

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PURSUANT TO REQUEST FOR PROPOSALS NO. 2025-218-ND, FOR THE CONSTRUCTION, MANAGEMENT, AND OPERATION OF A PADEL/PICKLEBALL FACILITY ON A PARKING GARAGE ROOFTOP ADJACENT TO LINCOLN LANE NORTH; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH RACQUET PROPERTY COMPANY, LLC, AS THE TOP-RANKED PROPOSER FOR OPTION B; FURTHER, IF THE ADMINISTRATION IS NOT SUCCESSFUL IN NEGOTIATING AN AGREEMENT WITH RACQUET PROPERTY COMPANY, LLC, AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH RACQUET 360 INC./IBC NEW YORK, LLC D/B/A PADEL PADEL, AS THE SECOND-RANKED PROPOSER FOR OPTION B; FURTHER, IF THE ADMINISTRATION IS NOT SUCCESSFUL IN NEGOTIATING AN AGREEMENT WITH RACQUET 360 INC./IBC NEW YORK, LLC D/B/A PADEL PADEL, AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH WORLD PADEL FLORIDA LLC, AS THE THIRD-RANKED PROPOSER FOR OPTION B; AND FURTHER, REQUIRING THAT THE FINAL NEGOTIATED AGREEMENT SHALL BE SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION. (PARKS AND RECREATION)

RECOMMENDATION

The City Administration (“Administration”) recommends that the Mayor and City Commission (“City Commission”) approve the Resolution.

The solicitation is currently under the cone of silence.

BACKGROUND/HISTORY

The City of Miami Beach offers a dynamic and diverse environment for recreational and leisure activities. With over 40 park facilities, seven miles of beachfront and Beachwalk, and numerous amenities, residents and visitors have ample opportunities to engage in sports, health, and wellness. Whether enjoying playgrounds, tennis courts, bike trails, golf courses, an ice-skating rink, a bowling alley, or various beach and waterway activities, the city provides countless ways for people to stay active, connect with others, and build a sense of community.

To enhance the city's recreation, leisure, and lifestyle offerings, on December 11, 2024, at the request of Commissioner Joseph Magazine, the Mayor and City Commission authorized the Administration to prepare a Request for Proposals (“RFP”) for the construction, management, and operation of a padel facility on a city-owned surface parking lot adjacent to Lincoln Road.

At the February 3, 2025, City Commission meeting, item C2 M requested approval of the City Commission to issue RFP 2025-218-ND for Construction, Management, and Operation of a Padel/Pickleball Facility on Surface Parking Lot adjacent to Lincoln Lane North. However, the request was approved with amendments. The item was separated by Commissioners Rosen Gonzalez and Magazine. A motion was made by Commissioner Magazine to issue the RFP and seconded by Commissioner Suarez, as amended.

The recommended amendments to the RFP included the following:

1. Remove P27 lot from consideration in the RFP;
2. Include the 17th Street and Pennsylvania Avenue garages in the RFP if viable;
3. Incorporate incentivizing a larger footprint on the garage rooftop;
4. Present a better financial model on the rooftop in terms of revenue for the City's Parking Department;
5. Conduct public outreach; and
6. RFP to go out to market subsequent to the February 26, 2025, Commission Meeting, if approved.

Following the affirmative vote of the Commission, the item was placed on the February 26, 2025, Commission Meeting for approval, as amended. At the February 26, 2025, Commission Meeting, Commissioner Magazine pulled Item C2 F from the Consent Agenda and proposed eliminating the P-26 parking lot from the RFP. Additionally, the RFP was amended to include a lease and management agreement option. Commissioner Magazine made a motion to approve the issuance of the RFP as amended, which was seconded by Commissioner Rosen Gonzalez.

Therefore, as directed and approved by Commission, the RFP included the rooftops of parking garages G5 (640 17th Street) with up to 40,000 square feet available on the rooftop and/or G9 (1661 Pennsylvania Avenue) with up to 20,000 square feet available on the rooftop to be considered for the construction, management, and operation of the proposed padel/pickleball facility. Proposals may be submitted for one or both parking garages and for multiple terms. Proposers could submit up to four (4) proposal options for the options shown below:

Option A: G5 with a five (5)-year lease or management agreement

Option B: G5 with a five (5) to less than ten (10)-year lease or management agreement

Option C: G9 with a five (5)-year lease or management agreement

Option D: G9 with a five (5) to less than ten (10)-year lease or management agreement

