Miami Beach Redevelopment Agency

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

Financial Report

For the Fiscal Year Ended September 30, 2019

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

Financial Report
Fiscal Year Ended September 30, 2019

PREPARED BY

THE FINANCE DEPARTMENT

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RSM US LLP

Independent Auditor's Report

The Honorable Mayor and Members of the City Commissioners
City of Miami Beach, Florida

Report on the Financial Statements
We have audited the accompanying 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, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express opinions on the financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the 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 Miami Beach Redevelopment Agency, as of September 30, 2019, 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.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City as of September 30, 2019, the changes in its financial position, or where applicable cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 16 to the basic financial statements, the Agency restated the beginning net position of the Governmental activities, Business type activities, and the Aggregate Remaining Fund Information to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension plans and other post-employment benefits fund schedules and the budgetary comparison information for the General Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other 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 for the debt service fund included in supplementary information and the Other City Reports on Compliance with Local Government reporting Section 163.371, Florida Statutes are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedule for the debt service fund included in supplementary information and the Other City Reports on Compliance with Local Government reporting Section 163.371, Florida Statutes have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2020, on our consideration of the Agency's internal control over financial reporting and 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

August 3, 2020
Miami, Florida

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, 2019. 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 assets and deferred outflows of the Agency exceeded its liabilities and deferred inflows at the close of fiscal year 2019 by $225 million (net position).

- The Agency's net position increased by $7.9 million. The governmental net position increased by $7.3 million and the business-type net position increased by $ 0.6 million.

- Business Type Activity revenue decreased by $0.1 million and expenses increased by $45,000.

- Governmental activities revenue increased by $3.5 million and expenses decreased by $1.2 million.

- The Agency's total long-term liabilities and deferred inflows decreased by $3.3 million or 0.9% during the current year. The decrease is due to the Agency's normal principal payments on its debt. (See Note 6 and 7 for more information regarding the bonds). Also, there was an increase of $5.6 million in Net OPEB liabilities including restatement amount (see Note 16), a $0.2 million increase in MBF&P pension liabilities and a decrease of $85,625 in the City's MBERP pension liabilities.

- The Agency's assets and deferred outflows increased by approximately $4.6 million or 0.8%. The increase is attributed to an increase of capital assets of $36.5 million, an increase of deferred outflows of $0.3 million, and a decrease in current assets of $32.1 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, and 3) notes to the financial statements. 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 and liabilities, with the difference between the two reported as net position. Over 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, economic environment and culture and recreation. The business-type activity of the Agency includes the parking and leasing operations of the Anchor and Pennsylvania Avenue Garages and Anchor and Pennsylvania Avenue Shops, respectively.

The government-wide financial statements can be found on pages 14 – 16 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) 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 projects fund which are considered to be major funds. For the current fiscal year, the Agency does not have any non-major governmental funds.

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 and Pennsylvania Avenue 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 21-23 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 Comprehensive Annual Financial Report for the current fiscal year.

Government-Wide Financial Analysis

The table below summarizes the statement of net position:

Summary of Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 155,017	$ 190,297	$ 31,820	$ 28,719	$ 186,837	$ 219,016
Capital assets	389,772	354,311	24,536	23,495	414,308	377,806
Total assets	544,789	544,608	56,356	52,214	601,145	596,822
Deferred Outflows	4,610	4,300			4,610	4,300
Total deferred outflows	4,610	4,300			4,610	4,300
Long-term liabilities	339,366	340,455	206	212	339,572	340,667
Other liabilities	36,545	42,631	3,902	347	40,447	42,978
Unearned revenue			69	75	69	75
Total liabilities	375,911	383,086	4,177	634	380,088	383,720
Deferred Inflows	583	265			583	265
Total deferred inflows	583	265			583	265
Net position:						
Net invesment in capital assets	111,214	92,190	24,536	23,494	135,750	115,684
Restricted for debt service	52,258				52,258	
Restricted for economic development		65,934				65,934
Restricted for capital improvement	77,033	38,185			77,033	38,185
Unrestricted (deficit)	(67,600)	(30,752)	27,643	28,086	(39,957)	(2,666)
Total net position	$ 172,905	$ 165,557	$ 52,179	$ 51,580	$ 225,084	$ 217,137

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows exceeded liabilities and deferred inflows by $225 million at September 30, 2019, an increase of $7.9 million or 3.7% from September 30, 2018 (includes restatement adjustment for GASB 75). Governmental activities accounted for an increase of $7.3 million while Business-type accounted for an increase of $0.6 million.

The Agency's 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/or 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 condition 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:

Summary of Changes in Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Revenues:						
Program Revenues:						
Charges for services	$	$	$ 5,270	$ 5,597	$ 5,270	$ 5,597
General Revenues:						
Taxes:						
Property taxes	53,142	49,920			53,142	49,920
Investment earnings	4,180	3,899	518	332	4,698	4,231
Total revenues	57,322	53,819	5,788	5,929	63,110	59,748
Expenses:						
General government	2,226	6,235			2,226	6,235
Public safety	5,437	4,719			5,437	4,719
Physical environment	7,431	45			7,431	45
Transportation	246	2,649			246	2,649
Economic environment	4,679	6,097			4,679	6,097
Culture and recreation	3,466	4,479			3,466	4,479
Parking - Anchor & Penn. Garage			4,745	4,688	4,745	4,688
Leases - Anchor & Penn. Shops			444	456	444	456
Interest on long-term debt	13,262	13,688			13,262	13,688
Total expenses	36,747	37,912	5,189	5,144	41,936	43,056
Increase in net position before transfers and gain (loss) on sale of capital assets	20,575	15,907	599	785	21,174	16,692
Transfers	(8,632)	(6,638)			(8,632)	(6,638)
Increase in net position	11,943	9,269	599	785	12,542	10,054
Net position, beginning	165,557	160,260	51,580	50,795	217,137	211,055
Restatement for GASB 75	(4,595)	(3,972)			(4,595)	(3,972)
Net position, beginning, as restated	160,962	156,288	51,580	50,795	212,542	207,083
Net position, ending	$ 172,905	$ 165,557	$ 52,179	$ 51,580	$ 225,084	$ 217,137

Governmental activities increased the Agency's net position by $7.3 million.

Key elements of the net increase are as follows:

- Total expenses from governmental activities in fiscal 2019 totaled $36.7 million. This is a decrease of $1.2 million or 3% from the prior year.

- Revenues from governmental activities in fiscal year 2019 totaled $57.3 million, an increase of $3.5 million from 2018. The increase is primarily due to the increase in tax increment revenue by $3.2 million or 6.4% from the prior year.

Business-Type Activities

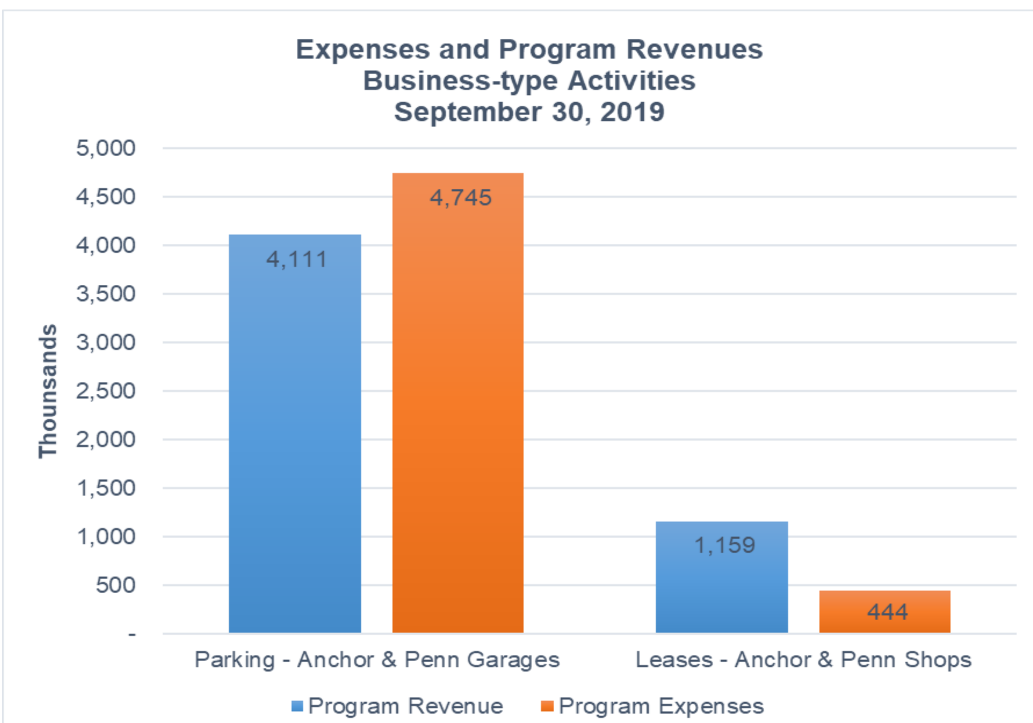
Business-type activities increased the Agency's net position by approximately $0.6 million.

Key elements of this increase are as follows:

- The Parking Garages' net position decreased by $0.3 million or 0.8%. The garage funds have a decrease in charges for service of $0.2 million or 6.3%. Permits, rental and other operating revenues remained consistent with the prior year. Interest income increased by $0.1 million or 47.4%. Total operating expenses increased by $57,013 or 1.2%.

- The Leasing Shops' net position increased by $0.9 million or 7.0%. Interest income increased by $83,524 or 69.2% and operating revenues decreased by $90,978 or 7.3% from the prior year. Operating expenses in the shops had a net decrease of $12,271 or 2.7% over the prior year.

The following chart shows a comparison of expenses to program revenues for business-type activities for fiscal year 2019:



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 $129.7 million at September 30, 2019. This is a total decrease of $28.9 million or approximately 18.3%.

The general fund is the chief operating fund of the Agency. The fund balance of the Agency's general fund had a net decrease in fund balance of $13.7 million during the current fiscal year. The general fund's tax increment revenues increased by $3.2 million or 6.4%. 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. Other financing sources(uses) decreased by $15 million over the prior year.

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 $21.7 million. Net transfers from the general fund to pay debt service expenditures were $21.7 million.

The agency's capital project fund had a net decrease in fund balance of $15.3 million. This fund received $2.3 million from interest income. Capital expenditures decreased by $94.1 million or 71.4% compared to FY 2018. Other financing sources(uses) increased by $13 million over the prior year.

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 $1,000's):

	General	Debt Service City Center	Capital Projects City Center	Total Governmental Funds
Fund balance, September 30, 2018	$ 65,934	$	$ 92,734	$ 158,668
Revenues	54,944		2,377	57,321
Expenditures	18,316	21,672	37,689	77,677
Other financing sources (uses)	(50,304)	21,672	20,000	(8,632)
Fund balance, September 30, 2019	$ 52,258	$ -	$ 77,422	$ 129,680

Proprietary Funds

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

The total growth in net position for both proprietary funds was approximately $0.6 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the Agency's business-type activities.

Budgetary Highlights

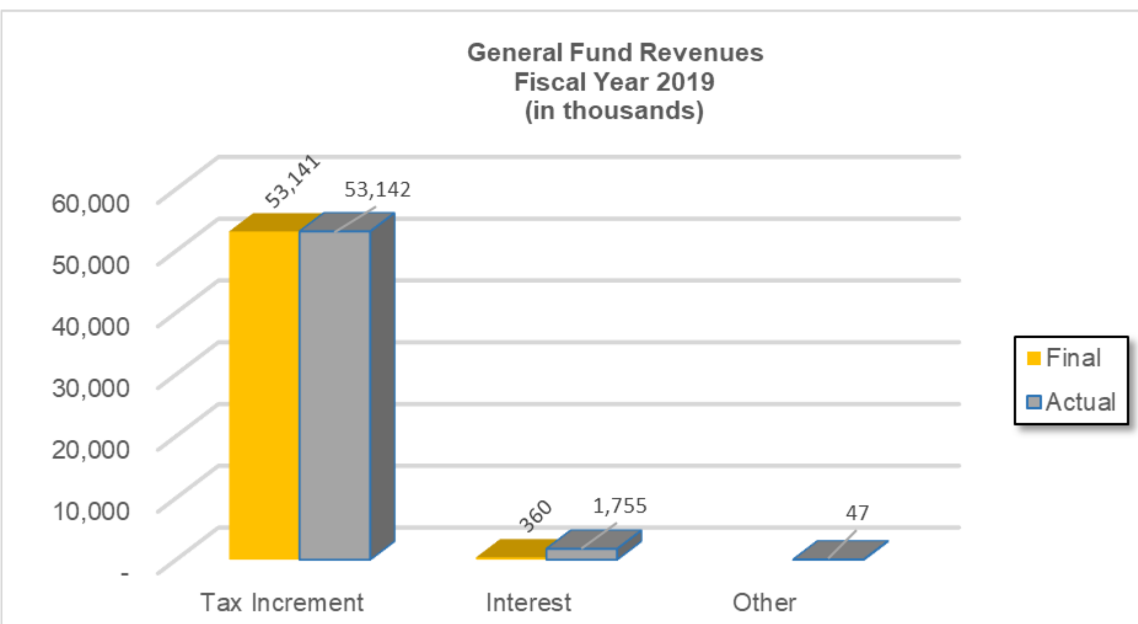
The following information is presented to assist the reader in comparing the original/final budget (Adopted Budget) and the actual results.

