

Miami Beach Redevelopment Agency **(A Component Unit of the City of Miami Beach, Florida)**

Financial Report
Fiscal Year Ended September 30, 2024

PREPARED BY

THE FINANCE DEPARTMENT

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Independent Auditor's Report

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Agency, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions - retirement systems, schedule of the agency's proportionate share of the city's net pension liability - retirement systems, notes to the retirement systems schedules, schedule of other post-employment benefits - agency contributions, schedule of investment returns, schedule of the agency's proportionate share of the city's net OPEB liability, budgetary comparison schedule - general fund, and notes to budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedule - debt service fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule for the debt service fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises of the Other City Reports on Compliance with Local Government reporting Section 163.371, Florida Statutes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida

June 26, 2025

**Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Management's Discussion and Analysis (Unaudited)
September 30, 2024**

The Management's Discussion and Analysis (the "MD&A") of the Miami Beach Redevelopment Agency (the "Agency") is intended to provide an overview of the Agency's position and results of operations for the fiscal year ended September 30, 2024. The MD&A is an element of the reporting model required by the Governmental Accounting Standards Board (the "GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments* issued in 1999. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance.

Financial Highlights

- The Agency's assets and deferred outflows increased by \$9.5 million. The increase is primarily attributed to a net increase in current and other assets of \$14.9 million offset with a decrease in capital assets of \$3.4 million and deferred outflows of \$2.0 million.
- Governmental activities revenue increased by \$4.0 million or 6.9% primarily due to investment earnings.
- Business-type activities revenue increased by \$1.8 million or 31.3% and expenses decreased by \$37,000 or 1%.
- The Agency's total liabilities decreased by \$12.2 million or 3.7% during the current year. The decrease is primarily attributed to regularly scheduled debt service payment of \$8.8 million.
- The liabilities and deferred inflows exceeded assets and deferred outflows of the Agency at the close of fiscal year 2024 by \$14.3 million (net position).
- During fiscal 2024, the Agency implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making and assessing accountability. The Agency has determined that GASB Statement No. 100 has no impact on its financial statements as of September 30, 2024.
- The Agency's net deficit decreased by \$21.7 million. The governmental net deficit decreased by \$20.8 million, and the business-type net position increased by \$0.9 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over

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(A Blended Component Unit of the City of Miami Beach, Florida)
Management's Discussion and Analysis (Unaudited)
September 30, 2024**

time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements listed above distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities of the Agency include general government, public safety, physical environment, transportation, and culture and recreation. The business-type activity of the Agency includes the parking and leasing operations of the Anchor, Pennsylvania Avenue and Collins Park Garages and Anchor and Pennsylvania Avenue Shops, respectively.

The government-wide financial statements can be found on pages 15 – 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Key elements of the reconciliation of these two statements are that the government-wide statements report the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated/amortized) and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as expenditure, the purchase of capital assets as expenditure and do not reflect changes in long-term liabilities.

The Agency maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, City Center debt service fund, and City Center capital

**Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis (Unaudited)
September 30, 2024**

projects fund which are considered to be major funds. For the current fiscal year, the Agency does not have any non-major governmental funds.

The governmental funds financial statements can be found on pages 18 and 20 of this report.

Proprietary Funds

The Agency maintains two different types of proprietary funds or enterprise funds. The Agency uses enterprise funds to account for the parking and leasing operations of the Anchor, Pennsylvania Avenue and Collins Park Garages and Anchor and Pennsylvania Avenue Shops, respectively.

The proprietary fund financial statements provide separate information for parking and leasing of the Anchor and Pennsylvania Avenue Garage/Shops which are considered to be major funds of the Agency. For the current fiscal year, the Agency does not have any non-major proprietary funds.

The basic proprietary fund financial statements can be found on pages 22 - 24 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. For note details, refer to the table of contents. The Agency is considered a component unit of the City of Miami Beach, Florida and as such, the financial information of the Agency is included in the City’s Annual Comprehensive Financial Report for the current fiscal year.

Government-Wide Financial Analysis

The table below summarizes the statement of net position (deficit):

	Summary of Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 103,812	\$ 89,612	\$ 35,198	\$ 34,470	\$ 139,010	\$ 124,082
Capital assets	112,327	114,644	43,737	44,854	156,064	159,498
Deferred Outflows	5,322	7,302	-	-	5,322	7,302
Total assets and deferred outflows	221,461	211,558	78,935	79,324	300,396	290,882
Long-term liabilities	294,996	303,606	-	209	294,996	303,815
Other liabilities	12,822	14,313	1,577	1,277	14,399	15,590
Unearned revenue	-	-	103	93	103	93
Deferred Inflows	1,577	2,390	3,574	4,978	5,151	7,368
Total liabilities and deferred inflows	309,395	320,309	5,254	6,557	314,649	326,866
Net position (deficit):						
Net investment in capital assets	112,210	114,641	43,641	44,756	155,851	159,397
Restricted for debt service	19,014	37,883	-	-	19,014	37,883
Restricted for capital improvement	49,440	49,099	-	-	49,440	49,099
Unrestricted (deficit)	(268,598)	(310,374)	30,040	28,011	(238,558)	(282,363)
Total net position (deficit)	\$ (87,934)	\$ (108,751)	\$ 73,681	\$ 72,767	\$ (14,253)	\$ (35,984)

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Net position (deficit) may serve over time as a useful indicator of a government’s financial position. In the case of the Agency, liabilities and deferred inflows exceeded assets and deferred outflows by \$14.3 million at September 30, 2024, a net increase of \$21.7 million or 60.3% from September 30, 2023.

The Agency’s restricted net position represents resources that are subject to external restrictions on how they may be used.

There are also various normal impacts on revenue and expense that can affect the change in net position from year to year. The economic condition, which can reflect a declining, stable or growing economic environment, can have a substantial impact on tax revenue as well as the public’s spending habits on fees and charges for services. An increase/decrease in Commission-approved rates can have a substantial impact on parking revenue if there is a current year increase/decrease in an approved rate. Also, current market conditions may cause investment income to fluctuate from year to year. Impacts on expense from year to year could result from new programs, an increase or decrease in personnel, salary increases and of course inflation.

The table below summarizes the change in net position (deficit):

	Summary of Changes in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 6,860	\$ 5,505	\$ 6,860	\$ 5,505
General revenues:						
Taxes:						
Property taxes	55,373	54,094	-	-	55,373	54,094
Investment earnings	6,817	4,083	834	354	7,651	4,437
Total revenues	62,190	58,177	7,694	5,859	69,884	64,036
Expenses:						
General government	1,217	5,823	-	-	1,217	5,823
Public safety	5,471	10,703	-	-	5,471	10,703
Physical environment	6,995	8,155	-	-	6,995	8,155
Transportation	1,876	11	-	-	1,876	11
Economic environment	6,896	-	-	-	6,896	-
Culture and recreation	3,268	5,736	-	-	3,268	5,736
Parking - Anchor & Penn. Garage	-	-	6,179	6,160	6,179	6,160
Leases - Anchor & Penn. Shops	-	-	502	558	502	558
Interest on long-term debt	11,658	12,456	-	-	11,658	12,456
Total expenses	37,381	42,884	6,681	6,718	44,062	49,602
Increase (decrease) in net position before transfers	24,809	15,293	1,013	(859)	25,822	14,434
Gain/(Loss) on disposal of capital assets	-	-	(99)	-	(99)	-
SBITA liabilities issued	8	-	-	-	8	-
Transfers	(4,000)	(5,500)	-	-	(4,000)	(5,500)
Increase (decrease) in net position	20,817	9,793	914	(859)	21,731	8,934
Net position, beginning	(108,751)	(118,544)	72,767	73,626	(35,984)	(44,918)
Net position (deficit), ending	\$ (87,934)	\$ (108,751)	\$ 73,681	\$ 72,767	\$ (14,253)	\$ (35,984)

**Miami Beach Redevelopment Agency
 (A Blended Component Unit of the City of Miami Beach, Florida)
 Management’s Discussion and Analysis (Unaudited)
 September 30, 2024**

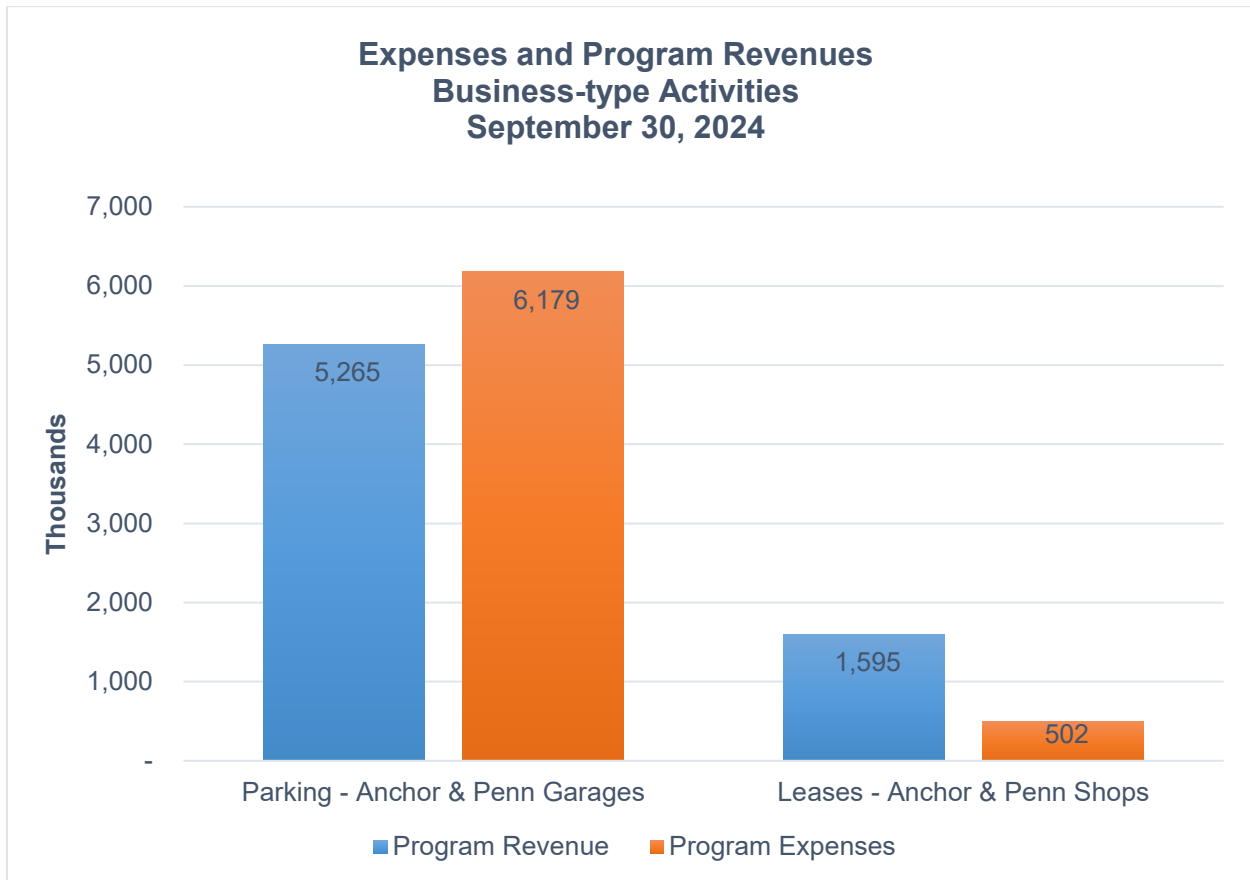
Governmental activities increased the Agency’s net position by \$20.8 million. Key elements of the net increase are as follows:

- Revenues from governmental activities in fiscal year 2024 totaled \$62.2 million, an increase of \$4 million from 2023. This is mainly attributed to an increase in investment earnings of \$2.7 million over the prior year.
- Expenditures for governmental activities also had a net decrease from the prior year from \$42.9 million to \$37.4 million in 2024, mainly attributed to decreases in Public Safety and General Government expenses.

Business-Type Activities

Business-type activities increased the Agency’s net position by approximately \$0.9 million.

The following chart shows a comparison of expenses to program revenues for business-type activities for fiscal year 2024:



**Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis (Unaudited)
September 30, 2024**

Governmental Funds

The focus of the Agency’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency’s financing requirement. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Total fund balance for the Governmental Funds totaled \$101.3 million at September 30, 2024. This is an increase of \$14.3 million over the prior year.

The general fund is the chief operating fund of the Agency. The fund balance of the Agency’s general fund had a net increase in fund balance of \$14 million during the current fiscal year. The general fund’s interest income had a significant increase over the prior year from \$2.7 million to \$5 million. Tax increment revenues increased by \$1.3 million. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the County) multiplied by the increased value of property in the district over the base property value minus 5%. Fluctuations in tax increment revenue is based on real estate property values City-wide.

The Agency’s General Fund is required to adopt an annual budget prepared on a basis consistent with generally accepted accounting principles. The agency’s debt service fund did not have a change in net position. Principal and interest payments on the tax increment revenue bonds were \$20.9 million. Net transfers from the general fund to pay debt service expenditures were \$20.9 million, along with a \$4M transfer to the Convention Center fund.

The agency’s Capital Projects Fund had a net increase in fund balance of \$341,000. The Agency’s Capital Projects Fund accounts for the financing of the Agency’s capital program. The primary resources are obtained from the receipt of tax increment funds from Miami-Dade County and from the issuance of Agency debt.

Financial Analysis of the Governmental Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the Agency’s governmental funds (in thousands):

	General	Debt Service City Center	Capital Projects City Center	Total Governmental Funds
Fund balance, September 30, 2023	\$ 37,883	\$ -	\$ 49,099	\$ 86,982
Revenues	60,445	-	1,744	62,189
Expenditures	21,540	20,912	1,403	43,855
Other financing sources (uses)	(24,903)	20,912	-	(3,991)
Fund balance, September 30, 2024	\$ 51,885	\$ -	\$ 49,440	\$ 101,325

**Miami Beach Redevelopment Agency
 (A Blended Component Unit of the City of Miami Beach, Florida)
 Management’s Discussion and Analysis (Unaudited)
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Proprietary Funds

The Agency’s proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

The net position for both proprietary funds increased by approximately \$0.9 million (See discussion of the Agency’s business-type activities for more information on the proprietary funds.)

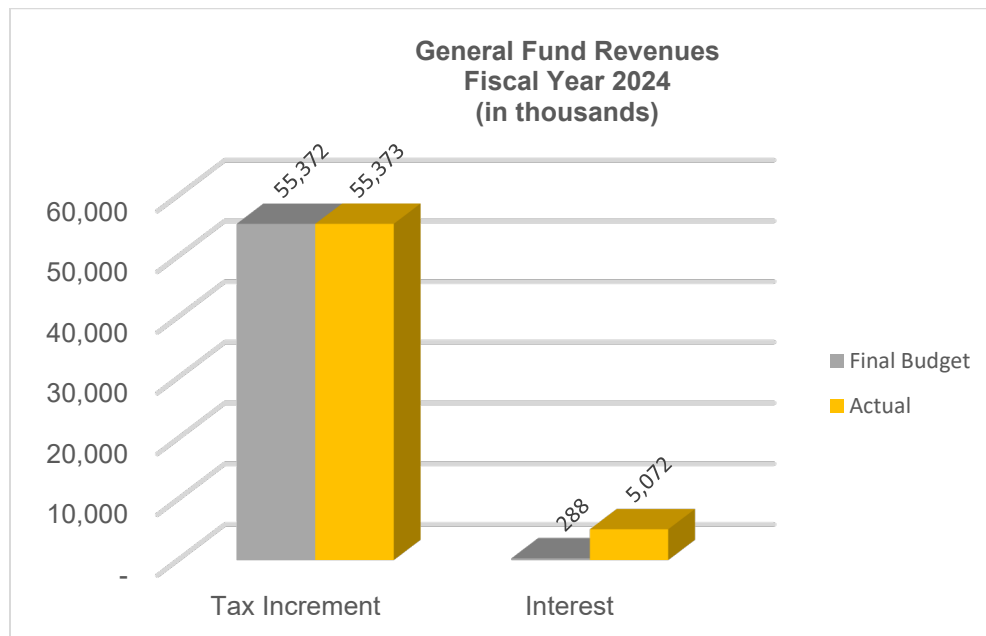
Budgetary Highlights

The following information is presented to assist the reader in comparing the original/final budget (Adopted Budget) and the actual results for the Agency’s General Fund.

Actual expenditures were \$397,500 or 1.8% less than budgeted. The difference with budgeted amounts was mainly attributable to the Contractual Services category, where actual expenses were approximately 18% less than budgeted for the current year.

General Fund Revenues

The following charts and tables summarize actual revenues by category for fiscal year 2024 and compares actual revenues with the Adopted/Final Budget:



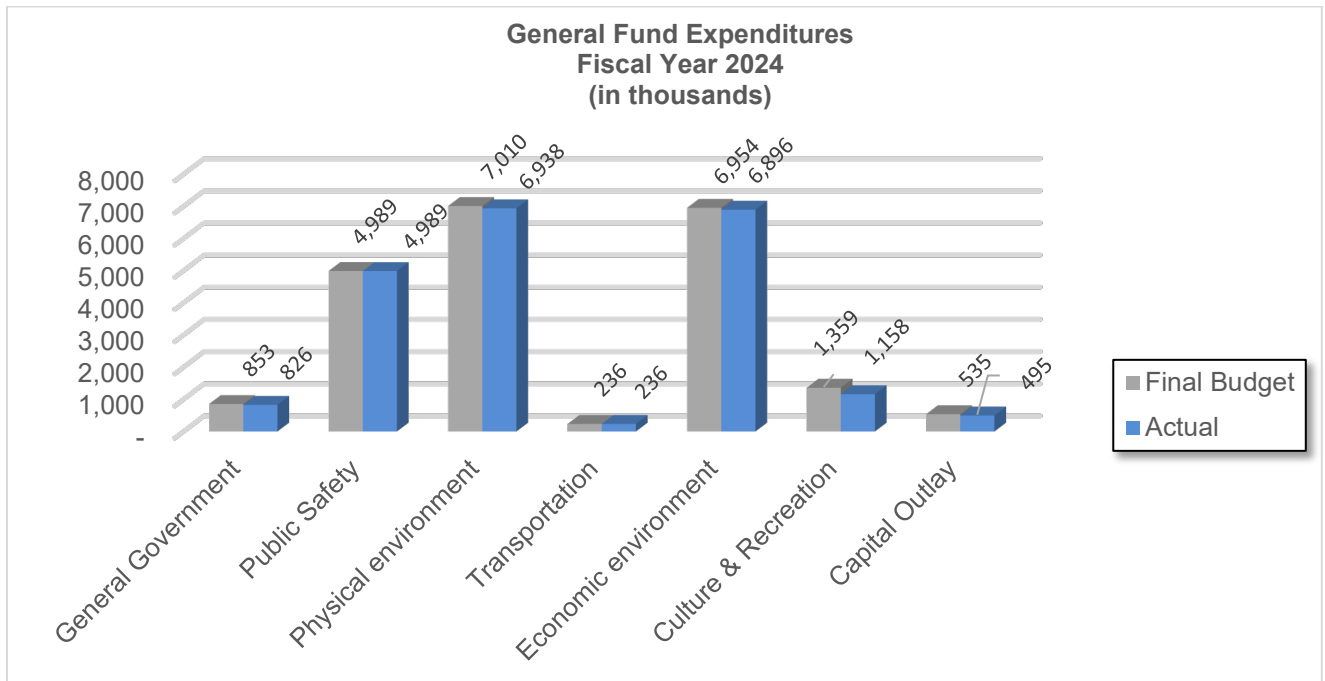
**Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis (Unaudited)
September 30, 2024**

**General Fund Revenues
Fiscal Year 2024
(in thousands)**

	Final Adopted Budget	Actual Amounts
Revenues:		
Tax increment (property taxes)	\$ 55,372	\$ 55,373
Rents and leases	-	-
Interest income	288	5,072
Total revenues	\$ 55,660	\$ 60,445

General Fund Expenditures

The following chart and table summarize actual expenditures by function/program for fiscal year 2024 and compares the actual expenditures with the Final Budget:



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General Fund Expenditures
Fiscal Year 2024
(in thousands)

	Final Adopted Budget	Actual Amounts
Expenditures:		
General government	\$ 853	\$ 826
Public safety	4,989	4,989
Physical environment	7,010	6,938
Transportation	236	236
Economic environment	6,954	6,896
Culture and recreation	1,358	1,158
Capital outlay	535	495
SBITA payment	2	2
Total expenditures	<u>\$ 21,937</u>	<u>\$ 21,540</u>

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis
September 30, 2024**

Capital Assets and Debt Administration

Capital Assets

The Agency’s investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$156 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, vehicles, machinery and equipment, streetscape improvements, restorations and renovations, right to use assets, and construction work-in-progress, which are detailed as follows (net of accumulated depreciation):

	Capital Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$ 10,818	\$ 10,818	\$ 3,003	\$ 3,003	\$ 13,821	\$ 13,821
Buildings and structures	24,022	24,504	38,700	41,053	62,722	65,557
Machinery, vehicles and equipment	528	279	1,224	240	1,752	519
Furniture and fixtures	21	28	393	374	414	402
Streetscape improvements	19,670	21,763	-	-	19,670	21,763
Parks	7,741	8,013	-	-	7,741	8,013
Restorations and renovations	16,532	17,525	-	-	16,532	17,525
Construction in progress	32,985	31,711	417	183	33,402	31,894
Right to use assets, SBITAs	9	3	-	-	9	3
Totals	\$ 112,326	\$ 114,644	\$ 43,737	\$ 44,853	\$ 156,063	\$ 159,497

During fiscal year 2024 the Agency had various additions to assets consisting primarily of Construction in Progress in Governmental Activities and Buildings and Structures in Business-type activities. Overall net decrease in capital assets is mainly due to current year depreciation expense being greater than current year capital asset additions. Additional details about the Agency’s capital assets can be found in Note 3 to the financial statements.