ANALYSIS

On February 26, 2025, the Mayor and City Commission authorized the issuance of RFP 2025-218-ND for the construction, management, and operation of padel/pickleball facility on parking garage rooftop adjacent to Lincoln Lane North. On February 28, 2025, the RFP was issued. A voluntary pre-proposal conference was held on March 13, 2025, to provide information to proposers submitting a response. Six (6) addenda were issued, and 126 prospective bidders accessed the advertised solicitation. RFP responses were due and received on May 9, 2025. The City received a total of nine (9) proposals from the following firms, as noted below for Options B and D. No proposals were received for Options A and C.

Option B: G5 with a five (5) to less than ten (10)-year lease or management agreement

- Nomad One LLC
- Racquet 360 Inc./IBC New York d/b/a Padel Padel
- Racquet Property Company LLC
- Sunset Padel LLC

- Ultra Sports Holding LLC
- Van Veggel Ventures LLC
- World Padel Florida LLC

Option D: G9 with a five (5) to less than ten (10)-year lease or management agreement

- World Padel Florida LLC

No Option Proposal provided:

- Atlanta Tennis

The proposal from Atlanta Tennis was deemed non-responsive for failure to submit the Financial Proposal (Tab 6) on or before the deadline for submittal of proposals.

On May 20, 2025, the City Manager appointed the Evaluation Committee via LTC # 211-2025. The Evaluation Committee convened on May 28, 2025, to consider proposals received. The Committee was comprised of Miguel Beingolea, Operations Manager, Parking Department, Cynthia Casanova, Assistant Director, Parks and Recreation Department, Anabel Llopis, Executive Director, Lincoln Road Business Improvement District, Mohsen Abu Shaaban, Senior Project Manager, Office of Capital Improvement Projects, and Heather Shaw, Assistant Director, Economic Development Department.

The Committee was provided an overview of the project, information relative to the City's Cone of Silence Ordinance, and the Government Sunshine Law. The Committee was also provided with general information on the scope of services and a copy of each proposal. The Committee was instructed to score and rank each proposal pursuant to the evaluation criteria established in the RFP. The evaluation process resulted in the ranking of proposers as indicated below (see Attachment A):

Option B: G5 with a five (5) to less than ten (10)-year lease or management agreement

1st ranked – Racquet Property Company LLC

2nd ranked - Racquet 360 Inc./IBC New York d/b/a Padel Padel

3rd ranked - World Padel Florida LLC

4th ranked - Van Veggel Ventures LLC

5th ranked - Sunset Padel LLC

6th ranked - Nomad One LLC

7th ranked - Ultra Sports Holding LLC

Option D: G9 with a five (5) to less than ten (10)-year lease or management agreement

1st ranked – World Padel Florida LLC

The Committee deemed Racquet Property Company LLC (“Racquet Property”) the most qualified firm to construct, manage, and operate a padel facility on the rooftop of G5, Option B. The Committee noted that Racquet Property provided a design that includes 10 fully covered and climate-controlled padel courts. This covering will increase the allowable play time as it will protect the patrons from the elements. The Committee also mentioned that the facility will be run as a walk-in model where no subscriptions or memberships are required to access the courts and clubhouse amenities. However, memberships will be available for purchase. The Committee emphasized how Racquet Property will work with Playtomic, the world’s leading sports club technology platform, to ensure that the user journey from booking to post-game analytics is intuitive, inclusive, and cutting-edge. The Committee also highlighted that Racquet Property has vast experience in developing and managing sports facilities across Europe, Latin America, and the United States, and a successful padel facility in Downtown Miami. Finally, the proposed public

benefits include free access for Miami Beach residents, discounted youth membership, after-school and youth programs, and other benefits highlighted in Attachment B.

Racquet Property, established in 2022, is a Coral Gables based business entity. It redefines urban recreation spaces by combining world-class sports infrastructures, wellness activation, sustainability leadership, and community programming. With an experienced management team and a strong background, it develops and operates high-end sports and wellness facilities. Its track record includes the development of Youtopia Company, in Santiago, Chile, a world-leading wellness company that operates clubs in Latin America. Racquet Property focuses on growing a padel club collection in Florida. It has a location in Downtown Miami and is developing locations in Boca Raton and Palm Beach, which are set to open in June and November 2025, respectively. All references provided positive feedback.

