

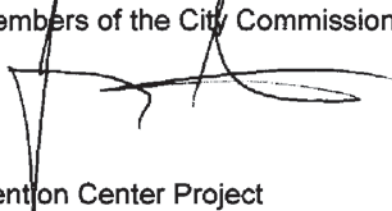


MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera-Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager 

DATE: October 16, 2013

SUBJECT: Update on the Miami Beach Convention Center Project

In response to the Memorandum from Mayor Bower, dated September 25, 2013, regarding the status of the Convention Center project and pursuant to the discussion of The Committee of the Whole on September 30, 2013, the Administration sets forth the status of the Convention Center project and the following steps.

Since the decision rendered by the Third District Court of Appeals in the case of Let Miami Beach Decide, a Florida Political Committee, vs. City of Miami Beach, et al., the Administration's position has been that the only impact of the Court's decision is to change the date of the referendum. Instead of having it on November 5, now the City will have that referendum once the lease is finalized. As such, the Administration's intention was to reach out to the SBACE team to commence negotiating the lease for the hotel, the retail north of 17th street and the ground floor space of the new 17th Street garage.

Staff has since met with the SBACE team on several occasions, both in person and by conference call, to discuss the next steps. Obviously, the parties collectively discussed the impact of the judicial decisions and the extent, if any, of the impact of those decisions on the proposed transactions in the LOI. The result of those discussions is that both sides have agreed to move forward to negotiate the lease in anticipation of the referendum vote in 2014. The SBACE team has expressed its continuing commitment to the project in a letter to the Mayor dated October 4, 2013, a copy of which has been circulated to the Commission. As such, the City has directed our attorneys to prepare a first draft of the lease incorporating all the terms of the LOI as approved by the Commission in July (including the sixteen business points that were reflected in Manager's memorandum of July 12, 2013).

During this same time frame, the Administration has continued its outreach to the County with respect to its support. The Mayor and the City Manager have met with the County Mayor, the County Commission Chairwoman and various County Commissioners, and our city finance staff has separately met with County finance staff to discuss the logistics surrounding the extension of the RDA. Staff had also been working on preparing the voter education guide for the November 5th referendum on the project, but that has been put on hold after the court's decision, and will be addressed at a later time closer to the re-scheduled referendum.

With respect to the Mayor's question as to whether there is a need to re-examine the timing and phasing of the project in light of the court's decision, it is the City Manager's recommendation that

Agenda Item R9C
Date 10-16-13

the City continue to move forward with the combined Convention Center and Hotel project. In issuing the original RFQ, the Commission was correct in its conclusion that the critical additional elements needed for a world class convention center include not only a ballroom and additional meetings rooms, but also an on-site convention center hotel with at least 800 rooms. The need for an on-site convention hotel was identified in the CSL (Convention Sports & Leisure) study. And this view is shared by the Greater Miami Convention & Visitors Bureau (GMCVB), the Convention Center Advisory Board and the Greater Miami and the Beaches Hotel Association (GMBHA). The Administration would not recommend spending hundreds of millions of dollars on renovating the convention center without a hotel. As such, the City Manager's recommendation is to continue on the path that the Commission first envisioned. Once the lease is final, the City can present it to the voters for their approval.

The Administration looks forward to discussing this matter further at the Commission meeting.

Cc: City Attorney
City Clerk
Management Team

T:\AGENDA\2013\October 16\Convention Center Discussion 10-16-2013 MEMO.docx