring in 2025, the Lincoln Road BID seeks to renew the special assessment district for an additional 10-year term pursuant to the following procedure outlined in Chapter 170, Florida Statutes. On February 21, 2024, Resolution No. 2024-32911, attached hereto and incorporated herein as Exhibit "A", authorized the City and Lincoln Road BID to work together to renew the District in accordance with Chapter 170, Florida Statutes.

Pursuant to the request of Mayor Meiner, and co-sponsors Vice Mayor Laura Dominguez, Commissioner Kristen Rosen Gonzalez, Commissioner Alex Fernandez, and Commissioner Joseph Magazine, the attached Resolution is the initial requirement under Chapter 170, Florida Statutes, for renewing the special assessment district.

ANALYSIS

A. Proposed Renewal of the “Lincoln Road Business Improvement District”

The attached Resolution renews, subject to the approval of a majority of the affected property owners, a special assessment district, known as the “Lincoln Road Business Improvement District”, for a term of ten (10) years, to stabilize and improve the Lincoln Road retail business district, which is located within a nationally recognized historic district, through promotion, management, marketing, and other similar services.

The Resolution provides for the creation of a preliminary assessment roll; provides for the annual levy and collection of special assessments, in the amount of \$1,570,117; indicates the location, nature, and estimated cost of those services, which costs are to be defrayed by the special assessments; provides the manner in which such special assessments shall be made; provides when such special assessments shall be made; designates the lands upon which the special assessments shall be levied; provides for publication of this Resolution; and authorizes other related actions.

The material terms for the proposed District are as follows:

1. District Boundaries

The District shall be bounded on the west by Alton Road; on the east by Washington Avenue; on the north by 17th Street; and on the south by Lincoln Lane South; provided, however, that the following properties shall be excluded and exempted from the District: (1) residential properties; (2) any property owned by a City, County, State, or Federal governmental entity or school district; (3) any property owned or occupied by a religious institution and used as a place of worship or education (as defined in Section 170.201(2), Florida Statutes); and (3) common areas owned by condominium associations.

Pursuant to Section 170.04, Florida Statutes, at the time of the adoption of the attached Resolution, there shall be on file with the City Clerk an assessment plat showing the area to be assessed, which assessment plat shall be open to public inspection. A proposed assessment plat is attached as Exhibit “E” to the Resolution.

2. Term/Duration of the District

The term/duration of the renewed District is ten (10) years, identical to the District’s current term.

3. Total Annual Amount of Special Assessments to be Levied and Collected

The total amount of special assessments to be levied and collected, initially, in the first budget year shall be approximately \$1,570,117. Annually thereafter, the assessment for each property shall increase by three (3%) percent. Each year, prior to preparing an Annual Budget, the Lincoln Road BID shall be responsible for reviewing the assessment roll to verify the status and use of all properties and recommending any adjustments to the assessments based upon changes in use, where applicable. Any change must be approved in advance and in writing by the City.

4. Assessment Methodologies

To ensure a fair and equitable assessment, the following assessment methodologies (i.e., formulas), also included in Exhibit “F” to the Resolution, shall apply to properties within the special assessment district:

a. Property with Lincoln Road frontage

Properties abutting Lincoln Road shall be assessed at the rate of two dollars and twenty cents (\$2.20) per square foot of the lot size, based on the size of the ground floor only, in year 1, with three percent (3%) annual increase thereafter.

b. Property without Lincoln Road frontage

Properties that do not abut Lincoln Road shall be assessed at the rate of twenty-two cents (\$0.22) per square foot of the lot size, based on the size of the ground floor only, in year 1, with three percent (3%) annual increase thereafter.

c. Property owned or occupied by a religious institution

Property owned or occupied by a religious institution and used as a place of worship or education shall be excluded and exempted from the special assessment district. Section 170.201(2) defines "religious institution" as any church, synagogue, or other established physical place for worship at which nonprofit religious services and activities are regularly conducted and carried on. If any portion of a property owned by a religious institution is not used as a place of worship or education, that portion of the property shall not be excluded or exempted from the proposed special assessment district.

d. Property owned by a condominium association

Any common areas owned by condominium associations and located on the ground floor of a condominium shall be excluded and exempted from the proposed special assessment district. The following property addresses include common areas owned by commercial condominium associations and located on the ground floor: 401 Lincoln Road, 605 Lincoln Road, 663-667 Lincoln Road, 918-922 Lincoln Road, and 1680 Michigan Avenue. (Residential properties are not included in the District.)

e. 408 Lincoln Road and 1110 Lincoln Road

With respect to 408 Lincoln Road and 1110 Lincoln Road, the special assessment shall be calculated based only on the square footage of that portion of ground floor property lying north of Lincoln Lane South. This reflects the existing formula applied to these two properties since the start of the District's current term, as stipulated by Resolution 2015-29145, which approved the District's final assessment roll.

5. Services to be Provided

The special assessments shall be used to fund those Services described in Exhibit "B" (Year One Budget) and Exhibit "C" (Budget Narrative and Summary of Services) to the Resolution. Per the District's Budget Narrative and Summary of Services, the Year One Budget contemplates funding for:

- *marketing and advertising expenses*, to attract people to Lincoln Road to shop, dine, and attend special events and holiday activities;
- *programming expenses*, including multiple art installations, annual Halloween block party event and other holiday programming, sponsorships, community wellness programming, and off-duty police staffing and contingency plan; and
- *general administrative and office expenses*.

