

# MIAMIBEACH

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## COMMISSION MEMORANDUM

TO: Mayor Steven Meiner and Members of the City Commission

FROM: Rickelle Williams, Interim City Manager *RW*

DATE: June 26, 2024

SUBJECT: **Referral to the Planning Board – Ordinance to Eliminate .5 FAR Bonus for Hotels Located within the CD-2 District in South Beach**

### **RECOMMENDATION**

The Administration recommends that the Mayor and City Commission refer the attached draft ordinance to the Planning Board.

### **HISTORY/BACKGROUND**

On December 13, 2023, at the request of Commissioner Alex Fernandez, the City Commission referred a discussion (item C4 N) pertaining to the .5 floor area ratio (FAR) bonus available to hotel uses in the CD-2 zoning district to the Land Use and Sustainability Committee (LUSC). Commissioners Tanya K. Bhatt, Joseph Magazine and David Suarez were the co-sponsors of the item.

On March 5, 2024, the LUSC discussed the item and recommended that the City Commission refer an ordinance amendment to the Planning Board to repeal the .5 FAR bonus for hotels in the CD-2 district along Alton Road, as well as in the North Beach CD-2 districts on Normandy Isle and along Collins Avenue. On April 3, 2024, the City Commission referred the ordinance to the Planning Board and on May 28, 2024, the Planning Board transmitted the ordinance to the City Commission with a favorable recommendation. The City Commission is scheduled to review this ordinance at First Reading on June 26, 2024.

The LUSC continued the discussion pertaining to the .5 FAR bonus for hotels located in the CD-2 district along Washington Avenue and Collins Avenue in South Beach, to the June 10, 2024 LUSC meeting. On June 10, 2024, the LUSC recommended that the City Commission refer an ordinance amendment to the Planning Board to repeal the .5 FAR bonus for hotels in the CD-2 district along Washington Avenue and Collins Avenue in South Beach.

### **ANALYSIS**

Pursuant to Section 7.2.11.3 of the Land Development Regulations of the City Code (LDRs), the maximum floor area ratio in the CD-2, commercial medium intensity, zoning district is 1.5. However, "when more than 25 percent (25%) of the total area of a building is used for residential or hotel units," the maximum FAR is 2.0.

At the direction of the LUSC on March 5, 2024, the Administration made presentations to the Planning Board and Washington Avenue BID, to obtain feedback on the proposed elimination of the .5 FAR bonus for hotel uses in the CD-2 districts along Washington Avenue. The following is a summary of the feedback received from these bodies:

#### Planning Board

On March 26, 2024, city staff presented the proposal to the Planning Board. The Board discussed the proposal and requested additional information, such as input from the Washington Avenue BID. Some members of the Board indicated support for the proposal, and there was no opposition, but the Planning Board concluded more information would be needed before a recommendation could be provided.

#### Washington Avenue BID

On April 11, 2024, city staff presented the proposal to the Washington Avenue Business Improvement District (BID). The members of the BID were not supportive of a roll back of the .5 FAR bonus for hotels in the CD-2 district along Washington Avenue. However, the members were all supportive of incentives for increasing and promoting residential development along Washington Avenue.

The City Commission is scheduled to consider a separate ordinance at First Reading on June 26, 2024, which removes the .5 FAR bonus for a site containing a hotel unit, suite hotel unit or hostel in the CD-2 districts along Alton Road, as well as in North Beach; this ordinance, excludes the CD-2 districts on Collins Avenue in South Beach, as well as on Washington Avenue. The attached draft ordinance proposes to remove the .5 FAR bonus for a site containing a hotel unit, suite hotel unit or hostel in all CD-2 districts, including the CD-2 districts on Washington Avenue and Collins Avenue in South Beach.

Subsequent to the June 10, 2024, LUSC meeting, the item sponsor requested that an exception provision be included in the ordinance, for those properties that have a pending land use board application. This exception provision is included in the attached draft ordinance for referral.

#### **APPLICATION FEE WAIVER**

The subject amendment is proposed on a comprehensive basis, and not on behalf of a private applicant or third party. Pursuant to section 2.4.1.c of the Land Development Regulations of the City Code, amendments to the City Code require the payment of the applicable fees in section 2.2.3.5, 2.2.3.6, and appendix A to the City Code. These fees may be waived by a five-sevenths (5/7ths) vote of the City Commission, based upon one or more of the following circumstances:

1. The City Commission determines that the proposed amendment is necessary due to a change in federal or state law, or to implement best practices in urban planning, or based on circumstances unique to the proposed amendment.
2. Upon the written recommendation of the City Manager acknowledging a documented financial hardship of a property owner(s) or developer(s).
3. If requested, in writing, by a non-profit organization, neighborhood association, or homeowner's association for property owned by any such organization or association, so

long as the request demonstrates that a public purpose is achieved by enacting the applicable amendment.

Should this proposal be referred to the Planning Board, the Administration recommends that the City Commission determine that the proposed amendment is necessary based on circumstances unique to the proposed amendment and waive the applicable fees.

**CONCLUSION**

The Administration recommends the following:

1. The City Commission refer the attached draft ordinance to the Planning Board.
2. In accordance with section 2.4.1.c.1 of the Land Development Regulations of the City Code, the City Commission waive the applicable fees based on circumstances unique to the proposed amendment.

RW/TRM

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