



## **SPECIAL ELECTION BALLOT MARCH 19, 2024-**

### **SOUTH MIAMI CHARTER AMENDMENT REFERENDUM**

#### **Authorizing leases exceeding 50 years for City property involving City Hall redevelopment.**

##### **Question:**

The City Charter currently provides that leases of City property are franchises subject to a 50-year term limitation. Shall the Charter be amended to authorize leases exceeding 50 years for City property involving the redevelopment of City Hall?

Yes/Sí/Wi 60

No/No/Non 61

#### **Frequently Asked Questions**

##### **Q. What is the purpose of the proposed Charter amendment?**

A. To extend the potential lease term of the City Hall property for a development partner chosen by the City through a competitive solicitation process. If adopted, the proposed Charter amendment would allow the long-term lease of the City Hall property to a development partner tenant who could redevelop it with a mix of uses in order to provide new facilities including a City Hall complex, Police Station, and potentially a library. The Charter amendment would allow the City to incentivize redevelopment of the City Hall property by offering a lease for a term greater than 50 years required by equity and lending institutions looking to finance and secure their investment.

##### **Q. If the Charter Amendment passes, what would that enable the City to do?**

A. The City would competitively solicit a development partner tenant and enter into a lease agreement and the revenue generated would result in a mixed-use development that brings updated public spaces, activity, jobs, and economic development, as well as new municipal facilities that are better designed, more efficient, and more sustainable.

##### **Q. Is City Hall even in need of replacement?**

A. Due to its existing condition and age, the City has considered replacement of its City Hall before:



**January 21, 2015: Green Task Force:** Recommends redevelopment of the City Hall site due to the conditions of City Hall and Police headquarters.

<https://www.southmiamifl.gov/DocumentCenter/View/1773/Green-Task-Force---City-Hall-Statement?bidId=>

**February 17, 2015: City Commission Action:** A Resolution endorsing the Green Task Force recommendation regarding City Hall, establishing goals for the City regarding the environmentally connected design of City Hall and other City facilities, and authorizing the City Manager to take certain actions.

<https://www.southmiamifl.gov/DocumentCenter/View/1767/Commission-P3-Comm--Reso-No-027-15-14366?bidId=>

**2015 City of South Miami Informational Flyer-TIME TO REBUILD CITY HALL IT HAS BECOME INEFFICIENT AND OBSOLETE**

<https://www.southmiamifl.gov/DocumentCenter/View/1772/Flyer-City-Hall?bidId=>

**Q. Why not just sell the City Hall land?**

A. Leasing the City Hall land allows the City to maintain ownership and long-term control of the land, preserves the economic value of the land for City residents, and affords the City many more options once the lease expires.

**Q. What is the impact of leaving the 50-year limitation on leases of City property?**

A. Leases of less than 50 years limit the development and financing options for potential development partners who may have difficulty amortizing the cost of municipal improvements over 50 years or less, thereby reducing the pool of potential bidders and potentially the revenue and/or improvements that the City would obtain from the development partner.

**Q. Does this cost the residents of South Miami any tax dollars?**

A. The purpose of raising the 50-year limitation of the City Hall property is to have the opportunity of a private public partnership, this will allow the City to lease and monetize the real estate and allow the public partner to develop the City's needs in exchange for a project that will also bring revenue to the partner. In most cases, bringing revenue to the City that allows for improvements, projects, and enhancements throughout the City at no expense to the taxpayers.



**Q. What are some potential advantages of leasing City property for development that provides municipal facilities?**

A. A lease of City property has the following potential advantages:

- **Land Ownership and Use Control:** Long-term leases allow municipalities to retain land ownership while enabling its use for development, public facilities and services, or other purposes. This approach helps advance uses of the land aligned with public interests or City planning objectives without permanently relinquishing control.
- **Funding for Municipal Needs:** Long-term leases provide a steady revenue stream for municipalities without selling valuable public land. This can be particularly beneficial for funding public facilities and services, infrastructure projects, or other community needs over an extended period.
- **Financial:** Enable transactions that may not be possible or financeable with shorter lease terms, which can assist with securing financing. The long duration of projects requiring significant infrastructure or development investment makes the investment more feasible.
- **Economic Development:** Municipalities may use long-term leases as a tool for economic development. By controlling the land and development thereon through leasing rather than selling, a city can guide development to support long-term strategic goals that align with the community's needs, while preserving economic value and control at the end of the lease term.
- **Regulatory and Zoning Consistency:** By maintaining ownership of the land and issuing long-term leases, municipalities can better ensure that development adheres to specific regulatory and zoning requirements over time, promoting consistent land use planning and community development strategies

**Q. If the City decided to build a new City Hall and Police Station on its own, without a long-term lease of the land to a development partner, how would that be paid for?**

A. While recent costs for a new City Hall complex have not been estimated, the last estimate obtained in 2022 to build a new Police Station alone was approximately \$25 million. Current City budget and reserves do not support funding this construction cost, without issuing general obligation bond(s) that could result in additional ad-valorem taxes payable by residents on an annual basis and impact levels of public services available to City residents.