B. Procedure for Renewing the District, following the Adoption of the attached Resolution

1. Notice Requirement

If the City Commission adopt the attached Resolution, the City shall cause the Resolution to be published one time in a newspaper of general circulation published in the City, pursuant to Section 170.05, Florida Statutes.

2. Preliminary Assessment Roll

Additionally, upon adoption of the attached Resolution, and pursuant to Section 170.02, Florida Statutes, the Administration shall cause to be made a preliminary assessment roll, in accordance with the method of assessment provided for in the Resolution, which shall show the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land, and the number of annual installments in which the assessment is divided. Upon completion, the preliminary assessment roll shall be made available for public inspection in the City Clerk's Office. (A draft of the Preliminary Assessment Roll is attached hereto as Exhibit "D").

3. Special Mail Ballot Election

Following completion of the Preliminary Assessment Roll, the City Commission will adopt a Resolution calling for a special mail ballot election to determine whether a majority of the affected property owners (50% plus one) approve District renewal and the proposed special assessments throughout the renewed term. As the City Clerk, in consultation with the City Attorney's Office, will administer the election, the City Commission will also authorize an MOU between the City and Lincoln Road BID to govern election procedures and ensure reimbursement of the election costs by the Lincoln Road BID.

4. Final Hearing of the Mayor and City Commission to (1) Hear Testimony, (2) Decide Whether to Levy Special Assessments, and (3) Meet as an Equalizing Board to Adjust and Equalize Assessments

If a majority of the affected property owners approve renewal of the District, the City Commission shall adopt a Resolution to schedule a public hearing, at which the owners of properties to be assessed, or any other interested persons, may appear before the City Commission, to be heard as to the propriety and advisability of the provision of District Services, and/or the assessments proposed to be levied, the costs thereof, the manner of payment therefor, or the amount thereof to be assessed against each property so serviced.

Following the public hearing, the City Commission shall make a final decision on whether to levy the special assessments by renewing the District. At that time, the City Commission shall also serve as an "equalizing board", to hear and consider any complaints as to the special assessments and, if necessary, adjust the assessments on a basis of justice and right.

Once equalized and approved by a Resolution of the City Commission, a final assessment roll shall be filed with the City Clerk. The special assessments in the final assessment roll will then be confirmed as legal, valid, and binding liens on the assessed properties until paid.

SUPPORTING SURVEY DATA

The Lincoln Road pedestrian mall is a favorite for locals and visitors, with an estimated 8.1 million visitors annually, according to Placer.ai data reported by Lincoln Road BID, and 56% of residents ranking it as their most frequently visited Miami Beach landmark in the City's 2024 Community Survey. The District's proposed Year One Budget (Exhibit "C") allocates a majority of the revenue derived from property owner assessments to programming and activities that attract residents and visitors alike.

FISCAL IMPACT STATEMENT

Adopting this Resolution has no direct fiscal impact to the City. If the City Commission authorizes the special mail ballot election by subsequent Resolution, the City Clerk's Office will administer the election and the Lincoln Road BID will reimburse all related costs. If the District term is renewed, a new memorandum of understanding (MOU) will be negotiated to outline respective obligations during the renewed term, including an annual administrative fee paid to the City and reimbursement of certain City costs.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:

<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

The District's Year One Budget (Exhibit "B") relies solely on projected revenue from BID assessments next year (FY 2025), totaling \$1,570,117. In contrast, the FY 2024 Budget, totaling \$1,597,499, included additional revenue from the City (\$160,000 City contribution for Block by Block Ambassador services) and \$12,500 from programming partnerships.

Today, the City and Lincoln Road BID have a separate MOU for environmental maintenance and hospitality services (the "Block by Block MOU"), authorized by Resolution No. 2022-32391, with a final, 1-year renewal term that will commence October 1, 2024, if elected by the City Manager, at their option. According to the Lincoln Road BID, unlike the 2024 Annual Budget, the Year One Budget does not include the City's \$160,000 annual funding, in the event that the Block by Block MOU is not renewed for FY 2025.

CONCLUSION

The attached Resolution shall become effective upon the date of adoption; provided, however, if the special assessment district does not gain approval from a majority (50% plus one) of affected property owners, the Resolution shall be null and void. The Administration recommends the City Commission initiate the renewal of the proposed District by adopting the Resolution. The following step will be for the City Commission, upon adoption of a subsequent Resolution, to call for a special mail ballot election, administered by the City Clerk's Office.

On behalf of its membership, the Lincoln Road BID requests the City Commission provide property owners with the ability to choose whether to continue assessing themselves. If a majority approve, any concerned property owner or member of the public will have the opportunity to

address the City Commission at a duly noticed public hearing. Since its formation, the District has served to coalesce a unified voice among Lincoln Road stakeholders and provide services that enhance this prominent commercial district. For these reasons, the Administration is supportive.

Attachments

- A. Resolution No. 2024-32911 dated February 21, 2024
- B. Year One Budget
- C. Budget Narrative and Summary of Services
- D. Preliminary Assessment Roll
- E. Assessment Plat
- F. Assessment Methodologies

Applicable Area

South Beach

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

No

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

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? Yes

If so, specify the name of lobbyist(s) and principal(s): Lyle Stern, President – Lincoln Road Business Improvement District, Inc.

Department

Economic Development

Sponsor(s)

Mayor Steven Meiner

Co-sponsor(s)

Commissioner Laura Dominguez
Commissioner Kristen Rosen Gonzalez
Commissioner Alex Fernandez
Commissioner Joseph Magazine
Commissioner Tanya K. Bhatt

Condensed Title

Renew LRBID, Subject to Majority Approval of Affected Property Owners
(SM/LD/KRG/AF/JM/TB) ED