



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: April 23, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AT ITS MARCH 26, 2025, MEETING, AND DIRECTING THE ADMINISTRATION TO MAINTAIN THE CURRENT ONE-TIME FEE IN LIEU OF PARKING RATE OF \$40,000.00 PER REQUIRED OFF-STREET PARKING SPACE.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission (City Commission) adopt the attached resolution.

BACKGROUND/HISTORY

On December 11, 2024, at the request of the City Manager, the City Commission referred a discussion item (C4 B) regarding the fee in lieu of parking rate to the Finance and Economic Resiliency Committee (FERC). On March 26, 2025, the FERC recommended that the City Commission accept the recommendation of the Administration to maintain the current one-time fee in lieu of parking rate.

ANALYSIS

Chapter 5, Article IV, of the Land Development Regulations of the City Code (LDRs) contains the "Fee in Lieu of Parking Program" where under certain circumstances new development or uses may pay an impact fee to the City if they are not able to provide required parking on-site. Specifically, Section 5.4.2 (d) of the LDRs requires that *"The amount determined to be the city's total average cost for land acquisition and construction of one parking space shall be evaluated by the city commission based upon the Consumer Price Index (CPI). If determined appropriate, the city commission may amend the fee structure in this section by resolution."*

At present, the one-time fee in lieu of parking rate is \$40,000.00 per required parking space. This fee was last revised in September of 2014, when it was raised from \$35,000.00 per space to the current amount of \$40,000.00 per space.

As required by Section 5.4.2(d) of the LDRs, the Planning Department has analyzed the cost of construction for an off-street parking space. The most recently built garage by the City is the Collins Park Garage, which was constructed in 2021 at a cost of approximately \$23,921,877.37 for 516 parking spaces. The construction cost for this garage averages out to \$46,360.23 per parking space.

Based on the Consumer Price Index (CPI), since the garage was completed, the cost per space would now be \$54,567.33 (see table below). If this cost were applied, the one-time fee would increase by \$14,567.33 per required space, from \$40,000.00 per space to approximately \$55,000.00 per space.

Fee in Lieu of Parking Fee Analysis						
Garage	Construction Cost	Spaces	Cost/Space	Year Opened	2021-2022	2022-2023
CPI Adjustment %					7.10%	9.90%
Collins Park Garage (G12) at 340 23rd Street	\$23,921,877.37	516	\$46,360.23	2021	\$49,651.80	\$54,567.33

Additionally, the annual-recurring fee (annual fee in lieu), which is 2% of the one-time fee, would increase from the current \$800.00 per year, for each required space, to approximately \$1,100.00 per year for each required space.

The current one-time fee in lieu of parking (\$40,000.00 per space) is prohibitively expensive and has resulted in many applicants seeking alternatives other than paying the fee for new construction. Since 2020, only one development project has utilized the one-time fee option, for 2 required parking spaces (\$80,000.00).

Increasing the fee would primarily impact businesses that pay the annual recurring fee (annual fee in lieu), resulting in higher annual fees for participating businesses. The following is a summary of annual fee in lieu revenue collected from 2020 to 2025:

	FY2024	FY2023	FY2022	FY2021	FY2020
South Beach	\$392,464.53	\$469,946.37	\$162,976.70	\$ 394,490.62	\$ 270,710.52
Mid Beach	\$9,677.00	\$9,600.00	\$ 20,495.00)	\$ 18,138.35	\$ 22,076.52
North Beach	\$1,600.00	\$3,200.00	\$ 3,200.00)	\$ 3,173.33	\$ 3,200.00
Total	\$403,741.53	\$482,746.37	\$186,671.70	\$415,802.30	\$ 295,987.04

Pursuant to Section 5.4.4 of the LDRs, the funds generated by the fee in lieu program are to be used for providing parking, transportation and mobility related improvements and programs in the vicinity of the north, middle and south districts, as applicable, of the subject property. Expenditures from these funds require city commission approval and may include the following:

- 1) Parking garages and related facilities.
- 2) Transit capital funding:
 - a) Purchase of buses for circulator routes.
 - b) Bus shelters.
 - c) Transit infrastructure.
- 3) Traffic improvements:
 - a) Traffic signals.
 - b) Signal timing operations.
 - c) Lane modifications.
- 4) Bicycle facilities:
 - a) Bicycle lanes and paths.
 - b) Bicycle racks and storage.
- 5) Intelligent transportation systems:
 - a) Electronic message boards.
- 6) Pedestrian improvements:
 - a) Crosswalks.
 - b) Traffic signals.
- 7) Pedestrian facilities
 - a) Beachwalk.
 - b) Baywalk.
- 8) Other parking, transportation and mobility related capital projects as may be specifically approved by the city commission.
- 9) In addition, transit operational funding for newly introduced transportation enhancements and program expansions (limited to operational, non-administrative costs only, i.e., drivers, fuel, maintenance and insurance) may be included if expressly approved by the city commission.

As noted above, the funds generated by the annual fee in lieu program are significant. However, increasing the one-time fee, and a corresponding increase in the yearly fee, could impact smaller businesses.

In view of the foregoing, the Administration recommends that the one-time fee in lieu of parking rate, which is currently set at \$40,000.00 per off-street parking space, remain the same. This would allow the rate of the annual fee in lieu of parking program, which is 2% of the one-time fee, to remain at the current \$800.00 per required space.

FISCAL IMPACT STATEMENT

No Fiscal Impact

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

Not Applicable

CONCLUSION

The Administration recommends that the City Commission adopt the attached resolution.

Applicable Area

Citywide

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

Planning

Sponsor(s)

Co-sponsor(s)

Condensed Title

Accept Recommendation, Maintain Current One-Time Fee in Lieu of Parking Rate. PL

Previous Action (For City Clerk Use Only)