The major revenue variance between the adopted/final budget and actual is the resort tax revenues collected. Fluctuations in resort tax revenues are completely based on the fluctuation in the sales of the above item and vary from one year to another based on the economy and tourism.

Actual expenditures were $18.3 million; $0.7 million less than budgeted. The difference with budgeted amounts was mainly in the General Government and Culture and Recreation functions. These variances of the actual versus budgeted expenditures within these functions were due to the contingencies relating to debt service requirements and capital expenditures of the agency.

General Fund Revenues

The following charts and tables summarize actual revenues by category for fiscal year 2019 and compares actual revenues with the Adopted/Final Budget:

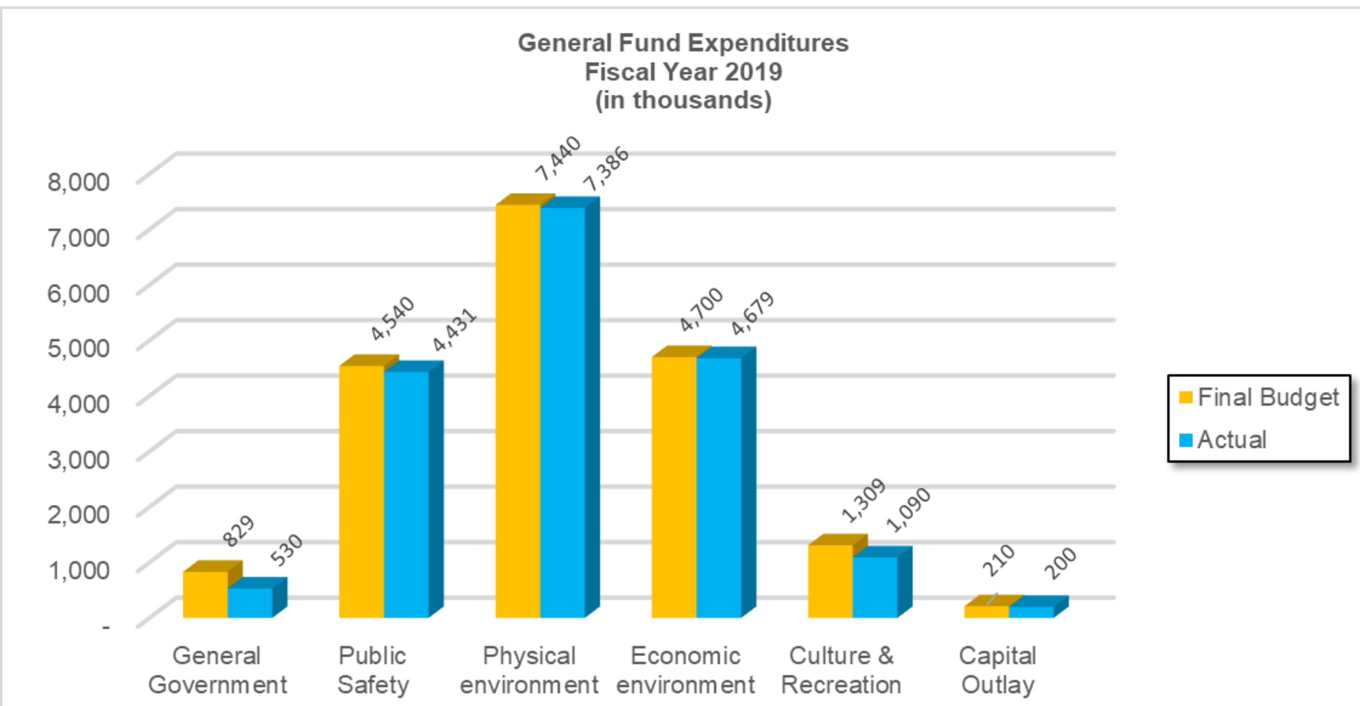


General Fund Revenues
Fiscal Year 2019
(in thousands)

	Final Adopted Budget	Actual Amounts
Revenues:		
Tax increment (property taxes)	$ 53,141	$ 53,142
Interest income	360	1,755
Other		47
Total revenues	$ 53,501	$ 54,944

General Fund Expenditures

The following chart and table summarize actual expenditures by function/program for fiscal year 2019 and compare the actual expenditures with the Final Budget:



General Fund Expenditures
Fiscal Year 2019
(in thousands)

	Final Adopted Budget	Actual Amounts
Expenditures:		
General government	$ 829	$ 530
Public safety	4,540	4,431
Physical Environment	7,440	7,386
Economic environment	4,700	4,679
Culture and recreation	1,309	1,090
Capital outlay	210	200
Total expenditures	$ 19,028	$ 18,316

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, 2019 amounts to $414.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, vehicles, machinery and equipment, streetscape improvements, restorations and renovations and construction work-in-progress, which are detailed as follows (net of accumulated depreciation):

Capital Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and land improvements	$ 10,818	$ 10,818	$ 3,003	$ 3,003	$ 13,821	$ 13,821
Buildings and structures	19,237	19,694	19,013	19,795	38,250	39,489
Machinery, Vehicles and Equipment	785	89	564	696	1,349	785
Furniture and fixtures	341	359			341	359
Streetscape improvements	29,208	31,250			29,208	31,250
Restorations and renovations	21,315	23,187			21,315	23,187
Construction in progress	308,068	268,914	1,955		310,023	268,914.00
Totals	$ 389,772	$ 354,311	$ 24,535	$ 23,494	$ 414,307	$ 377,805

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

Outstanding Debt

At the end of the current fiscal year, the Agency had a total debt outstanding in the governmental activities of $326.1 million. The debt balance decreased by $8.4 million during the year due to annual principal payments on the 2015A and 2015B Tax Increment Bonds.

Miami Beach Redevelopment Agency's
Outstanding Debt
(in thousands)

	Governmental Activities	
	2019	2018
Tax increment revenue bonds	$ 326,087	$ 334,479

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 Component Unit of the City of Miami Beach, Florida)

Statement of Net Position
September 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	$ 154,598,119	$ 31,181,559	$ 185,779,678
Receivables (net):			
Accounts receivables		42,616	42,616
Interest	418,420		418,420
Due from primary government		214,965	214,965
Prepaid expenses		105,177	105,177
Total current assets	155,016,539	31,544,317	186,560,856
Noncurrent assets:			
Restricted cash and investments		276,478	276,478
Capital assets not being depreciated:			
Land	10,817,763	3,003,282	13,821,045
Construction in progress	308,068,388	1,955,000	310,023,388
Capital assets net of accumulated depreciation:			
Buildings and structures	19,237,032	19,013,163	38,250,195
Streetscape improvements	29,207,859		29,207,859
Restorations and renovations	21,314,680		21,314,680
Vehicles	77,061		77,061
Machinery and equipment	708,122	564,328	1,272,450
Furniture and fixtures	340,963		340,963
Total noncurrent assets	389,771,868	24,812,251	414,584,119
Total assets	544,788,407	56,356,568	601,144,975
Deferred outflows of resources			
Loss on refunding	229,494		229,494
MBERP	424,161		424,161
MBF&P	2,136,327		2,136,327
OPEB	1,819,726		1,819,726
Total deferred outflows of resources	4,609,708		4,609,708
Total assets and deferred Outflows of resources	$ 549,398,115	$ 56,356,568	$ 605,754,683

See Notes to Financial Statements.

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

Statement of Net Position (Continued)
September 30, 2019

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	$ 5,079,262	$ 1,533,010	$ 6,612,272
Retainage payable	13,265,087	228,098	13,493,185
Accrued expenses	2,796,853	202,132	2,998,985
Due to primary government	6,440,526	1,937,802	8,378,328
Due to other government		137	137
Unearned revenue		69,087	69,087
Deposits		1,090	1,090
Portion due or payable within one year:			
Environmental remediation	202,136		202,136
Accrued compensated absences	129,069		129,069
Bonds payable, net	8,631,775		8,631,775
Total current liabilities	36,544,708	3,971,356	40,516,064
Long-term liabilities:			
Deposits		206,301	206,301
Net pension liability - MBERP	1,257,399		1,257,399
Net pension liability - MBF&P	8,040,669		8,040,669
Net OPEB	10,750,906		10,750,906
Portion due or payable after one year:			
Accrued compensated absences	202,495		202,495
Bonds payable, net	317,455,334		317,455,334
Environmental remediation	1,658,956		1,658,956
Total long-term liabilities	339,365,759	206,301	339,572,060
Total liabilities	375,910,467	4,177,657	380,088,124
Deferred inflows of resources			
MBERP	112,653		112,653
MBF&P	449,360		449,360
OPEB	20,977		20,977
Total deferred inflows of resources	582,990		582,990.00
Net position:			
Net investment in capital assets	111,212,995	24,535,773	135,748,768
Restricted for:			
Debt Service	52,257,898		52,257,898
Capital improvement	77,033,329		77,033,329
Unrestricted	(67,599,564)	27,643,138	(39,956,426)
Total net position	$ 172,904,658	$ 52,178,911	$ 225,083,569

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

Statement of Activities
Fiscal Year Ended September 30, 2019

	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
Activities:					
Governmental:					
General government	$ 2,226,343	$	$ (2,226,343)	$	$ (2,226,343)
Public safety	5,436,895		(5,436,895)		(5,436,895)
Physical environment	7,430,736		(7,430,736)		(7,430,736)
Transportation	245,891		(245,891)		(245,891)
Economic environment	4,678,899		(4,678,899)		(4,678,899)
Culture and recreation	3,466,082		(3,466,082)		(3,466,082)
Interest on long-term debt	13,262,050		(13,262,050)		(13,262,050)
Total governmental activities	36,746,896		(36,746,896)		(36,746,896)
Business-type:					
Parking – Anchor & Penn. Garages	4,744,990	4,110,664		(634,326)	(634,326)
Leasing – Anchor & Penn. Shops	444,195	1,158,937		714,742	714,742
Total business-type activities	5,189,185	5,269,601		80,416	80,416
Total primary government	$ 41,936,081	$ 5,269,601	$ (36,746,896)	$ 80,416	$ (36,666,480)
General revenues:					
Taxes:					
Tax increments for redevelopment districts			53,142,078		53,142,078
Gain on sale of capital assets				1,138	1,138
Investment income			4,132,887	516,857	4,649,744
Miscellaneous			46,845		46,845
Transfers to primary government			(8,632,000)		(8,632,000)
Total general revenues			48,689,810	517,995	49,207,805
Changes in net position			11,942,914	598,411	12,541,325
Net position, beginning			165,556,569	51,580,500	217,137,069
Restatement (See Note 16)			(4,594,825)		(4,594,825)
Net position, ending			$ 172,904,658	$ 52,178,911	$ 225,083,569

See Notes to Financial Statements.