Details about the capital improvement program can be found in the *Other City Reports - Achievements and Goals*.

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis
September 30, 2024**

Outstanding Debt

At the end of the current fiscal year 2024, the Agency had a total debt outstanding in the governmental activities of \$281 million. The debt balance decreased by \$8.9 million during the year due to annual principal payments on the 2015A and 2015B Tax Increment Bonds.

**Miami Beach Redevelopment Agency's
Outstanding Debt
Fiscal Year 2024
(in thousands)**

	Governmental Activities	
	2024	2023
Tax increment revenue bonds	\$ 281,001	\$ 289,955

Additional details about the Agency’s outstanding debt can be found in Note 8 to the financial statements.

Economic Factors and Future Developments

The Redevelopment Agency has continued to focus its efforts on a number of initiatives aimed at upgrading the area’s infrastructure, streets and parks, alleviating traffic and parking congestion and encouraging the continued increase in tourism. Details about the Agency’s achievements and goals can be found in the *Other City Reports – Achievements and Goals*.

Requests for Information

This financial report is designed to provide a general overview of the Miami Beach Redevelopment Agency’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The Miami Beach Redevelopment Agency, Finance Department, 1700 Convention Center Drive, Miami Beach, Florida 33139.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Net Position
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 93,202,639	\$ 29,963,522	\$ 123,166,161
Receivables (net):			
Leases receivable		4,412,064	4,412,064
Accounts receivables	8,161	22,490	30,651
Accrued interest	402,706	-	402,706
Due from primary government	-	294,065	294,065
Prepaid expenses	-	175,941	175,941
Total current assets	93,613,506	34,868,082	128,481,588
Noncurrent assets:			
Restricted cash and investments	10,197,898	329,584	10,527,482
Capital assets not being depreciated:			
Land	10,817,763	3,003,282	13,821,045
Construction in progress	32,985,040	417,074	33,402,114
Capital assets net of accumulated depreciation/amortization:			
Buildings and structures	24,022,176	38,700,440	62,722,616
Streetscape improvements	19,670,213	-	19,670,213
Restorations and renovations	16,531,724	-	16,531,724
Parks	7,741,037	-	7,741,037
Vehicles	101,091	-	101,091
Machinery and equipment	427,371	1,223,644	1,651,015
Furniture and fixtures	21,108	392,930	414,038
Right to use assets - SBITAs	9,261	-	9,261
Total noncurrent assets	122,524,682	44,066,954	166,591,636
Total assets	216,138,188	78,935,036	295,073,224
Deferred outflows of resources:			
Miami Beach Employee Retirement Plan (MBERP)	621,093	-	621,093
Miami Beach Pension Fund for Firefighters and Police (MBF&P)	3,774,075	-	3,774,075
Other postemployment benefits plan (OPEB)	926,582	-	926,582
Total deferred outflows of resources	5,321,750	-	5,321,750
Total assets and deferred outflows of resources	\$ 221,459,938	\$ 78,935,036	\$ 300,394,974

(Continued)

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Net Position (Continued)
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 543,386	\$ 822,305	\$ 1,365,691
Retainage payable	107,280	96,727	204,007
Accrued expenses	2,296,957	21,647	2,318,604
Due to primary government	1,741,726	311,229	2,052,955
Due to other governments	-	28,272	28,272
Unearned revenue	-	102,821	102,821
Portion due or payable within one year:			
Deposits	-	16,783	16,783
SBITA payable	1,642	-	1,642
Environmental remediation	-	40,000	40,000
Accrued compensated absences	255,572	-	255,572
Bonds payable, net	7,885,000	-	7,885,000
Total current liabilities	12,831,563	1,439,784	14,271,347
Long-term liabilities:			
Deposits	-	209,980	209,980
SBITA payable	7,998	-	7,998
Environmental remediation	-	30,000	30,000
Net pension liability - MBERP	1,558,395	-	1,558,395
Net pension liability - MBF&P	10,178,375	-	10,178,375
Net OPEB liability	9,819,448	-	9,819,448
Portion due or payable after one year:			
Accrued compensated absences	306,220	-	306,220
Bonds payable, net	273,115,867	-	273,115,867
Total long-term liabilities	294,986,303	239,980	295,226,283
Total liabilities	307,817,866	1,679,764	309,497,630
Deferred inflows of resources:			
Leases	-	3,574,362	3,574,362
MBERP	22,137	-	22,137
MBF&P	62,052	-	62,052
OPEB	1,492,368	-	1,492,368
Total deferred inflows of resources	1,576,557	3,574,362	5,150,919
Total liabilities and deferred inflow of resources	309,394,423	5,254,126	314,648,549
Net position:			
Net investment in capital assets	112,209,865	43,640,644	155,850,509
Restricted for:			
Debt service	19,013,892	-	19,013,892
Capital improvement	49,440,182	-	49,440,182
Unrestricted	(268,598,424)	30,040,266	(238,558,158)
Total net (deficit) position	\$ (87,934,485)	\$ 73,680,910	\$ (14,253,575)

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Activities
Year Ended September 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating and Contributions	Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Activities:							
Governmental:							
General government	\$ 1,216,845	\$ -	\$ -	\$ -	\$ (1,216,845)	\$ -	\$ (1,216,845)
Public safety	5,470,857	-	-	-	(5,470,857)	-	(5,470,857)
Physical environment	6,995,272	-	-	-	(6,995,272)	-	(6,995,272)
Transportation	1,875,677	-	-	-	(1,875,677)	-	(1,875,677)
Economic environment	6,895,969	-	-	-	(6,895,969)	-	(6,895,969)
Culture and recreation	3,268,500	-	-	-	(3,268,500)	-	(3,268,500)
Interest on long-term debt	11,658,485	-	-	-	(11,658,485)	-	(11,658,485)
Total governmental activities	37,381,605	-	-	-	(37,381,605)	-	(37,381,605)
Business-type:							
Parking – Anchor & Penn. Garages	6,178,642	5,264,617	-	-	-	(914,025)	(914,025)
Leasing – Anchor & Penn. Shops	501,534	1,595,155	-	-	-	1,093,621	1,093,621
Total business-type activities	6,680,176	6,859,772	-	-	-	179,596	179,596
Total primary government	\$ 44,061,781	\$ 6,859,772	\$ -	\$ -	(37,381,605)	179,596	(37,202,009)
General revenues:							
Taxes:							
Tax increments for redevelopment districts					55,372,973	-	55,372,973
Investment income					6,816,852	834,029	7,650,881
SBITA liabilities Issued					8,362	-	8,362
Miscellaneous					1	(99,440)	(99,439)
Transfers					(4,000,000)	-	(4,000,000)
Total general revenues					58,198,188	734,589	58,932,777
Changes in net position					20,816,583	914,185	21,730,768
Net (deficit) position - beginning					(108,751,068)	72,766,725	(35,984,343)
Net (deficit) position - ending					\$ (87,934,485)	\$ 73,680,910	\$ (14,253,575)

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and investments	\$ 53,057,259	\$ -	\$ 50,343,278	\$ 103,400,537
Receivables:				
Accounts receivable	6,728		1,433	8,161
Accrued interest	318,015	-	84,691	402,706
Total assets	\$ 53,382,002	\$ -	\$ 50,429,402	\$ 103,811,404
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 299,993	\$ -	\$ 243,393	\$ 543,386
Retainage payable	-	-	107,280	107,280
Accrued expenses	93,875	-	-	93,875
Due to primary government	1,103,179	-	638,547	1,741,726
Total liabilities	1,497,047	-	989,220	2,486,267
Fund balances:				
Restricted	19,013,892	-	49,440,182	68,454,074
Assigned -Capital Improvement	24,683,101	-	-	24,683,101
Unassigned	8,187,962	-	-	8,187,962
Total fund balances	51,884,955	-	49,440,182	101,325,137
Total liabilities and fund balances	\$ 53,382,002	\$ -	\$ 50,429,402	\$ 103,811,404

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2024

Total fund balance – governmental funds \$ 101,325,137

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds. Those assets consist of:

Land	\$ 10,817,763	
Construction in progress	32,985,040	
Buildings and structures, net	24,022,176	
Streetscape improvements, net	19,670,213	
Parks	7,741,037	
Restorations and renovations, net	16,531,724	
Vehicles, net	101,091	
Machinery and equipment, net	427,371	
Furniture and fixtures, net	21,108	
Right to use assets - SBITAs	9,261	
Total capital assets, net		112,326,784

Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Accrued interest on bonds	(2,203,082)	
Bonds payable	(264,370,000)	
SBITA payable	(9,640)	
Net premium/discount on bonds payable	(16,630,867)	
Accrued compensated absences	(561,792)	
Net Pension Liability - MBERP	(1,558,395)	
Net pension liability - MBF&P	(10,178,375)	
Net OPEB Liability	(9,819,448)	
Total long-term liabilities		(305,331,599)

In governmental funds, deferred outflows and inflows of resources relating to long-term debt, Assigned -Capital Improvement the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.

Deferred outflows of resources relating to MBERP	621,093	
Deferred outflows of resources relating to MBF&P	3,774,075	
Deferred outflows of resources relating to OPEB	926,582	
Deferred inflows of resources relating to MBERP	(22,137)	
Deferred inflows of resources relating to MBF&P	(62,052)	
Deferred inflows of resources relating to OPEB	(1,492,368)	
Total deferred resources		3,745,193
Net position (deficit) of governmental activities		\$ (87,934,485)

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2024

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Tax increment	\$ 55,372,973	\$ -	\$ -	\$ 55,372,973
Interest	5,072,279	-	1,744,573	6,816,852
Other	1	-	-	1
Total revenues	60,445,253	-	1,744,573	62,189,826
Expenditures:				
Current:				
General government	826,300	-	-	826,300
Public safety	4,988,892	-	-	4,988,892
Physical environment	6,937,567	-	-	6,937,567
Economic environment	6,895,969	-	-	6,895,969
Transportation	235,925	-	-	235,925
Culture and recreation	1,158,306	-	-	1,158,306
Capital outlay	495,146	-	1,403,176	1,898,322
Debt service:				
Principal retirement	-	7,505,000	-	7,505,000
SBITA payment	1,572	-	-	1,572
Interest and fiscal charges	70	13,406,125	-	13,406,195
Other	-	453	-	453
Total expenditures	21,539,747	20,911,578	1,403,176	43,854,501
Excess of revenues over (under) expenditures	38,905,506	(20,911,578)	341,397	18,335,325
Other financing sources (uses):				
SBITA liabilities issued	8,362	-	-	8,362
Transfers in	-	20,911,578	-	20,911,578
Transfers out	(24,911,578)	-	-	(24,911,578)
Total other financing sources (uses)	(24,903,216)	20,911,578	-	(3,991,638)
Net change in fund balances	14,002,290	-	341,397	14,343,687
Fund balances, beginning	37,882,665	-	49,098,785	86,981,450
Fund balances, ending	\$ 51,884,955	\$ -	\$ 49,440,182	\$ 101,325,137

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended September 30, 2024

Net change in fund balances - governmental funds	\$	14,343,687
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:		
Capital outlay	1,898,322	
Contribution to primary government convention center	(128,029)	
Contribution from primary government convention center	25,877	
Contribution to primary government	(654)	
Amortization of right to use asset - SBITA	(1,951)	
Depreciation expense	<u>(4,110,773)</u>	
Excess of deletions and depreciation over capital outlay		(2,317,208)
The issuance of long-term debt (e.g., bonds) provides current financial resources to government funds, while the repayment of the principal of long-term obligations is an expenditure in the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The statement of net position has been adjusted for transactions as follows:		
Decrease in interest payable	298,584	
Principal - debt service	7,505,000	
Principal - SBITA payment	1,572	
SBITA additions	(8,362)	
Amortization of premium on bonds (included with accrued expense)	<u>1,449,580</u>	
Total long-term debt and related transactions		9,246,374
In government funds, pension and OPEB costs are recognized when employer contributions are made. In the statement of activities, pension and OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs, OPEB and actual employer contribution was:		
MBERP	136,460	
SBITA liabilities issued	(376,974)	
OPEB	<u>(74,316)</u>	
Total pension and OPEB costs		(314,830)
Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental activities section of the statement of net position:		
Increase in accrued compensated absences	<u>(141,440)</u>	
Total expenditures that do not require the use of current financial resources		(141,440)
Change in net position of governmental activities	\$	<u>20,816,583</u>

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Net Position
Enterprise Funds
September 30, 2024

	Business-Type Activities Enterprise Funds		
	Parking Fund	Leasing Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 16,379,055	\$ 13,584,467	\$ 29,963,522
Accounts receivable (net of allowance for uncollectibles)	-	22,490	22,490
Leases receivables	-	4,412,064	4,412,064
Due from primary government	21,482	272,583	294,065
Prepaid expenses	175,941	-	175,941
Total current assets	16,576,478	18,291,604	34,868,082
Noncurrent assets:			
Cash and investments:			
Customer deposits and advance sales	111,271	218,313	329,584
Capital assets:			
Land	2,793,052	210,230	3,003,282
Construction in progress	417,074	-	417,074
Buildings and structures	55,152,619	2,397,145	57,549,764
Machinery and equipment	1,223,644	-	1,223,644
Furniture and fixtures	392,930	-	392,930
Less accumulated depreciation	(17,470,988)	(1,378,336)	(18,849,324)
Total capital assets (net of accumulated depreciation)	42,508,331	1,229,039	43,737,370
Total noncurrent assets	42,619,602	1,447,352	44,066,954
Total assets	59,196,080	19,738,956	78,935,036
Liabilities			
Current liabilities:			
Accounts payable	776,683	45,622	822,305
Retainage payable	96,727	-	96,727
Accrued expenses	21,647	-	21,647
Due to primary government	9,024	302,205	311,229
Due to other governments	27,807	465	28,272
Deposits	1,883	-	1,883
Environmental remediation	40,000	-	40,000
Unearned revenues	102,821	-	102,821
Total current liabilities	1,076,592	348,292	1,424,884
Noncurrent liabilities:			
Environmental remediation	30,000	-	30,000
Deposits	6,567	218,313	224,880
Total noncurrent liabilities	36,567	218,313	254,880
Total liabilities	1,113,159	566,605	1,679,764
DEFERRED INFLOWS OF RESOURCES			
Leases	-	3,574,362	3,574,362
Total deferred inflows of resources	-	3,574,362	3,574,362
Net Position			
Net investment in capital assets	42,411,605	1,229,039	43,640,644
Unrestricted	15,671,316	14,368,950	30,040,266
Total net position	\$ 58,082,921	\$ 15,597,989	\$ 73,680,910

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds		
	Parking Fund	Leasing Fund	Total
Operating revenues:			
Charges for services	\$ 4,696,494	\$ -	\$ 4,696,494
Permits, rentals and other	568,123	1,595,155	2,163,278
Total operating revenues	5,264,617	1,595,155	6,859,772
Operating Expenses			
Operating supplies	756	-	756
Contractual services	3,267,435	354,985	3,622,420
Utilities	254,395	9,260	263,655
Internal charges	540,000	43,000	583,000
Depreciation and amortization	1,427,454	77,352	1,504,806
Administrative fees	376,000	16,000	392,000
Other	312,602	937	313,539
Total operating expenses	6,178,642	501,534	6,680,176
Operating (loss) income	(914,025)	1,093,621	179,596
Nonoperating revenues:			
Gain/(Loss) on disposal of capital assets	-	(99,440)	(99,440)
Interest income	372,624	461,405	834,029
Total nonoperating revenues	372,624	361,965	734,589
Transfer in	-	296,000	296,000
Transfer out	-	(296,000)	(296,000)
Changes in net position	(541,401)	1,455,586	914,185
Total net position, beginning	58,624,322	14,142,403	72,766,725
Total net position, ending	\$ 58,082,921	\$ 15,597,989	\$ 73,680,910

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Cash Flows
Enterprise Funds
Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds		
	Parking Fund	Leasing Fund	Total
Cash flows from operating activities:			
Receipts received from customers	\$ 4,815,417	\$ (596,696)	\$ 4,218,721
Payments to suppliers	(3,691,189)	(356,128)	(4,047,317)
Payments made for interfund services used	(1,053,570)	(59,803)	(1,113,373)
Receipts for other operating revenue	568,123	1,595,155	2,163,278
Net cash provided by operating activities	638,781	582,528	1,221,309
Cash flows from capital and related financing activities:			
Purchase of capital assets	(352,385)	-	(352,385)
Net cash used in capital and related financing activities	(352,385)	-	(352,385)
Cash flows from investing activities:			
Interest on investments	372,624	461,405	834,029
Net cash provided by investing activities	372,624	461,405	834,029
Net increase in cash and investments	659,020	1,043,933	1,702,953
Cash and investments – beginning of year	15,831,306	12,758,847	28,590,153
Cash and investments – end of year	\$ 16,490,326	\$ 13,802,780	\$ 30,293,106
Reconciliation of operating (loss) income to net cash provided by operating activities:			
Operating (loss) income	\$ (914,025)	\$ 1,093,621	\$ 179,596
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,427,454	77,352	1,504,806
Loss on disposal of asset		(99,440)	(99,440)
Provisions for uncollectible accounts	-	-	-
Changes in assets and liabilities:			
(Increase) decrease leases deferred inflow	-	(1,404,063)	(1,404,063)
(Increase) decrease accounts receivable	1,750	8,841	10,591
(Increase) decrease leases receivable	-	879,966	879,966
(Increase) decrease in due from primary government	106,803	18,000	124,803
(Increase) decrease in prepaid expenses	(39,430)	-	(39,430)
Increase (decrease) in accounts payable	64,223	8,589	72,812
Increase (decrease) in accrued expenses	21,399	-	21,399
Increase (decrease) in due to other government	27,807	465	28,272
Increase (decrease) in due to primary government	(137,570)	(803)	(138,373)
Increase (decrease) in deposits	197	-	197
Increase (decrease) in environmental remediation	70,000	-	70,000
Increase (decrease) in unearned other revenue	10,173	-	10,173
Total adjustments	1,552,806	(511,093)	1,041,713
Net cash provided by operating activities	\$ 638,781	\$ 582,528	\$ 1,221,309
Non-cash transactions affecting financial position:			
Change in construction and related related liabilities	\$ 36,352	\$ -	\$ 36,352
Total non-cash transactions affecting financial position:	\$ 36,352	\$ -	\$ 36,352

See notes to financial statements.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2024

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

In February 1976, the Miami Beach Redevelopment Agency (the "Agency") was formed by the City of Miami Beach, Florida (the "City") under the provisions of Chapter 163 of the Florida Statutes.

The Agency's stated purpose was to spur development and redevelopment in the South Pointe area of the City, an area which includes approximately 250 acres at the southern tip of the City, and a redevelopment area called the City Center/Historic Convention Village Redevelopment and Revitalization Area. During fiscal year 2006, the South Pointe district under the Agency's jurisdiction expired, and at that point, the City assumed the responsibilities for the South Pointe area. At that time, the stated purpose became specifically the City Center/Historic Convention Village Redevelopment and Revitalization Area.

Subsequent to its inception in March 1977, the City adopted the Agency's redevelopment plan which provided for the construction of residential housing, hotels, a marina and commercial, recreational and entertainment facilities. Because of the desire of the City Commission to revise the concept for redevelopment of the South Pointe area, on December 17, 1982, the City Commission declared itself to be, and to constitute the Agency. This action resulted in the City Commissioners becoming the new Agency's Board Members and the City manager becoming the executive director of the Agency. The Agency's budget is adopted by its Board of Directors.

The City Center/Historic Convention Village Redevelopment and Revitalization Area was formed in the same manner as the South Pointe Area. In March 1993, the City adopted the Agency's redevelopment plan for the City Center/Historic Convention Village Redevelopment and Revitalization Area, which called for the revitalization of the blighted area surrounding the Miami Beach Convention Center and Lincoln Road.

The City has expended certain funds prior to and subsequent to the inception of the Agency for various projects, which have benefited the redevelopment area. These expenditures have been recorded in the accounting records of the City, and accordingly, are not reflected in the accompanying financial statements of the Agency.

