

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 3, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING SOUTH BEACH BREWING COMPANY LLC, FOR PARTICIPATION IN THE COMMERCIAL LEASE SUBSIDY PROGRAM, WITH A MAXIMUM ANNUAL REIMBURSEMENT AMOUNT OF \$20,000.00, FOR A TERM OF UP TO THREE (3) YEARS, FOR A TOTAL PROGRAM REIMBURSEMENT AMOUNT NOT TO EXCEED 60,000.00, SUBJECT TO FUNDING APPROPRIATION AND APPROVAL DURING THE CITY'S BUDGETARY PROCESS FOR EACH FISCAL YEAR DURING THE TERM OF THE AGREEMENT; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE PROGRAM AGREEMENT.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission adopt the Resolution, approving an award and participation agreement under the Commercial Lease Subsidy Program to South Beach Brewing Company LLC, d/b/a South Beach Brewing Company, located at 210 11 Street.

BACKGROUND/HISTORY

Initiated by sponsor Commissioner Alex Fernandez, and authorized by the Mayor and City Commission, the Commercial Lease Subsidy Program ("Program") is a reimbursement-based financial incentive designed to invigorate the commercial environment within the Art Deco Cultural District (ADCD).

The Program's primary objectives are to:

- Support arts and cultural businesses,
- Reduce commercial vacancies, and/or
- Phase out non-conforming businesses.

To achieve these goals, the Program leverages existing zoning regulations for the Art Deco/MiMo Commercial Character Overlay District ("ADCD Overlay") to attract businesses that align with Miami Beach's cultural brand and community values.

Through this Program, eligible participants may receive reimbursement for:

1. Annual Business Tax Receipt (BTR) fees, and
2. Leasing or mortgage expenses, up to a maximum of \$60,000 over three years.

Eligible leasing expenses include:

- Rent or mortgage payments
- Insurance
- Real estate taxes

Reimbursement is contingent upon annual budgetary appropriation and continued compliance with Program requirements.

The Program's geographic focus—the ADCD Overlay —includes properties bounded by Ocean Drive (east), Fifth Street (south), Washington Avenue (west), and 23 Street (north).

The Program prioritizes the following business types:

- Vacant storefronts
- New-to-market arts and cultural businesses
- Legal, non-conforming businesses (i.e., businesses with lawful operations that held valid BTRs before being reclassified as non-permitted under Ordinance No. 2017-4137, such as check-cashing stores, pawn shops, souvenir shops, and vape dealers)

By focusing on experiential and immersive businesses, the Program aims to revitalize the ADCD Overlay into a dynamic, engaging commercial corridor.

Program applications are reviewed by City staff, and selected candidates are recommended for City Commission approval. Reimbursements are issued after participants submit records of eligible expense payments.

Further details, including Program guidelines and the application, are available at mbbiz.gosmart.org.

ANALYSIS

Applicant Summary

- **Applicant:** South Beach Brewing Company LLC, d/b/a South Beach Brewing Company
- **Representative:** Lorenzo Borghese, owner
- **Property Address:** 210 11 Street
- **Landlord:** Julaug Invest 2, LLC
- **Website:** www.southbeachbrew.com
- **Business Type:** Local craft beer, food, art and entertainment

Eligibility & Business Concept

South Beach Brewing Company is a family-friendly establishment that highlights local craft beer, food, and arts-based entertainment. The business distinguishes itself through interactive activities, including:

- Karaoke and chess nights
- Family-oriented games
- Open-mic events

Unlike traditional bars or spirit retailers, the business fosters a wholesome atmosphere aligned with Miami Beach's cultural and tourism brand.

The Applicant first sought to bring its Miami Beach-focused brand to the ADCD district several years ago, but the COVID-19 pandemic significantly impacted the microbrewing industry. Additional delays arose due to lengthy permitting requirements to establish a lawful brewpub at the location and property title issues unrelated to the tenant business. However, owner Lorenzo Borghese remained committed to activating this vacant storefront.

The business activation supports Program goals, particularly in an area with high foot traffic and numerous non-conforming businesses. In contrast to surrounding businesses that do not align with the Program's intent, South Beach Brewing Company enhances the corridor's cultural vibrancy and family-friendly appeal.

Branding & Cultural Relevance

The brewpub's branding and interior artwork were designed by the late David "LEBO" Le Batard, a renowned postmodern cartoon expressionist and the artist behind Miami Beach's iconic "Welcome to Miami Beach" mural at the historic Roosevelt Theater on 41 Street. The establishment's design elements—spanning product labels, murals, and merchandise—further reinforce the business's deep connection to Miami Beach's identity.

Evaluation of Applicant

Through multiple meetings, City staff have assessed the Applicant as:

- A dedicated small business entrepreneur with long-standing investments in Miami Beach
- Committed to creating a family-friendly, arts-centric brewpub
- Determined to activate a vacant storefront, overcoming legal and permitting hurdles

Additionally, business owner Lorenzo Borghese has demonstrated a strong community commitment. His background includes:

- Serving as an ambassador for the American Humane Society and the ASPCA
- Co-founding Animal Aid USA, a nonprofit focused on animal rescue
- Serving on the board of Canine Wounded Heroes, which donates protective vests to police and military dogs

FISCAL IMPACT STATEMENT

The City's financial commitment to this Program participant is capped at \$20,000 annually for up to three (3) years, contingent upon funding appropriations in each year's budget. Funding for the Commercial Lease Subsidy Program is available in the Fiscal Year 2025 budget, ensuring reimbursement for eligible leasing expenses under the Program's guidelines.

By supporting South Beach Brewing Company, the City expects a positive economic impact, including:

- Increased foot traffic and visitor engagement
- Support for the local workforce
- Reinforcement of the ADCD as a destination for residents and visitors

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

Click or tap here to enter text.

CONCLUSION

The Commercial Lease Subsidy Program underscores the City's commitment to revitalizing the Art Deco Cultural District, enhancing both its cultural landscape and commercial appeal.

The Applicant's business activation directly aligns with Program objectives, transforming a previously vacant space into a family-friendly, culturally immersive establishment. Approving this application will further the City's mission to create a vibrant, safe, and culturally rich environment in the ADCD.

Attachments:

Exhibit – Marketing Flyer

Exhibit – Program Application

Exhibit – Program Guidelines

Applicable Area

South Beach

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

No

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): N/A

Department

Economic Development

Sponsor(s)

Commissioner Laura Dominguez

Co-sponsor(s)

Commissioner Alex Fernandez

Condensed Title

Execute Agmt w/ South Beach Brewing Company, Commercial Lease Subsidy Program. ED

Previous Action (For City Clerk Use Only)