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

Balance Sheet
Governmental Funds
September 30, 2019

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and investments	$ 61,700,880	$	$ 92,897,239	$ 154,598,119
Receivables:				
Interest			418,420	418,420
Due from other funds			2,635,312	2,635,312
Total assets	$ 61,700,880	$	$ 95,950,971	$ 157,651,851
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 225,006	$	$ 4,854,256	$ 5,079,262
Retainage payable			13,265,087	13,265,087
Accrued expenses	142,138		207,603	349,741
Due to other funds	2,635,312			2,635,312
Due to primary government	6,440,526			6,440,526
Environmental remediation			202,136	202,136
Total liabilities	9,442,982		18,529,082	27,972,064
Fund balances:				
Restricted	52,257,898		77,033,329	129,291,227
Unassigned			388,560	388,560
Total fund balances	52,257,898		77,421,889	129,679,787
Total liabilities and fund balances	$ 61,700,880	$	$ 95,950,971	$ 157,651,851

See Notes to Financial Statements.

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

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2019

Total fund balance – governmental funds		**$ 129,679,787**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. Those assets consist of:		
Land	$ 10,817,763	
Construction in progress	308,068,388	
Buildings and structures, net	19,237,032	
Street improvements, net	29,207,859	
Restoration and renovations, net	21,314,680	
Vehicles, net	77,061	
Machinery and equipment, net	708,122	
Furniture and fixtures, net	340,963	
Total capital assets, net		389,771,868
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.		
Balances at September 30, 2019 are:		
Accrued interest on bonds	(2,447,112)	
Bonds payable	(302,050,000)	
Net Premium/Discount on bonds payable	(24,037,109)	
Accrued compensated absences	(331,564)	
Environmental Remediation	(1,658,956)	
Net Pension Liability - MBERP	(1,257,399)	
Net pension liability - MBF&P	(8,040,669)	
Net OPEB Liability	(10,750,906)	
Total long-term liabilities		(350,573,715)
In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relataing to pensions and OPEB are reported.		
Deferred Refunding Costs	229,494	
Deferred outflows of resources relating to MBERP	424,161	
Deferred outflows of resources relating to MBF&P	2,136,327	
Deferred outflows of resources relating to OPEB	1,819,726	
Deferred inflows of resources relating to MBERP	(112,653)	
Deferred inflows of resources relating to MBF&P	(449,360)	
Deferred inflows of resources relating to OPEB	(20,977)	
Total deferred resources		4,026,718
Total net position of governmental activities		**$ 172,904,658**

See Notes to Financial Statements.

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Fiscal Year Ended September 30, 2019

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Tax increment	$ 53,142,078	$	$	$ 53,142,078
Resort tax				
Rents and leases	157			157
Interest	1,755,501		2,377,386	4,132,887
Other	46,688			46,688
Total revenues	54,944,424		2,377,386	57,321,810
Expenditures				
Current				
General government	529,736			529,736
Public safety	4,431,386			4,431,386
Physical environment	7,386,213			7,386,213
Economic environment	4,678,899			4,678,899
Transportation			(1,418,120)	(1,418,120)
Culture and recreation	1,090,369		(973,400)	116,969
Capital outlay	199,623		40,080,820	40,280,443
Debt service:				
Principal		6,880,000		6,880,000
Interest and fiscal charges		14,790,654		14,790,654
Other		1,169		1,169
Total expenditures	18,316,226	21,671,823	37,689,300	77,677,349
Excess of revenues over (under) expenditu	36,628,198	(21,671,823)	(35,311,914)	(20,355,539)
Other financing sources (uses):				
Transfers in		21,671,823	20,000,000	41,671,823
Transfers out	(50,303,823)			(50,303,823)
Total other financing sources (uses)	(50,303,823)	21,671,823	20,000,000	(8,632,000)
Net change in fund balances	(13,675,625)		(15,311,914)	(28,987,539)
Fund balances, beginning	65,933,523		92,733,803	158,667,326
Fund balances, ending	**$ 52,257,898**	**$**	**$ 77,421,889**	**$ 129,679,787**

See Notes to Financial Statements.

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2019

Net change in fund balances - governmental funds		**$ (28,987,539)**
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	40,280,443	
Capital deletions and adjustments	(1,031,938)	
Depreciation expense	(3,787,259)	
Excess of deletions and depreciation over capital outlay		35,461,246
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 transation, however, has any effect on net position. Also, gtovernmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are dferred and amortized in the statement of activities. The statement of net position has been adjusted for transactions as follows:		
Decrease in interest payable	17,998	
Net premium amortization and other refunding items	(262,494)	
Principal - debt service	6,880,000	
Premium on bonds (included with interest expense)	1,511,775	
Total long-term debt retirement and related transactions		8,147,279
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	2,485	
MBF&P	(558,305)	
OPEB	(451,331)	
Total pension and OPEB costs		(1,007,151)
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 environmental remediation	(1,658,956)	
Increase in accrued compensated absences	(11,965)	
Total Expenditures that do not require the use of current financial resources		(1,670,921)
Change in net position of governmental activities		**$ 11,942,914**

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Statement of Net Position
Enterprise Funds
September 30, 2019

	Business-Type Activities Enterprise Funds		
	Parking Fund	Leasing Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 19,075,626	$ 12,105,933	$ 31,181,559
Accounts receivable (net of allowance for uncollectibles)	1,750	40,866	42,616
Due from primary government		214,965	214,965
Prepaid expenses	105,177		105,177
Total current assets	19,182,553	12,361,764	31,544,317
Noncurrent assets:			
Cash and investments			
Customer deposits and advance sales	75,327	201,151	276,478
Capital assets:			
Land	2,793,052	210,230	3,003,282
Buildings and structures	28,426,115	2,397,145	30,823,260
Machinery and equipment	926,351		926,351
Construction in progress	1,955,000		1,955,000
Less accumulated depreciation	(11,180,543)	(991,577)	(12,172,120)
Total capital assets (net of accumulated depreciation)	22,919,975	1,615,798	24,535,773
Total noncurrent assets	22,995,302	1,816,949	24,812,251
Total assets	42,177,855	14,178,713	56,356,568
LIABILITIES			
Current liabilities:			
Accounts payable	1,520,981	12,029	1,533,010
Retainage payable	228,098		228,098
Accrued expenses	202,132		202,132
Due to primary government	1,937,802		1,937,802
Due to other governments		137	137
Deposits	1,090		1,090
Unearned revenues	69,087		69,087
Total current liabilities	3,959,190	12,166	3,971,356
Noncurrent liabilities:			
Deposits	5,150	201,151	206,301
Total noncurrent liabilities	5,150	201,151	206,301
Total liabilities	3,964,340	213,317	4,177,657
NET POSITION			
Net investment in capital assets	22,919,975	1,615,798	24,535,773
Unrestricted	15,293,540	12,349,598	27,643,138
Total net position	$ 38,213,515	$ 13,965,396	$ 52,178,911

See Notes to Financial Statements.

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

Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended September 30, 2019

	Business-Type Activities Enterprise Funds		
	Parking Fund	**Leasing Fund**	**Total**
Operating revenues:			
Charges for services	$ 3,546,739	$	$ 3,546,739
Permits, rentals and other	563,925	1,158,937	1,722,862
Total operating revenues	4,110,664	1,158,937	5,269,601
Operating expenses:			
Operating supplies	15,661		15,661
Contractual services	3,039,994	300,053	3,340,047
Utilities	137,256	20,876	158,132
Internal Charges	317,000	31,000	348,000
Depreciation	836,369	77,352	913,721
Administrative fees	235,000	6,000	241,000
Other	163,710	8,914	172,624
Total operating expenses	4,744,990	444,195	5,189,185
Operating income (loss)	(634,326)	714,742	80,416
Gain on disposal of capital assets	1,138		1,138
Interest income	312,648	204,209	516,857
Total nonoperating revenues	313,786	204,209	517,995
Changes in net position	(320,540)	918,951	598,411
Total net position, beginning	38,534,055	13,046,445	51,580,500
Total net position, ending	$ 38,213,515	$ 13,965,396	$ 52,178,911

See Notes to Financial Statements.

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

Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended September 30, 2019

	Business-Type Activities Enterprise Funds		
	Parking Fund	**Leasing Fund**	**Total**
Cash Flows From Operating Activities:			
Receipts received from customers	$ 4,104,132	$ 1,152,174	$ 5,256,306
Payments to suppliers	(1,733,368)	(329,157)	(2,062,525)
Payments made for interfund services used	1,385,802	(251,966)	1,133,836
Net cash provided by operating activities	3,756,566	571,051	4,327,617
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(1,955,000)		(1,955,000)
Net cash used in capital and related financing activities	(1,955,000)		(1,955,000)
Cash Flows From Investing Activities:			
Interest on investments	312,648	204,209	516,857
Net cash provided by investing activities	312,648	204,209	516,857
Net increase in cash and investments	2,114,214	775,260	2,889,474
Cash and investments – beginning of year	17,036,739	11,531,824	28,568,563
Cash and investments – end of year	$ 19,150,953	$ 12,307,084	$ 31,458,037
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities			
Operating income (loss)	$ (634,326)	$ 714,742	$ 80,416
Adjustments to reconcile operating income (loss) to net Cash provided by operating activities:			
Depreciation	836,369	77,352	913,721
Changes in assets and liabilities:			
(Increase) decrease in receivables		1,048	1,048
(Increase) decrease in due from other funds		(214,966)	(214,966)
(Increase) decrease in prepaid expenses	3,879		3,879
Increase (decrease) in accounts payable	1,507,548	5,899	1,513,447
Increase (decrease) in accrued expenses	111,826		111,826
Increase (decrease) in due to other governments		(5,213)	(5,213)
Increase (decrease) in due to other funds	1,937,802		1,937,802
Increase (decrease) in deposits	(3,180)	(7,811)	(10,991)
Increase (decrease) in unavailable other revenue	(3,352)		(3,352)
Total adjustments	4,390,892	(143,691)	4,247,201
Net cash provided by operating activities	$ 3,756,566	$ 571,051	$ 4,327,617

See Notes to Financial Statements.

Note 1 - Summary of Significant Accounting Policies

A. <u>Financial Reporting Entity</u>

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. <u>Government-Wide and Fund Financial Statements</u>

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.

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, 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 for 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.

- 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 and the Pennsylvania Avenue 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.

Following are the significant components of the receivables due to the Agency at September 30, 2019:

a. Rents – rent payments due by September 30, 2019, but not collected as of that date;

b. Accrued Interest Receivable – This amount represents the interest earned but not collected on the Agency's investments at September 30, 2019.

3. Capital Assets

Capital assets, which include property, vehicles, machinery, 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. 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:

Assets	Threshold Capitalized All	Years
Land and other nondepreciable assets	$ 100,000	N/A
Construction work in progress	100,000	N/A
Building and building improvements	100,000	35-50
Roads, sidewalks, foot bridges, and curbs and streets	100,000	30
Causeways, bridges, canals, and drainage systems	100,000	50
Guard rails, noise abatement, alley and seawalls, boardwork, walkways	100,000	30
Furniture and equipment	5,000	7
Maintenance and heavy moving equipment	5,000	15
Motor vehicles	5,000	5
Motor vehicles (greater than $50,000)	50,000	10

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

4. Prepaid Items

Expenditures made for services that will benefit periods beyond September 30, 2019 are recorded as prepaid expenses in the government-wide statements and proprietary fund statements. The Agency is reporting no prepaids at September 30, 2019.

5. Fund Equity/Net Position

Fund Equity:

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 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, 2019.

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.

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.

6. 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.

7. 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. For fiscal year ended September 30, 2019, the City charged the Agency $367,000 automobile liability, general liability, police professional liability and workers' compensation coverage.

8. 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 2019 Comprehensive Annual 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.

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.

9. 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 15 of the Agency and Note 17 of the City's 2019 Comprehensive Annual Financial Report for more information.

10. 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 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. Debt principal payments are reported as debt service expenditures.

11. 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. A deferred loss on refunding is reported in the government-wide and proprietary fund statements of net position. Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The difference that results from the refunding is not a separate 'loss' transaction, but rather a reduction of the interest savings to be obtained in the future by substituting the new interest rate for the old. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

b. 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.

c. 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 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 two 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.

12. Recent accounting pronouncements adopted/implemented

In June 2018, the GASB issued Statement No. 83, “Certain Asset Retirement Obligations”. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. The Agency did not have any ARO’s at September 30, 2019.