The City provides the Agency facilities for its operations.

The Board of Directors of the Agency (the "Board") is comprised of the six members of the City Commission and the Mayor. The Agency meets the criteria for inclusion in the City's reporting entity as a blended component unit, and therefore, has been reported in the basic financial statements of the City.

For financial reporting purposes, in accordance with Governmental Accounting Standards Board ("GASB") Codification Section 2100, the Agency includes those organizations and activities that are generally controlled by or dependent on the Agency. Control by or dependence of the Agency is determined on the basis of such factors as budget adoption, outstanding debt secured by revenue of the Agency and obligation of the Agency to finance any deficit that may occur.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. The government-wide focus is more on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2024

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. The Agency's program revenue consists of charges to customers or applicants, who purchase use or directly benefit from goods, services or privileges provided by a given functional category. Taxes and other items not included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes (tax increments) are recognized as revenue in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation. Their operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absence, claims and judgments, leases, Subscription Based Information Technology Agreements, pensions, pollution remediation obligation and other postemployment benefits are recorded only when payment is due, or when the Agency has made a decision to fund those obligations with current available resources.

Tax increment when levied and interest associated with the current fiscal period, are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenues are measurable upon receipt of cash and are recognized at that time.

Amounts reported as program revenue in the government-wide financial statements include charges to customers or applicants for goods and services or privileges provided and, operating grants and contributions and capital grants and contributions restricted to a particular program. Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included in general revenues.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

The Agency reports the following major governmental funds:

- The general fund is the general operating fund of the Agency. All financial resources, except those required to be accounted for in another fund, are accounted for in the general fund.
- The City Center debt service fund is used to account for the accumulation of resources for the payment of general long-term debt, principal, interest and related costs associated with the City Center District.

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- The City Center capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities within the City Center District.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The Agency established the use of proprietary funds to account for its business-type activities; accordingly, the operations of the Agency's parking and leasing activities are accounted for in separate enterprise funds.

The Agency reports the following major proprietary funds:

- The Parking Fund accounts for the parking operations of the Anchor Garage, Pennsylvania Avenue Garage and Collins Park Garage which are located within the City Center District.
- The Leasing Fund accounts for the leasing operations of the Anchor Shops and the Pennsylvania Avenue Shops. The Anchor Shops and Pennsylvania Avenue Shops are both located within the City Center District.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance or Equity

1. Cash and Investments

Cash is comprised of deposits with financial institutions. Investments are comprised of U.S. Treasury obligations, money market funds and external governmental investment pools. For the purpose of the statement of cash flows for the proprietary fund types, cash and investments are short-term, highly liquid investments with an original maturity of three months or less.

Investments are recorded at fair value using quoted market price or the best available estimate thereof, except for those investments with remaining maturities of one year or less, when purchased, which are recorded at amortized cost, in accordance with GASB Statement No. 72 "*Fair Value Measurement and Application*" and/or No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" where applicable.

2. Receivables and Payables

During the course of its operations, the Agency has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, balances of interfund amounts receivable or payable have been reflected. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for uncollectible accounts. Accounts receivable in excess of 90 days that are not deemed collectible, comprise the allowance for uncollectible accounts.

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Following are the significant components of the receivables due to the Agency at September 30, 2024:

- a. Accrued Interest Receivable – This amount represents the interest earned but not collected on the Agency’s investments at September 30, 2024.
- b. Leases Receivable – The Agency’s leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the Agency may receive variable lease payments that are dependent upon the lessee’s revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. Deferred inflows of resources are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

3. Capital Assets

Capital assets, which include property, vehicles, machinery, right-to-use-assets, furniture and fixtures, are reported in the applicable governmental or business-type columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost as described below, and an estimated useful life in excess of one year. Such assets are recorded at historical costs or based on valuations, which approximate cost. Donated assets are recorded at their estimated acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, furniture and fixtures of the Agency are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives and the capitalization threshold are as follows:

Capital Assets Category	Capitalizing Threshold	Estimated Useful Life (in years)
Land	Capitalize all	Not depreciable
Intangible assets	Capitalize all	Not depreciable
Construction in progress	\$ 100,000	Not depreciable
Building and structure	100,000	50 years
Permanent improvements	100,000	Limited to useful life of bldg. not to exceed 35 years
Furniture and equipment	5,000	7 years
Motor vehicles	5,000	5 years
Motor vehicles greater than \$50,000	50,000	10 years
Maintenance and heavy moving equipment	5,000	15 years
Infrastructure	100,000	30-50 years

In governmental funds, capital outlay (capital assets) is reported as an expenditure and no depreciation expense is reported.

4. Right-to-Use Assets

The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease. At September 30, 2024, the Agency had right-to-use SBITA assets recorded of approximately \$9,000.

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5. Restricted assets

Certain resources of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The governmental fund types report unspent bond proceeds as restricted on the statement of net position.

6. Prepaid Items

Expenditures made for services that will benefit periods beyond September 30, 2024 are recorded as prepaid expenses in the government-wide statements and proprietary fund statements.

7. Leases

The Agency is a lessor for noncancellable leases of buildings. The Agency recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental and proprietary fund financial statements.

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Agency determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Agency uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

During fiscal year 2024, the Agency recorded lease receivables and deferred inflows. Additional information related to lease receivables can be found at Note 5 of the financial statements.

8. SBITAs

The Agency has entered into subscription-based information technology arrangements (SBITAs) under GASB Statement No. 96 and, therefore, liabilities have been recorded at the present value of the payments expected to be made during the subscription term. The Agency elected not to set threshold for subscription payments. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted by payments made at or before the lease commencement date plus initial implementation costs incurred.

Key estimates and judgements related to SBITAs include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) subscription term, and (3) subscription payment.

- The Agency uses its estimated incremental borrowing rate as the discount rate for the SBITAs.
- The SBITA's term includes the period during which the City has a noncancellable right to use the underlying information technology assets. The subscription term also includes periods covered by an option to extend or to terminate.

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- Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITAs liability.

Right-to-use assets, net of accumulated depreciation are reported separately on the statement of net position in the in the government-wide and proprietary funds statements. SBITAs commencing within the current year, in governmental funds, are recorded as SBITA proceeds under other financing sources and capital outlay in the statement of revenues, expenditures, and changes in fund balance. The net asset value is included in the Net Investment in Capital Assets calculation on the statements of net position. Detailed disclosures on individual SBITAs and right to use assets are provided in Note 6.

9. Fund Balance/Net Position

Fund Balance:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- a. Non-spendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples on non-spendable fund balance include leases, inventories and/or prepaid expenditures.
- b. Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- c. Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The commission adopts a City resolution, which includes the amount to be committed and the reason for the commitment. Only an adopted resolution by the Commission can establish, modify or rescind the commitment.
- d. Assigned Fund Balance – amounts that are constrained by the City Commission's or an official delegated by the governing body's (City Manager) intent to be used for specific purposes but are neither restricted nor committed. Fund balance is primarily assigned based on the City's budgeting policy. Some amounts are approved and assigned by the City commission subsequent to September 30, 2024.
- e. Unassigned Fund Balance – Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

When both restricted and unrestricted amounts are available for use, it is the Agency's practice to use restricted resources first. Additionally, the Agency would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

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Net Position:

The government-wide and proprietary funds financial statements utilize a net position presentation. Net Position is categorized as investment in capital assets, restricted or unrestricted. The first category represents capital assets, less accumulated depreciation and net of any outstanding debt associated with the acquisition of capital assets. Restricted net position represents amounts that are restricted by requirement of debt indenture. Unrestricted net position represents the net position of the Agency which is not restricted for any project or purpose. During Fiscal year 2020 the Agency transferred to the Convention Center Fund assets related to the Convention Center renovation. The debt associated with the asset is outstanding in the Agency causing a deficit in net position. The total deficit will continue to decrease as the total debt outstanding is paid off.

10. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows and disclosure of contingent assets and liabilities, deferred outflow and inflows at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates.

11. Risk Management

The City, which includes coverage for the Agency, is self-insured for health insurance, automobile liability, general liability, police professional liability, workers' compensation, theft and property damage. The Agency is charged a premium fee by the City's self-insurance fund. The Agency does not retain any risk beyond premiums paid to the City.

12. Employee Benefit Plan

The following is a brief description of the Agency employees' participation in the Miami Beach Employees' Retirement Plan and the City's Pension Fund for Firefighter's and Police (the "Plans"). Pursuant to Modification 29 of the Florida State Social Security Agreement, effective January 1, 1955, the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. Instead, it provides eligible employees a comprehensive defined benefit pension. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare and withholds taxes accordingly. Readers should refer to Note 16 in the City's 2024 Annual Comprehensive Financial Report and Plan documents for detailed and comprehensive information on the Plans.

All full-time employees of the City who work more than 30 hours per week and hold classified or unclassified positions, except for Policemen and Firemen, are covered by the Miami Beach Employees' Retirement Plan (the "Plan"). The Plan provides retirement benefits as well as death and disability benefits at two different tiers depending on when the employees entered the plan. All First-Tier employees who participate are required to contribute 12% of their salary to the Plan. All Second-Tier employees are required to contribute 10% of their salary. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

The City's Pension Fund for Firefighters and Police (the "Plan") is a defined benefit pension plan covering substantially all police officers and firefighters of the City. Members of the plan contribute 10% of their salary. The City is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable.

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For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the Miami Beach General Employees' Retirement Plan ("MBERP") and the Miami Beach Fire and Police Retirement Plan ("MBF&P") and additions to/deductions from the MBERP and MBF&P plan net position has been determined on the same basis as they are reported by the MBERP and MBF&P, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

13. Post-Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.08, Florida Statutes, the Agency is required to permit eligible retirees and their eligible dependents to participate in the Agency's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The Agency is a part of the City of Miami Beach's single employer OPEB plan with benefits based on age and date of employment. The City has established an irrevocable trust fund to hold the assets of the OPEB plan. OPEB liabilities, deferred inflows and outflows reported in the statement of activities are typically liquidated from the general fund. Please refer to Note 16 of the Agency and Note 17 of the City's 2024 Annual Comprehensive Financial Report for more information.

14. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations including leases are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are recorded as additions to or deductions from the related debt and amortized in interest expense over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Leases are recorded as lease liabilities issued under other financing sources and capital outlay. Debt principal payments are reported as debt service expenditures.

15. Deferred Outflows/Inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has three items that qualify for reporting in this category.

- a. Deferred outflows of resources related to the MBERP and MBF&P pension plans are recognized when the Agency makes contributions subsequent to the measurement date and when there are differences between expected and actual experience. Differences between expected and actual experience and changes in assumptions are deferred and amortized over the average of the expected remaining service lives of employees who are provided with benefits through the pension plans. Employer contributions made subsequent to the measurement date are deferred and recognized as a reduction of the net pension liability in the subsequent reporting year. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred outflows of resources related to pensions are only reported on the government-wide financial statements.
- b. Deferred outflows of resources relating to Other Post Employment Benefits are recognized when the Agency makes contributions subsequent to the measurement date, when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the

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deferrals, and differences between expected and actual investment earnings. The difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has four items that qualify for reporting in this category.

- a. Deferred inflows of resources related to the MBERP and MBF&P pension plans are reported when changes in the net pension liability are not included in the pension expense of the actuarially calculated net pension liability, such as differences between projected and actual investment earnings. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred inflows of resources related to pensions are only reported on the government-wide financial statements.
- b. Deferred inflows of resources relating to Other Post Employment Benefits are recognized when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the deferrals, and differences between expected and actual investment earnings. The difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.
- c. Deferred inflow of resources related to leases are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

16. Recent accounting pronouncements adopted/implemented

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Agency has implemented GASB Statement No. 100 and there were no effects on the financial statements.

Pronouncements Issued but Not Yet Adopted – The City’s management has not yet determined the effect these statements will have on the City’s financial statements:

Statement 101 – Compensated Absences, was issued in June 2022. This statement aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for fiscal year ending September 30, 2025.

Statement 102 – Certain Risk Disclosures, was issued in December 2023. This statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentration or constraints. The requirements of this Statement apply to the financial statements of all state and local governments. The provisions of this Statement are effective for the fiscal year ending September 30, 2025.

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Note 2 - Deposits and Investments

Deposits

All deposits are held in banking institutions approved by the State Treasurer of the State of Florida, to hold public funds. Under the Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The Agency adopted the City's ordinance designating the investments which are allowable for its cash management activities. The policy specifies the types and limits by instrument and establishes a diversified investment objective that takes into consideration the safety, return and liquidity of capital. The authorized investments include direct U.S. treasury obligations, U.S. government agencies, corporate bonds, commercial paper, state or municipal obligations and cash held at investment institutions. These investments are insured, or registered, or the securities are held by its agent in the Agency's name.

Employee Retirement Systems Investments:

The Agency has (through city-adopted ordinances which govern the investment of funds for all of the Employee's Retirement Systems (the "System")) a retirement system for employees. Each Plan is allowed to invest in a wide range of instruments including but not limited to United States Treasury obligations, loans guaranteed by government agencies, Mutual and Money Market funds, Private Placement, Real Estate funds, General Obligation or Revenue Bonds issued by states and municipalities, dividend paying stocks of domestic corporations, International Equity Funds, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations. Each Plan has a Board of Trustees who authorizes the investment policy.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market rates.

Investments are made based on prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. If the yield of the portfolio can be improved by the sale of an investment, prior to maturity, with the reinvestment of the proceeds, then this provision is allowed. As a means of limiting its exposure to fair value losses, the Agency's investment policy limits maturity of its investments to seven years or less. At September 30, 2024, all of the Agency's investments had a maturity of 5 years or less.

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As of September 30, 2024, the Agency had the following investments and maturities:

	Value	Investment Maturities (in years)	
		Less Than One	1-5
U.S. Treasury securities	\$ 67,983,750	\$ 24,457,700	\$ 43,526,050
FLCLASS Pool	58,024,220	58,024,220	-
	<u>\$ 126,007,970</u>	<u>\$ 82,481,920</u>	<u>\$ 43,526,050</u>

Credit Risk: This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. State law limits investments in commercial paper and corporate bonds rated in one of the top two ratings issued by the Nationally Recognized Statistical Rating Organization (“NRSRO”). It is the Agency’s policy to limit its investments in these investment types to the top rating issued by the NSRSO. As of September 30, 2024, the Agency had no investments in commercial paper or corporate bonds.

Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

As of September 30, 2024, the Agency’s investments were rated by Moody’s Investors Service and Standard & Poor’s as follows:

Investment Type	Issuer	Standard & Poor’s	Moody’s	Fair Value
US Govt Treasuries	U.S. Government	AA+	Aaa	\$ 67,983,750
FLCLASS	Local Govt. Investment Pool	AAAm	N/A	58,024,220
				<u>\$ 126,007,970</u>

Concentration of Credit Risk: The Agency’s investment plan limits the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. The maximum portfolio allocation is 100% for both cash held at investment institutions and Treasury Securities as well as money market funds unless they are private money market mutual funds backed by “Full Faith and Credit” U.S. Government Securities in which case they cannot exceed 25%.

The Agency’s investments at September 30, 2024 are shown below:

	Carrying Amount	% of Portfolio
FLCLASS Pool	\$ 58,024,220	46.0%
Treasury securities	67,983,750	54.0%
	<u>\$ 126,007,970</u>	<u>100.0%</u>

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Custodial Credit Risk:

In the event of a financial institution failure, the City's deposits may not be recoverable. The Policy requires that deposits be made only in qualified public depositories. These are banking institutions approved by the State Treasurer of Florida to hold public funds, and which are required to deposit with the Treasurer or other banking institution eligible collateral, as required by Florida Statutes Chapter 280, Security for Public Depositories. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), the remaining public depositories would be responsible for covering any resulting losses. As of September 30, 2024 all bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks. Securities purchased by the City must be held for the credit of the City in accordance with Florida Statutes §218.415. For third-party custodial agreements, the City will execute a Custodial Safekeeping Agreement with a Financial Institution. All securities purchased and/or collateral obtained by the City shall be the property of the City and be held apart from the assets of the financial institution

The Agency's investment policy requires that securities be registered in the name of the Agency. All safekeeping receipts for investment instruments are held in accounts in the Agency's name and all securities are registered in the Agency's name. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Agency's investments in Treasury securities are held by a counterparty in the Agency's name.

Fair Value Measurement: GASB No. 72 defines fair value as the price that would be received to sell an asset. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

The Agency has the following recurring fair value measurements as of September 30, 2024:

Investments	2024	Fair Value Measurements Using Level 2
Investments by Fair Value Level		
U.S. Government Treasuries	\$ 67,983,750	\$ 67,983,750
Total Debt Securities	<u>67,983,750</u>	
Investments measured at Net Asset Value		
FLCLASS	<u>58,024,220</u>	
Total Investments measured at Net Asset Value	<u>58,024,220</u>	
Total Investments	<u>\$ 126,007,970</u>	<u>\$ 67,983,750</u>

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Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under F.S. 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAA rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is .96 years or 365 days as of September 30, 2024. The City's cash and investments held at September 30, 2024 are shown below:

US Treasury	\$	67,983,750
FLCLASS		58,024,220
Total Investments		<u>126,007,970</u>
Cash Equivalents		7,685,673
Total Cash and Investments	\$	<u><u>133,693,643</u></u>
Schedule of cash and investments by fund:		
General	\$	53,057,259
Capital Projects		50,343,278
Parking		16,490,326
Leasing		13,802,780
Total	\$	<u><u>133,693,643</u></u>

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Note 3 - Capital Assets

Capital asset activities for the year ended September 30, 2024 were as follows:

A. Governmental Activities

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 10,817,763	\$ -	\$ -	\$ 10,817,763
Construction in progress	31,711,357	1,828,510	554,827	32,985,040
Total capital assets not being depreciated	<u>42,529,120</u>	<u>1,828,510</u>	<u>554,827</u>	<u>43,802,803</u>
Capital assets, being depreciated/amortized:				
Buildings and structures	31,899,014	126,798	-	32,025,812
Streetscape improvements	43,598,747	-	-	43,598,747
Restoration/renovations	29,763,083	-	-	29,763,083
Parks	8,901,595	25,877	-	8,927,472
Vehicles	296,433	60,796	-	357,229
Machinery and equipment	658,003	299,998	-	958,001
Furniture and fixtures	888,684	-	-	888,684
Right to use asset, SBITAs	5,792	8,362	-	14,154
Total capital assets being depreciated/amortized	<u>116,011,351</u>	<u>521,831</u>	<u>-</u>	<u>116,533,182</u>
Less accumulated depreciation/amortization for:				
Buildings and structures	7,395,023	608,613	-	8,003,636
Streetscape improvements	21,835,817	2,092,717	-	23,928,534
Restorations/renovations	12,237,861	993,498	-	13,231,359
Parks	888,531	297,904	-	1,186,435
Vehicles	201,443	54,693	-	256,136
Machinery and equipment	474,005	56,626	-	530,631
Furniture and fixtures	860,855	6,722	-	867,577
Right to use asset, SBITAs	2,942	1,951	-	4,893
Total accumulated depreciation/amortized	<u>43,896,477</u>	<u>4,112,724</u>	<u>-</u>	<u>48,009,201</u>
Total capital assets, being depreciated/amortized, net	<u>72,114,874</u>	<u>(3,590,893)</u>	<u>-</u>	<u>68,523,981</u>
Governmental activities capital assets, net	<u>\$ 114,643,994</u>	<u>\$ (1,762,383)</u>	<u>\$ 554,827</u>	<u>\$ 112,326,784</u>

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B. Business-Type Activities

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,003,282	\$ -	\$ -	\$ 3,003,282
Construction in progress	183,253	233,821	-	417,074
Total capital assets not being depreciated	<u>3,186,535</u>	<u>233,821</u>	<u>-</u>	<u>3,420,356</u>
Capital assets, being depreciated:				
Building and structures	57,519,686	30,078	-	57,549,764
Machinery and equipment	1,098,806	124,838	-	1,223,644
Furniture and fixtures	392,930	-	-	392,930
Total capital assets being depreciated	<u>59,011,422</u>	<u>154,916</u>	<u>-</u>	<u>59,166,338</u>
Less accumulated depreciation for:				
Building and structures	16,467,268	1,318,534	-	17,785,802
Machinery and equipment	858,539	130,139	-	988,678
Furniture and fixtures	18,711	56,133	-	74,844
Total accumulated depreciation	<u>17,344,518</u>	<u>1,504,806</u>	<u>-</u>	<u>18,849,324</u>
Total capital assets being depreciated net	<u>41,666,904</u>	<u>(1,349,890)</u>	<u>-</u>	<u>40,317,014</u>
Business-type activities capital assets, net	<u><u>\$ 44,853,439</u></u>	<u><u>\$ (1,116,069)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 43,737,370</u></u>

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Depreciation/amortization expense was charged to functions/programs of the Agency as follows:

Governmental activities:	
General government	\$ 382,185
Public safety	48,132
Physical environment	40,951
Transportation	1,639,752
Culture and recreation	2,001,704
Total depreciation and amortization expense - governmental activities	\$ 4,112,724
 Business-type activities:	
Parking	\$ 1,427,454
Leasing	77,352
Total depreciation and amortization expense - business-type activities	\$ 1,504,806

Note 4 - Construction Commitments

The Agency had the following construction commitments as of September 30, 2024:

General Fund	\$ 1,736,130
Capital Project	1,903,023
Parking	234,046
	\$ 3,873,199

The Agency had the following Encumbrance commitments as of September 30, 2024:

Parking	\$ 350,764
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Note 5 – Leases

The primary objective of GASB Statement No. 87, *Leases*, is to enhance the relevance and consistency of information about governments’ leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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A. Leases Receivable

Details of the City's leases receivable by lease for business-type activities for the year ended September 30, 2024 was as follows:

Leases Receivable
Business-type activities:

Reference	Fund	Asset Type	Start Date	End Date	Term as of 10/1/2022	Int Rate in %	Ext. Option	Number of Options	Ext Period (in months)	Beginning Balance	Additions	Receipts/Reductions	Ending Balance	Interest Income	Fixed Annual Payment
2021-011	Leasing	Buildings	10/1/2021	12/31/2025	27	0.67	No	-	-	\$ 376,727	\$ -	\$ 151,608	\$ 225,119	\$ 2,019	\$ 151,608
2021-014	Leasing	Buildings	10/1/2021	9/30/2024	15	2.60	Yes	2	60	698,347	-	698,347	-	17,603	-
2023-001	Leasing	Buildings	1/13/2023	1/12/2033	108	3.45	No	-	-	2,518,884	98,991	-	2,617,875	90,291	26,475
2023-003	Leasing	Buildings	3/23/2023	12/22/2032	106	3.45	No	-	-	1,698,072	-	129,002	1,569,070	54,591	16,856
Leasing Total										\$ 5,292,030	\$ 98,991	\$ 978,957	\$ 4,412,064	\$ 164,504	\$ 194,939

Lease Payment and Subsequent Event

During fiscal year 2024, a payment in the amount of \$296,088 was received related to an outstanding balance, \$698,347 owed by the lessee on Lease No. 2021-014. This payment was negotiated and agreed to as part of a modification of the original lease agreement. The remainder of the amount owed by the lessee, \$402,000, was written off during fiscal year 2024 once the payment was received. The amended lease agreement was executed subsequent to year-end on November 7, 2024. In accordance with the Agency's accounting policies and applicable financial reporting standards, the effects of the lease modification will be recognized in fiscal year 2025, the period in which the agreement was formally executed.

