

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 26, 2025

TITLE: REQUEST FOR APPROVAL TO ISSUE REQUEST FOR PROPOSALS ("RFP") 2025-218-ND FOR CONSTRUCTION, MANAGEMENT, AND OPERATION OF PADEL/PICKLEBALL FACILITY ON SURFACE PARKING LOT OR PARKING GARAGE ROOFTOP ADJACENT TO LINCOLN LANE NORTH. (OFFICE OF THE CITY MANAGER)

### **RECOMMENDATION**

The City Administration ("Administration") recommends that the Mayor and City Commission ("City Commission") authorize the issuance of Request for Proposals ("RFP") 2025-218-ND for Construction, Management, and Operation of Padel/Pickleball Facility on Surface Parking Lot or Parking Garage Rooftop Adjacent to Lincoln Lane North.

### **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 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 as amended and seconded by Commissioner Suarez. Following the affirmative vote of Commission, the item was placed on the February 26, 2025, Commission Meeting for approval as amended.

The recommended amendments to the RFP include:

1. Remove P27 lot from consideration in the RFP;
2. Include the 17<sup>th</sup> 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.

The amended RFP is attached as Attachment A.

## **ANALYSIS**

Padel and pickleball are fast-growing racquet sports that have gained worldwide popularity, particularly in urban areas. Given the existing recreational offerings in the city, padel/pickleball offers a unique opportunity to attract new residents, tourists, and visitors to Miami Beach. Lincoln Lane, located near the renowned Lincoln Road Mall and commercial district, has the potential for redevelopment and enhancement, including activations to attract and engage residents, employees, and visitors. The City owns and operates a few surface parking lots and parking garages adjacent to Lincoln Lane, including the P26 parking lot and the G5 and G9 parking garages (see Figure 1 and 2), which the City believes may be attractive locations for a padel/pickleball facility.

The addition of a world-class padel/pickleball facility on one of these Lincoln Lane surface lots or parking garage rooftops could activate underutilized space, improve its aesthetic appeal, and generate positive recreational and economic activity in the area. Such a facility is intended to create a dynamic recreational environment and highlight the surrounding businesses, thus supporting the local economy and promoting tourism. The proposed padel/pickleball facility would serve as an innovative and attractive addition to the City's offerings, encouraging residents, employees, and visitors to engage in healthy outdoor activities while spending meaningful time in the area.

The City seeks to activate the area with a padel/pickleball facility and intends to select a suitable partner to negotiate with for a short-term lease and development agreement for the construction, management, and operation of a padel/pickleball facility on a portion of P26 or on the rooftop of parking garage G5 or G9.

Figure 1 – Location Map for Parking Lot P26.



Figure 2 – Location Map for Rooftops of Parking Garages G5 and G9.



**Parking Lot Information and Revenue Trend**

The City currently manages parking operations, management, and enforcement for the Lincoln Lane parking facilities. Surface parking lot P26 consists of 105 parking spaces, G5 consists of 1490 parking spaces, and G9 consists of 562 parking spaces. Parking lot P26 has a utilization rate of over 85%, parking garage G5 has a utilization rate of approximately 69%, and parking garage G9 has a utilization rate of approximately 49%.

**Parking Revenue Trend by Fiscal Year (FY):**

<b>P26 - Lincoln Lane North &amp; Michigan Ave</b>	
Number of Spaces	105
FY22 Revenue	\$ 473,221.43
Revenue Per Space	\$ 4,506.87
FY23 Revenue	\$ 479,289.15
Revenue Per Space	\$ 4,564.66
FY24 Revenue	\$ 440,749.95
Revenue Per Space	\$ 4,197.62

<b>G5 - 640 17th Street</b>	
Number of spaces	1460
FY 22 Revenue	\$3,376,748.86
Revenue per Space	\$2,312.84
FY23 Revenue	\$3,306,949.26
Revenue per Space	\$2,265.03
FY 24 Revenue	\$3,627,580.31
Revenue Per Space	\$2,484.64

<b>G9 - 1661 Pennsylvania Ave</b>	
Number of spaces	560
FY 22 Revenue	\$670,160.27
Revenue per Space	\$1,196.71
FY23 Revenue	\$715,203.29
Revenue per Space	\$1,277.15
FY 24 Revenue	\$888,054.85
Revenue Per Space	\$1,585.81

Proposal Options

A portion of surface parking lot P26 (Lincoln Lane North & Michigan Avenue) or the rooftops of parking garages G5 (640 17th Street), or G9 (1661 Pennsylvania Avenue) may be utilized for the construction of a padel/pickleball facility. P26 has up to 20,000 sf of available square footage, G5 has up to 40,000 sf of available square footage on the rooftop, and G9 has up to 20,000 sf of available square footage on the rooftop which may be utilized for the construction, management, and operation of the proposed padel/pickleball facility. Proposals may be submitted the parking lot or garages and for multiple lease options. Up to five (5) proposal options may be submitted by a single Proposer, Option A, Option B, Option C, Option D, and/or Option E, as shown below.