In April 2018, the GASB issued Statement No. 88, This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings (for example, a government entering into a loan agreement with a lender) and direct placements (for example, a government issuing a debt security directly to an investor). Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. The requirements of this Statement apply to the financial statements of all state and local governments. This disclosure is not applicable to the Agency for the period ended September 30, 2019.

Note 2 - Deposits and Investments

<u>Deposits</u>

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.

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, 2019, all of the Agency's investments had a maturity of 1 year or less.

As of September 30, 2019, the Agency had the following investments and maturities:

	Fair Value	Investment Maturities (in years) Less Than One
U.S. Treasury securities	$ 79,545,703	$ 79,545,703
FLCLASS Pool	93,974,405	93,974,405
	$ 173,520,108	$ 173,520,108

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, 2019, 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, 2019, the Agency's investments were rated by Moody's Investors Service and Standard & Poor's as follow:

Investment Type	Issuer	Standard & Poor's	Moody's	Fair Value
US Gov't Treasuries	U.S. Government	AA+	AAA	$ 79,545,703
FLCLASS	Local Govt. Investment Pool	AAAm	N/A	93,974,405
				$ 173,520,108

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 cash and investments at September 30, 2019 are shown below:

	Carrying Amount	% of Portfolio
FLCLASS Pool	$ 93,974,405	54.2%
Treasury securities	79,545,703	45.8%
	$ 173,520,108	100.0%

Custodial Credit Risk: 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, 2019:

Investments	2019	Fair Value Measurements Using Level 2
Investments by Fair Value Level		
U.S. Government Treasuries	$ 79,545,703	$ 79,545,703
Total Debt Securities	79,545,703	
Investments measured at Net Asset Value		
FLCLASS	93,974,405	
Total Investments measured at Net Asset Value	93,974,405	
Total Investments	$ 173,520,108	$ 79,545,703

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 137 days as of September 30, 2019.

The City's cash and investments held at September 30, 2019 are shown below:

US Treasury	$ 79,545,703
FLCLASS	93,974,405
Total Investments	173,520,108
Cash and Equivalents	12,536,048
	$ 186,056,156

Schedule of cash and investments by fund:	
General	$ 61,700,880
Capital Projects	92,897,239
Parking	19,150,953
Leasing	12,307,084
Total cash and investments	$ 186,056,156

Note 3 - Capital Assets

Capital asset activities for the year ended September 30, 2019 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	268,913,980	40,190,953	1,036,545	308,068,388
Total capital assets not being depreciated	279,731,743	40,190,953	1,036,545	318,886,151
Capital assets, being depreciated:				
Buildings and structures	24,399,014			24,399,014
Streetscape improvements	42,829,815			42,829,815
Restoration/renovations	30,615,316		852,233	29,763,083
Vehicles	6,501	89,489		95,990
Machinery and equipment	456,448	729,075		1,185,523
Furniture and fixtures	873,996	127,766		1,001,762
Total capital assets being depreciated	99,181,090	946,330	852,233	99,275,187
Less accumulated depreciation for:				
Buildings and structures	4,703,721	458,261		5,161,982
Streetscape improvements	11,580,501	2,041,455		13,621,956
Restorations/renovations	7,428,881	1,019,522		8,448,403
Vehicles	6,501	12,428		18,929
Machinery and equipment	367,898	109,503		477,401
Furniture and fixtures	514,709	146,090		660,799
Total accumulated depreciation	24,602,211	3,787,259		28,389,470
Total capital assets, being depreciated, net	74,578,879	(2,840,929)	852,233	70,885,717
Governmental activities capital assets, net	$ 354,310,622	$ 37,350,024	$ 1,888,778	$ 389,771,868

B. Business-Type Activities

	Beginning Balance	Increases	Ending Balance
Business Type Activities:			
Capital assets,not being depreciated:			
Land	$ 3,003,282	$	$ 3,003,282
Construction in progress		1,955,000	1,955,000
Total capital assets not being depreciated	3,003,282	1,955,000	4,958,282
Capital assets, being depreciated:			
Buildings and structures	30,823,260		30,823,260
Machinery and equipment	926,351		926,351
Total capital assets being depreciated	31,749,611		31,749,611
Less accumulated depreciation for:			
Buildings and structures	11,028,486	781,611	11,810,097
Machinery and equipment	229,913	132,110	362,023
Total accumulated depreciation	11,258,399	913,721	12,172,120
Total capital assets, being depreciated, net	20,491,212	(913,721)	19,577,491
Business-type activities capital assets, net	$ 23,494,494	$ 1,041,279	$ 24,535,773

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

Governmental activities:	
General government	$ 436,421
Public safety	21,739
Physical environment	44,523
Transportation	1,664,011
Culture and recreation	1,620,565
Total depreciation expense - governmental activities	$ 3,787,259
Business-type activities:	
Parking	$ 836,369
Leasing	77,352
Total depreciation expense - business-type activities	$ 913,721

Note 4 - Construction Commitments

The Agency had the following construction commitments as of September 30, 2019:

City Center Capital Projects	$	26,492,382
General Fund Activities		3,228
Anchor Garage		981,018
	$	27,476,628

Note 5 - Tenant Leases

The Agency serves as the lessor for the tenants leasing various retail facilities. The tenant leases are considered operating leases, which expire at various dates through fiscal year 2024. For leases that contain predetermined fixed escalations of the minimum rentals, the Agency recognizes the related rental revenue on the straight-line basis over the initial lease term. Future minimum lease payments to be received under the operating leases at September 30, 2019 are as follows:

Year ending September 30,		
2020	$	1,068,349
2021		954,426
2022		833,883
2023		849,179
2024		493,519
	$	4,199,356

The following schedule provides an analysis of the Agency's investment in property under operating leases and property held for lease by major classes as of September 30, 2019:

Parking facilities	$	4,889,763
Retail space		2,397,145
Recreational facilities		5,431,489
Less: Accumulated depreciation		(2,764,827)
	$	9,953,570

Note 6 - 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.

On December 15, 2015 the City issued $35,850,000 in taxable Series 2015B Tax Increment Revenue Refunding Bonds to provide for the advance refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 1998A; provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds,

Taxable Series 2005A; and pay costs of issuance of the Series 2015B bonds. The Series 2015B bonds were issued with interest rates of 1.93% to 3.69% payable semiannually on February 1 and August 1.

The principal and interest of the Series 2015A and 2015B Tax Increment Revenue Refunding Bonds are 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 150% of the maximum annual debt service. For fiscal year ending September 30, 2019, the City received $53,142,078 in pledged revenues. The maximum annual debt service is $21,729,597 and will occur in fiscal year 2023. For fiscal year 2019, the Agency's ratio of pledged revenues to maximum annual debt service is 245%.

The aggregate maturities of tax increment revenue bonds at September 30, 2019 are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	$ 7,120,000	$ 14,562,428	$ 21,682,428
2021	7,395,000	14,310,985	21,705,985
2022	7,675,000	14,037,615	21,712,615
2023	7,985,000	13,744,597	21,729,597
2024	7,505,000	13,406,125	20,911,125
2025-2029	43,690,000	60,850,000	104,540,000
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
	302,050,000	223,869,000	525,919,000
Plus: Net unamortized Bond Premium	24,037,109		24,037,109
	$ 326,087,109	$ 223,869,000	$ 549,956,109

Note 7 - Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
Revenue Bonds	$ 308,930,000		$ (6,880,000)	$ 302,050,000	$ 7,120,000
Add: Series 2015 Premium	25,548,884		(1,511,775)	24,037,109	1,511,775
Total bonds payable	334,478,884		(8,391,775)	326,087,109	8,631,775
Compensated absences	$ 319,599	$ 141,034	$ (129,069)	$ 331,564	$ 129,069
Net OPEB Liability	5,090,097	5,660,809		10,750,906	
Net Pension Liability - MBERP	1,343,024		(85,625)	1,257,399	
Net Pension Liability - MBF&P	7,759,668	281,001		8,040,669	
Governmental activity long-term liabilities	$ 348,991,272	$ 6,082,844	$ (8,606,469)	$ 346,467,647	$ 8,760,844
Business-type activities:					
Tenant deposits	$ 215,552	$ 1,090	$ (9,251)	$ 207,391	$ 1,090
Business-type activity long-term liabilities	$ 215,552	$ 1,090	$ (9,251)	$ 207,391	$ 1,090

Note 8 - 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.

Note 9 - Related-Party Transactions

The Agency obtains certain managerial and administrative services from the Primary Government in accordance with a management agreement. The Agency incurred $1,020,641 of management-fee expense under this agreement for the year ended September 30, 2019. The amount due $6,440,526 from the general fund and $1,937,802 from the parking fund to the primary government are for disbursements paid from the primary government general depository account pending reimbursement from the Agency. The amount due of $214,965 from the primary government to the leasing fund is for deposits made to the general depository account pending transfer to the Agency.

Governmental funds:	
Due to the primary government from:	
General fund	6,440,526
	$ 6,440,526
Business-type activities:	
Due from the primary government to:	
Enterprise funds – leasing fund	214,965
	$ 214,965
Due to the primary government from:	
Enterprise funds – parking fund	$ 1,937,802
	$ 1,937,802

Note 10 - Interfund Transfers

Interfund transfers for the year ended September 30, 2019 consisted of the following:

Government funds:		
Transfers from the general fund to:		
Debt service	$	21,671,823
Capital projects		20,000,000
Primary government		8,632,000
Total transfers from the general fund	$	50,303,823

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 and capital projects.

Note 11 - Receivables

At September 30, 2019, the Agency had the following receivable balances:

	Business-Type Activities	
	Parking Funds	Leasing Funds
Receivables:		
Rent	$	$ 748,731
Accounts	2,463	
Gross receivable	2,463	748,731
Less allowance for uncollectible	(713)	(707,865)
Net receivables	$ 1,750	$ 40,866

Note 12 - Governmental Fund – Fund Balance

Below is a table of fund balance categories and classifications at September 30, 2019 for the Agency's governmental funds:

	General Fund	Capital Projects
Restricted:		
Economic environment	$ 52,257,898	$ 5,161,874
Physical environment		2,496,740
Culture and recreation		29,660,021
General public facility		16,080,898
Streets/sidwalks		23,633,796
	52,257,898	77,033,329
Unassigned		388,560
Total Fund Balance	$ 52,257,898	$ 77,421,889

Note 13 - 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 14 - Pension Plan

<u>Miami Beach Employees' Retirement System ("MBERP")</u>

<u>Plan Description</u>

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 that entered the Plan prior to the Second Tier Dates. The Second Tier is for members that entered the Plan on or after the Second Tier Dates, but before the Third Tier Dates. The Third Tier is for members that 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, 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 credible 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. A Member with five or more years of creditable service may, at any time prior to retirement, elect to purchase a maximum of two years additional creditable service. Effective September 30, 2013, Members whose classification is included in the CWA and GSAF bargaining unit and Members who are not included in any collective bargaining unit shall not be eligible to purchase additional creditable service. Effective April 23, 2015, members whose classifications are included in the AFSCME bargaining unit are not eligible to purchase additional 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 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 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, 2019, there were 123 members in the DROP and the value of DROP investment was $14,770,820, which is included in the Plan's net position. The DROP also allows for member loans. Approximately $155,000 in loans were outstanding as of September 30, 2019.

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, 2019, the Agency was required to make contributions of $191,000 or 24.36% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2015. For the year ended September 30, 2019, the employees contributed $51,024.

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

For the year ended September 30, 2019, the Agency recognized a pension expense of $2,485 At September 30, 2019, 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 experience	$ 90	$ 19,251
Agency contributions subsequent to measurement date	191,000	
Net difference between projected and actual earnings on		93,402
Change in assumptions	233,071	
Total	$ 424,161	$ 112,653

The Agency contributions of $191,000 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, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year ended September 30:	
2020	$ 83,871
2021	17,753
2022	17,616
2023	1,268
Total	$ 120,508

The Plan uses the following actuarial methods and assumptions:

Valuation Date:	October 1, 2017
Measurement Date:	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Inflation	3.00%
Salary Increases	4.5% to 7.0% depending on service, including inflation
Investment Rate of Return	7.60%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. The pre-retirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

Net Pension Liability of the Agency

The components of the net pension liability of the Agency at September 30, 2019 were as follows:

Total pension liability	$	5,190,817
Plan's fiduciary net position		(3,933,418)
Agency net pension liability	$	1,257,399

The above methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2017. The actuarial measurement date is September 30, 2018. 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 2019, the Agency’s share of the liability was 0.60% or $1,257,399.