Details of the City's leases deferred inflow by lease for business-type activities for the year ended September 30, 2024 was as follows:

Reference	Fund	Asset Type	Beginning Balance	Additions	Reductions	Ending Balance
2021-011	RDA Leasing	Buildings	\$ 374,422	\$ -	\$ 166,411	\$ 208,011
2021-014	RDA Leasing	Buildings	708,437	-	708,437	-
2023-001	RDA Leasing	Buildings	2,362,942	-	262,188	2,100,754
2023-003	RDA Leasing	Buildings	1,532,623	-	267,026	1,265,597
RDA Leasing Total			\$ 4,978,424	\$ -	\$ 1,404,062	\$ 3,574,362

Note 6 – Subscription-Based Information Technology Arrangements

The financial statements for the year ended September 30, 2024 include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription agreements. Under this statement, a subscription is required to recognize a subscription liability and an intangible right-to-use lease asset. Balances at October 1, 2022 were restated in accordance with the GASB requirements.

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A. SBITA Liabilities

Details of the Agency's liabilities by lease for governmental activities for the year ended September 30, 2024 was as follows:

Governmental activities:					Term	Interest			Payments/	Ending	Interest	Fixed
Reference	Fund	Asset Type	Start Date	End Date	as of	Rate	Beginning	Additions	Reductions	Balance	Expense	Annual
					10/1/2022	in %	Balance					Payment
G96-023.2	RDA	Subscription	10/1/2022	9/26/2029	72	2.38	\$ 2,850	\$ 8,362	\$ 1,572	\$ 9,640	\$ 70	\$ 1,642
Total							\$ 2,850	\$ 8,362	\$ 1,572	\$ 9,640	\$ 70	\$ 1,642

B. Net Book Value of Right-to-use Assets

Net book value of right-to-use assets by lease for governmental activities for the year ended September 30, 2024 was as follows:

Reference	Fund	Asset Type	Beginning Balance	Increases	Decreases	Ending Balance
G96-023.2	RDA	Subscription	\$ 2,850	\$ 8,362	\$ 1,951	\$ 9,261
Total			\$ 2,850	\$ 8,362	\$ 1,951	\$ 9,261

Note 7 - Tax Increment Revenue Bonds

On December 15, 2015 the City issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue Refunding Bonds to provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Series 2005B; finance certain costs of acquiring and constructing renovations to the convention center and certain other improvements; and pay costs of issuance of the Series 2015A bonds. The Series 2015A bonds were issued with interest rates of 4.00% to 5.00% payable semiannually on February 1 and August 1.

The principal and interest of the Series 2015A Tax Increment Revenue Refunding Bonds is fully secured by the tax increment revenues derived from the Redevelopment area and received solely from the City and the County. Annual pledged revenues received by the Agency are required to be at least equal to 1.5 times the maximum annual debt service.

For fiscal year ending September 30, 2024, the City received \$55,372,973 in pledged revenues. The maximum annual debt service is \$20,911,250 and will occur in fiscal year 2031. For fiscal year 2024, the Agency's ratio of pledged revenues to maximum annual debt service coverage is 2.65.

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The aggregate maturities of tax increment revenue bonds at September 30, 2024 are as follows:

FISCAL YEAR ENDING 9/30	PRINCIPAL	INTEREST	TOTAL
2025	7,885,000	13,021,375	20,906,375
2026	8,290,000	12,617,000	20,907,000
2027	8,715,000	12,191,875	20,906,875
2028	9,165,000	11,744,875	20,909,875
2029	9,635,000	11,274,875	20,909,875
2030-2034	56,115,000	48,435,625	104,550,625
2035-2039	72,050,000	32,494,750	104,544,750
2040-2044	92,515,000	12,026,875	104,541,875
Totals	264,370,000	153,807,250	418,177,250
Plus: Net unamortized bond premium	16,630,868	-	16,630,868
	281,000,868	153,807,250	434,808,118

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Note 8 - Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
Revenue Bonds	\$ 271,875,000	\$ -	\$ (7,505,000)	\$ 264,370,000	\$ 7,885,000
Add: 2015 Premium	18,080,447	-	(1,449,580)	16,630,867	-
Total bonds payable	<u>289,955,447</u>	<u>-</u>	<u>(8,954,580)</u>	<u>281,000,867</u>	<u>7,885,000</u>
Compensated absences	420,352	459,683	(318,243)	561,792	255,572
Environmental remediation	-	-	-	-	-
SBITA payable	2,850	8,362	(1,572)	9,640	1,642
Net OPEB Liability	9,797,670	21,778	-	9,819,448	-
Net Pension Liability - MBERP	2,161,473	-	(603,078)	1,558,395	-
Net Pension Liability - MBF&P	10,448,544	-	(270,169)	10,178,375	-
Total	<u>22,830,889</u>	<u>489,823</u>	<u>(1,193,062)</u>	<u>22,127,650</u>	<u>257,214</u>
Governmental activity long-term liabilities	<u>\$ 312,786,336</u>	<u>\$ 489,823</u>	<u>\$ (10,147,642)</u>	<u>\$ 303,128,517</u>	<u>\$ 8,142,214</u>
Business-type activities:					
Environmental Remediation	\$ -	\$ 70,000	\$ -	\$ 70,000	\$ 40,000
Tenant deposits	226,566	2,080	(1,883)	226,763	-
Business-type activity long-term liabilities	<u>\$ 226,566</u>	<u>\$ 72,080</u>	<u>\$ (1,883)</u>	<u>\$ 296,763</u>	<u>\$ 40,000</u>

Accrued interest payable on long term debt not recognized in the governmental funds, was accrued in the amount of \$2,203,082.

Note 9 - Tax Increment Revenue

The Agency is primarily funded through tax-increment revenue. This revenue is computed by applying the operating tax for the City and Miami-Dade County, Florida, (the "County") multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations.

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Note 10 - Related-Party Transactions

The Agency obtains certain managerial and administrative services from the Primary Government and Miami Dade County in accordance with a management agreement with Miami Dade County. The Agency incurred \$1,415,198 of management-fee expense under this agreement for the year ended September 30, 2024. Amounts due from the Agency are primarily disbursements paid from the primary government general depository account and are pending reimbursement from the Agency. The amount due to the Agency from the primary government to the leasing fund and parking fund respectively are for deposits made to the general depository account pending transfer to the Agency. As of September 30, 2024, due to and from are as follows:

Governmental funds:	
Due to the primary government from:	
General fund	\$ 1,103,179
Capital projects fund	638,547
	<u>\$ 1,741,726</u>
Business-type activities:	
Due from the primary government to:	
Enterprise funds – parking fund	\$ 21,482
Enterprise funds – leasing fund	272,583
	<u>\$ 294,065</u>
Due to the primary government from:	
Enterprise funds – parking fund	\$ 9,024
Enterprise funds – leasing fund	302,205
	<u>\$ 311,229</u>

Note 11 - Interfund Transfers

Interfund transfers for the year ended September 30, 2024, consisted of the following:

Government funds:	
Transfers from the general fund to:	
Debt service	\$ 20,911,578
Primary government	4,000,000
	<u>\$ 24,911,578</u>

Transfers are used to: (1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them, and (2) move receipts restricted for debt services from the funds collecting the receipts to the debt service fund. (3) transfer to the Primary government for pension obligations, Beach Renourishment and Transportation Capital Initiative Project.

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Note 12 - Receivables

At September 30, 2024, the Agency had the following receivable balances:

	Governmental Activities	
	General Fund	Capital Projects
Receivables:		
Accounts	\$ 6,728	\$ 1,433
Gross receivable	6,728	1,433
Less allowance for uncollectible	-	-
Net receivables	\$ 6,728	\$ 1,433
	Business-Type Activities	
	Parking Fund	Leasing Fund
Receivables:		
Accounts	\$ -	\$ 22,490
Gross receivable	-	22,490
Less allowance for uncollectible	-	-
Net receivables	\$ -	\$ 22,490

Note 13 - Governmental Fund – Fund Balance

Below is a table of fund balance categories and classifications at September 30, 2024 for the Agency's governmental funds:

	General Fund	Capital Projects
Restricted:		
Economic environment	\$ 19,013,892	\$ 18,538,673
Physical environment	-	1,584,543
Culture and recreation	-	676,202
General public facility	-	9,018,020
Streets/sidewalks	-	19,622,744
	19,013,892	49,440,182
Assigned	24,683,101	-
Unassigned	8,187,962	-
Total Fund Balance	\$ 51,884,955	\$ 49,440,182

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Note 14 - Contingencies

The Agency, in the normal course of operations, is a party to various other actions in which plaintiffs have alleged certain damages. In all cases, management does not believe the disposition of these matters will materially affect the financial position of the Agency.

Note 15 - Pension Plan

Miami Beach Employees' Retirement System ("MBERP")

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955, the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The Miami Beach Employees' Retirement Plan (the Plan) is a single employer defined benefit pension plan for general employees established by the City of Miami Beach, Florida (the City) effective March 18, 2006. The plan acts as a cost-sharing plan to the Agency. The Miami Beach Employees' Retirement System was created under and by the authority of Chapter 18691, Laws of Florida, Act of 1937, as amended, by merging the "Retirement System for General Employees of the City of Miami Beach" created by Ordinance 1901 with the "Retirement System for Unclassified Employees and Elected Officials of the City of Miami Beach" created by Ordinance 88-2603, as amended. Members are full-time employees, classified and unclassified positions, who work more than 30 hours per week except for policemen and firemen and persons who elect to join the defined contribution retirement Plan sponsored by the City.

Substantially all full-time employees of the Agency are provided with pensions through the Miami Beach Employees' Retirement Plan (the Plan) – a single employer defined benefit pension plan administered by the City of Miami Beach, Florida. The Plan issues a publicly available financial report that can be obtained at <http://web.miamibeachfl.gov/mberp>.

The benefit provisions and all other requirements are established and may be amended by City ordinance.

The plan provides for retirement benefits as well as death and disability benefits at three different tiers depending on when the members entered the Plan.

The First Tier is for members who entered the Plan prior to the Second Tier Dates. The Second Tier is for members who entered the Plan on or after the Second Tier Dates but before the Third Tier Dates. The Third Tier is for members who entered the Plan on or after the Third Tier Dates. Both the Second Tier and Third Tier Dates were established when each of the unions bargained with the City to establish new guidelines for retirement benefits relating to employees associated with their Unions. The Second Tier Dates are April 30, 1993 for members of AFSCME; August 1, 1993 for those classified as Other and GSAF, and February 21, 1994 for members of CWA. The Third Tier Dates are September 30, 2010 for members of AFSCME, GSAF and for those classified as other, and October 27, 2010 for members of CWA.

Classified members administered under the First Tier are eligible for normal retirement at age 50 and five years of Creditable Service and are entitled to benefits of 3% of Final Average Monthly Earnings (FAME) multiplied by the first 15 years of Creditable Service plus 4% of FAME multiplied by years of service in excess of 15 years, with the total not to exceed 90% of FAME. First Tier unclassified members accrued 4% for creditable service before October 18, 1992. Unclassified First Tier members accrued 3% per year of service after October 18, 1992, with the total not to exceed 80% of FAME. Classified and unclassified members administered under the Second Tier are eligible for Normal Retirement at age 55 and five years of creditable service and are entitled to benefits of 3% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. Classified and unclassified members administered under the Third Tier are eligible for Normal Retirement at age 55 with at least 30 years of creditable service, or age 62 with at least five years of creditable service and are entitled to benefits of 2.5% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. For elected officials, City Manager or City Attorney,

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the benefit is 4% of FAME for each year of creditable service as an elected official, city manager or city attorney plus the retirement benefit as defined above for any other period of city employment, subject to a maximum of 80% of FAME.

Final average monthly earnings (FAME) means one-twelfth of the average annual earnings during the highest two paid years of creditable service. For Unclassified First Tier members who became a member prior to October 18, 1992 and was continuously a member from that date until March 18, 2006, FAME is defined as the larger of one-twelfth average covered salary during the two highest paid years of creditable service or one-twelfth of the pay of the year immediately preceding March 18, 2006. Effective as of September 30, 2010, FAME for members who have obtained normal retirement age or are within 24 months from normal retirement age is defined as average covered salary during the two highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 24 and 36 months from normal retirement age is defined as average covered salary during the three highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 36 and 48 months from normal retirement age is defined as average covered salary during the four highest paid years of creditable service. FAME for those members who as of September 30, 2010 are more than 48 months from normal retirement age is defined as average covered salary during the five highest paid years of creditable service.

Any First Tier member who terminates employment may either request a refund of their own contributions plus interest, or receive their accrued benefit beginning at age 50, if at least five years of creditable service are completed. Any Second Tier member who entered on or after the Second Tier Date and who terminates employment after five years of creditable service may either request a refund of their own contributions plus interest or receive their accrued benefit beginning at age 55. Any Third Tier member who entered on or after the Third Tier Date and who terminates employment after five years of creditable service but prior to the normal or early retirement date shall be eligible to receive a normal retirement benefit at age 62.

Deferred retirement option plan (DROP)

A DROP was enacted on January 28, 2009 by Ordinance 2009-3626. Under this Plan, First and Second Tier members who have attained eligibility for Normal Retirement may continue working with the City for up to three years, while receiving a retirement benefit that is deposited into a DROP account. Third Tier members may participate in a DROP account for up to five years. Effective July 17, 2013, Members within classifications in the CWA bargaining unit who were hired prior to October 27, 2010, and Members not included in any bargaining unit who were hired prior to September 10, 2010, may elect to retire for the purposes of the Plan but continue employment with the City for up to sixty months, and have their monthly retirement benefit paid into a DROP account during the DROP period. Effective October 1, 2013, any member within classifications in the GSAF bargaining unit may elect to retire for the purposes of the Program but continue employment with the City for up to sixty months, and have their monthly retirement paid into a DROP account during the DROP period. Effective April 23, 2014, members within classifications in the AFSCME bargaining unit who were hired prior to September 30, 2010, may elect to retire for the purposes of the Plan but continue employment with the City for up to sixty months, and have their monthly retirement benefits paid into a DROP account during the DROP period. The amount of the benefit is calculated as if the participant had retired on the date of DROP commencement. Upon termination with the City, the accumulated value of the DROP account is distributed to the participant. A member's creditable service accrued benefit and compensation calculation shall be frozen.

A series of investment vehicles which are established by the board of trustees are made available to DROP participants to choose from. Any losses, charges, or expenses incurred by the participant in their DROP account are not made up by the City or the Trust, but shall be borne by the participant. Upon termination of employment, a member may receive distributions in accordance with the Plan.

A DROP participant shall not be entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there shall be no accidental death benefit for pension purposes. DROP participation does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement. First and Second Tier

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members receive an annual cost-of-living adjustment (COLA) of 2.5%. The COLA is not payable while members are in the DROP. For Third Tier members the COLA is 1.5%. As of September 30, 2024, there were 128 members in the DROP and the value of DROP investment was \$21,439,767 which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$143,000 and \$138,000 in loans were outstanding as of September 30, 2024, and September 30, 2023 respectively.

Funding Policy, Contributions Required and Contributions Made

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the members. All First-Tier members who participate are required to contribute 12% of their covered salary to the Plan. All Second and Third Tier members are required to contribute 10% of their covered salary. The City Commission has the authority to increase or decrease contributions.

For the fiscal year ended September 30, 2024, the Agency was required to make contributions of \$172,093 or 19.79% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2022. For the year ended September 30, 2024, the employees contributed \$54,955.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.

For the year ended September 30, 2024, the Agency recognized a pension benefit of \$136,460.

The Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 11,233	\$ 12,190
Change in Assumptions	75,061	9,947
Net Difference between projected and actual earnings on pension plan investments	362,706	-
City contributions subsequent to the measurement date	172,093	-
	\$ 621,093	\$ 22,137

The Agency contributions of \$172,093 subsequent to the reporting date are reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities	50%	8.20 %
Fixed income	23	2.18
International equities	10	3.33
Real estate	10	5.51
Infrastructure	7	6.47
Total	100 %	

Discount

A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.20%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (7.20%) was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes In MBERP Net Pension Liability

	Increase(decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at September 30, 2023	\$ 5,617,495	\$ 3,456,022	\$ 2,161,473
Changes for the year:		-	
Service cost	88,484	-	88,484
Interest	409,452	-	409,452
Differences between expected and actual experience	161,281	671,735	(510,454)
Benefit Changes-experience			
Gains/losses	13,883	-	13,883
Contributions – employer		167,966	(167,966)
Contributions – employee	-	54,955	(54,955)
Contribution – buy back	168	168	-
Net investment income		386,629	(386,629)
Benefit payments	(347,515)	(347,515)	-
Administrative expenses	-	(5,107)	5,107
Net change	325,753	928,831	(603,078)
Balance at September 30, 2024	\$ 5,943,248	\$ 4,384,853	\$ 1,558,395

Sensitivity of the net pension liability to changes in the discount rate

The following present the Agency's net pension liability, calculated using a single discount rate of 7.20%, as well as what the Agency's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 6.20%	Rate Assumption 7.20%	1% Increase 8.20%
\$ 2,280,757	\$ 1,558,395	\$ 961,208

Historical trend information is presented in the required supplementary information schedules following the notes to the financial statements to show the changes in the net pension liability and the contributions to the plan.

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Retirement System for Firefighters and Police Officers (MBF&P)

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The plan is a single employer defined benefit plan established by the City of Miami Beach, Florida (The "City") and was created under Chapter 23414, Laws of Florida, Special Acts of 1945, as amended through ordinance No. 2016-4362 adopted October 14, 2020. The Plan's governing board is the Board of Trustees, which comprises nine members: three of which are elected by the active and retired members of the fire department, three of which are elected by the active and retired members of the police department, and three of which are appointed by the mayor. Members are substantially all certified police officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following five tiers:

- Tier One members are those hired prior to July 14, 2010.
- Tier Two members are those hired on or after July 14, 2010, but prior to September 30, 2013.
- Tier Three members are those hired on or after September 30, 2013, but prior to June 8, 2016 and July 20, 2016 for Fire Department and Police Department members, respectively.
- Tier Four members are those hired on or after June 8, 2016, but prior to May 8, 2019, for the Fire Department members and July 20, 2016, but prior to July 31, 2019 for the Police Department members.
- Tier Five members are those hired on or after May 8, 2019 and July 31, 2019 for the Fire Department and Police Department, respectively.

Tier One members

Members who met eligibility to retire prior to September 30, 2013 may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when age and length of creditable service equals to at least 70 years. Members eligible to retire on or after September 30, 2013 may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when the member attains age 47 and length of creditable service equals to at least 70 years or when the member reaches the 85% maximum pension benefit regardless of age.

