

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE PUBLIC SAFETY AND NEIGHBORHOOD QUALITY OF LIFE COMMITTEE AT ITS MAY 14, 2025 MEETING, TO ALLOCATE FUNDING, AS PART OF THE FY 2026 BUDGET PREPARATION PROCESS, IN AN AMOUNT NOT TO EXCEED \$40,000; AND TO WAIVE CITY SERVICE COSTS IN AN AMOUNT OF APPROXIMATELY \$64,770, IN SUPPORT OF A CITY PARTNERSHIP WITH THE LINCOLN ROAD BUSINESS IMPROVEMENT DISTRICT FOR AN ANNUAL LINCOLN ROAD MARDI GRAS FESTIVAL BEGINNING IN FEBRUARY 2026.

RECOMMENDATION

The Administration recommends accepting the recommendation of the Public Safety and Neighborhood Quality of Life Committee (PSNQLC) for consideration of a 2026 Lincoln Road Mardi Gras Festival, during the FY 2026 budget preparation process.

The Administration recommends that while the Commission evaluates the funding of a Mardi Gras celebration on Lincoln Road, it also carefully considers several critical factors that will significantly impact the General Fund budget, beginning in FY 2026:

1. The City's increasing unfunded capital improvement program
2. Long-term General Fund financial projections indicating a potential shortfall in upcoming fiscal years
3. The passage of Amendment 5 in November 2024, which increases the homestead exemption and further constrains the growth of taxable property values.

These considerations are essential to ensure that the decision regarding the funding of a 2026 Lincoln Road Mardi Gras festival aligns with the City's broader long-term financial stability and strategic priorities.

BACKGROUND/HISTORY

During the February 26, 2025 City Commission meeting, the Mayor and City Commission referred, at the request of Commissioner Laura Dominguez, to the Public Safety and Neighborhood Quality of Life Committee (PSNQLC) and the Sister Cities Committee, a discussion regarding a possible city partnership with the Lincoln Road Business Improvement District (LRBID) to create an annual Lincoln Road Mardi Gras Festival to launch in February 2026.

LRBID has proposed establishing the festival as an annual cultural event aimed at promoting Lincoln Road as a premier destination for cultural experiences, economic vitality, and community engagement. (See Exhibit A).

Sponsor Commissioner Dominguez requested that the Administration evaluate the proposal, prepare a preliminary budget estimate reflecting anticipated City support, and advise the PSNQLC as to potential next steps. (See Exhibit B).

During its March 3, 2025 meeting, the Sister Cities Committee reviewed the LRBID proposal and recommended support. (See Exhibit C).

On May 14, 2025, the Public Safety and Neighborhood Quality of Life Committee discussed the proposal and recommended transmitting a favorable recommendation to support the initiative with a funding allocation as part of the FY 2026 budget preparation process, as well as waiver of the costs for associated City services.

On May 27, 2025, the Administration discussed the idea, amongst a list of Commission committee recommendations not yet approved by Commission, with the Mayor and City Commission during the 2026 Commission Budget Retreat.

ANALYSIS

Themed special events hosted by Business Improvement Districts (BIDs) can yield numerous benefits, including increased foot traffic, boosted visibility for local businesses, and enhanced community engagement, ultimately contributing to a more vibrant, economically resilient area.

The LRBID has a proven track record with producing themed events, notably the annual “Halloween on Lincoln Road” which attracts over 50,000 participants and features parades, outrageous costumes, and family-friendly entertainment. This event boosts business activity, creates temporary employment opportunities, and enhances Miami Beach’s image as a lively, inclusive destination. The free event is open to the public and social media promotes Lincoln Road and Miami Beach as a family-friendly destination for Halloween. Attendees patronize businesses along the eight-block district, noted as one of the best spots for people watching on Halloween night. An economic stimulator creates temporary job opportunities, for example, extra staff hired to manage increased foot traffic and produce the event.

Mardi Gras (“Fat Tuesday”) is to some, akin to Halloween, and more than just parades and celebrations. The focus of many Mardi Gras celebrations is on the joy, community, and include parades with floats, music, and costumed participants, wearing of masks, and costumes to participate in the festivities, and enjoying food and beverages.

Nationally, Mardi Gras is a major economic force; in 2024, New Orleans welcomed visitors during the carnival season, generating substantial commercial activity, increased property demand, and heightened retail sales that shapes both the commercial and residential value in Greater New Orleans. In 2024, the carnival season drew 1.7 million visitors to New Orleans, fueling local spending and increasing demand for prime properties. The annual surge influences real estate trends and generates millions in direct and indirect economic impact. The influx of visitors boosts demand for retail space, with businesses looking to capitalize on the surge, often seeking temporary pop-up permits that sometimes lead to long-term leases.

While Lincoln Road is not New Orleans, it could be for one day and a thoughtfully curated local Mardi Gras celebration could become a signature annual event. A local Mardi Gras celebration could be an opportunity – an economic catalyst for businesses that understand how to engage authentically. Strategically executed, the LRBID could create a ripple effect that drives economic activity, encourages cultural expression, and attracts both residents and visitors. As with Halloween, businesses can tailor offerings to align with Mardi Gras to build brand visibility and generate new customer engagement.

The key to success is to strategically build an event that has a long-term strategy that is authentic, purposeful, and offers meaningful participation. An event that is aligned with Miami Beach’s values, creates experiences that matter, and invests in relationships beyond the event itself. This is what “Halloween on Lincoln Road” does, and what “Lincoln Road Mardi Gras Festival” can do.

LRBID’s proposal includes an event footprint comparable to Halloween on Lincoln Road, and

envisions walking parades, themed decorations, live music, family-friendly activities, crafts, and costume contests. Additional elements under consideration also include:

- Outdoor bars serving themed libations
- New Orleans-inspired culinary activations
- Decorative, carnival themed installations and banners
- Static and digital marketing and promotion

Although LRBID has not submitted a formal financial request for City sponsorship, the event is proposed to launch on or about the first quarter of 2026.

Greater Miami does not have city-wide Mardi Gras celebrations like New Orleans. A Mardi Gras Festival on Lincoln Road represents a unique opportunity to support local businesses, create jobs, enhance tourism, and reinforce the image of Miami Beach and Lincoln Road as a vibrant cultural destination.

FISCAL IMPACT STATEMENT

The preliminary budget for the LRBID Mardi Gras Festival is approximately \$104,770, including costs associated with permits, security, sanitation, and other city services. The LRBID is requesting a \$40,000 city sponsorship for entertainment costs as well as waiver of City services similar to Halloween. Lincoln Road Halloween City Services costs for FY 2024 were approximately \$64,770 for Sanitation, Police, Facilities, and Code Compliance departments.

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-notices/>

FINANCIAL INFORMATION

CONCLUSION

The foregoing considerations are essential to ensure that decisions regarding the addition of a Mardi Gras celebration on Lincoln Road align with the City's broader long-term financial stability and strategic priorities. Since the Committee recommended funding, the Administration recommends it be considered as part of the FY 2026 budget process.

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?

If so, specify the name of lobbyist(s) and principal(s):

Department

Economic Development

Sponsor(s)

Commissioner Laura Dominguez

Co-sponsor(s)

Condensed Title

Accept Rec/Allocate Funds/Waive Costs, Partner w/ LRBID for Annual Linc Rd Mardi Gras Festival. (LD) ED

Previous Action (For City Clerk Use Only)