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:

Target Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities	39%	5.73%
Fixed income	28	4.43
International equities	16	6.75
Real estate	10	5.50
Infrastructure	7	6.56
Total	100%	

Discount

A single discount rate of 7.60% was used to measure the total pension liability. This is a decrease of 0.05% from the discount rate of 7.65% used in the prior measurement. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.60%. 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 (7.60%) was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.60%, 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 6.60%	Rate Assumption 7.60%	1% Increase 8.60%
$ 1,890,959	$ 1,257,399	$ 732,852

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.

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 October 14, 2015. The Plan's governing board is the Board of Trustees, which comprises nine members: three of which are elected by the fire department, three of which are elected by the police department, and three of which are appointed by the mayor. Members are substantially all police officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following three 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 and July 20, 2016 for Fire Department and Police Department members, 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.

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 credible 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 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 credible 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 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 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 credible 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 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

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 disability retirement, a member received a monthly pension equal to their service retirement benefits. For a non-service connected disability, the pension is the accrued benefit after 5 years of creditable service. The plan also provides death benefits for beneficiaries or members for service connected and non-service connected death.

If a member resigns or is lawfully discharged before retirement, 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 years of service.

In the alternative and in lieu of the normal form of benefit, the member may, at any time prior to retirement, elect to receive a lifetime retirement benefit with 120 monthly payments guaranteed. If the member should die before 120 monthly payments are made, benefits will continue to be paid to the member's designated beneficiary for the balance of the 120 month period. If the retired member is living after 120 monthly payments are made, the payments shall be continued for the member's remaining lifetime. In case of termination of the Plan, benefits accrued to members to the extent funded will be non-forfeitable.

Deferred retirement option plan

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, 2019, the total amount of the Deferred Retirement Option Plan payable, $25,499,534, 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, 2019, the Agency was required to make contributions of $1,049,000 or 69.03% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2017. For the year ended September 30, 2019, the employees contributed $171,439.

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

For the year ended September 30, 2019, the Agency recognized pension expense adjustment of $558,305.

At September 30, 2019, 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	$ 407,107	$
Changes in assumptions	680,220	
City contributions subsequent to measurement date	1,049,000	
Net difference between projected and actual earnings on pension plan investements earnings on pension plan		449,360
Total	$ 2,136,327	$ 449,360

The Agency contributions of $1,049,000 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, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year ended September 30:	
2020	$ 511,633
2021	136,312
2022	7,061
2023	(17,039)
Total	$ 637,967

The above methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2017. The actuarial valuation was rolled forward to the September 30, 2018 measurement date.

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	2.50%
Salary Increases	2.88% - 10.70%
Cost of Living Increase	1.50%, 2.00%, or 2.50%
Investment Rate of Return	7.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements.

Discount

A discount rate of 7.80% was used to measure the September 30, 2018 total pension liability; a decrease from the prior year rate of 7.85%. This discount rate was based on the expected rate of return on Fund investments of 7.80%. 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.

Net Pension Liability of the Agency

The components of the net pension liability of the Agency at September 30, 2019 were as follows:

Total pension liability	$	32,439,995
Plan's fiduciary net position		(24,399,326)
Agency net pension liability	$	8,040,669

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 2019, the Agency's share of the liability was 2.64% or $8,040,669.

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

Target Asset Class	Assumed Asset Allocation
Domestic equities	50%
Fixed income	30
International equities	5
Real estate equity	10
Cash/short-term investments	5
Total	100%

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
International equity	8.50
Domestic bonds	2.50
International bonds	3.50
Real estate	4.50
Alternative investments	6.24

The following present the Agency's net pension liability calculated using a single discount rate of 7.80%, 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 6.80%	Rate Assumption 7.80%	1% Increase 8.80%
$ 12,258,700	$ 8,040,669	$ 4,603,118

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

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 2019 and 2018 would have been $11,498,175 and $10,618,430, 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, 2019 was $1,391,602 for firefighters and $720,876 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 or IMCA-RC 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.

Plan information as of and for the fiscal year ended September 30, 2019 is as follows:

Members in the Plan	23
City's contribution	$ 130,812
Percentage of covered payroll	7.71%
Employees' contribution	131,117
Percentage of covered payroll	7.73%

Note 15 - 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 credible service, up to a maximum of $250 per month until age 65 and $5 per year of credible 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 plan acts as a cost sharing plan to the Agency,

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.

At the time of the measurement date, the plan participation consisted of (the Agency's employees are commingled in the below figures):

Active OPEB plan participant	2,296
Inactive members receiving benefit payments	1,359
	3,655

Funding Policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2019, the City paid $11,568,424 in OPEB benefits on a pay-as-go basis.

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 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, 2019 in comparison to the Plan's investment policy is noted below:

	Allocation Mix		
	Minimum	Target	Maximum
Equity Investments	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 CAFR for more detailed information regarding the OPEB Trusts' plan assets.

Rate of Return

As of September 30, 2019, the annual money-weighted rate of return, net of OPEB plan expenses, was 2.3%. 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. Contributes 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 2019, the discount rate was lowered from 8.0% to 3.75%, to more accurately reflect the activity of the trust. Although, the expected long term return on the trust is 7.07%, 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.

Receivables

As of September 30, 2019, the plan had $487,000 in receivables from the City.

Net OPEB Liability of the Agency

The City's net OPEB liability at September 30, 2019 was $366,012,523. The Total OPEB Liability was valued at a measurement date of September 30, 2019. The Agency's share of this liability is $10,750,906 or 3.27% 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 an expense of $451,331.

The components of the net OPEB liability of the Agency at September 30, 2019, were as follows:

Total OPEB Liaility	$	11,799,550
OPEB Plan Fiduciary Net Position		(1,048,644)
Net OPEB Liability	$	10,750,906
Plan fiduciary net position as a percentage of the total OPEB liability		8.89%

Schedule of Deferred Inflows/Outflows

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference between expected and actual experience	$	962,003	$	
Net difference between projected and actual investments		853,410		20,977
Change in proportion - funds		4,313		
	$	1,819,726	$	20,977

Amortization of Net Deferred Outflows/(Inflows)

Year	Amortization	
2020	$	319,422
2021		319,422
2022		326,129
2023		328,650
2024		327,561
Thereafter		177,565
	$	1,798,749

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, 2019
Discount Rate	3.75% per annum. This was based on the estimated long term rate of return from the City's OPEB trust
Asset Valuation Method	Fair Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	2.5% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Census Data	The census was provided by the City as of August 2019.
Marriage Rate	It is assumed that 40% 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 based on level percentage of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 6.6 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, it is assumed that 40% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 generational table, split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

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.

Expense Type	Select	Ultimate
Pre-medicare Medical and Rx	7.00%	4.50%
Medicare Benefits	6.00	4.50
Stop Loss Fees	7.00	4.50
Administrative Fees	4.50	4.50

The Per Capita Health Claim Costs for expected retiree claim costs were developed using historical claim experience through September 2018. 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:

Per Capita Costs	Age 60	Age 70
Police	$ 11,353	$ 5,795
Fire	10,254	5,764
Other	11,446	6,420

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 (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Liability	$ 12,537,185	$ 10,750,906	$ 9,339,539

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- ppercentage-point higher (than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend (refer to the assumptions)	1% Increase
Net OPEB Liability	$ 9,318,628	$ 10,750,906	$ 12,538,010

For the September 30, 2019 OPEB Trust Fund financial statements, please refer to pages 135-136 of the City's CAFR.

Note 16 – Restatement for GASB 75

For the year ended September 30, 2018, the Agency adopted GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The statement required the Agency to recognize its Net OPEB liability as well as the deferred inflows and outflows associated with such valuation. As part of implementing GASB 75, the Agency was required to restate its beginning net position as of October 1, 2017. During fiscal year 2019, the Agency noted the valuation for fiscal year 2018 should have utilized a discount rate of 3.75% to accurately reflect the activity of the OPEB Trust. Although the expected long-term rate of return on the OPEB Trust is 7.07%, it is required to be blended with the Bond Buyer 20-Bond GO index rate given the plan's fiduciary net position is not projected to be sufficient to make projected benefit payments in accordance with GASB 75. As a result of this error and the correction of the discount rate, the Agency restated the beginning net position at October 1, 2018 to reflect the changes in net OPEB liability, deferred inflows and outflows associated with the corrected valuation. Below are the restated amounts and the funds affected.

		Governmental Activities -Net Position
September 30, 2018	$	165,556,569
Restatement for GASB 75		(4,594,825)
October 1, 2018	$	160,961,744
Restatement details at October 1, 2018		
Net OPEB liability	$	(4,692,835)
Deferred outflow - OPEB		94,626
Deferred inflow - OPEB		3,384
Net Total	$	(4,594,825)

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, 2019, the Agency has identified and recorded the following pollution remediation liabilities:

Description		**Total Obligation**		**Current Obligation**
Collins Park Garage Hydrocarbon Remediation	$	1,050,000	$	26,600
Miami Beach Convention Center Arsenic Investigation		811,092		175,536
	$	1,861,092	$	202,136

The Statement of Revenues, Expenditures and Changes in Fund Balance, capital project funds presented on page 6 reports credits in expenditures in the amounts of $1,418,120 and $973,400 for the transportation and culture and recreation functions, respectively. These credits are a result of the change in estimated pollution remediation liability are consider under current and due under GASB interpretation No.6 reported at September 30, 2018 and September 30, 2019. The current obligation at the fund level at September 30, 2018 was $2,600,000 as compared to $202,136 at September 30, 2019.

Note 18 - Subsequent Events

In December 2019, a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America, producing sickness and deaths in the places where it has spread. The disease was declared a Public Health Emergency of International Concern on January 30, 2020, named "COVID-19" on February 11, 2020, and declared a pandemic on March 10, 2020, each by the World Health Organization. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate its effects have had, and are expected to continue to have, a detrimental impact on the financial markets of many countries and on the economies of areas throughout the United States, including the geographic area in which the City of Miami Beach, Florida (the "City") is located.

The City is highly dependent on the tourism and hospitality industry. Due to COVID-19, the City is experiencing a serious adverse impact on its revenues. However, the City is committed to meeting its financial obligations and maintaining required debt payments. To help mitigate the loss of revenues, the City is aggressively pursuing options and opportunities to save costs. Although the negative impact of COVID-19 on the City is anticipated to be significant, the City currently expects that strong reserves produced by prudent fiscal planning will provide assistance needed to help the City navigate the crisis. Economic stabilization measures and other forms of aid may be provided by the federal government to help local governments satisfy current and future financial obligations and replenish reserves. Without such assistance, the City will need to develop a plan to replenish its reserves over time.

Subsequent to September 30, 2019, financial markets have experienced a high degree of volatility. Therefore, the investment balances presented as of September 30, 2019, not reflect subsequent changes that may have occurred during 2020.

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.

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)
UNAUDITED

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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 191,000	$ 197,000	$ 182,000	$ 165,000	$ 191,385	$ 185,204	$ 141,360	$ 117,122	$ 96,416	$ 114,152
Actual contribution	191,000	197,000	182,000	165,000	191,385	185,204	141,360	117,122	96,416	114,152
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 784,145	$ 706,085	$ 698,244	$ 588,000	$ 595,782	$ 552,405	$ 539,894	$ 605,689	$ 434,359	$ 488,855
Actual contribution as a % of covered payroll	24.36%	27.90%	26.07%	28.06%	32.12%	33.53%	26.18%	19.34%	22.20%	23.35%

City Pension for Firefighters and Police Officers

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 1,049,000	$ 969,000	$ 900,919	$ 976,000	$ 846,000	$ 921,087	$ 1,011,549	$ 929,722	$ 840,435	$ 599,465
Actual contribution	1,049,000	969,000	900,919	976,000	846,000	921,087	1,011,549	929,722	840,435	599,465
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
** Covered payroll	$ 1,473,660	$ 1,473,852	$ 1,311,798	$ 1,344,000	$ 1,652,889	$ 1,096,378	$ 992,167	$ 942,634	$ 722,992	$ 658,571
Actual contribution as a % of covered payroll	71.18%	65.75%	68.68%	72.62%	51.18%	84.01%	101.95%	98.63%	116.24%	91.03%

** Includes DROP members

Notes:

1. City Pension for Firefighters and Police Officers actual contributions include certain Chapter 175/185 non-employer contributions amounts. These amounts are from the State of Florida.

