

OB 1. DISCUSSION OF POTENTIAL LEASING INCENTIVES FOR OWNERS OF
VACANT COMMERCIAL PROPERTIES – COMMERCIAL RETAIL VACANCY
ANALYSIS UPDATE
Applicable Area:

Exhibit A

Job Creation Incentive Program Application Summary: EDGELORD LLC

JCIP Program Overview

The Job Creation Incentive Program (JCIP) is a performance-based financial incentive designed to attract targeted businesses and support the expansion of existing companies within Miami Beach.

The initiative aims to increase the number of high-quality, high-wage jobs in the city. To qualify, participants must create or relocate at least ten (10) new full-time equivalent jobs, with average annual wages at or above 125% of the higher of the Miami-Dade County or State of Florida average wage at the time of application.

The program provides financial support of up to \$60,000 annually for a maximum of four (4) years for new-to-market companies and up to three (3) years for expanding businesses. All recommendations must be reviewed by the Committee and approved by the City Commission.

The JCIP program targets specific industries, including technology, financial services, and areas related to cryptocurrency, blockchain, decentralized finance, sustainability, resiliency, health and wellness, arts and culture, and hospitality. The available incentives include:

- Per-employee bonuses for job creation:
 - \$650 per employee for the first 50 jobs (minimum of 10).
 - \$450 per employee for jobs 51–100.
 - \$300 per employee for jobs above 100.
- Additional bonuses for specific employee profiles:
 - \$175 for employees located in North Beach.
 - \$175 for graduates of Miami-Dade County institutions.
 - \$175 for individuals previously unemployed or earning below the Living Wage Rate.
 - \$200 for employees residing in Miami Beach.

Since its inception, the City Commission has approved six (6) companies for the JCIP:

- Four (4) financial services firms: GMF Capital, Melvin Capital, PennantPark Investment Advisors, and Seibert Financial; and
- Two (2) tech firms: WIX and CourMed.

EDGE LORD LLC ("EDGLRD") is a prominent player at the intersection of artificial intelligence and entertainment, specializing in digital innovation. The company's proposed expansion aligns with Miami Beach's goals of fostering job creation, supporting economic growth, and bolstering community engagement.

Key Highlights from EDGLRD's Application:

- *Job Creation and Economic Impact:*

EDGLRD plans to create 50 new jobs over the next four years. These positions span software development, AI, and administrative roles, offering competitive salaries averaging \$97,500 annually. The expansion aligns with the city's objective of economic diversification and will inject significant capital into the local economy through salaries and related spending.

- *Innovation Leadership:*

As a leader in digital innovation, EDGLRD will enhance Miami Beach's reputation as a technology hub. This expansion has the potential to attract similar high-tech firms and drive additional investment in adjacent industries.

- *Community Engagement:*

EDGLRD is committed to active participation in the local community, including hosting events, engaging in corporate social responsibility initiatives, and partnering with non-profit organizations.

Founded in 2021 by filmmaker Harmony Korine and financial executive Matt Holt, EDGLRD has established itself as a creative force in film, music, fashion, and digital art. Highlights of its accomplishments include:

- The premiere of *AGGRO DR1FT* at the 2023 Venice Film Festival.
- Collaborations with renowned artists and brands such as Kim Kardashian, Travis Scott, Marc Jacobs, Nike, and The Weeknd.
- Hosting the iconic Boiler Room event during Art Basel 2023.
- Premiere of their second film, *BABY Invasion*, at the 2024 Venice Film Festival.

EDGLRD has secured a 102-month lease for its new headquarters at 230 Lincoln Road, investing approximately \$1.25 million in capital improvements. The company plans to relocate or hire 50 employees in Miami Beach over four years while continuing to attract investments and launch new projects.

Conclusion

Currently participating in the City's *Expedited Plan Review and Permitting Incentive Program*, EDGLRD has achieved Temporary Certificate of Occupancy (TCO) status, with plans to open soon.

The Administration recommends approving EDGLRD's application for the JCIP, recognizing the company's potential to foster innovation, create high-wage jobs, and contribute to the city's long-term economic growth.

Attachments:

- A.1 Economic Impact Summary
- A.2 Press Media Coverage

Exhibit A.1

Economic Impact Summary

APPLICANT: EDGELORD LLC

EXISTING LOCATION: 415 Australian Avenue, Palm Beach, Florida 33480

PROPOSED LOCATION: 230 Lincoln Road, 4th Floor, Miami Beach, FL 33139

CAPITAL INVESTMENT: Approximately \$1,250,000.00 (One million two hundred and fifty thousand) for renovations for expansion, architecture fees, capital improvements, and purchasing furniture and equipment.

ANTICIPATED JOB CREATION:

- 10 relocated or new employees in the first 12 months;
- 50 new employees in four years from 2024 to 2028
- Average salary of new jobs: \$97,500

<i>Economic Impact Results</i>		
Total Job Creation Output Impact	<i>Direct, Indirect and Induced Jobs</i>	56.48 @ 4-years
Total Labor Income Impact	<i>Direct Jobs Only</i>	\$4.47 million @ 4-years
State & Local Tax Impact (excluding ad valorem tax)	<i>Direct Jobs Only</i>	\$131,103.78@ 4-years
Total Employment Impact	<i>Direct Jobs</i>	55.13
	<i>Indirect Jobs</i>	1.29
	<i>Induced Jobs</i>	0.06
	<i>Total jobs resulting from investment</i>	56.48

<i>Cumulative Impact – with Construction Labor</i>				
<i>Impact</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
1 - Direct	55.13	\$4,473,392.18	\$6,194,370.45	\$15,225,432.81
2 - Indirect	1.29	\$87,009.32	\$189,556.64	\$373,881.67
3 - Induced	0.06	\$3,103.86	\$5,491.88	\$8,972.53
Total	56.48	\$4,563,505.36	\$6,389,418.97	\$15,608,287.01