Upon retirement, a member who met eligibility to retire on or before September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 15 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 15 years, provided that the pension does not exceed 90% of the average monthly salary. Members who met eligibility to retire on or after to September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. All retirees and beneficiaries receiving a monthly pension as of September 30, 2010 will receive a 2.5% increase in benefits on October 1st of each year. Members that retire on or after September 30, 2010 will receive a 2.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Two members

Any member may retire on a service retirement pension upon the attainment of age 50 and the completion of at least 5 years of creditable pension service or, if earlier, the date when the member attains age 48 plus the length of creditable service equals to at least 70 years or when the member reaches the 85% maximum pension benefit regardless of age.

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary

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for the three highest paid years prior to the date of retirement or the average of the last three paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Three members

Any member may retire on a service retirement pension upon the attainment of age 50 and the completion of at least 5 years of creditable pension service or, if earlier, the date when the member attains age 48 plus the length of creditable service equals to at least 70 years or when the member reaches the 85% maximum pension benefit regardless of age. Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the five highest paid years prior to the date of retirement or the average of the last five paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Four and Five members

Any member may retire on a service retirement pension upon the attainment of age 52 and the completion of at least 5 years of creditable pension service or, if earlier, the date when the member attains age 48 plus the length of creditable service equals to at least 70 years.

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the 5 highest paid years prior to the date of retirement or the average of the last 5 paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Any member of the plan who becomes totally and permanently disabled at any time as a result of illness or injury suffered in the line of duty may be retired on an accidental disability pension. For a service-connected disability, the minimum pension payable is 85% of monthly salary of the employee at the time of disability retirement, less any offset for worker's compensation. Any member who becomes totally or permanently disabled after 5 years of creditable service as a result of illness or injury not suffered in the line of duty may be retired on an ordinary disability retirement pension. Upon a non-service-connected disability retirement, a member receives a monthly pension equal to the monthly pension benefit accrued to date of disability. The plan also has various pre-retirement death benefit.

If a member resigns or is lawfully discharged prior to 5 years of service, their contributions with 3% interest per annum are returned to them. The Plan also provides a special provision for vested benefits for members who terminate after 5 or 10 years of service.

The payment of retirement benefits is payable to the member for his or her life. Upon death of member, except those retiring prior to November 5, 2003, the standard benefit is a 75% joint and survivor annuity with a specified beneficiary as provided under the plan. The specified beneficiary will receive a survivor annuity equal to 100% of the total benefit for one year following the death of the member and thereafter 75% of the total benefit until death or remarriage. However, upon death, if the member has been married or in a domestic partnership for less than 10 years, the survivor annuity is payable only for the life expectancy of the deceased member at time of death.

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In lieu of the standard benefit, the members may elect the actuarial equivalent of the 10-year certain and life annuity, with a designated beneficiary, any of the following, optional forms of payment:

- 75% joint and contingent survivor annuity with a designated beneficiary
- 66 $\frac{2}{3}$ % joint and contingent survivor annuity with a designated beneficiary
- 50% joint and contingent survivor annuity with a designated beneficiary
- 25% joint and contingent survivor annuity with a designated beneficiary
- 10 year certain and life annuity with a designated beneficiary
- Life of member only

Deferred Retirement Option Plan (DROP)

An active member of Tier One may enter into the DROP on the first day of any month after meeting eligibility to retire. Members who entered the DROP on or before September 30, 2015, shall be eligible to participate for a period not to exceed 72 months. Members who entered the DROP on or after October 1, 2015, shall be eligible to participate for a period not to exceed 96 months. All members shall receive a 2.5% COLA increase in benefits annually on the anniversary date of the member's entry into the DROP, in conjunction with a few annual exceptions.

An active member of Tier Two, Three or Four may enter into the DROP on the first day of any month after meeting eligibility to retire. Members who entered the DROP on or after October 1, 2015, shall be eligible to participate for a period not to exceed 96 months. All members shall receive a 1.5% COLA increase in benefits annually on the anniversary date of the member's entry into the DROP, in conjunction with a few annual exceptions.

Once a member enters the DROP, their monthly retirement benefit is fixed, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including earnings, is payable to them and they will begin to receive their normal retirement benefit.

At September 30, 2024, the total amount of the Deferred Retirement Option Plan payable, \$57,325,312 represents the balance of the self-directed participants as all the participants are now in the self-directed DROP.

Funding Policy, Contributions Required and Contributions Made

The City (the "Employer") is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable. All Tier One and Tier Two members are required to contribute 10% of their salary to the Plan, while all Tier Three members are required to contribute 10.5% of their salary to the Plan. The City Commission has the authority to increase or decrease contributions.

For the fiscal year ended September 30, 2024, the Agency was required to make contributions of \$1,117,004 or 84.82% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2022. For the year ended September 30, 2024, the employees contributed \$180,032.

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Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.

For the year ended September 30, 2024, the Agency recognized pension expense of \$376,974.

At September 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 228,901	\$ 19,833
Change in assumptions	565,648	42,219
Net difference between projected and actual earnings on pension plan investments	1,862,522	-
City contributions subsequent to the measurement date	1,117,004	-
	<u>\$ 3,774,075</u>	<u>\$ 62,052</u>

The Agency contributions of \$1,117,004 subsequent to the reporting date are reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending September 30,	Amortization of Net Deferred Inflows/Outflows
2025	\$ 732,933
2026	748,102
2027	1,128,010
2028	(14,026)
	<u>\$ 2,595,019</u>

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The following methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2022. The actuarial valuation was rolled forward to the September 30, 2023 measurement date.

Valuation date	October 1, 2022
Measurement date	September 30, 2023
Actuarial cost method	Entry Age normal
Amortization method	Level Percentage, Closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Payroll growth	2.40%
Salary increases	3.70 – 10.71%
Cost of living increase	1.50%, 2.00%, or 2.50%
Investment rate of return	7.35%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Table	<p>For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Mortality both sets forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.</p> <p>For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with scale MP-2018.</p> <p>For disabled male participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.</p>

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Discount

A discount rate of 7.35 was used to measure the September 30, 2024 total pension liability; a decrease from the prior year rate of 7.40%. This discount rate was based on the expected rate of return on Fund investments of 7.35%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future expected benefit payments to current Fund members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes In MBF&P Net Pension Liability

	Increase(decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at September 30, 2023	\$ 35,716,630	\$ 25,268,086	\$ 10,448,544
Changes for the year:			
Service cost	535,917	-	535,917
Interest	2,431,785	-	2,431,785
Differences between expected and actual experience	(2,865,954)	(2,330,247)	(535,707)
Changes in assumptions	244,516	-	244,516
Contributions – employer	-	1,018,218	(1,018,218)
Contributions – employee	-	180,032	(180,032)
Net investment income	-	1,774,152	(1,774,152)
Benefit payments	(1,698,385)	(1,698,385)	-
Administrative expenses	-	(25,722)	25,722
Net change	(1,352,121)	(1,081,952)	(270,169)
Balance at September 30, 2024	\$ 34,364,509	\$ 24,186,134	\$ 10,178,375

Net Pension Liability of the Agency

The components of the net pension liability of the Agency at September 30, 2024, were as follows:

Total pension liability	\$ 34,364,509
Plan fiduciary net position	<u>(24,186,134)</u>
Agency net pension liability	<u>\$ 10,178,375</u>

The Agency's proportionate share is determined as the ratio of the Agency's retirement contributions over the total retirement contributions for the City. For fiscal year 2024, the Agency's share of the liability was 2.245% or \$10,178,375.

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The target and best estimate of arithmetic real rates of return for each major asset class are summarized in the following tables:

<u>Target Asset Class</u>	<u>Assumed Asset Allocation</u>
Domestic equities	43.5% to 53.5%
International equities	0% to 10%
Domestic fixed income	12% to 24.5%
International fixed income	0% to 10%
Real estate funds	12% to 22%
Hedge funds	0% to 5%
Private equity	0% to 6%
Cash / short-term investments	0% to 10%

<u>Asset Class</u>	<u>Long-Term Expected Real Rate Of Return</u>
Domestic equities	7.50 %
International equities	8.50 %
Domestic bonds	2.50 %
International bonds	3.50 %
Real estate funds	4.50 %
Alternatives	5.69 %

The following presents the Agency's net pension liability calculated using a single discount rate of 7.35%, as well as what the Agency's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease	Discount Rate	1% Increase
	6.35%	7.35%	8.35%
Net Pension Liability	\$14,477,709	\$10,178,375	\$6,659,682

Historical trend information is presented in the required supplementary information schedules following the notes to the financial statements to show the changes in the net pension liability and the contributions to the plan.

Financial Statements

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports. Each of the Retirement Systems are audited separately. Complete financial statements can be obtained at the following offices:

City of Miami Beach
Employee Retirement System
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Firefighters and Police Officers
1691 Michigan Ave. Suite 555
Miami Beach, Florida 33139

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Florida's Federal-State Social Security Agreement

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955, the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. Instead, it provides eligible employees a comprehensive defined benefit pension plan. Contributions to Social Security for fiscal year 2024 and 2023 would have been \$13,506,987 and \$13,252,218 respectively. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare, and withholds taxes accordingly.

Firemen's and Police Relief and Pension Funds

The City's firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within City limits. This tax, which is collected from insurers by the State of Florida, is remitted to the Plans' Boards of Trustees. The City is under no obligation to make any further contributions to the plans. The excise taxes received from the State of Florida and remitted to the plans for the year ended September 30, 2024, was \$3,005,302 for firefighters and \$1,066,328 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year.

Plan benefits are allocated to participants based upon their service during the year and the level of funding received during the year. Participants are fully vested after 10 years of service with no benefits vested prior to 10 years of service, except those prior to June 1983. All benefits are paid in a lump sum format, except for the Police Relief Funds, where participants may also elect not to withdraw or to partially withdraw, his or her retirement funds.

Defined Contribution Retirement Plan-401(A)

Effective October 18, 1992 City's Ordinance No. 92-2813 provided for the creation of a Defined Contribution Retirement Plan (the "Plan") under section 401(A) of the internal revenue code of 1986. The Plan provides retirement and other related benefits for eligible employees as an option over the other retirement systems sponsored by the City.

Any person employed on or after October 18, 1992, in the unclassified service of the City, has the right to select the Plan as an optional retirement plan to the Unclassified Employees and Elected Officials Retirement System. At the time of the Ordinance, employees of the City who were members of the Unclassified Employee and Elected Official Retirement System (the "System") had the irrevocable right to elect to transfer membership from the System to the Plan for a limited period of time. Effective March 19, 2006 the Plan is no longer offered to new employees of the City. Employees participating in the Plan prior to March 19, 2006 were given the option to transfer membership to the System.

The Plan is administered by a Board of Trustees, which has the general responsibility for the proper operation and management of the Plan. The Plan complies with the provisions of section 401(A) of the Internal Revenue Code of 1986 and may be amended by the City Commission of the City. The City has no fiduciary responsibility for the Plan, consequently, amounts accrued for benefits are not recorded in the fiduciary fund.

Employees in the Plan hired prior to February 21, 1994 are required to contribute 10% of their salary while those hired subsequent to February 21, 1994 are required to contribute 8% of their salary. The City matches the employee's contribution 100%. The Plan of each employee is the immediate property of the employee. Employees have Nationwide Retirement Solutions and Mission Square as their plan administrator. In addition, the employee is responsible for the investment of their funds amongst choices of investment vehicles offered by their selected plan administrator.

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Plan information as of and for the fiscal year ended September 30, 2024 is as follows:

Members in the Plan	14
City's contribution	\$ 92,185
Percentage of covered payroll	8.25%
Employees' contribution	\$ 91,671
Percentage of covered payroll	8.20%

Note 16 - Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

Pursuant to Section 112.08, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City's single employer defined benefit Postemployment Benefit Plan (the "Plan") currently provides the following postemployment benefits:

1. Health and Dental Insurance - Employees hired prior to March 18, 2006 are eligible to receive a 50% health insurance contribution of the total premium cost. Employees hired after March 18, 2006, after vesting in City's retirement plans, are eligible to receive an offset to the retiree premium equal to \$10 per year of creditable service, up to a maximum of \$250 per month until age 65 and \$5 per year of creditable service up to a maximum of \$125, thereafter.
2. Life Insurance (\$1,000)

At September 30, 2008 and pursuant to resolution 2009-27024 the City established an OPEB Trust (the "Trust") and began funding its OPEB obligation. Stand-alone financial statements for the Trust are not prepared.

The City's plan's board is comprised of a Board of Trustees. The Board of Trustees is comprised of three members. The members are the City's Chief Financial Officer or designee, Budget and Performance Improvement Director or designee, and the Human Resources Officer of designee. Each member has a term of four years.

The determination of the net OPEB obligation at September 30, 2024 is based on a valuation date of September 30, 2024. At this time, the plan participation consisted of:

Active OPEB plan participants	1,684
Inactive members receiving benefit payments	<u>1,221</u>
Total	<u>2,905</u>

Funding Policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2024, the City paid \$18,703,595 in OPEB benefits on a pay-as-go basis. The City's net OPEB liability at September 30, 2024 was \$340,125,894. It is the City's intent to consider OPEB Trust funding during the annual budget process; however, no Trust contributions are legally or contractually required.

OPEB Plan Assets and Policies

The Plan's investment composition is controlled by the City's OPEB Trust investment policy as adopted by the OPEB Trustee and as limited by Florida Statute 218.415. The Trustee utilizes an investment manager to invest the trust assets. The policy determines the maximum and minimum allocations between investment classes; as noted below. The investment policy may be amended with a majority vote of the OPEB Trustee members. It is the City's

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policy to maximize the returns of the plan's asset through diversification of equities and fixed income securities without a significant investment in cash or cash equivalents.

The composition of the Plan's investments at September 30, 2024 is consistent with the Plan's investment policy is noted below:

	Allocation Mix		
	Minimum	Target	Maximum
Equity investment	40%	60%	75%
Fixed income	25%	39%	60%
Cash and equivalents (Money Market)	0%	1%	100%

The long-term expected rate of return is determined via arithmetic real rates of return for each major class of assets. Please refer to note 3 of the City's ACFR for more detailed information regarding the OPEB Trusts' plan assets.

Rate of Return

As of September 30, 2024, the annual money-weighted rate of return, net of OPEB plan expenses, was 23.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The rate of return incorporates the timing and size of cash flows to determine an internal rate of return on a monthly accrual basis. Cash flows used in the calculation excludes reinvested dividends, unrealized and realized gains or losses, and other fees and charges not converted into cash. Contributions are treated as a positive cash flow and benefit payments as a negative cash flow.

Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the postretirement benefit obligation. For unfunded plans, interest rate using a long-term expected rate of return on tax-exempt, high-quality municipal bond. For funded plans, the expected long-term rate of return on trust assets, to the extent the net fiduciary position is projected to be sufficient to provide the benefits. For partially funded plans or if a funded shortfall is projected, the interest rate is blended between the funded and the unfunded rate. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. The long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For the fiscal year ended 2024, the discount rate decreased from 4.36% to 4.32%, to more accurately reflect the activity of the trust. Although the expected long-term return on the trust is 6.5%, it is blended together with Bond Buyer 20-Bond GO index rate due to the plan not being fully funded. The City's current OPEB plan investment allocation is noted above.

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Net OPEB Liability of the Agency

The City's net OPEB liability at September 30, 2024 was \$340,125,894. The Total OPEB Liability was valued at a measurement date of September 30, 2023. The Agency's share of this liability is \$9,819,448 or 2.89% of the total City liability. The Fund's proportionate share is determined as the ratio of the Fund's pay-go and trust fund contributions over the total pay-go and trust contributions for the City. During the fiscal year, the Agency incurred a expense of \$74,316.

The components of the net OPEB liability of the Agency at September 30, 2024, were as follows:

Total OPEB liability	\$11,502,452
OPEB plan fiduciary net position	<u>(1,683,004)</u>
Net OPEB Liability	<u>\$ 9,819,448</u>

Schedule Of Deferred Inflows/Outflows

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience	\$ 235,022	\$ 402,626
Change in assumptions/inputs	<u>691,560</u>	<u>1,089,742</u>
	<u>\$ 926,582</u>	<u>\$ 1,492,368</u>

**Amortization Of Net Deferred
Outflows/(Inflows)**

<u>Year</u>		<u>Amortization</u>
2025	\$	(280,254)
2026		(190,940)
2027		(47,712)
2028		<u>(46,880)</u>
	\$	<u>(565,786)</u>

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2024

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	September 30, 2023 projected to September 30, 2024
Discount Rate	4.32% per annum. This was based on combination of the estimated long term rate of return from the City's OPEB trust and 20 year AA Index at 9/30/2023.
Asset Valuation Method	Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 62% in equities and 37% in bonds, with the remainder as cash.
Salary Increase Rate	3.50% per annum
Inflation Rate	3.0% per annum
Census Data	The census was provided by the City as of September, 2023
Marriage Rate	It is assumed that 70% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 3.60 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 03/18/2006, and for FOP/IAFF employees hired after 07/14/2010, it is assumed that 70% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 Mortality tables for general and public safety with generational improvement using scale MP 2018.

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx	6.00%	4.50%
Medicare Benefits	5.00	4.50
Stop Loss Fees	6.00	4.50
Administrative Fees	4.50	4.50

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2024

The Per Capita Health Claim Costs for expected retiree claim costs were developed using historical claim experience through September 2023. For the police and fire plans, the claims were developed based on the premium equivalents and age adjusted. The annual age 60 and 70 claim costs for retirees and their spouses are as follows:

<u>Per Capita Costs</u>	<u>Age 60</u>	<u>Age 70</u>
Police	\$16,744	\$10,087
Fire	16,744	10,087
Other	17,126	7,847

Changes In Net OPEB Liability

	<u>Increase(decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
Balance at September 30, 2023	\$ 15,761,259	\$ 5,963,589	\$ 9,797,670
Changes for the year:		-	
Service cost	187,758	-	187,758
Interest	489,865	-	489,865
Differences between expected and actual experience	(4,455,375)	(4,635,623)	180,248
Changes in assumptions	58,919	-	58,919
Contributions – employer		576,552	(576,552)
Net investment income		321,796	(321,796)
Benefit payments	(539,974)	(539,974)	-
Administrative expenses	-	(3,336)	3,336
Net change	(4,258,807)	(4,280,585)	21,778
Balance at September 30, 2024	\$ 11,502,452	\$ 1,683,004	\$ 9,819,448

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	3.36%	4.36%	5.36%
Net OPEB Liability	\$11,475,875	\$9,819,448	\$8,486,658

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2024

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1- percentage-point higher (than the current healthcare cost trend rates):

	1% Decrease	Healthcare Cost Trend (Refer to assumptions)	1% Increase
Net OPEB Liability	\$8,442,156	\$9,819,448	\$11,533,032

The assets for the Agency's OPEB plan are held in a Trust.

Note 17 – Pollution Remediation

GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, establishes and accounting and financial reporting standards for pollution remediation obligations. As of September 30, 2024, the Agency has \$70,000 in pollution remediation liabilities.

Note 18 – Subsequent Events

In December 2024, the Agency, City of Miami Beach and Miami Dade County adopted the sixth amendment to the Interlocal Cooperation Agreement, originally executed in November 1993. The amendment authorized the issuance of tax increment revenue refunding bonds, in an aggregate principal amount not to exceed \$267 million, maturing in 2044. The issuance of bonds will provide funds for the following: a) refunding a portion of the outstanding Tax Increment Revenue and Refunding Bonds, Series 2015A and b) costs of issuance and debt service reserves associated with the 2025 bonds.

In April 2025, the Agency entered into a grant agreement with the Convention Center Hotel Developer, MB Mixed Use Investment Company I, LLC and Public Finance Authority, to partially fund the construction of a hotel, in support of the construction of 'public areas' of major hotels. The approximately 800-room Convention Center Hotel will include more than 100,000 sq ft of Public Areas, including meeting spaces, banquet facilities, parking garages, lobbies, and passageways; with a cost to construct budgeted to exceed \$75 million. Under the terms of the grant agreement, Public Finance Authority will finance the portion of the hotel construction costs attributable to the Public Areas, through the issuance of \$75 million in taxable revenue bonds, the proceeds of which will be paid to the developer. The Agency will be obligated to make the debt service payments to Public Finance Authority. The obligation to make semi-annual installment payments, assumed by the Agency pursuant to the Grant Agreement, shall constitute Agency Indebtedness. The sum of payments, which include the funded grant amount of \$75M plus the cost of issuance and interest accruing during the scheduled repayment term is anticipated to equal \$86.2M, but in any event shall not exceed the maximum total payable amount of \$92.5M. The obligation of the Agency to make the payments shall be secured by and payable exclusively from available Trust Fund Revenues.

