

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: October 18, 2024

TITLE: DISCUSS A POTENTIAL PARTNERSHIP WITH BEACH BOX FOR THE INSTALLATION OF BEACH BOX KIOSKS AND/OR PORTABLE LOCK BOXES ON THE CITY'S BEACHES.

### **RECOMMENDATION**

The Administration recommends discussion of this item and consideration of the benefits and alternatives. If the recommendation of the Committee is to pursue the expansion of portable lockable devices available for rent on the beach then the Administration would recommend preparing a formal competitive solicitation.

### **BACKGROUND/HISTORY**

On July 24, 2024, at the request of Vice Mayor Laura Dominguez, the Mayor and City Commission approved the dual referral of item C4 N, to the Public Safety and Neighborhood Quality of Life Committee ("PSNQLC") and the Finance and Economic Resiliency Committee ("FERC") to discuss a potential partnership with Beach Box for installation of Beach Box kiosks and/or portable lockboxes on the City's beaches.

### **ANALYSIS**

Beach Box Safe Inc., a foreign profit corporation, ("Beach Box") partners with various hotels on Miami Beach, including the Marseilles Hotel, the Sagamore Hotel and the SLS Hotels to provide portable lockable safes ("Beach Box Safes" or lockboxes) for beachgoers to secure their valuables. Beach Box has submitted a proposal, attached hereto as Exhibit A, to provide kiosks and lockboxes on the City's Beach. Each lockbox measures approximately 12" x 8" x 8" and is equipped with security features, including GPS tracking, built-in cameras, and alarm systems. Each kiosk measures approximately 10' x 2' x 6' and is designed to store up to forty (40) lockboxes. Beach Box is proposing to install four (4) kiosks at various South Beach locations, specifically on 6<sup>th</sup> Street, 8<sup>th</sup> Street, 10<sup>th</sup> Street and 12<sup>th</sup> Street on walkways leading to the beach entrance and on opposite sides of the sidewalk. Pursuant to their proposal, the standard rental fee of the Beach Box Safes range from \$20 to \$30 per day for patrons with a 25% discount being offered to City residents.

While Beach Box is proposing to cover costs associated with the installation, operations, and staffing of its kiosks, there are other regulatory approvals which would be required for its implementation, including applicable building and rights-of-way permitting. The backs of kiosks are mounted with digital LED displays for advertising (<https://vimeo.com/946634639>). In accordance with Section 82-414 of the City Code, commercial signage, or messaging would not be permitted under the City Code. Additionally, a certificate of appropriateness review by the Historic Preservation Board would be required for the placement of the kiosks. Coordination and installation of electrical infrastructure would also be required for the kiosks.

### **Other Considerations**

Other than a resident discount, Beach Box's proposal does not provide any other public benefit. If approved, Beach Box could potentially generate some revenue with the installation of its Beach Box Safes and advertising displays. As a reference example based on their proposal, if Beach Box were to rent all lockboxes at the four (4) kiosks (40 lockboxes x 4 kiosks = 160 lockboxes) daily, at the rate of \$30 per day for 150 days, they could potentially generate \$720,000 (160 lockboxes x \$30 x 150 days) plus additional revenue from advertising on their digital displays. However, there is no market study in the proposal to ascertain or support the potential demand for the use of Beach Box Safes.

Conversely, while Beach Box Safes can be an amenity for beachgoers, lockers and vaults similar to these have been and continue to be provided on the Beach today. For instance, City concessionaire Boucher Brothers, currently provides AquaVaults at a rental rate of \$10 per safe for resort properties and \$6 per safe on the Lummus Park's concession areas. However, these are not in high demand. Beach Box's concept has potential and should be refined further to include a thorough fiscal analysis, a revenue sharing breakdown and additional benefits to the City.

### **FISCAL IMPACT STATEMENT**

N/A

### **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**

TBD

### **CONCLUSION**

The foregoing information is provided for the Finance and Economic Resiliency Committee's consideration and review. If the FERC determines the Beach Box kiosks and lockboxes are beneficial to the City's economic interest, the Administration recommends preparing a formal competitive solicitation.

### **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**

Facilities and Fleet Management

**Sponsor(s)**

Commissioner Laura Dominguez

**Co-sponsor(s)**

**Condensed Title**

Discuss Partnering with Beach Box for Installation of Beach Box Kiosks and/or Portable Lock Boxes on the City's Beaches.