

R5 M AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 2 OF THE CITY CODE, ENTITLED "ADMINISTRATION," ARTICLE V, ENTITLED "FINANCE," BY CREATING SECTION 2-280 THEREOF, ENTITLED "USE OF RENT PAYMENTS RECEIVED BY THE CITY FROM CONVENTION CENTER HOTEL LEASE," TO DEDICATE, PURSUANT TO THE BALLOT MEASURE APPROVED BY THE CITY'S VOTERS ON NOVEMBER 6, 2018, THE GUARANTEED RENT PAYMENTS RECEIVED BY THE CITY FROM THE CONVENTION CENTER HOTEL LEASE TO ENHANCE FUNDING FOR STORMWATER PROJECTS (IN LIEU OF RATE INCREASES), TRAFFIC REDUCTION MEASURES, AND EDUCATION; AND REQUIRE A 5/7TH VOTE OF THE CITY COMMISSION TO ADOPT ANY FUTURE AMENDMENT TO THIS ORDINANCE; AND PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Attorney Ricardo J. Dopico

DATE: June 25, 2025 9:50 a.m. Second Reading Public Hearing

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

RECOMMENDATION

BACKGROUND/HISTORY

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

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

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

ANALYSIS

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

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

FISCAL IMPACT STATEMENT

N/A

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

If applicable, the Business Impact Estimate (BIE) was published on: 5/27/2025
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

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

Yes

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

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Mayor Steven Meiner

Co-sponsor(s)

Commissioner David Suarez

Condensed Title

9:50 a.m. 2nd Rdg, Dedicate MBCC Hotel Rent Payments. (Meiner/Suarez) CA

Previous Action (For City Clerk Use Only)

First Reading Public Hearing on 5/21/2025 - R5 AE

ORDINANCE NO. _____

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

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

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

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

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

WHEREAS, accordingly, the Mayor and City Commission now desire to codify the directive from the City's voters, as required.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

SECTION 1. That Chapter 2 of the Miami Beach City Code entitled "Administration," of Article V, entitled "Finance," at Section 2-280, entitled "Use of Rent Payments Received by the City from Convention Center Hotel Lease," is hereby amended as follows:

**CHAPTER 2
ADMINISTRATION**

* * *

ARTICLE V. FINANCE

* * *

Section 2-280. Use of rent payments received by the City from convention center hotel lease.

(a) Legislative intent.

1. On November 6, 2018, the City's voters approved a development and ground lease agreement for the 2.6-acre property at the northeast corner of 17th Street and Convention Center Drive for 99 years, requiring, pursuant to Resolution 2018-30425, the construction and operation of an 800-room convention hotel to be connected to the Miami Beach Convention Center; delineating conditions for the design, construction, equipping, and operation of the hotel on the leased property with no City funding; prohibiting gambling establishments on the leased property; and, commencing after the hotel begins operation, providing for annual base rent to the City in the amount of the greater of the minimum fixed rent or a percentage of the revenues of the hotel, among other rent payments.
2. The convention center hotel development and ground lease agreement is recorded in Official Records Book 34116 Pages 3338-3524 of the public records of Miami-Dade County, Florida.
3. The purpose of this section is to codify a separate ballot measure approved by the City's voters on November 6, 2018, requiring the City Commission to adopt an ordinance dedicating the minimum fixed rent payments received by the City to enhance funding (not replace or substitute for existing City funding) for certain specified purposes.
4. The term "minimum fixed rent" shall have the meaning ascribed to it in the convention center hotel development and lease agreement.

(b) Use of minimum fixed rent payments. The minimum fixed rent payments received by the City pursuant to the convention center hotel development and ground lease agreement shall be dedicated to enhancing funding (not replace or substitute for existing City funding), in equal portions annually, for:

1. stormwater projects (in lieu of rate increases);
2. traffic reduction measures; and
3. education.

(c) Amendment. Any amendment to the provisions of this section shall require an affirmative five-sevenths (5/7ths) vote of the City Commission.

* * *

SECTION 3. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 4. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Miami Beach City Code. The sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect upon approval and the revised impact fee rates shall be applied to all bills rendered on or after the effective date.

PASSED and ADOPTED this _____ day of _____, 2025.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

Underline denotes additions
~~Strikethrough~~ denotes deletions

(Sponsored by Mayor Steven Meiner)

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

4/16/2025
Date