REQUIRED SUPPLEMENTARY INFORMATION

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
SCHEDULE OF CONTRIBUTIONS
RETIREMENT SYSTEMS
(Unaudited)

Miami Beach Employees Retirement Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 172,093	\$ 220,788	\$ 179,193	\$ 168,705	\$ 186,339	\$ 191,000	\$ 197,000	\$ 182,000	\$ 165,000	\$ 191,385
Actual contribution	<u>172,093</u>	<u>220,788</u>	<u>179,193</u>	<u>168,705</u>	<u>186,339</u>	<u>191,000</u>	<u>197,000</u>	<u>182,000</u>	<u>165,000</u>	<u>191,385</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 869,507	\$ 950,268	\$ 987,539	\$ 945,879	\$ 931,889	\$ 784,145	\$ 706,085	\$ 698,244	\$ 588,000	\$ 595,782
Actual contribution as a % of covered payroll	19.79%	23.23%	18.15%	17.84%	20.00%	24.36%	27.90%	26.07%	28.06%	32.12%

City Pension for Firefighters and Police Officers

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,117,004	\$ 1,097,846	\$ 1,124,118	\$ 1,065,994	\$ 804,115	\$ 1,049,000	\$ 969,000	\$ 900,919	\$ 976,000	\$ 846,000
Actual contribution	<u>1,117,004</u>	<u>1,097,846</u>	<u>1,124,118</u>	<u>1,065,994</u>	<u>804,115</u>	<u>1,049,000</u>	<u>969,000</u>	<u>900,919</u>	<u>976,000</u>	<u>846,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
**Covered payroll	\$ 1,316,899	\$ 1,486,348	\$ 1,535,017	\$ 1,582,364	\$ 1,498,987	\$ 1,473,852	\$ 1,473,852	\$ 1,311,798	\$ 1,344,000	\$ 1,652,889
Actual contribution as a % of covered payroll	84.82%	73.86%	73.23%	67.37%	53.64%	71.17%	65.75%	68.68%	72.62%	51.18%

** Includes DROP members

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE CITY'S NET PENSION LIABILITY
RETIREMENT SYSTEMS
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
MBERP										
Agency's proportion of the net pension liability	0.58%	0.76%	0.61%	0.55%	0.59%	0.60%	0.62%	0.62%	0.59%	0.72%
Agency's proportionate share of the net pension liability	\$ 1,558,395	\$ 2,161,473	\$ 606,827	\$ 1,156,871	\$ 1,416,414	\$ 1,257,399	\$ 1,343,024	\$ 1,268,843	\$ 1,285,164	\$ 1,209,020
Agency's covered payroll	\$ 869,507	\$ 950,288	\$ 987,539	\$ 945,879	\$ 931,889	\$ 784,145	\$ 698,244	\$ 588,000	\$ 595,782	\$ 552,405
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	179.23%	227.45%	61.45%	122.31%	151.99%	160.35%	192.34%	215.79%	215.79%	218.86%
Plan fiduciary net position as a percentage of the total pension liability	73.78%	71.51%	89.44%	77.20%	73.59%	73.93%	73.93%	73.06%	70.11%	75.55%
MBF&P										
Agency's proportion of the net pension liability	2.25%	2.43%	2.48%	2.46%	2.48%	2.64%	2.57%	2.56%	2.79%	2.56%
Agency's proportionate share of the net pension liability	\$ 10,178,375	\$ 10,448,544	\$ 4,917,198	\$ 7,620,481	\$ 8,658,815	\$ 8,040,669	\$ 7,759,668	\$ 7,607,398	\$ 8,116,815	\$ 5,691,617
Agency's covered payroll	\$ 1,316,899	\$ 1,486,348	\$ 1,535,017	\$ 1,582,364	\$ 1,498,987	\$ 1,473,352	\$ 1,311,798	\$ 1,344,000	\$ 1,652,889	\$ 1,096,378
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	772.90%	702.97%	320.34%	481.59%	577.64%	545.74%	591.53%	566.03%	491.07%	519.13%
Plan fiduciary net position as a percentage of the total pension liability	70.38%	70.36%	85.63%	76.45%	72.91%	74.37%	73.04%	73.04%	72.07%	77.59%

Miami Beach Redevelopment Agency)
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to the Retirement Systems Schedules
September 30, 2024

Notes to the net pension liability - MBERP

Notes to the Schedule of Contributions

The Plan uses the following actuarial methods and assumptions:

Valuation Date:	October 1, 2022
Measurement Date:	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.60% to 6.10% depending on service, including inflation
Investment Rate of Return	7.20%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of the PUB-2010 Headcount-Weighted Mortality Tables and mortality improvement projection scale used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation. Florida Statutes Chapter 11.263(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Miami Beach Redevelopment Agency)
(A Blended Component Unit of the City of Miami Beach, Florida)
Notes to the Retirement Systems Schedules
September 30, 2024

Notes to the net pension liability - MBF&P Pension

Notes to the Schedule of Contributions

Valuation Date	Actuarially determined contributions are calculated as of October 1 - two years prior to the fiscal year in which contributions are reported.
Notes	MBF&P actual contributions include certain Chapter 175/185 non-employer contribution amounts. These amounts are from the state of Florida.

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date:	October 1, 2022
Measurement Date:	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	3.00%
Payroll Growth	2.40%
Salary Increases	3.70% to 10.71%
Cost of Living Increase	1.50%, 2.00%, or 2.50%
Investment Rate of Return	7.35%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Mortality Table, both sets forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with scale MP-2018. For disabled male participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

MIAMI BEACH REDEVELOPMENT AGENCY
SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS - AGENCY CONTRIBUTIONS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 799,164	\$ 783,803	\$ 763,800	\$ 857,828	\$ 847,092	\$ 1,098,891	\$ 511,891	\$ 398,924	\$ 747,160	\$ 347,661
Contributions in relation to the actuarially determined contributions	576,552	513,818	470,178	458,481	272,199	242,000	413,000	282,207	280,643	125,006
Contribution deficiency (excess)	\$ 222,612	\$ 269,985	\$ 293,622	\$ 399,347	\$ 574,893	\$ 856,891	\$ 98,891	\$ 116,717	\$ 466,517	\$ 222,655
Covered-employee payroll	2,372,517	2,436,636	2,522,556	2,528,243	2,430,876	2,303,688	2,179,937	2,010,041	1,892,398	82,359,302
Contributions as a percentage of covered-employee payroll	24.30%	21.09%	18.64%	18.13%	11.20%	10.50%	18.95%	14.04%	14.83%	0.15%

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	September 30, 2023, projected to September 30, 2024
Discount Rate	4.32% per annum. This was based on combination of the estimated long term rate of return from the City's OPEB trust and 20 year GO Bond rate of return at 9/30/2023.
Asset Valuation Method	Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 62% in equities and 37% in bonds, with the remainder as cash.
Salary Increase Rate	3.5%, average, including inflation
Inflation Rate	3.0% per annum
Census Data	The census was provided by the City as of September, 2023
Marriage Rate	It is assumed that 70% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal Percentage of Pay
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 3.60 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 3/18/2006, and for FOP/IAFF employees hired after 07/14/2010, it is assumed that 70% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 Mortality Tables for General and Public Safety with generational improvement using scale MP-2018.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years (*)

	2024	2023	2022	2021	2020	2019	2018	2017*
Annual money-weighted rate of return, net of investment expense	23.93%	8.65%	-19.29%	16.30%	11.80%	2.30%	8.00%	11.69%

* Fiscal year 2017 is the first year data is available. The City will accumulate a ten year schedule as data becomes available.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE CITY'S NET OPEB LIABILITY
RETIREMENT SYSTEMS
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
Agency's proportion of the net OPEB liability	2.89%	2.83%	2.84%	2.82%	2.90%	3.27%	3.40%	2.65%
Agency's proportionate share of the net OPEB liability	\$ 9,819,448	\$ 9,797,670	\$ 10,325,187	\$ 12,823,190	\$ 12,989,742	\$ 10,750,906	\$ 5,090,097	\$ 3,948,074
Agency's covered-employee payroll	\$ 2,372,517	\$ 2,436,636	\$ 2,522,556	\$ 2,528,243	\$ 2,403,876	\$ 2,303,688	\$ 2,179,937	\$ 2,010,041
Agency's proportionate share of the net pension liability as a percentage of its covered-employee payroll	413.88%	402.10%	409.31%	507.20%	540.37%	466.68%	233.50%	196.42%
Plan fiduciary net position as a percentage of the total pension liability	14.63%	11.73%	9.94%	9.71%	8.28%	8.89%	18.69%	17.18%

*Only eight years of data is readily available. The years will be populated each year until 10 years are presented.

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2024
(Unaudited)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Revenues:				
Tax increment	\$ 55,372,000	\$ 55,372,000	\$ 55,372,973	\$ 973
Rents and leases	-	-	1	1
Interest	288,000	288,000	5,072,279	4,784,279
Total revenues	55,660,000	55,660,000	60,445,253	4,785,253
Expenditures:				
General government	815,000	853,300	826,300	27,000
Public safety	5,279,358	4,989,058	4,988,892	166
Transportation	235,925	235,925	235,925	-
Physical environment	6,404,500	7,009,500	6,937,567	71,933
Economic environment	6,966,000	6,954,000	6,895,969	58,031
Culture and recreation	1,508,500	1,358,500	1,158,306	200,194
Capital outlay	437,335	535,335	495,146	40,189
Debt service:				
SBITA payments	1,572	1,572	1,572	-
Interest and Fiscal Charges	70	70	70	-
Total expenditures	21,648,260	21,937,260	21,539,747	397,513
Excess of revenues over expenditures	34,011,740	33,722,740	38,905,506	5,182,766
Other financing (uses):				
SBITA liabilities issued	-	-	8,362	8,362
Operating transfers out	(24,913,000)	(24,913,000)	(24,911,578)	1,422
Total other financing (uses)	(24,913,000)	(24,913,000)	(24,903,216)	9,784
Net change in fund balance	9,098,740	8,809,740	14,002,290	5,192,550
Fund balance, beginning	34,706,786	34,350,786	37,882,665	3,531,879
Fund balance, ending	\$ 43,805,526	\$ 43,160,526	\$ 51,884,955	\$ 8,724,429

The notes to this budgetary comparison schedule are an integral part of this statement.

Note 1. Budgetary Policy

A. Budgetary Data

The Agency is required to prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The Agency uses appropriations in the capital budget to authorize the expenditures of funds for various capital projects. Capital appropriations, unless modified or rescinded, remain in effect until the completion of each project.

At least 65 days prior to the beginning of the fiscal year, the City Commission, which also serves as the Agency's Board of Directors, is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1st. The budget is approved by district and fund. Management may transfer amounts between line items within a fund as long as the transfer does not result in an increase in the fund's budget. Increases to fund budgets require Commission approval.

There were two (2) supplemental budgetary appropriations during fiscal year ended September 30, 2024.

Budgets are considered a management control and planning tool and as such are incorporated in the accounting system of the Agency. Budgets are adopted on the modified accrual basis of accounting with the inclusion of encumbrances as reductions in the budgetary amount available. All appropriations lapse at year-end.

SUPPLEMENTARY INFORMATION

Miami Beach Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED NONMAJOR DEBT SERVICE FUNDS
For the Fiscal Years Ended September 30, 2024

	Miami Beach Redevelopment Agency Special Obligation Debt Service Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Debt Service:				
Principal	7,505,000	7,505,000	7,505,000	-
Interest	13,407,547	13,407,547	13,406,125	1,422
Other	453	453	453	-
Total expenditures	20,913,000	20,913,000	20,911,578	1,422
Excess (deficiency) of revenues over (under) expenditures	(20,913,000)	(20,913,000)	(20,911,578)	1,422
Other financing sources (uses)				
Transfers in	20,913,000	20,913,000	(20,911,578)	(41,824,578)
Total other financing sources	20,913,000	20,913,000	(20,911,578)	(41,824,578)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

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OTHER REPORTS



**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

RSM US LLP

Independent Auditor's Report

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, and each major fund of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described below and response as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below and response as item 2024-002 to be a significant deficiency.

Material Weakness in Internal Control Over Financial Reporting

Finding 2024-001

Criteria: GASB Statement No. 87, *Leases*, requires that at the commencement of a lease, a lessor recognize a lease receivable and a corresponding deferred inflow of resources. Over the term of the lease, the lessor should recognize interest revenue and lease revenue in a systematic and rational manner. Accurate and timely recording of these entries is essential to ensure that financial statements are presented fairly in accordance with generally accepted accounting principles.

Condition: During our audit, we noted that the Agency did not record the required GASB 87 lease entries for the current fiscal year in the Leasing Fund. As a result, the following adjustments were recorded as of September 30, 2024:

- Decrease in lease receivable: \$683,168
- Decrease in deferred inflows of resources: \$358,497
- Decrease in lease revenue: \$170,158
- Decrease in interest income: \$55,072
- Recognition of a loss: \$99,441

Cause: The Agency's year-end financial reporting process did not include a complete and accurate analysis of lease activity under GASB 87. As a result, the required lease-related entries were not identified or recorded in a timely manner.

Effect: The Leasing Fund's trial balance was misstated, resulting in an overstatement of assets and deferred inflows, overstatement of revenue and income, and an understatement of expenses and losses. These errors impacted the accuracy of the Agency's financial position and results of operations as initially reported.

Recommendation: We recommend that the Agency strengthen its year-end financial reporting procedures to ensure that all lease agreements are reviewed and properly accounted for in accordance with GASB 87. This should include a reconciliation of lease schedules to the general ledger and a review of lease terms to ensure appropriate recognition of receivables, deferred inflows, lease revenue, and interest income.

Views of responsible officials: The City recognizes the limitations of the current resources for maintaining lease agreements for the lease fund. The complexities of the agreements including abatements and complicated modifications were not easily incorporated into the leasing software and limited the abilities of the team to timely and accurately reflect all aspects of the GASB 87 requirements. This limitation was further amplified by the challenges of slow paying lessees, magnifying already complex situations.

Management will work with external resource providers and internal staffing to provide additional trainings and/or resources to ensure that all aspects of reporting requirements are fully implemented into the software and reporting records. Additional procedures will be implemented to ensure that the leasing software will be updated with the parameters of the newly amended lease agreements to ensure the accuracy of lease balances reported in the Leasing Fund. .

Finally, the City will establish a more rigorous leasing policy to ensure that all aspects of GASB 87 and complicated modifications of lease agreements are timely and appropriately recorded in accordance with City guidelines.

Completion Date: The revised updates are expected to be completed by the end of fiscal year 2025.

Significant Deficiency in Internal Control Over Financial Reporting

Finding 2024-002

Criteria: GASB Statement No. 87, *Leases*, requires that a lessor recognize a lease receivable and a corresponding deferred inflow of resources at the commencement of the lease. The lease receivable should be reduced by an allowance for uncollectable amounts when collection is not probable. Generally accepted accounting principles also require that financial statements present assets and liabilities fairly, and that estimates such as allowances for doubtful accounts be evaluated and recorded based on the best available information.

Condition: We noted that the Agency did not record an allowance for uncollectable lease receivables related to a certain lease under GASB 87 as of September 30, 2023. As a result, both the lease receivable and the related deferred inflow of resources were overstated by \$515,896 and \$525,986, respectively, in the Leasing Fund.

Cause: The Agency's year-end financial reporting process did not include a review of the collectability of lease receivables. As a result, management did not identify the need to adjust the lease receivable balance or the associated deferred inflow of resources for amounts that were deemed uncollectable.

Effect: The trial balance included misstatements in both assets and deferred inflows of resources. These errors were subsequently identified and corrected during the audit, and the financial statements for the year ending September 30, 2024, have been adjusted accordingly.

Recommendation: We recommend that the Agency implement procedures to evaluate the collectability of lease receivables as part of its year-end closing process. This should include establishing an allowance for uncollectable lease receivables in accordance with GASB 87 and adjusting the related deferred inflows of resources to reflect only amounts expected to be collected.

Views of responsible officials: This matter primarily pertains to a single agreement with a lessee whose contract was under review and renegotiation. Due to the timing and available information pertaining to the lease contract, the City did not initially deem the balances uncollectible at year end and had already made adjustments to the beginning balances in prior year as modification of the contract were under review at the very inception and implementation of GASB 87. Accordingly, receivable and related deferred inflows balances were lower than stated on the face of the contract, already reflecting an estimated allowance.

Management agrees that there may have been some uncertainty surrounding this lease agreement at year end, however due to ongoing discussions and possible litigation between the City and lessee and the continuing flow of payments, the City did not deem the balances completely uncollectible and accordingly recorded receivables that it believed would be reflective of the City's ability to collect. Even though due to the rigorous negotiation process that was being undertaken, the lease was not anticipated/deemed by management to be uncollectible at the end of the fiscal year, however due to the latest agreement and ongoing slow payment of the lessee the decision to remove the receivable was made.

Going forward City teams plan to have more timely and detailed discussions to address any anticipated delays/modifications occurring of any active lessees. This discussion will help to support management's decision-making process regarding the un-collectability of lease receivables. Procedures will be implemented to ensure that the leasing software will be updated with the parameters of the newly amended lease agreements to ensure the accuracy of lease balances reported in the Leasing Fund.

Finally, the City will establish a more rigorous leasing policy to ensure that all aspects of GASB 87 and complex modifications of lease agreements are timely and appropriately recorded in accordance with City guidelines.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Agency's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the findings identified in our audit and described *previously*. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Miami, Florida
June 26, 2025

**Management Letter in Accordance With the
Rules of the Auditor General of the State of Florida**

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and Chapter 10.550, *Rules of the Auditor General*, of the State of Florida.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 26, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the Agency's financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a, and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 26, 2025

**Independent Accountant's Report
on Compliance with Sections 163.387(6) & 163.387(7), Florida Statutes**

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

We have examined the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida's (the City), compliance with Sections 163.387(6) and 163.387(7), *Florida Statutes*, during the period from October 1, 2023 to September 30, 2024. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period from October 1, 2023 to September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 26, 2025

**Independent Accountant's Report
on Compliance with Section 218.415, *Florida Statutes***

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

We have examined the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida's (the City), compliance with Section 218.415, *Florida Statutes*, and *Local Government Investment Policies* during the period from October 1, 2023 to September 30, 2024. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period from October 1, 2023 to September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 26, 2025

City of Miami Beach, Florida

Management Letter and Independent Accountant's
Report in Accordance With Chapter 10.550, *Rules of
the Auditor General* of the State of Florida

Year Ended September 30, 2024

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**Management Letter in Accordance With the
Rules of the Auditor General of the State of Florida**

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and Chapter 10.550, *Rules of the Auditor General*, of the State of Florida.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 26, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the Agency's financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a, and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that we communicate a statement as to whether or not a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the county, municipality, or dependent special district geographical boundaries during the fiscal year under audit. In connection with our audit, we determined that the City does not operate a PACE program.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
August 6, 2025

Appendix A

Finding No.	Finding Title	Current Year Status
ML 2023-001	Cutoff	Corrected
ML 2023-002	Construction in process (CIP) project closeout process	Corrected
ML 2023-003	Lack of control Community Development Block Grant (reporting)	Corrected

Miami Beach Redevelopment Agency (RDA)
Report for the fiscal year ended
September 30, 2024

OTHER RDA REPORTS
UNAUDITED

LOCAL GOVERNMENT REPORTING
SECTION 163.371, FLORIDA STATUTES

- A. Projects and expenditures
- B. Property values (Form DR-420 TIF)
- C. Affordable housing
- D. Achievements and goals

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - 9/30/2024

	Prior Reporting Period	Period Ended September 30, 2024	Total Rev/Expenses
REVENUES			
Tax increment - County	\$ 408,025,951	\$ 24,346,511	\$ 432,372,462
Tax increment - City	428,994,482	31,026,462	460,020,944
Tax increment (Interest) - County	19,057	-	19,057
Tax increment - Children's Trust	19,946,552	-	19,946,552
Local Grants CARES ACT Covid19	30,492,077	-	30,492,077
Bond proceeds	108,779,453	-	108,779,453
Bond proceeds - Series 2015	322,095,000	-	322,095,000
Bond premium - Series 2015	29,558,832	-	29,558,832
Rental income	718,713	569,506	1,288,219
Anchor Garage receipts	67,523,821	2,981,008	70,504,829
Anchor Garage deposit card receipts	30,788	-	30,788
Anchor Shops rental income	16,645,189	1,195,797	17,840,986
Anchor Shops rental deposits	193,044	-	193,044
Pennsylvania Garage receipts	10,429,367	888,056	11,317,423
Pennsylvania Garage deposit card receipts	240	-	240
Pennsylvania Shops rental income	980,488	-	980,488
Pennsylvania Shops rental deposits	1,896,327	-	1,896,327
G12 Garage receipts	4,492,458	1,393,212	5,885,670
Legal settlement	100,000	-	100,000
Loews Facility Use/Usage Fee	145,462	-	145,462
Loews Ground Lease Receipts	8,240,984	-	8,240,984
Loews Hotel - exercise option	27,498,975	-	27,498,975
RDP Royal Palm Ground Lease Receipts	470,222	-	470,222
RDP Royal Palm - Sale of Land	12,562,278	-	12,562,278
New World Symphony Contribution	250,000	-	250,000
Interest income/Unrealized Gain/Loss Invest	41,180,953	7,706,407	48,887,360
Resort tax contributions	55,977,581	-	55,977,581
Cost of Issuance Proceeds-Series 2005	37,246,218	-	37,246,218
SBITA Proceeds G96	-	8,362	8,362
Bid deposits - hotels	375,000	-	375,000
Bid deposits - cinema	100,000	-	100,000
Loan from City	3,000,000	-	3,000,000
Line of credit from City	19,190,000	-	19,190,000
Cultural Campus	1,975,762	-	1,975,762
Transfers In	255,229,214	21,207,578	276,436,792
St. Moritz Hotel - refund/reimbursement	925,450	-	925,450
Reimbursements (GMCVB/RE taxes/Grants)	3,864,530	-	3,864,530
St. sales tax (receipt - income for pmt. to St)	2,371,561	-	2,371,561
Miami City Ballet-Capital	134,405	-	134,405
Miami City Ballet Lease/Maint	264,042	-	264,042
Anchor Garage insurance reimbursement	26,170	-	26,170
2015 RDA Bond CC Project-Insurance Recoveries/Replace	-	-	-
Real Estate taxes refund	299,056	-	299,056
Refund Due to/From	1,128,005	-	1,128,005
Refund - Loews - Water/Sewer Impact Fees	348,319	-	348,319
Refund - Police Salaries and Wages	844,503	-	844,503
Suspense Account	-	-	-
Miscellaneous/Prior Year Refunds & Voids	1,779,119	1,898	1,781,017
TOTAL REVENUES	1,926,349,648	91,324,797	2,017,674,445

