

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 3, 2025

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE REQUEST FOR PROPOSALS ("RFP") 2025-128-ND FOR CONSTRUCTION, MANAGEMENT, AND OPERATION OF PADEL FACILITY ON SURFACE PARKING LOT.**

RECOMMENDATION

The City Administration ("Administration") recommends that the Mayor and City Commission ("City Commission") authorize the issuance of Request for Proposals ("RFP") 2025-128-ND for Construction, Management, and Operation of Padel Facility on one of the Surface Parking Lots adjacent to Lincoln Lane North.

BACKGROUND/HISTORY

The City of Miami Beach offers a vibrant environment for a wide variety of recreational and leisure activities. With over 40 parks facilities, seven (7) miles of beachfront and Beachwalk, residents and visitors enjoy many options for sports, health, and wellness. Between playgrounds, tennis courts, bike trails, golf courses, an ice-skating rink, bowling alley, beach and waterway activities, and public art, there are numerous opportunities for residents and visitors to be active, engage with others, and build community.

In an effort to augment the City's recreation, leisure, and lifestyle amenities, on December 11, 2024, at the request of Commissioner Joseph Magazine, the Mayor and City Commission directed 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.

Padel, a fast-growing racquet sport described as a mix of tennis and squash, has become increasingly popular worldwide, particularly in urban areas. Given the existing recreational offerings in the city, padel 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 potential for redevelopment and enhancement, including activations to appeal to and engage residents, employees, and visitors. The City owns and operates a few surface parking lots adjacent to Lincoln Lane including parking lots P26 and P27, which the City believes may be attractive locations for a padel facility.



ANALYSIS

The City, via the RFP, seeks to activate the Lincoln Road area with a padel 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 one (1) padel facility at either of two (2) parking lots, P26 (Lincoln Lane North and Michigan Avenue) or P27 (Lincoln Lane North & Meridian Avenue). The Term, including any renewals, would be a minimum of five (5) years but may be less than ten (10) years, with no sub-leases of the premises.

The selected proposer would be responsible for the design, permitting (including, but not limited to Design Review Board approval), and construction of the facility including addressing any required systems such as lighting, as well as ensuring compliance with all building and safety codes (including life safety). The proposals should also provide details on how the premises will be restored after the lease term, at the sole cost of the proposer. As part of the concept, proposals should detail the vision for use of the facility and if the facility will include viewing or lounge areas, communal space, event space, restrooms, or offer concessions/food and beverage areas.

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 and P27 consists of 150 parking spaces. Each surface parking lot has a utilization rate of over 85%.

P26 - Lincoln Lane North & Michigan Ave	
Number of Spaces	105
Total Size	48,863 SF (1.12 acres)
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

P27 - Lincoln Lane North & Meridian Ave	
Number of Spaces	150
Total Size	60,202 SF (1.38 acres)
FY22 Revenue	\$ 646,594.40
Revenue Per Space	\$ 4,310.63
FY23 Revenue	\$ 654,442.92
Revenue Per Space	\$ 4,362.95
FY24 Revenue	\$ 664,866.87
Revenue Per Space	\$ 4,432.45

Proposal Options

A portion of surface parking lots P26 (Lincoln Lane North & Michigan Avenue) or P27 (Lincoln Lane North & Meridian Avenue) may be utilized for construction of a padel facility. Up to 20,000 sf (approximately 40%) of the available square footage at P26 and up to 25,000 sf (approximately 41%) of the available square footage at P27 may be utilized for the construction, management, and operation of the proposed padel facility. Proposals may be submitted for multiple parking lots and for

multiple lease periods. Up to four (4) proposal options may be submitted by a single proposer, Option A, Option B, Option C, and/or Option D as shown below:

Option A: P26 with a five (5)-year lease

Option B: P26 with a five (5) to less than a ten (10)-year lease

Option C: P27 with a five (5)-year lease

Option D: P27 with a five (5) to less than a ten (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

As up to approximately forty percent (40%) of the available square footage of P26 (20,000 sf) or P27 (25,000 sf) may be utilized, it is requested that the selected proposer offer a minimum guarantee of between 50% and 75% of the existing revenue that would be generated from that portion of the parking lot. The minimum guarantee would escalate by 3% annually. The minimum guarantee may be prorated should the selected proposal utilize less than forty percent (40%) of the available square footage of the parking lot. The City would need to determine, via bond counsel, as to whether the proposed minimum guarantee would meet the required parking revenue bond covenants.

Option	Parking Lot Total Average Annual Revenue (FY 24)	40% of Average Annual Revenue (FY 24)	% of Revenue	Annual Minimum Guarantee
A – P26 5 yrs	\$ 440,749.95	\$176,299.98	50%	\$ 88,149.99
B – P26 5 to Less than 10 yrs	\$ 440,749.95	\$176,299.98	75%	\$ 132,224.98
C – P27 5 yrs	\$ 664,866.87	\$265,946.75	50%	\$ 132,973.37
D – P27 5 to Less than 10 yrs	\$ 664,866.87	\$265,946.75	75%	\$ 199,460.06

Parking Mitigation

Notwithstanding that parking utilization at each parking lot is at or around 85%, it is contemplated that construction of a padel facility on P26 or P27 will create parking impacts. While these impacts may potentially be mitigated through adjacent public or private parking facilities or micromobility 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.

FINANCIAL INFORMATION

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.

CONCLUSION

It is recommended that the Mayor and Commission of the City of Miami Beach, Florida authorize the issuance of RFP 2025-128-ND for Construction, Management, and Operation of Padel Facility on Surface Parking Lot.

ATTACHMENTS

Attachment A - DRAFT RFP 2025-128-ND