<i>Tax Revenue Impact</i>						
<i>Impact</i>	<i>Sub County General</i>	<i>Special Districts</i>	<i>County</i>	<i>State</i>	<i>Federal</i>	<i>Total</i>
1 - Direct	\$15,667.77	\$20,797.05	\$25,593.80	\$69,045.17	\$733,726.16	\$864,829.94
2 - Indirect	\$1,168.14	\$1,549.64	\$1,907.95	\$4,929.71	\$16,924.72	\$26,480.16
3 - Induced	\$59.11	\$78.42	\$96.55	\$228.87	\$582.56	\$1,045.50
Total	\$16,895.02	\$22,425.11	\$27,598.30	\$74,203.74	\$751,233.43	\$892,355.59

IMPLAN Cloud Version 24.6, reported in 2024 dollars

Definitions

<i>Direct Effect</i>	Refers to the impact created directly by the business activity. All jobs created as a direct result of the business activity.
<i>Indirect Effect</i>	Refers to those effects created by the producers of intermediate goods and service. All goods and services purchased as a result of the business activity.
<i>Induced Effect</i>	Refers to the subsequent round of spending in the local economy made by the households of the employees of businesses that incur both direct and indirect expenditures.
<i>Total Effect</i>	Refers to the Direct, Indirect, and Induced impacts summed together.
<i>Employment</i>	Total annual average jobs. This includes self-employed and wage and salary employees, and all full-time, part-time and seasonal jobs, based on a count of full-time /part-time averages over twelve months.
<i>Labor Income</i>	<p>Defines the total value paid to local workers within a region. Labor Income is the income source for Induced household spending estimations.</p> <p>Labor Income = Employee Compensation + Proprietor Income</p>
<i>Total Value Added</i>	<p>Comprised of Labor Income, Indirect Business Taxes, and Other Property Type Income. Value Added demonstrates an industry's value of production over the cost of its purchasing goods and services required to make its products.</p> <p>Value Added is often referred to as Gross Domestic Product (GDP).</p> <p>Value Added = Labor Income + Indirect Business Taxes + Other Property Type Income</p>
<i>Output</i>	<p>The total value of an industry's production comprised of the value of the Intermediate Inputs and Value Added. In IMPLAN this is typically viewed as the value of a change in sales or the value of increased production. However, annual production is not always equal to annual sales. If production levels are higher than sales, surpluses become inventory. Because inventory does not drive additional impact in the year it was produced, in IMPLAN Direct Industry sales = Direct Output.</p> <p>Output = Intermediate Inputs + Value Added</p>

Exhibit A.2

Media Coverage

- 1. EDGLRD opening Miami Beach headquarters studio - South Florida Business Journal** *South Florida Business Journal*
September 29, 2024
<https://www.bizjournals.com/southflorida/news/2024/09/29/edglrd-opening-miami-beach-headquarters-studio.html>
- 2. Cult Movie Director's New Studio Is Latest Signal of Miami Beach's Pivot Away from Partying** *South Florida Business Journal* September 10, 2024
<https://www.bisnow.com/south-florida/news/neighborhood/creative-firms-30k-sf-lincoln-road-lease-is-latest-signal-of-miami-beachs-pivot-away-from-partying-125844>
- 3. 'Spring Breakers' Director Moving Studio to Miami Beach After Its Breakup With Spring Break** *Ground News* September 2024
['Spring Breakers' Director Moving Studio To Miami Beach After Its Breakup With Spring Break](#)

C4 K REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS THE POSSIBLE CREATION OF INCENTIVES FOR OWNERS OF VACANT COMMERCIAL PROPERTIES TO LEASE VACANT SPACES.

Applicable Area:



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Mayor Steven Meiner
Commissioner Alex Fernandez
Commissioner Kristen Rosen Gonzalez

DATE: July 24, 2024

TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS THE POSSIBLE CREATION OF INCENTIVES FOR OWNERS OF VACANT COMMERCIAL PROPERTIES TO LEASE VACANT SPACES.

RECOMMENDATION

BACKGROUND/HISTORY

ANALYSIS

Please place on the July 24, 2024 agenda a referral to the Finance and Economic Resiliency Committee (the "Committee") to discuss the creation of incentives for the owners of vacant commercial properties to lease their vacant spaces.

Vacant buildings have an adverse effect on surrounding areas because they are typically untended and undermaintained, making an area look less attractive. Vacant buildings can also attract loitering and other criminal activities and negatively alter the character of communities and commercial corridors, oftentimes straining the resources of local police, fire and building departments.

The City's Economic Development Department has implemented a series of incentive programs to encourage new or expanding businesses in certain industries that will help diversify the City's economy, while increasing the number of quality, high-wage jobs in the City. One of the incentive programs offers expedited plan review, and another provides financial incentives to activate commercial properties with arts and culture uses. The sponsors of the item would like for the Economic Development Department to present ideas for discussion among members of the Committee to create appropriate incentives for the owners of vacant commercial properties. In addition, the Administration should present data regarding vacant properties in the City's commercial corridors to inform the discussion.

FISCAL IMPACT STATEMENT

N/A

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

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

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

**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?** No

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

Department

City Attorney

Sponsor(s)

Mayor Steven Meiner
Commissioner Alex Fernandez
Commissioner Kristen Rosen Gonzalez

Co-sponsor(s)

Commissioner Tanya K. Bhatt

Condensed Title

Ref. FERC - Incentives for Vacant Commercial Property Owners to Lease their Property.
(Meiner/Fernandez/Rosen Gonzalez/Bhatt) CA