Miami Beach Redvelopment 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)

MBERP*	2,018	2017	2016	2015	2014
Agency's proportion of the net pension liability	0.60%	0.62%	0.62%	0.59%	0.72%
Agency's proportionate share of the net pension liability	$ 1,257,399	$ 1,343,024	$ 1,268,843	$ 1,285,164	$ 1,209,020
Agency's covered payroll	$ 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	160.35%	192.34%	215.79%	215.71%	218.86%
Plan fiduciary net position as a percentage of the total pension liability	73.93%	73.06%	73.06%	70.11%	75.55%

MBF&P*	2,018	2017	2016	2015	2014
Agency's proportion of the net pension liability	2.64%	2.57%	2.56%	2.79%	2.56%
Agency's proportionate share of the net pension liability	$ 8,040,669	$ 7,759,668	$ 7,607,398	$ 8,116,815	$ 5,691,617
Agency's covered payroll	$ 1,473,852	$ 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	545.55%	591.53%	566.03%	491.07%	519.13%
Plan fiduciary net position as a percentage of the total pension liability	74.37%	73.04%	73.04%	72.07%	77.59%

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

The above schedules are ten year schedules, however, the information in the schedules are not required to be presented retroactively. Years will be added to these schedules in future periods until ten years of information is available.

Notes to the net pension liability - MBERP

Valuation Date:	October 1, 2017
Measurement Date:	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Inflation	3.00%
Salary Increases	4.5% to 7.0% depending on service, including inflation
Investment Rate of Return	7.60%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. The pre-retirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

Notes to the net pension liability – MBF&P

Valuation Date	October 1, 2017
Measurement Date	September 30,2018
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	2.50%
Salary Increases	2.88% - 10.70%
Cost of Living Increase	1.50%, 2.00%, or 2.50%
Investment Rate of Return	7.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	For healthy participants during employment, RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy participants post employment, RP-2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements.

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 1,098,891	$ 511,891	$ 398,924	$ 747,160	$ 347,661	$ 548,964	$ 478,631	$ 311,214	$ 292,340	$ 220,602
Contributions in relation to the actuarially determined contributions	242,000	413,000	282,207	280,643	125,006	190,450	187,510	196,536	215,478	102,092
Contribution deficiency (excess)	$ 856,891	$ 98,891	$ 116,717	$ 466,517	$ 222,655	$ 358,514	$ 291,121	$ 114,678	$ 76,862	$ 118,510
Covered-employee payroll	2,303,688	2,179,937	2,010,041	1,892,398	82,359,302	76,362,960	65,054,000	66,347,000	68,844,000	70,098,000
Contributions as a percentage of covered-employee payroll	10.50%	18.95%	14.04%	14.83%	0.15%	0.25%	0.29%	0.30%	0.31%	0.15%

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	September 30, 2019
Discount Rate	3.75% per annum. This was based on the estimated long term rate of return from the City's OPEB trust
Asset Valuation Method	Fair Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	2.5% per annum
Census Data	The census was provided by the City as of August 2019.
Marriage Rate	It is assumed that 40% 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 based on level percentage of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 6.6 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). starting on October 1, 2016.
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, it is assumed that 40% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is
Mortality Rates	PUB-2010 generational table, split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

Miami Beach Redvelopment 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)

	2019	2018	2017
Agency's proportion of the net OPEB liability	3.27%	3.40%	2.65%
Agency's proportionate share of the net OPEB liability	$ 10,750,906	$ 5,090,097	$ 3,948,074
Agency's covered-employee payroll	$ 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	466.68%	233.50%	196.42%
Plan fiduciary net position as a percentage of the total pension liability	8.89%	18.69%	17.18%

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

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

Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2019
(Unaudited)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Revenues:				
Tax Increment	$ 53,141,000	$ 53,141,000	$ 53,142,078	$ 1,078
Rents and Leases			157	157
Interest	360,000	360,000	1,755,501	1,395,501
Other			46,688	46,688
Total revenues	53,501,000	53,501,000	54,944,424	1,443,424
Expenditures:				
General government	829,000	829,000	529,736	299,264
Public safety	4,540,000	4,540,000	4,431,386	108,614
Physical environment	7,440,000	7,440,000	7,386,213	53,787
Economic environment	4,700,000	4,700,000	4,678,899	21,101
Culture and recreation	1,309,424	1,309,424	1,090,369	219,055
Capital outlay	210,134	210,134	199,623	10,511
Total expenditures	19,028,558	19,028,558	18,316,226	712,332
Excess of revenues over expenditures	34,472,442	34,472,442	36,628,198	2,155,756
Other financing (uses):				
Operating transfers out	(50,315,000)	(50,315,000)	(50,303,823)	11,177
Total other financing (uses)	(50,315,000)	(50,315,000)	(50,303,823)	11,177
Net change in fund balance	(15,842,558)	(15,842,558)	(13,675,625)	2,166,933
Fund balance, beginning	65,933,523	65,933,523	65,933,523	
Fund balance, ending	$ 50,090,965	$ 50,090,965	$ 52,257,898	$ 2,166,933

Note 1. Budgetary Policy

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 four (1) supplemental budgetary appropriations during fiscal year ended September 30, 2019.

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

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, 2019

	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	6,890,346	6,890,346	6,880,000	10,346
Interest	14,790,654	14,790,654	14,790,654	
Other	2,000	2,000	1,169	831
Total expenditures	21,683,000	21,683,000	21,671,823	11,177
Excess (deficiency) of revenues over (under) expenditures	(21,683,000)	(21,683,000)	(21,671,823)	11,177
Other financing sources (uses)				
Transfers in	21,683,000	21,683,000	21,671,823	(11,177)
Total other financing sources	21,683,000	21,683,000	21,671,823	(11,177)
Net change in fund balances				
Fund balances - beginning of year				
Fund balances - end of year	$	$	$	$

OTHER AUDITOR'S

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*

Independent Auditor's Report

To the 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, 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, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated August 3, 2020. As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City, as of September 30, 2019, and the changes in its financial position, or where applicable its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our report also includes an emphasis of matter paragraph for the Agency's restatement of its beginning net position to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense.

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) to determine the 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. We did identify a deficiency described in the accompanying schedule of findings and responses as item 2019-001, that we consider to be a material weakness.

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 determination of financial statement amounts. 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*.

Agency's Response to Finding
The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Miami, Florida
August 3, 2020

Schedule of Findings and Responses

IC 2019-001 ─ Restatement

Criteria: Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the selection of significant assumptions used in the accurate recording and disclosure of accounting transactions.

Condition: A material accounting adjustment was made to the financial statements to comply with generally accepted accounting principles with regard to the recording of the net other postemployment benefit liability. Due to a misunderstanding between the City and its third-party specialist actuary, the incorrect discount rate was applied by the actuary resulting in an understatement of the estimated liability for other post-employment benefits (OPEB). Management relied on the actuary's expertise and did not identify the error in its review of the actuarial report.

Context: The condition is an isolated incident relating to the net OPEB liability, which is actuarially determined.

Cause: Established controls requiring the reconciliation and review of account balances failed to identify the error noted. There was a communication breakdown and misunderstanding between the actuary and the City regarding the amount being contributed by the City to the trust on an annual basis. Based on the level of funding to the plan the incorrect discount rate was applied by the actuary.

Effect: The net OPEB liability as of 9/30/2018 was understated. As a result, effective October 1, 2018 beginning net positions of the governmental activities, business type activities, and the proprietary funds were restated to reflect the effect of correcting the beginning balance of the net OPEB liability and related deferred inflows and outflows.

Recommendation: We recommend that management establish a process to review all actuarial assumptions in detail with the actuary before they perform their actuarial valuation to identify potential misunderstandings on a timely basis. The final report should also be reviewed as part of the reconciliation process and adjustment of the impacted accounts.

Views of Responsible Officials and Planned Corrective Action: The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* for the fiscal year ended September 30, 2018. At that time the City relied on the actuary's expertise for the actuarial report including assumptions and appropriate discount rates.

GASB 75 is a complex accounting standard with many components including significant analysis of the City's benefits and funding methodology. Like all significant accounting standards, an entity may not have all assumptions accurately measured in the first year of implementation, as is the case here. A complete review by the Actuary and the City took place in the second year of implementation, resulting in a change in the discount rate and the need for a restatement.

Going forward, the City will review the actuarial report and assumptions used before accepting the final actuarial report. As part of the year-end reconciling and closing process, all third-party reports, journal entries and balance sheet analysis will be performed in a timely manner.

RSM US LLP

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

The Honorable Mayor and
Members of the City Commissioners
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, 2019, and have issued our report thereon date August 3, 2020. As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City, as of September 30, 2019, and the changes in its financial position, or where applicable its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our report also includes an emphasis of matter paragraph for the Agency's restatement of its beginning net position to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense.

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; 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 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. There were no findings in the preceding annual 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 City 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
August 3, 2020

RSM US LLP

Independent Accountant's Report

The Honorable Mayor, Members of the
City Commission, and City Manager
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 (the City), compliance with *Section 218.415*, *Florida Statutes, and Local Government Investment Policies* during the period October 1, 2018 to September 30, 2019. Management of the Agency is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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.

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 for the period October 1, 2018 to September 30, 2019.

The purpose of this report is to comply with the local government investment policy requirements of Section 218.415, *Florida Statutes*, and Rules of the Florida Auditor General.

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
August 3, 2020

Miami Beach Redevelopment Agency
Report for the fiscal year ended
September 30, 2019

OTHER CITY 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 Operating Activity
Fiscal Year 2020

Account	Account Description	Prior Period	Period Ended December 31, 2019	Year-to-Date Expenditures
164-0820-069357-00-410-549-00-00-00-29300	Capital-Contracts	$ -	$ -	$ -
164-0820-061357-00-410-549-00-00-00-29300	Design-Capital Contracts	-	170	170
164-1720-000342-00-406-545-00-00-00-64919	Contracted Services - Repairs	-	3,188	3,188
	Total 29300 Lincoln Road Washington	**-**	**3,358**	**3,358**
168-0945-000111-31-406-544-00-00-00-	Salaries and Wages	-	22,012	22,012
168-0945-000135-31-406-544-00-00-00-	Overtime	-	628	628
168-0945-000136-31-406-544-00-00-00-	Holiday Pay - Overtime	-	1,066	1,066
168-0945-000161-31-406-544-00-00-00-	Retirement Contributions - Pen	-	4,000	4,000
168-0945-000162-31-406-544-00-00-00-	Health & Life Insurance	-	37	37
168-0945-000165-31-406-544-00-00-00-	Social Security Medicare	-	343	343
168-0945-000166-31-406-544-00-00-00-	FICA Alternative (457)	-	240	240
168-0945-000168-31-406-544-00-00-00-	OPEB pay-as-you-go	-	1,000	1,000
168-0945-000312-31-406-545-00-00-00-	Professional Services	-	44,189	44,189
	Total Parks Maintenance	**-**	**73,515**	**73,515**
168-1124-000111-20-401-594-00-00-00-	Salaries and Wages	-	375,785	375,785
168-1124-000132-20-401-594-00-00-00-	Shift Differential	-	2,202	2,202
168-1124-000135-20-401-594-00-00-00-	Overtime	-	161,218	161,218
168-1124-000136-20-401-594-00-00-00-	Holiday Pay - Overtime	-	9,197	9,197
168-1124-000137-20-401-594-00-00-00-	Court Overtime	-	20,047	20,047
168-1124-000138-20-401-594-00-00-00-	Police/Fire Educational Suppl	-	2,148	2,148
168-1124-000139-20-401-594-00-00-00-	Work Above Classification	-	114	114
168-1124-000153-20-401-594-00-00-00-	Allowances	-	17,299	17,299
168-1124-000155-20-401-594-00-00-00-	Physical Assessment Benefit	-	5,558	5,558
168-1124-000159-20-409-557-00-00-00-	Transfers-Pension Obligation	-	26,500	26,500
168-1124-000161-20-401-594-00-00-00-	Retirement Contributions - Pen	-	273,000	273,000
168-1124-000162-20-401-594-00-00-00-	Health & Life Insurance	-	64,785	64,785
168-1124-000163-20-401-594-00-00-00-	Workmen's Compensation Pay	-	250	250
168-1124-000165-20-401-594-00-00-00-	Social Security Medicare	-	7,943	7,943
168-1124-000168-20-401-594-00-00-00-	OPEB pay-as-you-go	-	49,750	49,750
168-1124-000316-20-401-595-00-00-00-	Telephone	-	2,155	2,155
168-1124-000323-20-401-595-00-00-00-	Rent-Building & Equipment	-	1,280	1,280
168-1124-000341-20-401-595-00-00-00-	Supplies - Office	-	754	754
168-1124-000349-20-401-595-00-00-00-	Other Contractual Services	-	26,667	26,667
168-1124-000357-20-401-594-00-00-00-	Employee Fringe Benefits	-	73	73
168-1124-000402-20-401-595-00-00-00-	Uniform Expense	-	(131)	(131)
168-1124-000503-20-401-595-00-00-00-	Fleet Management-Internal Svc	-	18,000	18,000
168-1124-000505-20-401-595-00-00-00-	Self Insurance-Internal Svc	-	5,000	5,000
168-1124-000506-20-401-595-00-00-00-	Applications/ Computer Hardwar	-	32,500	32,500
168-1124-000673-20-410-596-00-00-00-	Motor Vehicles	-	-	-
	Total Police -CCHV RDA	**-**	**1,102,094**	**1,102,094**