	Total Rev/Expenses	Period Ended September 30, 2024	Total Rev/Expenses
EXPENDITURES			
Projects			
African-American Hotel			
Appraisal fees	(4,200)	-	(4,200)
Bid refund	(50,000)	-	(50,000)
Board up	(50,995)	-	(50,995)
Construction (soil remediation/tank)	(9,800)	-	(9,800)
Delivery	(503)	-	(503)
Electric service	(422)	-	(422)
Environmental clean up	(161,613)	-	(161,613)
Equipment rental	(14,815)	-	(14,815)
Fire alarm service	(13,870)	-	(13,870)
Hotel negotiation consultant	(126,131)	-	(126,131)
Land acquisition	(10,592,060)	-	(10,592,060)
Legal fees/costs	(667,871)	-	(667,871)
Lot clearing	(16,924)	-	(16,924)
Maintenance	(48,173)	-	(48,173)
Miscellaneous	(309,495)	-	(309,495)
Owner's representative fees & expenses	(293,757)	-	(293,757)
Postage, printing & mailing	(4,153)	-	(4,153)
Professional services	(144,049)	-	(144,049)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - 9/30/2024

Public notice/advertisement	(13,951)	-	(13,951)
Refund of deposits	(175,000)	-	(175,000)
Reimbursements	(15,799)	-	(15,799)
Relocation	(32,400)	-	(32,400)
Security guard service	(170,015)	-	(170,015)
Title insurance	(25,271)	-	(25,271)
Travel & related expenses	(2,159)	-	(2,159)
Water/Sewer (impact fees)	(25,240)	-	(25,240)
Total African-American Hotel	(12,968,666)	-	(12,968,666)
Convention Hotel			
Administrative fees	(5,436)	-	(5,436)
Appraisal fees	(67,150)	-	(67,150)
Bid refund	(100,000)	-	(100,000)
Bond costs	(173,998)	-	(173,998)
Building permit fees	(172,451)	-	(172,451)
Construction	(33,265,118)	-	(33,265,118)
Demolition	(1,778)	-	(1,778)
Demolition	(47,361)	-	(47,361)
Environmental clean up	(19,556)	-	(19,556)
Equipment rental	(24,389)	-	(24,389)
Fire alarm service	(600)	-	(600)
Hotel selection/study	(263,357)	-	(263,357)
Hotel negotiation consultant	(723,112)	-	(723,112)
Land acquisition	(20,673,575)	-	(20,673,575)
Legal fees/costs	(1,026,811)	-	(1,026,811)
Lot clearing	(12,407)	-	(12,407)
Maintenance	(695)	-	(695)
Miscellaneous	(28,063)	-	(28,063)
Owner's representative fee & expenses	(1,218,615)	-	(1,218,615)
Postage, printing & mailing	(15,977)	-	(15,977)
Professional services	(275,568)	-	(275,568)
Public notice/advertisement	(5,996)	-	(5,996)
Reimburse closing costs to C.M.B.	(3,000,000)	-	(3,000,000)
Reimbursements	(27,902)	-	(27,902)
Security guard service	(26,563)	-	(26,563)
Temporary staffing	(3,000)	-	(3,000)
Training, conferences & meetings	(1,750)	-	(1,750)
Travel & related expenses	(25,800)	-	(25,800)
Water/sewer service	(308,979)	-	(308,979)
Total Convention Hotel	(61,516,007)	-	(61,516,007)
	Total	Period Ended	Total
	Rev/Expenses	September 30, 2024	Rev/Expenses
Hotel Garage - Construction			
Administrative fees	(26,248)	-	(26,248)
Appraisal fees	(24,913)	-	(24,913)
Board up	(9,763)	-	(9,763)
Bond costs	(37,442)	-	(37,442)
Building permit fees	(818)	-	(818)
Construction draw	(13,773,347)	-	(13,773,347)
Delivery	(230)	-	(230)
Demolition	(155,834)	-	(155,834)
Electric service	(1,554)	-	(1,554)
Equipment rental	(360)	-	(360)
Environmental	(30,824)	-	(30,824)
Land acquisition	(3,312,947)	-	(3,312,947)
Legal fees/costs	(239,024)	-	(239,024)
Maintenance	(832)	-	(832)
Miscellaneous	(36,680)	-	(36,680)
Owner's representative fee & expenses	(311,094)	-	(311,094)
Printing	(6,915)	-	(6,915)
Professional services	(80,094)	-	(80,094)
Public notice/advertisement	(6,525)	-	(6,525)
Reimbursement	(10,759)	-	(10,759)
Relocation	(99,384)	-	(99,384)
Security guard service	(81,247)	-	(81,247)
Water/sewer service	(1,142)	-	(1,142)
Total Hotel Garage	(18,247,976)	-	(18,247,976)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - 9/30/2024

Movie Theater Project

Appraisal fees	(4,500)	-	(4,500)
Bid refund	(80,000)	-	(80,000)
Delivery	(476)	-	(476)
Equipment rental	(4,032)	-	(4,032)
Legal fees	(57,299)	-	(57,299)
Miscellaneous	(2,913)	-	(2,913)
Professional services	(14,380)	-	(14,380)
Refund of deposit	(10,000)	-	(10,000)
Traffic parking study	(8,600)	-	(8,600)
Total South Beach Cinema	<u>(182,200)</u>	<u>-</u>	<u>(182,200)</u>

Lincoln Road

Appraisal fees	(5,000)	-	(5,000)
Delivery	(8)	-	(8)
Equipment rental	(11,900)	-	(11,900)
Legal fees	(10,827)	-	(10,827)
Lot clearing	(5,440)	-	(5,440)
Lighting	(60,805)	-	(60,805)
Maintenance	(195,588)	-	(195,588)
Miscellaneous	(582)	-	(582)
Postage, printing & mailing	(810)	-	(810)
Professional services	(99,553)	-	(99,553)
Reimbursements	(23,581)	-	(23,581)
Revitalization	(960,522)	-	(960,522)
Repayment of Loan	(21,776,959)	-	(21,776,959)
Temporary staffing	(66,158)	-	(66,158)
Training, conferences & meetings	(1,518)	-	(1,518)
Travel & related expenses	(771)	-	(771)
Total Lincoln Road	<u>(23,220,022)</u>	<u>-</u>	<u>(23,220,022)</u>

<u>Total</u>	<u>Period Ended</u>	<u>Total</u>
<u>Rev/Expenses</u>	<u>September 30, 2024</u>	<u>Rev/Expenses</u>

Beachwalk

Environmental	(5,400)	-	(5,400)
Miscellaneous	(212,613)	-	(212,613)
Professional services	(5,015,698)	-	(5,015,698)
Total Beachwalk	<u>(5,233,711)</u>	<u>-</u>	<u>(5,233,711)</u>

Convention Center

Convention Center Hotel	(596,772)	-	(596,772)
Convention Center Improvement	(286,608,728)	(357,096)	(286,965,824)
Total Convention Center	<u>(287,205,500)</u>	<u>(357,096)</u>	<u>(287,562,596)</u>

Collins Park Cultural Center

Appraisal fees	(24,605)	-	(24,605)
Environmental	(137,515)	-	(137,515)
Land acquisition	(6,661,982)	-	(6,661,982)
Construction	(7,814,087)	-	(7,814,087)
Legal fees	(768,507)	-	(768,507)
Miscellaneous	(156,498)	-	(156,498)
Professional services	(1,242,704)	-	(1,242,704)
Streetscape	(401,312)	-	(401,312)
Utilities	(110,168)	-	(110,168)
Children's Feature	(7,200)	-	(7,200)
Total Cultural Campus	<u>(17,324,578)</u>	<u>-</u>	<u>(17,324,578)</u>

<u>Total</u>	<u>Period Ended</u>	<u>Total</u>
<u>Rev/Expenses</u>	<u>September 30, 2024</u>	<u>Rev/Expenses</u>

Other Projects

Bus Prop. Ctr.	(159)	-	(159)
Chamber of Commerce Relocation Study	(2,000)	-	(2,000)
Colony Theater-Stage Lighting-Coils Repl	(6,618,783)	-	(6,618,783)
Construction of Library	(14,586)	-	(14,586)
East/West Corridor	(88)	-	(88)
Electrowave	(3,161)	-	(3,161)
Garden Center	(52,647)	-	(52,647)
Guidelines	(12,450)	-	(12,450)
Old City Hall	(499)	-	(499)
17th Street Surface Lot	(288,274)	-	(288,274)
10A Surface Lot-Lennox	(382,854)	-	(382,854)
Streetscapes	(324,849)	-	(324,849)
6th Street Streetscape	(577)	-	(577)
Botanical Gardens	(1,205,262)	-	(1,205,262)
Transportation Mobility Study	(32,225)	-	(32,225)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - 9/30/2024

Convention Center Streetscape	(12,495,575)	-	(12,495,575)
New World Symphony	(21,591,976)	-	(21,591,976)
New World Symphony-Lincoln Park	(14,440,890)	-	(14,440,890)
Washington Avenue Streetscape	(3,198,183)	-	(3,198,183)
Rotunda/ Collins Park 9/30/2014	(735,652)	-	(735,652)
R.O.W. Improvements	(2,356,207)	-	(2,356,207)
Flamingo (16 St. Corridor)	(4,721)	-	(4,721)
Flamingo Neigh.South - Bid A	(10,186)	-	(10,186)
Flamingo Neigh. Lummus - Bid B	(456,047)	-	(456,047)
Flamingo Bid C	(13,877)	-	(13,877)
Beachfront Restrooms	(431,147)	-	(431,147)
Water & Wastewater Pump Station	(1,228,541)	-	(1,228,541)
Miami City Ballet & HVAC	(5,859,594)	-	(5,859,594)
Wayfinding Project	(348,123)	-	(348,123)
West Ave/Bay Road Neigh. Improve.	(750,000)	-	(750,000)
Multi-Purpose Building Adj. City Hall	(14,762,648)	-	(14,762,648)
Bass Museum	(17,752,042)	-	(17,752,042)
Bass Museum Hydraulic	(2,750)	-	(2,750)
Bass Museum HVAC Improv./Heat Pump	(168,895)	-	(168,895)
Bass Museum Exterior Lighting	(41,658)	-	(41,658)
Bass Museum Heat Pump Replacement	(49,816)	-	(49,816)
Bass Museum Wheater Seal	(100,078)	-	(100,078)
Bass Museum Hydraulic	(42,013)	-	(42,013)
BASS MUSEUM GENERATOR	(101,386)	-	(101,386)
BASS MUSEUM ELECTRICAL BREAK	(1,223)	-	(1,223)
Bass Museum Fire Pump Replacement	(52,151)	-	(52,151)
Emergency Light Replacement	(2,854)	-	(2,854)
Botanical Garden Window	(41,840)	-	(41,840)
The Barclay, the Allen	(34,441)	-	(34,441)
London House	(14,154,643)	-	(14,154,643)
Carl Fisher Renewal and Replacement	(189,540)	-	(189,540)
Alleyway Restoration Program	(221,632)	-	(221,632)
Lincoln Road Between Lennox and Alton	(6,173,406)	-	(6,173,406)
City Center Neighborhood Improvement	(1,439,236)	-	(1,439,236)
Lincoln Road Between Collins/Washington	(1,482,197)	-	(1,482,197)
Lincoln Road Fountain	(4,484)	-	(4,484)
Lincoln Road Mall Accent Light	(90,446)	-	(90,446)
Lincoln Road Washington	(5,115,936)	(907,212)	(6,023,148)
Lincoln Road Washington	(30,611)	(82,614)	(113,225)
Lincoln Road Stone Restoration	(1,366,948)	(153,311)	(1,520,259)
Convention Center - Lincoln Road Connection	(1,291,097)	(274,984)	(1,566,081)
17th Street North Imprv Penn A	(12,593)	-	(12,593)
Aluminum Street Lighting Pole	(163,173)	-	(163,173)
Lincoln Road Landscaping	(72,167)	-	(72,167)
Reserve Euclid Avenue Improvement	(485,584)	-	(485,584)
Lincoln Road Uplighting	(7,820)	-	(7,820)
Miami City Ballet Ext	(10,568)	-	(10,568)
Miami City Ballet Transfers	(363,244)	-	(363,244)
Miami City Ballet Windows	(118,716)	(8,881)	(127,597)
Lincoln Road Master Plan	(500,000)	-	(500,000)
1100 Lincoln Road Updates	(133,000)	-	(133,000)
Little Stage Complex	(325,593)	-	(325,593)
Preferred Parking Surface Lot	(526,649)	-	(526,649)
Tree Wells Pilot Project	(409,571)	-	(409,571)
Washington Ave. Bridge Restoration Loan	(700,000)	-	(700,000)
Collins Canal Enhancement Project	(1,735,807)	(136,507)	(1,872,314)
Collins Park Parking Garage-and Land	(29,887,903)	(25,000)	(29,912,903)
Collins Park Ancillary Improvement	(3,607,109)	(143,831)	(3,750,940)
CCHV Neighborhood Improvements	(11,672,435)	-	(11,672,435)
21st Street Recreational Center Repairs	(14,901)	-	(14,901)
Animal Waste Dispensers & Receptacles	(25,000)	-	(25,000)
Trash Receptacles	(24,860)	-	(24,860)
Pedestrian Countdown Signals	(54,868)	-	(54,868)
Maze Project - 21st Street & Collins	(135,000)	-	(135,000)
Directory Signs in City Center ROW	(190,277)	-	(190,277)
Beach Shower Replacement & Renovation	(6,355)	-	(6,355)
24" PVC Sanitary Sewer Improvements	(315,016)	-	(315,016)
Bicycle Parking Phase 2	(8,620)	-	(8,620)
Bicycle Parking Project	(32,923)	-	(32,923)
Total Other Projects	(189,112,856)	(1,732,340)	(190,845,196)
Total Projects	(615,011,516)	(2,089,436)	(617,100,952)

	Total Rev/Expenses	Period Ended September 30, 2024	Total Rev/Expenses
Administration			
Administrative fees	(225)	-	(225)
Anchor Shops Leasing	(134,878)	-	(134,878)
Appraisal fees	(7,000)	-	(7,000)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - 9/30/2024

Bond costs/Bond Trustee. Fees	(2,200,650)	-	(2,200,650)
Delivery	(1,400)	-	(1,400)
Dues & subscriptions	(10,830)	-	(10,830)
Facility Usage - Loews Hotel	(117,377)	-	(117,377)
Management fees	(2,836,300)	-	(2,836,300)
Interlocal Agreement/City Center Operation	(89,457,070)	(7,719,269)	(97,176,339)
Miscellaneous	(83,225)	-	(83,225)
Office supplies	(45,009)	-	(45,009)
Postage, printing & mailing	(59,881)	-	(59,881)
Professional services	(1,166,950)	25,000	(1,141,950)
Parks Maintenance by Parks Department	(3,214,078)	(424,158)	(3,638,236)
Public notice/advertisement	(2,496)	-	(2,496)
Reimbursements	(62,184)	-	(62,184)
Sales tax	(180,222)	-	(180,222)
Settlement Costs	(457,500)	-	(457,500)
Legal Fees (Ongoing Litigation)	(334,629)	-	(334,629)
Temporary staffing	(14,197)	-	(14,197)
Training, conferences & meetings	(19,294)	-	(19,294)
Travel & related expenses	(1,769)	-	(1,769)
Resort Tax Accrual	-	-	-
Accrued interest on investments	(479,466)	-	(479,466)
Total Administration	(100,886,630)	(8,118,427)	(109,005,057)
New World Symphony Grant In Aid	(15,000,000)	-	(15,000,000)
Capital projects Maintenance	(12,434,581)	-	(12,434,581)
City Center Greenspace Management	(8,557,777)	(734,149)	(9,291,926)
South Beach Area- Property Management	(23,014,095)	(2,206,067)	(25,220,162)
RDA City Center Code Compliance	(1,577,801)	(132,821)	(1,710,622)
RDA City Center Sanitation	(37,367,726)	(4,734,500)	(42,102,226)
RDA Center Center - Misc. Employee Fringe Benefits	(2,675)	-	(2,675)
Cost of Issuance Series 2005 A&B	(37,219,044)	-	(37,219,044)
Transfers out - Debt Service	(100,757,221)	(4,000,000)	(104,757,221)
Debt Service/Loan Repayment	(364,585,014)	(20,911,578)	(385,496,592)
Debt Service/Escrow payment (Series 1998A, 2005A and 2005B)	(50,954,074)	-	(50,954,074)
Cost of Issuance Series 2015 A&B	(4,688,286)	-	(4,688,286)
Anchor Garage Operations	(57,594,374)	(3,515,867)	(61,110,241)
Anchor Shops Operation	(6,812,258)	(499,644)	(7,311,902)
Pennsylvania Ave- Garage Operations	(12,274,619)	(1,213,356)	(13,487,975)
Pennsylvania shops operations	(4,439,199)	(297,891)	(4,737,090)
Collins Park Garage	(3,012,540)	(1,449,419)	(4,461,959)
Community Policing-CCHCV	(74,436,002)	(4,927,525)	(79,363,527)
Transfer Out - Debt Service	(151,836,993)	(20,911,578)	(172,748,571)
Transfers Out	(16,153,697)	-	(16,153,697)
TOTAL EXPENDITURES	(1,698,616,122)	(75,742,258)	(1,774,358,380)
ENDING BALANCE	\$ 227,733,526	\$ 15,582,539	\$ 243,316,065



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TAX INCREMENT ADJUSTMENT WORKSHEET

Year : 2023	County : MIAMI-DADE
Principal Authority : CITY OF MIAMI BEACH	Taxing Authority : CITY OF MIAMI BEACH
Community Redevelopment Area : MIAMI BEACH CITY CENTER CRA	Base Year : 1992

SECTION I : COMPLETED BY PROPERTY APPRAISER

1.	Current year taxable value in the tax increment area	\$	6,188,026,922	(1)
2.	Base year taxable value in the tax increment area	\$	292,572,271	(2)
3.	Current year tax increment value <i>(Line 1 minus Line 2)</i>	\$	5,895,454,651	(3)
4.	Prior year Final taxable value in the tax increment area	\$	5,703,636,943	(4)
5.	Prior year tax increment value <i>(Line 4 minus Line 2)</i>	\$	5,411,064,672	(5)

SIGN HERE	Property Appraiser Certification	I certify the taxable values above are correct to the best of my knowledge.		
	Signature of Property Appraiser : Electronically Certified by Property Appraiser	Date :	6/30/2023 4:32 PM	

SECTION II: COMPLETED BY TAXING AUTHORITY Complete EITHER line 6 or line 7 as applicable. Do NOT complete both.