- Option A:** P26 with a five (5)-year lease
- Option B:** G5 with a five (5)-year lease
- Option C:** G5 with up to (10)-year lease
- Option D:** G9 with a five (5)-year lease
- Option E:** G9 with up to (10)-year lease

Community Engagement and Public Benefit

The RFP requires that proposed concepts should promote public accessibility for residents, employees, and visitors at various income levels and describe how the proposed programming will reflect and address the economic diversity of Miami Beach’s residents, employees, and visitors. The City, via the RFP, will seek proposers with previous experience in offering training programs and requests the inclusion of plans for public engagement, such as workshops, community outreach, and educational/training programming that draw audiences from both within and outside the local community. The RFP also requests that proposers provide details as to how the proposed programming and operation will reflect the diversity of Miami Beach and offer programming for youth, seniors, beginners, and advanced players. In addition, the RFP asks proposers to outline any plans for programming, community engagement, and collaboration that align with the existing Lincoln Road business community, including the Lincoln Road Business Improvement District, and complement the character of the surrounding neighborhood.

Minimum Guarantee

The Proposer shall pay to the City a minimum guarantee on an annual basis in accordance with the Proposal Options below. The minimum guarantee would escalate by 3% annually. The minimum guarantee may be prorated should the selected proposal incorporate less than the

available square footage of parking lot P26, or the available square footage on the rooftops of G5 and G9. The City would need to determine, via bond counsel, whether the proposed minimum guarantee would meet the required parking revenue bond covenants.

Option	Square Footage to be Utilized	Parking Lot Total Average Annual Revenue (FY24)	Revenue of Lost Rooftop Spaces	40% of Average Annual Parking Lot Revenue	Revenue of Lost Rooftop Spaces, Adjusted for Rooftop Utilization	% of Revenue to the City	Annual Minimum Guarantee to the City
Option A: P26 with a five (5)-year lease	20,000	\$440,749.95		\$176,299.98		50%	\$88,149.99
Option B: G5 with a five (5)-year lease	40,000		\$447,235.93		\$111,808.98	50%	\$55,904.49
Option C: G5 with a five (5) to less than ten (10)-year lease	40,000		\$447,235.93		\$111,808.98	75%	\$83,856.74
Option D: G9 with a five (5)-year lease	20,000		\$88,805.49		\$22,201.37	50%	\$11,100.69
Option E: G9 with a five (5) to less than ten (10)-year lease	20,000		\$88,805.49		\$22,201.37	75%	\$16,651.03

### Parking Mitigation

Notwithstanding that parking utilization P26 parking lot is at or around 85% and parking garage G5 has a utilization rate of approximately 69%, and parking garage G9 has a utilization rate of approximately 49%, it is contemplated that construction of a padel/pickleball facility on P26, G5, and G9 will create parking impacts. While these impacts may potentially be mitigated through adjacent public or private parking facilities or micro-mobility alternatives, the facility design concept will need to be evaluated to determine the appropriate mitigation strategy.

The requirements are more fully defined in the RFP (Attachment A). Following the receipt of proposals, an Evaluation Committee will review proposals in accordance with the criteria established in the RFP.

### FISCAL IMPACT STATEMENT

It is not anticipated that grant funding will be utilized for this project. Parking revenue loss is anticipated and will be based on the design concept and minimum guarantee required for the various available proposal options.

### 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

N/A

### CONCLUSION

It is recommended that the Mayor and Commission of the City of Miami Beach, Florida authorize the issuance of RFP 2025-218-ND for Construction, Management, and Operation of Padel/Pickleball Facility on Surface Parking Lot or Parking Garage Rooftop Adjacent to Lincoln Lane North.

### 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**

Issue RFP 2025-218-ND, Padel Facility on Surface Parking Lot/Parking Garage Rooftop.  
CM/PR

**Previous Action (For City Clerk Use Only)**