Redevelopment Agency - City Center/Historic Convention Village
Summary of Operating Activity
Fiscal Year 2020

Account	Account Description	Prior Period	Period Ended December 31, 2019	Year-to-Date Expenditures
168-1985-000322-31-400-582-00-00-00-	Administration Fees	-	150,500	150,500
168-1985-000503-31-400-592-00-00-00-	Fleet Management-Internal Svc	-	266,750	266,750
168-1985-000505-31-404-537-00-00-00-	Self Insurance-Internal Svc	-	36,750	36,750
	Total RDA/City Center Operations	**-**	**454,000**	**454,000**
168-9963-000111-00-401-600-00-00-00-	Salaries and Wages	-	21,688	21,688
168-9963-000132-00-401-600-00-00-00-	Shift Differential	-	67	67
168-9963-000135-00-401-600-00-00-00-	Overtime	-	2,052	2,052
168-9963-000136-00-401-600-00-00-00-	Holiday Pay - Overtime	-	775	775
168-9963-000153-00-401-600-00-00-00-	Allowances	-	42	42
168-9963-000161-00-401-600-00-00-00-	Retirement Contributions - Pen	-	7,250	7,250
168-9963-000162-00-401-600-00-00-00-	Health & Life Insurance	-	1,511	1,511
168-9963-000164-00-401-600-00-00-00-	FICA	-	1,450	1,450
168-9963-000165-00-401-600-00-00-00-	Social Security Medicare	-	339	339
168-9963-000168-00-401-600-00-00-00-	OPEB pay-as-you-go	-	3,000	3,000
168-9963-000505-00-401-501-00-00-00-	Self Insurance-Internal Svc	-	250	250
	Total RDA Code Compliance	**-**	**38,424**	**38,424**
168-9964-000111-29-400-591-00-00-00-	Salaries and Wages	-	77,942	77,942
168-9964-000135-29-400-591-00-00-00-	Overtime	-	10,915	10,915
168-9964-000153-29-400-591-00-00-00-	Allowances	-	111	111
168-9964-000154-29-400-591-00-00-00-	Uniforms	-	234	234
168-9964-000159-29-409-557-00-00-00-	Transfers-Pension Obligation	-	250	250
168-9964-000161-29-400-591-00-00-00-	Retirement Contributions - Pen	-	25,500	25,500
168-9964-000162-29-400-591-00-00-00-	Health & Life Insurance	-	7,845	7,845
168-9964-000165-29-400-591-00-00-00-	Social Security Medicare	-	1,250	1,250
168-9964-000168-29-400-591-00-00-00-	OPEB pay-as-you-go	-	5,000	5,000
168-9964-000316-29-400-592-00-00-00-	Telephone	-	105	105
168-9964-000325-29-400-592-00-00-00-	Contract Maintenance	-	25,018	25,018
168-9964-000342-29-400-592-00-00-00-	Contracted Services - Repairs	-	62,019	62,019
168-9964-000502-29-400-592-00-00-00-	Property Mgmt-Internal Svc	-	90,000	90,000
168-9964-000503-29-400-592-00-00-00-	Fleet Management-Internal Svc	-	500	500
168-9964-000505-29-400-592-00-00-00-	Self Insurance-Internal Svc	-	10,500	10,500
	Total South Beach Area Property Mgmt.	**-**	**317,189**	**317,189**
168-9965-000342-29-400-592-00-00-00-	Contracted Services - Repairs	-	610,563	610,563
	Total RDA City Center Sanitation	**-**	**610,563**	**610,563**
168-9966-000111-29-406-544-00-00-00-	Salaries and Wages	-	36,690	36,690
168-9966-000135-29-406-544-00-00-00-	Overtime	-	101	101
168-9966-000153-29-406-544-00-00-00-	Allowances	-	2,571	2,571
168-9966-000159-29-409-557-00-00-00-	Transfers-Pension Obligation	-	250	250
168-9966-000161-29-406-544-00-00-00-	Retirement Contributions - Pen	-	16,000	16,000
168-9966-000162-29-406-544-00-00-00-	Health & Life Insurance	-	5,513	5,513
168-9966-000164-29-406-544-00-00-00-	FICA	-	167	167
168-9966-000165-29-406-544-00-00-00-	Social Security Medicare	-	591	591
168-9966-000168-29-406-544-00-00-00-	OPEB pay-as-you-go	-	7,000	7,000
168-9966-000312-29-406-545-00-00-00-	Professional Services	-	695	695
168-9966-000316-29-406-545-00-00-00-	Telephone	-	113	113
168-9966-000325-29-406-545-00-00-00-	Contract Maintenance	-	21,541	21,541
168-9966-000342-29-406-545-00-00-00-	Contracted Services - Repairs	-	100	100
168-9966-000343-29-406-545-00-00-00-	Other Operating Expenditures	-	11,619	11,619
168-9966-000357-29-406-544-00-00-00-	Employee Fringe Benefits	-	3,101	3,101
	Total 168 RDA City Center Operations	**-**	**106,052**	**106,052**
168-0050-000491-31-409-557-00-00-00-	Transfers Out	-	2,103,500	2,103,500
	Total Transfers Out	**-**	**2,103,500**	**2,103,500**
	Total 168 RDA City Center Operation	**-**	**4,805,337**	**4,805,337**

Redevelopment Agency - City Center/Historic Convention Village
Summary of Operating Activity
Fiscal Year 2020

Account	Account Description	Prior Period	Period Ended December 31, 2019	Year-to-Date Expenditures
309-0380-000674-00-410-552-00-00-00-28160	Machinery & Equipment	-	256,822	256,822
	Total 309 RDA City Center Machinery & Equipment	**-**	**256,822**	**256,822**
309-0821-061357-00-410-552-00-00-00-28160	Design-Capital Contracts	-	1,765	1,765
309-0821-061358-00-410-552-00-00-00-28160	Design Capital Miscellaneous	-	(3,494)	(3,494)
309-0821-069355-00-410-552-00-00-00-28160	Capital-Program Mgmt	-	13,781	13,781
309-0821-069358-00-410-552-00-00-00-28160	Capital-Miscellaneous	-	1,400	1,400
309-0821-069800-00-410-552-00-00-00-28160	Restorations - Insur Recovery	-	(220,564)	(220,564)
	Total 28160 Convention Center Renovation	**-**	**(207,112)**	**(207,112)**
309-0820-061357-10-410-546-00-00-00-28170	Design-Capital Contracts	-	11,061	11,061
309-0820-061358-10-410-546-00-00-00-28170	Design Capital Miscellaneous	-	970	970
309-0820-069357-00-410-546-00-00-00-28170	Capital-Contracts	-	796,196	796,196
	Total 28170 CONVENTION CENTER PARK	**-**	**808,227**	**808,227**
309-0820-069357-00-410-552-00-00-00-28180	Capital-Contracts	-	237,265	237,265
	Total 28180 Convention Center - Car	**-**	**237,265**	**237,265**
	Total 309 2015 RDA Bond CC Project	**-**	**1,095,202**	**1,095,202**
365-0820-069357-26-410-561-00-00-00-23270	Capital-Contracts	-	21,169	21,169
	Total 23270 City Center RDA- Conv.	**-**	**21,169**	**21,169**
365-0821-069355-10-410-552-00-00-00-28160	Capital-Program Mgmt	-	153,624	153,624
365-0821-061358-10-410-552-00-00-00-28160	Capital-Miscellaneous	-	178,635	178,635
365-0821-061357-10-410-552-00-00-00-28160	Design-Capital Contracts	-	19,148	19,148
365-0821-069357-10-410-552-00-00-00-28160	Capital-Contracts	-	477,578	477,578
	Total 28160 City Center RDA- Conv.	**-**	**828,985**	**828,985**
365-1720-000676-00-410-546-00-00-00-26010	Renovations	-	16,540	16,540
	Total 26010 BASS MUSEUM HYDRAULIC	**-**	**16,540**	**16,540**

Redevelopment Agency - City Center/Historic Convention Village
Summary of Operating Activity
Fiscal Year 2020

Account	Account Description	Prior Period	Period Ended December 31, 2019	Year-to-Date Expenditures
365-0820-061357-00-410-528-00-00-00-28010	Design-Capital Contracts	-	5,100	5,100
365-0820-069357-00-410-528-00-00-00-28010	Capital-Contracts	-	704,863	704,863
	Total 28010 Collins Park Parking Garage	**-**	**709,963**	**709,963**
365-0820-069357-00-410-546-00-00-00-29530	Capital-Contracts	-	1,589,504	1,589,504
	Total 29530 COLLINS PARK ANCILLARY	**-**	**1,589,504**	**1,589,504**
365-0820-061357-29-410-546-00-00-00-27600	Design-Capital Contracts	-	941	941
365-0820-069357-29-410-546-00-00-00-27600	Capital-Contracts	-	113	113
	Total 27600 SEAWALL-BOTANICAL GARD/COLLINS	**-**	**1,054**	**1,054**
365-1720-000676-00-410-000-00-00-00-27780	Renovations	-	1,458	1,458
	Total 27780 MIAMI CITY BALLET WINDOWS	**-**	**1,458**	**1,458**
365-1720-000674-00-410-549-00-00-00-65118	Machinery & Equipment	-	750	750
	Total 65118 Bass Museum Fire Pump Replacement	**-**	**750**	**750**
	Total 365 RDA City Center Projects	**-**	**3,169,423**	**3,169,423**
463-1990-000312-31-413-526-00-00-00-	Professional Services	-	24,675	24,675
463-1990-000313-31-413-526-00-00-00-	Bank Fees	-	12,923	12,923
463-1990-000314-31-414-526-00-00-00-	Electricity	-	1,918	1,918
463-1990-000316-31-414-526-00-00-00-	Telephone	-	2,436	2,436
463-1990-000317-31-414-526-00-00-00-	Water	-	855	855
463-1990-000318-31-414-526-00-00-00-	Sewer Charges	-	1,636	1,636
463-1990-000319-31-414-526-00-00-00-	Sanitation Fees	-	6,046	6,046
463-1990-000322-31-311-526-00-00-00-	Administration Fees	-	17,750	17,750
463-1990-000325-31-413-526-00-00-00-	Contract Maintenance	-	2,109	2,109
463-1990-000329-31-414-526-00-00-00-	Storm Water	-	6,196	6,196
463-1990-000342-31-413-526-00-00-00-	Contracted Services - Repairs	-	1,442	1,442
463-1990-000343-31-421-526-00-00-00-	Other Operating Expenditures	-	116	116
463-1990-000349-31-413-526-00-00-00-	Other Contractual Services	-	32,251	32,251
463-1990-000368-31-413-526-00-00-00-	Taxes & Licenses	-	401,833	401,833
463-1990-000502-31-416-526-00-00-00-	Property Mgmt-Internal Svc	-	15,500	15,500
463-1990-000505-31-416-526-00-00-00-	Self Insurance-Internal Svc	-	27,000	27,000
	Total RDA-Anchor Garage Operations	**-**	**554,686**	**554,686**
463-1720-000342-27-413-526-00-00-00-61718	Contracted Services - Repairs	-	749	749
	Total 61718 16TH ST GARAGE FIRE SPRINKLER	**-**	**749**	**749**
463-1720-000342-27-413-526-00-00-00-61918	Contracted Services - Repairs	-	506,934	506,934
	Total 61918 16th Street Garage Roof and Deck	**-**	**506,934**	**506,934**
	Total 463 RDA Anchor Garage 463	**-**	**1,062,369**	**1,062,369**
465-1995-000322-31-311-532-00-00-00-	Administration Fees	-	3,750	3,750
465-1995-000342-31-413-532-00-00-00-	Contracted Services - Repairs	-	458	458
465-1995-000343-31-421-532-00-00-00-	Other Operating Expenditures	-	1,232	1,232
465-1995-000502-31-416-526-00-00-00-	Property Mgmt-Internal Svc	-	12,750	12,750
465-1995-000505-31-416-532-00-00-00-	Self Insurance-Internal Svc	-	7,250	7,250
	Total 465 RDA Anchor Shoppe 465	**-**	**25,440**	**25,440**