6. If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:				
6a.	Enter the proportion on which the payment is based.		95.00 %	(6a)
6b.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 6a)</i> If value is zero or less than zero, then enter zero on Line 6b	\$	5,600,681,918	(6b)
6c.	Amount of payment to redevelopment trust fund in prior year	\$	30,173,036	(6c)
7. If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:				
7a.	Amount of payment to redevelopment trust fund in prior year	\$	0	(7a)
7b.	Prior year operating millage levy from Form DR-420, Line 10		0.0000 per \$1,000	(7b)
7c.	Taxes levied on prior year tax increment value <i>(Line 5 multiplied by Line 7b, divided by 1,000)</i>	\$	0	(7c)
7d.	Prior year payment as proportion of taxes levied on increment value <i>(Line 7a divided by Line 7c, multiplied by 100)</i>		0.00 %	(7d)
7e.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 7d)</i> If value is zero or less than zero, then enter zero on Line 7e	\$	0	(7e)

S I G N H E R E	Taxing Authority Certification	I certify the calculations, millages and rates are correct to the best of my knowledge.		
	Signature of Chief Administrative Officer : Electronically Certified By Taxing Authority	Date :	7/28/2023 3:04 PM	
	Title : CITY MANAGER	Contact Name and Contact Title :	TAMEKA OTTO STEWART, BUDGET DIRECTOR	
	Mailing Address : 1700 CONVENTION CENTER DR	Physical Address :	1700 CONVENTION CENTER DRIVE	
	City, State, Zip : MIAMI BEACH, FL 33139	Phone Number :	305-673-7510	Fax Number :

**Miami Beach Redevelopment Agency
Report for the Fiscal Year ended
September 30, 2024**

Achievements and Goals

The 332-acre City Center/Historic Convention Village Redevelopment and Revitalization Area was established in 1993, primarily with the objective to create a funding mechanism to foster the development of a new convention hotel within proximity to the Miami Beach Convention Center, and to connect the City's many core area civic, business, cultural and entertainment uses, and create a solid foundation for a vibrant urban downtown.

Legislative History of the Plan

On January 26, 1993, Miami-Dade County (the "County") adopted Resolution No. R-14-93, which:

- (i) found the area, in the City of Miami Beach (the "City"), bounded on the east by the Atlantic Ocean, on the north by 24 Street, on the west by West Avenue, and on the south by 14 Lane (the "City Center Redevelopment Area" or "City Center District"), to be a "blighted area" within the meaning of Part III of Chapter 163, Florida Statutes; and
- (ii) delegated to the City of Miami Beach, pursuant to Section 163.410 Florida Statutes, certain powers conferred upon the County Commission as the governing body of the County by Part III of Chapter 163 Florida Statutes, regarding the Redevelopment Area, so that the City Commission, either directly or through its duly designated community redevelopment agency, could exercise such powers.

On February 3, 1993, the City adopted Resolution No. 93-20709, which established a community redevelopment agency, the Miami Beach Redevelopment Agency (the "Agency" or the "RDA") and declared the members of the City Commission as the members of the RDA Board. On February 12, 1993, the City adopted Resolution No. 93-20721, which adopted the Agency's City Center/Historic Convention Village Redevelopment and Revitalization Area plan (the "Plan") for the redevelopment and revitalization of the City Center Redevelopment Area.

On February 24, 1993, the City enacted Ordinance 93-2836, which created a City Center/Historic Convention Village Redevelopment and Revitalization Trust Fund and established a funding mechanism for implementing the Plan. The County, on March 30, 1993, adopted Resolution No. R-317-93 which, among other things, (i) adopted the Plan, and (ii) approved an Interlocal Cooperation Agreement (the "Interlocal Agreement"), between the County and the City, dated and executed on November 16, 1993, as amended five (5) times by which the County delegated to the City certain redevelopment powers granted by law including, but not limited to, the creation of the City Center Redevelopment Area and implementation of the Plan.

**Miami Beach Redevelopment Agency
Report for the Fiscal Year ended
September 30, 2024**

Achievements and Goals

In 2014, the City and County adopted the Third Amendment to the Interlocal Agreement. The Amendment, among other components, (i) extended the life of the City Center District from FY 2022/23 to March 31, 2044; (ii) allows the Board of County Commissioners the right to appoint a member of the Agency; and (iii) further provided for related payment terms, with the intent that all available excess Trust Fund revenues remaining on deposit in the Trust Fund be used for the prepayment or redemption of debt prior to maturity of tax increment revenue bonds issued by the RDA to support the City's Convention Center Renovation and Expansion project within the district.

Since 2014, pursuant to the Third Amendment to the Interlocal Agreement, the elected Commissioner of County Commission District 5, which includes the City Center District, serves as a voting member of the RDA Board. The addition of the County Commissioner as a voting member of the RDA Board has benefited the City with a strengthened relationship with the County Commissioner. Further, citing the City of Miami Beach as an example, the appointment of a County Commissioner to a Community Redevelopment Agency ("CRA") governing board has since become the Florida Legislature's recommended strategy for successful CRA governance.

In 2018, pursuant to Resolution No. 2018-30288, the City and County adopted a Fourth Amendment to the Plan, to 1) allow the RDA to reimburse the City \$6,914,221 for construction related to the Miami Beach Convention Center renovation and expansion project resulting from the impact of Hurricane Irma; 2) provide additional funding, up to \$20 million, for the Lincoln Road project (previously authorized as part of the Third Amendment) for a total project amount of up to \$40 million for the Lincoln Road project; 3) distribute to the County and the City, beginning in FY 2018 and continuing until FY 2023, an annual reimbursement based on each entity's proportionate share of expenditures for administration, community policing, and capital projects maintenance; 4) require that the County and the City set aside \$1.5 million of the annual reimbursement for beach renourishment that could be utilized to leverage State or Federal funding for beach re-nourishment projects; and 5) utilize any excess revenues, after the foregoing distributions, for the early prepayment of debt, as originally stipulated in the Third Amendment to the Interlocal Agreement.

The Fifth Amendment to the RDA Interlocal Agreement was approved by Miami-Dade County in March 2022, allowing for \$29.1 million in excess RDA Trust Fund revenues to be accessed by the City to fund the City's financial obligation related to the Final Settlement Agreement for the MBCC expansion and renovation project. Additionally, the Fifth Amendment clarified that the County's portion of the beach renourishment funds (\$1.5 million), outlined in the Fourth Amendment, can be used for beach renourishment activities at any beaches in the County.

**Miami Beach Redevelopment Agency
Report for the Fiscal Year ended
September 30, 2024**

Achievements and Goals

In December 2024, the City and Miami Dade County adopted the Sixth Amendment to the Interlocal Agreement. The Sixth Amendment authorized the issuance of bonds, in an aggregate principal amount not to exceed \$267 million, maturing in 2044. The issuance of bonds will provide funds for the following: a) refunding a portion of the outstanding Tax Increment Revenue and Refunding Bonds, Series 2015A, and b) costs of issuance and debt service reserves associated with the 2024 bonds.

Mission / Purpose of the City Center Redevelopment Plan:

- Assure continued economic viability of the City Center Redevelopment Area and the City as a whole, through the implementation of the objectives and projects defined in the City Center Redevelopment Plan and the amendment thereto;
- Establish the necessary linkages to tie in the Miami Beach Convention Center, area hotels, cultural amenities, entertainment, residential, and business uses in the district;
- Involve community residents in the redevelopment process and to incur minimum relocation and condemnation;
- Enhance diversity of form and activity using established planning and design principles;
- Create a traffic system to serve local and through traffic needs; and
- Recognize the historic structures and designations within the historic districts and facilitate development accordingly.

Successful Implementation of City Center Redevelopment Plan Objectives:

The City Center Redevelopment District has undergone dynamic changes, which further the goals of the Plan and enhance the economic vitality of the City Center District. Between 1993 and July 2024, the City Center District experienced an increase in property tax values from \$292.6 million dollars to \$6.7 billion dollars, including more than \$800 million in new building permit activity since the inception of the RDA.

Initial success includes attracting two convention-quality hotels, wherein the RDA began focusing its efforts on several initiatives aimed at upgrading the District's infrastructure, streets and parks, alleviating traffic and parking congestion, and encouraging the production and presentation of arts and cultural activities in the District. Since 2003, the RDA, with the consent and collaboration of the County, amended the City Center Plan for the City Center District four (4) times to accomplish these objectives. Representative projects included:

- Two convention-quality hotels, both of which are the result of public/private partnerships between the RDA and the private sector: the 800-room Loews Miami Beach Hotel and the 425-room Royal Palm Crowne Plaza Hotel, the latter of which

Miami Beach Redevelopment Agency
Report for the Fiscal Year ended
September 30, 2024

Achievements and Goals

was recognized as the first African American-owned convention center hotel in the United States, and both of which included restoration of historic buildings in the City's National Register Historic District.

- The development of an 800-space public parking garage, the Anchor Garage and Retail Shops, to accommodate the parking needs for the Loews Miami Beach Hotel, the Royal Palm Crowne Plaza Hotel, and other service and retail businesses in the District, including the incorporation of the facades of historic buildings in the City's National Register Historic District.
- Renovation and expansion of the Miami Beach Convention Center campus as outlined below:
 - A Grand Hyatt 800-room voter-approved MBCC Hotel, that will serve as the central anchor of the Miami Beach Convention Center District with early work initiated and with an estimated completion for 2027.
 - Renovation of 100-year-old Carl Fisher Clubhouse & Annex managed by MBCC management firm OVG360, and Sodexo Live!, as the food and beverage operator – holistically leveraging the ability of the MBCC to market and sale the “Convention Center Campus” that serves residents, businesses, visitors and tourists.
 - Other important projects include the 650-space mixed-use parking facility built on the surface parking lot on the west side of City Hall, which includes 35,000 square feet of municipal office space; the implementation of major street and infrastructure improvements throughout City Center, valued at more than \$26 million; and the acquisition and renovation of three multi-family buildings (Allen House, London House, Barclay) to potentially maintain the stock of affordable housing in the area.
- Award-winning Public Beachwalk Expansion project from 21 Street to Lummus Park, comprising an at-grade, landscaped pedestrian walkway and public restroom and shower facility replacement with stainless steel trees and drain interceptors throughout the beach accessways.
- Beach Renourishment Project, including funding to rebuild and fortify City public beaches, which serves as a notable public amenity and appeals to international tourists.
- Development and implementation of a Cultural Arts Campus Master Plan, within the Collins Park area, east of the Miami Beach Convention Center, including:
 - construction of a regional Miami Beach Public Library (including demolition of the old library and construction of the new library, partially funded by the RDA);
 - construction and purchase of the headquarter facility of the Miami City Ballet (\$ 5.2 million in acquisition costs funded by the RDA);
 - the expansion and renovation of the Bass Museum of Art, which provided a 47% increase in programmable space;

Miami Beach Redevelopment Agency
Report for the Fiscal Year ended
September 30, 2024

Achievements and Goals

- restoration of Collins Park, including new landscaping, refurbishment of the historic Rotunda building, and extensive streetscape improvements throughout the area; and
 - funding for development of the Collins Park Parking Garage.
- Completion of the acclaimed New World Center Campus, including a state-of-the-art Frank Gehry-designed headquarter performance hall facility for the New World Symphony and School, and publicly funded components that included a \$15 million Frank Gehry-designed municipal parking garage and retail space and the 2.5-acre, \$21 million mixed-use urban oasis, Soundscape Park.
- Community policing initiatives, including enhanced staffing levels and services, enabling the addition of thirteen (13) police officers, three (3) sergeants, two (2) public safety aides, a crime analyst and a part-time lieutenant, providing patrol, crime prevention, and investigation exclusively within the City Center District.
- Wayfinding directory signage-including the installation of monument directory signs within District rights of way, to direct residents and visitors to City offices and services.
- Miami Beach Botanical Garden renovation, including renovations of the building, greenspace and site improvements, lighting, planting, irrigation, and acoustic improvements.
- Collins Canal Enhancement Project, including development of a bicycle path connecting the Venetian Causeway on Biscayne Bay with the Beachwalk on the Atlantic Ocean.
- A \$20 million overhaul of the Lincoln Road Pedestrian Mall, partially funded by Lincoln Road businesses. Project scope consisted of new lighting, refurbishing pedestrian surfaces, street furnishings, healthy tree fertilization systems, milling and resurfacing pavement surfaces and cross walk enhancements, as well as developing a Lincoln Road Master Plan Study and funding improvements at the Euclid Avenue Plaza on Lincoln Road.
- Washington Avenue streetscape work around the City Center District, including sanitation and sewer improvements.
- Convention Center / Lincoln Road Streetway Connectors Improvement Project enhancements of the pedestrian experience from the Convention Center Campus to Lincoln Road along Drexel Avenue, Pennsylvania Avenue, and Meridian Avenue. Work consisted of the refurbishing, resurfacing, reconstruction and general improvement of lighting, sidewalks, street furnishings, landscaping, tree fertilization systems, roads, and crosswalks. Improvements along 17 Street, from Pennsylvania Avenue to Washington Avenue, consisted of landscaping, irrigation, pedestrian lighting, and sidewalk replacement.
- Funding of capital and operational costs for the Pennsylvania Avenue Parking Garage and retail space, enabling the leasing of the commercial retail space rent-free to a cultural arts nonprofit institution, Moonlighter Makerspace. Following

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completion of buildout of the Learning Center and Fabrication Lab, the nonprofit will provide free STEAM programming and instruction to students at Miami Beach schools and empower workers with shared workshop space for technological innovation.

The RDA has several accomplishments in furtherance of achieving the goals of the Redevelopment Plan. During Fiscal Year 2024, the RDA continued to invest resources in the following programs and projects:

Convention Center Campus

- In 2015, the Miami Beach Convention Center (MBCC) received a \$620 million renovation. The transformation included 1.4 million sq. ft., up from 1.2 million before the 2015 renovation; 4 exhibitions halls (491,654 sq. ft); a grand lobby (98,495 sq.ft.); grand ballroom (60,979 sq ft) with 17,950 sq. ft. of pre-function space; 4 junior ballrooms include 19,714 sq. ft. Sunset Vista; 84 meeting rooms; approximately 9 acres of public green space in Collins Canal Park to the north and Pride park to the west; 800 rooftop parking spaces; \$7.1 million dollar of curated public art – the largest collection of single curated public art in the United States. Upgrades to the Convention Center, together with its LEED Silver certification, allow the venue to meaningfully compete for high-impact domestic and international meetings, conference, conventions, and exhibitions. The re-imaging of the convention center is augmenting the County’s \$26 billion tourism industry, reputation and share of the U.S. meetings industry.
- In 2018, Miami Beach voters approved a plan to build a convention center hotel after two previous efforts to get a hotel project approved failed. Voters authorized the lease of City land and the construction of an 800-room hotel that will connect to the Convention Center, which allows Miami Beach to execute a previously negotiated ground lease already approved by the City Commission. The terms of the lease agreement include the hotel developer paying Miami Beach either fixed rent totaling \$16.6 million over the first ten (10) years or a percentage of hotel revenue, whichever is greater. Grand Hyatt has committed to the developers to oversee hotel operations. The City estimates collecting \$96 million in new taxes from the hotel over thirty (30) years and construction to commence in FY 23.
- The Convention Center hotel, located at the corner of 17 Street and Convention Center Drive, will include amenities such as a resort-style pool deck, fitness center, and ballrooms. The completion of the Convention Center District, with a privately financed hotel, will spur economic growth, attract world-class events, strengthen infrastructure with an eye toward resiliency, and improve quality of life by reducing traffic and funding education.
- To promote activation and enhance the offerings and amenities at the Miami Beach Convention Center Campus, the City issued an RFP for the food and beverage

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and awarded Sodexo Live for the operations of the historic Carl Fisher Clubhouse with Annex, believed to be the oldest structures in Miami Beach. The introduction and utilization of the two properties will allow greater synergy between the Convention Center, Collins Canal Park, and other nearby public assets such as Pride Park and the Miami Beach Botanical Garden. The activation of the two properties in Collins Canal Park allow event planners/organizers to expand their events outside of the convention center. In addition, agreements with Art Basel Miami Beach, Sodexo Live, OVG360 and the Greater Miami Convention and Visitors Bureau (GMCVB) recognize the importance of conventions and conferences for the achievement of the RDA arts, culture, and economic goals, and serve to promote Miami Beach as a world-class meeting destination.

- In FY 2024, the Convention Center hosted approximately 613,543 guests and 98 regional, national, and international events, creating significant economic impact for the City of Miami Beach and the region. Currently, the Convention Center projected hosting 71 events through fiscal year 2025.
- In 2024 and 2025, the MBCC earned eight (8) prestigious industry recognitions including:
 1. "Reader's Choice Award" (Convention South)
 2. "Silver Stella 2024" (Northstar Meetings Group/3rd year in a row)
 3. "Hidden Gem of The Year 2024" (Lux Life Magazine)
 4. "Centers of Excellence Award" (Exhibitor Magazine)
 5. "Distinctive Achievement Award" (Association Conventions & Facilities)
 6. "Prime Site Award" (Facilities & Destinations)
 7. "Best Convention Center Award" (Skift Meetings)
 8. "Best Convention Center Award" (Smart Stars)
- The Convention Center also received the Global Biorisk Advisory Council (GBAC) STAR accreditation, LEED Silver Certification, named as a Certified Autism Center (CAC) by IBCCES, ranked #13 on the list of top meeting destinations in North America by CVENT, and made top 25 of Northstar Meetings Group's Convention Cities Index.

Collins Park Cultural Arts Campus

- The recently completed Collins Park Garage, located at 340 23 Street, spans an entire block of 23 Street, between Park Avenue and the vacated Liberty Avenue. The Collins Park Garage is located immediately adjacent to the Miami City Ballet headquarters, within the Collins Park Cultural Arts Campus, a signature achievement of the RDA.
- The City Commission approved a lease agreement of the ground floor of the Collins Park Garage with nonprofit cultural arts partner, Miami New Drama, Inc.

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The Collins Park Cultural Facility will activate the first-floor space with a flexible black box theater, rehearsal space, and a neighborhood restaurant/café.

- The City Commission also approved a development agreement and ground lease for the adjacent Collins Park Artist Workforce Housing Project, featuring Miami City Ballet dormitory housing, and is to be the first of its kind in the City of Miami Beach.
- Community policing initiatives, including enhanced staffing levels and services allow patrols and specialized services within the City Center District, including the Lincoln Road corridor, Convention Center District and Collins Park neighborhood. These services included crime prevention and investigation. Performance measures focused on average response time to an emergency call (minutes). In FY 2024, the target was to keep the response time under 2 minutes.
- Code Compliance services were provided via an enforcement officer detail assigned to the Redevelopment District, which responds to complaints, and proactively patrolling the City Center District, to ensure City Code compliance by businesses, sidewalk cafes, vendors, and other applicable entities. Performance goals included inspecting 1,162 sidewalk cafés in FY 2024.
- Parks Landscape Maintenance services were provided to provide beautiful public spaces that improved the quality of life and supported recreational opportunities.
- Park Ranger Program offers patrol of park facilities to maintain a safe environment, enforce City Code and ordinances, and serve as ambassadors providing information to residents, tourists and park guests.
- Greenspace services include daily landscape maintenance services for the City's rights-of-way (north and south rights-of-way, Lincoln Road Mall, parking lots and facilities, coastal areas) irrigation system services, and pest control.
- Sanitation services are provided to enhance the cleanliness of the City Center District via daily litter control and pressure washing services to Lincoln Road, the Beachwalk and Collins Park Cultural Campus.

Planning for capital improvements, public programs, and the initiatives to further the goals of the Redevelopment Plan is an annual budgetary process, with adjustments made to priorities as needs change within the Redevelopment Area. The Redevelopment Plan provides public policy regarding long-range development within the City Center District, which is implemented via the City's five (5) year capital projects plan. Along with the participation of the Miami Dade County, including a Miami Dade County Commissioner serving as a voting member on the RDA, the City and RDA will continue to evaluate and implement a comprehensive approach to projects which address the many needs within the City Center District, including neighborhood enhancements and community programs, park renovations and upgrades, and construction of public facilities.

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Affordable Housing Programs

In 2014, the Third Amendment of the Interlocal Agreement, as adopted by RDA Resolution No. 607-2014 and City Commission Resolution No. 2014-28835, provided for bond financing for the renovation and expansion of the Miami Beach Convention Center—a cultural facility and economic driver that was a focal point for original creation of the district in 1993. As a condition precedent to the Third Amendment, the County required that all available excess Trust Fund revenues be used for the prepayment of debt prior to maturity of the tax increment revenue bonds. In addition, the Third Amendment stipulated that the use of TIF revenue for operating expenses may not exceed more than three percent (3%) of the prior fiscal year expenses. The practical effect of limiting growth and requiring that excess revenues be used to satisfy existing debt is that the RDA is precluded from incurring or introducing any additional costs for new programs that did not exist before. The requirement that excess revenues be used to prepay existing bond debt was again restated in the Fourth Amendment to the Interlocal Agreement, as adopted by RDA Resolution No. 628-2017.

The Miami Beach City Commission approved the Collins Park Artist Workforce Housing Project, a development agreement and ground lease for the development of an 80-unit mixed-use workforce housing structure within the Redevelopment Area. The ground floor will be activated by the City, with cultural arts programming, and the second floor will provide student housing to support the Miami City Ballet’s dance education program.

Funded with nonprofit bonds, without RDA contribution, the development project is located in the Collins Park Cultural Arts Campus, an education and arts district originally created and developed with significant RDA investment. Also, the City is exploring the redevelopment of the Barclay Project Apartments, 1940 Park Avenue, a property acquired using RDA funds and located in the RDA, with the intent to introduce workforce or affordable housing within the RDA. The Housing and Community Services actively operates other housing projects within the RDA, e.g., London House.

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