Racquet 360 Inc./IBC New York d/b/a Padel Padel, the second-ranked proposer, and World Padel Florida LLC, the third-ranked proposer, were also deemed by the Evaluation Committee to be qualified in the event that negotiations with Racquet Property Company LLC are unsuccessful.

Racquet 360 Inc./IBC New York d/b/a Padel Padel (“Racquet 360”) is a Miami-based leader in the growth of padel and racket sports across the United States. Founded in January 2023 by four (4) entrepreneurs passionate about padel and business development, Racquet 360 drives the expansion of racket sports. It manages Racket Central, a retail and wholesale platform offering high-quality racket sports products. It hosts Racquet X, a premier trade and consumer event at the Miami Beach Convention Center. Finally, it runs the Racket Social Club in Atlanta, Houston, and Denver, blending competitive play with social engagement. All references provided positive feedback. A high-level comparison of certain aspects of the proposal submitted by Racquet 360 for Option B is attached as Attachment B.

World Padel Florida LLC (“World Padel”) is a 10by20 company, a padel club network in the United States. Together they have built an integrated platform encompassing club development, management, and global partnerships in the padel industry. Its rapidly growing footprint is soon to have seven (7) clubs and 51 courts (42 padel and nine (9) pickleball) across three (3) major metro areas in North and South America. Its team has expertise in all aspects of the facility development, from court construction and operations to programming and marketing. It has established a facility in Fort Lauderdale and has facilities under development in Brickell, Doral, Wellington, Florida, San Juan, Puerto Rico, and Los Angeles, California. All references provided positive feedback. A high-level comparison of certain aspects of the proposal submitted by Racquet 360 for Option B is attached as Attachment B.

The Administration is only recommending awarding the proposal received for Option B, the rooftop of G5 with a five (5) to less than ten (10)-year lease or management agreement, and it is not recommending Option D for the rooftop of G9. The Administration has determined that having two concurrent and different operators construct, manage, and operate the two locations is not in the City’s best interest. Moreover, the presence of two competing operators offering essentially the same service, though at varying levels of scale, may inadvertently lead to negative outcomes, including redundancy and customer confusion about which business to patronize. This overlap could undermine the overall success and long-term viability of the service.

FISCAL IMPACT STATEMENT

Racquet Property has proposed the following financial terms:

1. A one-time upfront payment of \$200,000 upon obtaining the building permits. Thus, demonstrating financial commitment and helping offset any initial loss of parking revenue, public costs, or planning resources required by the City.
2. Compensation to the City that includes a base rent of \$200,000 a year, subject to a 3% annual increase. The proposed rent structure improves by 2.5 times the minimum guaranteed revenue loss associated with repurposing the rooftop. This ensures the City maintains fiscal neutrality and significantly enhances its return on the existing public space.
3. A public access bonus of \$50,000/year in kind contribution through free youth programming, senior access, and events co-produced with the City.
4. Another indirect revenue contribution will be the elevated parking revenues and activation of the surrounding businesses in the estimated amount of an additional \$200,000 per year in additional parking revenue at standard rates, further contributing to the financial sustainability of the site and the surrounding district generated by the increase and steady traffic driven by the facility which will enhance the usage of the garage's remaining parking inventory, providing long-term value to the City.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

The RFP is intended to generate revenue and should not create any operational costs for the City.

CONCLUSION

Based on the foregoing, it is recommend that the Mayor and City Commission approve the Resolution authorizing the Administration to enter into negotiations with Racquet Property Company LLC, as the top-ranked proposer for Option B; further, if the Administration is not successful in negotiating an Agreement with Racquet Property Company LLC, authorizing the Administration to enter into negotiations with Racquet 360 Inc./IBC New York d/b/a Padel Padel, as the second-ranked proposer for Option B; further, if the Administration is not successful in negotiating an Agreement with Racquet 360 Inc./IBC New York d/b/a Padel Padel, authorizing the Administration to enter into negotiations with World Padel Florida LLC, as the third-ranked proposer for Option B. The Resolution also requires that the final negotiated agreement be subject to the prior approval of the Mayor and City Commission.

Applicable Area

South Beach

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

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

Department

Procurement

Sponsor(s)

Co-sponsor(s)

Condensed Title

Award RFP 2025-218-ND, Padel/Pickleball Facility on Pkg Garage Rooftop Adjacent to Linc Lane N. PR

Previous Action (For City Clerk Use Only)