Redevelopment Agency - City Center/Historic Convention Village
Summary of Operating Activity
Fiscal Year 2020

Account	Account Description	Prior Period	Period Ended December 31, 2019	Year-to-Date Expenditures
466-1997-000314-00-414-532-00-00-00-	Electricity	-	2,729	2,729
466-1997-000343-31-421-532-00-00-00-	Other Operating Expenditures	-	2,228	2,228
466-1997-000374-31-413-532-00-00-00-	Management Fees-Rent/Leases	-	69,750	69,750
	Total 466 RDA Pennsylvania Ave - Sh	**-**	**74,707**	**74,707**
467-1996-000312-31-413-526-00-00-00-	Professional Services	-	14,077	14,077
467-1996-000313-31-413-526-00-00-00-	Bank Fees	-	4,641	4,641
467-1996-000314-31-414-526-00-00-00-	Electricity	-	3,448	3,448
467-1996-000316-31-414-526-00-00-00-	Telephone	-	2,496	2,496
467-1996-000317-31-414-526-00-00-00-	Water	-	371	371
467-1996-000318-31-414-526-00-00-00-	Sewer Charges	-	334	334
467-1996-000322-31-311-526-00-00-00-	Administration Fees	-	37,250	37,250
467-1996-000325-31-413-526-00-00-00-	Contract Maintenance	-	1,736	1,736
467-1996-000342-31-413-526-00-00-00-	Contracted Services - Repairs	-	175	175
467-1996-000343-31-421-526-00-00-00-	Other Operating Expenditures	-	49	49
467-1996-000349-31-413-526-00-00-00-	Other Contractual Services	-	9,930	9,930
467-1996-000502-31-416-526-00-00-00-	Property Mgmt-Internal Svc	-	14,750	14,750
	Total 467 RDA Pennsylvania Ave - Ga	**-**	**89,257**	**89,257**
	Total Expenditures	**$ -**	**$ 10,325,093**	**$ 10,325,093**
	Total Revenues	-	$ 58,230,153	$ 58,230,153
	Total Expenses	-	$ 10,325,093	$ 10,325,093
	Total Net Income	**-**	**$ 47,905,060**	**$ 47,905,060**

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DR-420TIF
R. 6/10
Rule 12D-16.002
Florida Administrative Code
Effective 11/12

FLORIDA DEPARTMENT OF REVENUE

TAX INCREMENT ADJUSTMENT WORKSHEET

Year : 2018	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	$ 5,993,199,959	(1)
2.	Base year taxable value in the tax increment area	$ 292,572,271	(2)
3.	Current year tax increment value *(Line 1 minus Line 2)*	$ 5,700,627,688	(3)
4.	Prior year Final taxable value in the tax increment area	$ 5,469,648,169	(4)
5.	Prior year tax increment value *(Line 4 minus Line 2)*	$ 5,177,075,898	(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 : 6/28/2018 11:47 AM

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 *(Line 3 multiplied by the percentage on Line 6a)* ***If value is zero or less than zero, then enter zero on Line 6b***	$ 5,415,596,304	(6b)
6c.	Amount of payment to redevelopment trust fund in prior year	$ 27,497,948	(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 *(Line 5 multiplied by Line 7b, divided by 1,000)*	$ 0	(7c)
7d.	Prior year payment as proportion of taxes levied on increment value *(Line 7a divided by Line 7c, multiplied by 100)*	0.00 %	(7d)
7e.	Dedicated increment value *(Line 3 multiplied by the percentage on Line 7d)* ***If value is zero or less than zero, then enter zero on Line 7e***	$ 0	(7e)

SIGN HERE

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 : 7/26/2018 11:31 AM
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, 2019

No funds were expended for affordable housing during fiscal year 2019

Achievements and Goals

The 332-acre City Center/Historic Convention Village Redevelopment and Revitalization Area was established in 1993, primarily with the objective of providing the funding mechanism to foster the development of new convention hotel development within proximity of the Miami Beach Convention Center, and to establish the necessary linkages between the City's many core area civic, cultural and entertainment uses in order to create the fabric of a true 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 24th Street, on the West by West Avenue, and on the South by 14th 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 Dade County by Part III of Chapter 163, Florida Statutes, with regard to 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" or the "RDA") and declared the members of the City Commission as the members of the RDA. Subsequently, 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 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 provided 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, between the County and the City, dated and executed on November 16, 1993, as amended four times (the "Interlocal Agreement") by which the County delegated to the City certain redevelopment powers

Achievements and Goals

granted by law, including but not limited to the creation of the Redevelopment Area and implementation of the Plan.

In 2014, the City and County adopted a third amendment to the Plan which, among other components, (i) extended the life of the district from FY 2022/23 to March 31, 2044 and (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 Plan, the elected Commissioner of Miami-Dade County Commission District 5, which includes the City Center CRA district, has served as a voting member of the RDA board. Not only has the City benefited from the strengthened relationship with the County Commissioner, but in citing to the City of Miami Beach example, the appointment of a County Commissioner to the CRA governing board has since become the Florida Legislature's recommended strategy for successful CRA governance. A fourth amendment to the Plan was adopted in 2017, which provided modest funding for limited purposes related to the Convention Center Renovation and Expansion project and Hurricane Irma disaster relief.

<u>Mission / Purpose of the Redevelopment Plan:</u>

- To 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 Redevelopment Plan and the amendment thereto.
- To establish the necessary linkages to tie in the Convention Center, area hotels, cultural amenities, entertainment, residential, and business uses in the district.
- To involve community residents in the redevelopment process and to incur minimum relocation and condemnation.
- To enhance diversity of form and activity through the use of established planning and design principles.
- To create a traffic system to serve local and through traffic needs.
- To recognize the historic structures and designations within the historic districts and facilitate development accordingly.

<u>Successful Implementation of Plan Objectives</u>

Since its inception, the City Center district has undergone dynamic changes which have furthered the goals of the Plan and enhanced the economic vitality of the City Center Redevelopment Area. Between the time of establishment of the City Center

Achievements and Goals

Redevelopment Area in 1993 and January 2018, the district experienced an increase in property tax values from $292.6 million dollars to $6 billion dollars, including more than $800 million in new building permit activity since the inception of the CRA.

Following the initial success of attracting two convention-quality hotels, the RDA began focusing 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 production and presentation of arts and cultural activities in the area. Since 2003, the RDA, with the consent and collaboration of Miami-Dade County, amended the Plan for the City Center Redevelopment Area four times to accomplish these objectives. Representative projects have included:

- Two new convention-quality hotels, both of which 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 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 area, including the incorporation of the facades of historic buildings in the City's National Register Historic District;
- Convention Center Renovation and Expansion, a project to modernize and upgrade the Convention Center facility and surrounding area to be competitive within the trade/consumer show and convention industries. The project included redesign and reconstruction of the convention center building and site; upgrading media, communications, and other area technology; alterations to on and off-site parking; on-site and off-site aesthetic improvements, and construction of Pride Park.
- Acquisition and renovation of three multifamily buildings (the Barclay, Allen House, the London House) to maintain the stock of affordable housing within the Redevelopment Area.
- Award-winning Public Beachwalk Expansion project from 21st 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 the City's public beaches, which serve as our most notable public amenity and international tourist draw.
- Development and implementation of a Cultural Arts Campus Master Plan, within

Achievements and Goals

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;
  - restoration of Collins Park, including new landscaping of the park, the refurbishment of the historic Rotunda building, and extensive streetscape improvements throughout the area; and
  - funding for the Collins Park Parking Garage and retail space.
- 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, including addition of ten police officers, two sergeants, two 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 Signs in City Center- installation of monument directory signs within neighborhood rights of way, to direct residents and visitors to City office and services.
- Botanical Garden renovation, including renovations of the building, landscape and site improvements, lighting, planting, irrigation, and acoustic improvements.
- Collins Canal Enhancement Project, including development of a bicycle path connecting the Venetian causeway with the Beachwalk.
- A $20 million overhaul of Lincoln Road partially funded with the participation of businesses on Lincoln Road. Work 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 a Lincoln Road Master Plan Study and the funding of improvements at the Euclid Avenue Plaza on Lincoln Road;
- Washington Avenue Streetscape work around the City Center district including sanitary sewer improvements,
- Convention Center / Lincoln Rd Streetway Connectors Improvement Project: Enhancement of the pedestrian experience from the Convention Center complex to Lincoln Road along Drexel Avenue, Pennsylvania Avenue and Meridian Avenue. Work consisted of new lighting, sidewalk reconstruction, street furnishings, landscaping, healthy tree fertilization systems, road reconstruction, cross walk

Achievements and Goals

enhancements. Also, improvements to 17th 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, which provides free programming and instruction to Miami Beach schools.

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 district, which is implemented via the City's five-year capital project plan. Along with the participation of Miami-Dade County, including a 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 renovation and upgrades, and construction of public facilities.

<u>Affordable Housing Programs</u>
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 amendment, Miami-Dade County required that, going forward, 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, going forward, the use of TIF revenue for operating expenses may not exceed more than three percent (3%) of the prior fiscal year's 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 were not existing 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.

Nevertheless, this limitation on expenditures for new programming has <u>not</u> come at the expense of pursuing housing initiatives in the Redevelopment Area. On the contrary, these objectives have been well served within the City Center district. RDA Resolution No. 607-2014 and City Commission Resolution No. 2014-28835 both contained explicit findings by the RDA that, with respect to the Plan amendments:

(i) a feasible method continues to exist for the location of families who will be

Achievements and Goals

displaced from the Redevelopment Area in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families, as the amendments do not contemplate displacement of residents;

(ii) the Plan continues to conform to the general plan of the County and the City as a whole;

(iii) the Plan continues to give due consideration to the utilization of community policing innovations, and to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the Plan;

(iv) the Plan will continue to afford maximum opportunity, consistent with the sound needs of the City as a whole, for the rehabilitation or redevelopment of the community redevelopment area by private enterprise; and

While RDA resources cannot be allocated beyond what was contained in the original Plan, the City's Housing and Community Development Division uses other funding sources to successfully implement programs that develop and maintain affordable housing, promote economic development, and support efforts to reduce poverty, citywide and within the City Center district. To achieve this, the Housing Division leverages the City's allocation of State and Federal housing and community development funds, primarily from the U.S. Department of Housing and Urban Development and the Florida Housing Finance Corporation, a state-funded agency. The Division funds a variety of projects and has acquired and/or rehabilitated many properties throughout the City and in the City Center district. In addition to housing projects, the Division funds a variety of public service activities including childcare for low-income families, grocery delivery program for the elderly, mental health services for homeless youth, rent assistance for households facing eviction, and housing payment and rehabilitation assistance programs. Additional information is available in the City's Five-Year Plan Consolidated Plan, prepared for the U.S. Department of Housing and Urban Development and available on the City's website.