

## MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: February 21, 2025

TITLE: DISCUSS THE ANNUAL EVALUATION OF THE PARKING IMPACT FEE.

**RECOMMENDATION**

The Administration recommends that the Finance and Economic Resiliency Committee (FERC) discuss the item and recommend to the Mayor and City Commission (City Commission) that the yearly fee in lieu of parking rate, which is currently set at \$40,000 per off-street parking space, remain the same.

**BACKGROUND/HISTORY**

On December 11, 2024, at the request of the City Manager, the City Commission referred the subject discussion item (C4 B) to the FERC.

**ANALYSIS**

Chapter 5, Article IV, of the Land Development Regulations of the City Code (LDRs) contains the "Fee in Lieu of Parking Program" where under certain circumstances new development or uses may pay an impact fee to the City if they are not able to provide required parking on-site. Specifically, Section 5.4.2 (d) of the LDRs requires that *"The amount determined to be the city's total average cost for land acquisition and construction of one parking space shall be evaluated by the city commission based upon the Consumer Price Index (CPI). If determined appropriate, the city commission may amend the fee structure in this section by resolution."*

At present, the fee-in-lieu of parking rate is \$40,000 per required parking space. This fee was last revised in September of 2014, when it was raised from \$35,000 per space to the current amount of \$40,000 per space.

As required by Section 5.4.2(d) of the LDRs, the Planning Department has analyzed the cost of construction for an off-street parking space. The most recently built garage by the City is the Collins Park Garage, which was constructed in 2021 at a cost of approximately \$23,921,877.37 for 516 parking spaces. The construction cost for this garage averages out to \$46,360.23 per parking space.

Based on the Consumer Price Index (CPI), since the garage was completed, the cost per space would now be \$54,567.33 (see table below). If this cost were applied, the one-time fee would increase by \$14,567.33 per required space, from \$40,000 per space to approximately \$55,000 per space.

Fee in Lieu of Parking Fee Analysis						
Garage	Construction Cost	Spaces	Cost/Space	Year Opened	2021-2022	2022-2023
CPI Adjustment %					7.10%	9.90%
Collins Park Garage (G12) at 340 23rd Street	\$23,921,877.37	516	\$46,360.23	2021	\$49,651.80	\$54,567.33

Additionally, the annual-recurring fee (annual fee-in-lieu), which is 2% of the one-time fee, would increase from the current \$800.00 per year, for each required space, to approximately \$1,100 per year for each required space.

The current one-time fee-in-lieu of parking (\$40,000 per space) is prohibitively expensive and has resulted in many applicants seeking alternatives other than paying the fee for new construction. Since 2020, only one development project has utilized the one-time fee option, for 2 required parking spaces (\$80,000).

Increasing the fee would primarily impact businesses that pay the annual recurring fee (annual fee-in-lieu), resulting in higher annual fees for participating businesses. The following is a summary of annual fee in lieu revenue collected from 2020 to 2025:

	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>	<b>FY2021</b>	<b>FY2020</b>
South Beach	\$392,464.53	\$469,946.37	\$162,976.70	\$ 394,490.62	\$ 270,710.52
Mid Beach	\$9,677.00	\$9,600.00	\$ 20,495.00)	\$ 18,138.35	\$ 22,076.52
North Beach	\$1,600.00	\$3,200.00	\$ 3,200.00)	\$ 3,173.33	\$ 3,200.00
Total	\$403,741.53	\$482,746.37	\$186,671.70	\$415,802.30	\$ 295,987.04

Pursuant to Section 5.4.4 of the LDRs, the funds generated by the fee-in-lieu program are to be used for providing parking, transportation and mobility related improvements and programs in the vicinity of the north, middle and south districts, as applicable, of the subject property. Expenditures from these funds require city commission approval and may include the following:

- 1) Parking garages and related facilities.
- 2) Transit capital funding:
  - a) Purchase of buses for circulator routes.
  - b) Bus shelters.
  - c) Transit infrastructure.
- 3) Traffic improvements:
  - a) Traffic signals.
  - b) Signal timing operations.
  - c) Lane modifications.
- 4) Bicycle facilities:
  - a) Bicycle lanes and paths.
  - b) Bicycle racks and storage.
- 5) Intelligent transportation systems:
  - a) Electronic message boards.
- 6) Pedestrian improvements:
  - a) Crosswalks.
  - b) Traffic signals.
- 7) Pedestrian facilities
  - a) Beachwalk.
  - b) Baywalk.
- 8) Other parking, transportation and mobility related capital projects as may be specifically approved by the city commission.
- 9) In addition, transit operational funding for newly introduced transportation enhancements and program expansions (limited to operational, non-administrative costs only, i.e., drivers, fuel, maintenance and insurance) may be included if expressly approved by the city commission.

As noted above, the funds generated by the annual fee-in-lieu program are significant. However, increasing the one-time fee, and a corresponding increase in the yearly fee, could impact smaller businesses.

In view of the foregoing, the Administration recommends that the yearly fee-in-lieu of parking rate, which is currently set at \$40,000 per off-street parking space, remain the same. The annual fee-in-lieu of parking program, which is 2% of the one-time fee, would not increase from the current \$800.00 per required space.

## **FISCAL IMPACT STATEMENT**

See analysis above.

## **Does this Ordinance require a Business Impact Estimate?** (FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

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

## **FINANCIAL INFORMATION**

Not Applicable

## **CONCLUSION**

The Administration recommends that the FERC discuss the item and recommend to the City Commission that the yearly fee in lieu of parking rate, which is currently set at \$40,000 per off-street parking space, remain the same.

## **Applicable Area**

Citywide

### **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**

Planning

## **Sponsor(s)**

City Manager

## **Co-sponsor(s)**

## **Condensed Title**

Discuss the Annual Evaluation of the Parking Impact Fee