

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO:	Finance and Economic Resiliency Committee Members
FROM:	Rickelle Williams, Interim City Manager
DATE:	July 26, 2024
TITLE:	<b>DISCUSS THE ECONOMIC IMPACT AND FEASIBILITY OF ALLOWING OUTDOOR DINING CONCESSIONS ON OCEAN DRIVE TO REMAIN OPEN UNTIL 5 P.M. ON WEEKDAYS, AND POSSIBLY ON WEEKENDS, DURING SPRING BREAK.</b>

### **BACKGROUND/HISTORY**

The City of Miami Beach (the "City") is an internationally renowned tourist destination that is famous for its beautiful beaches, world-class shopping, entertainment, fine dining, and vast array of artistic and cultural events.

In recent years, the City has seen an increasingly large number of visitors during the Spring Break period, which poses significant challenges including, but not limited to, extreme traffic and congestion, and severe impacts to the City's Police, Fire, Sanitation, and Code Compliance services. In the past, the City has taken emergency measures, including an 8:00 pm. curfew in the area between 5th Street and 16th Street, from Pennsylvania Avenue to Ocean Drive. Despite the vast and highly-visible police presence in the City, illegal behavior continued undeterred.

On March 27, 2023, the Mayor and City Commission adopted Resolution No. 2023-32557, endorsing the City Manager's intent to declare a state of emergency in the south of Dade Boulevard/ 23rd Street area in accordance with chapter 252 of the Florida Statutes, including the imposition of a curfew for limited periods of March of 2024.

On January 31, 2024, the Mayor and City Commission adopted Resolution No. 2024-32905, directing the Administration to implement comprehensive strategies for Spring Break 2024, including if necessary, the suspension of sidewalk cafe operations on Ocean Drive, from 5th Street to 15th Street, starting at 7:00 p. m., from Friday, March 8, 2024 through Sunday, March 10, 2024, and from Friday March 15, 2024 through Sunday, March 17, 2024, as authorized by the City's outdoor dining concession contracts, to allow for public safety.

On June 26, 2024, the Mayor and City Commission approved a referral to the Finance and Economic Resiliency Committee, Item C4 I, sponsored by Commissioner K. Tanya Bhatt, to discuss the economic impact and feasibility of allowing outdoor dining concessions on Ocean Drive to remain open until 5 p.m. on weekdays, and possibly on weekends during spring break 2025. The referral also requests for the Administration to engage with the Ocean Drive Association and other stakeholders and present findings and recommendations at FERC.

## **ANALYSIS**

The City is unable to determine the exact economic impact and feasibility of allowing outdoor dining concessions on Ocean Drive should it remain open until 5 p.m. on weekdays and possibly on weekends during spring break. The City collects Resort Tax revenue data provided from restaurant owners based on a month's total sales revenue.

The table below depicts Resort Tax revenue calculations for the City of Miami Beach, for the month of March 2023 and March 2024.

	<b>FY 2022 - 2023</b>	<b>FY 2023 - 2024</b>	<b>% Variance</b>
Alcohol	\$ 50,691,368.00	\$ 45,520,871.00	-10%
Food	\$ 98,591,063.00	\$ 100,251,738.00	2%
<b>TOTAL</b>	<b>\$ 149,282,431.00</b>	<b>\$ 145,772,609.00</b>	<b>-2%</b>

The table below depicts resort tax revenue calculations for Ocean Drive, for the month of March 2023 and March 2024:

	<b>FY 2022 - 2023</b>	<b>FY 2023 - 2024</b>	<b>% Variance</b>
Alcohol	\$ 8,051,296.00	\$ 6,772,436.00	-16%
Food	\$ 11,294,003.00	\$ 11,393,948.00	1%
<b>TOTAL</b>	<b>\$ 19,345,299.00</b>	<b>\$ 18,166,384.00</b>	<b>-6%</b>

Based on the numbers above, there appears to be a correlation on the lower amounts of revenue from 2023 to 2024. While outside seating was restricted, stakeholders had the option to accommodate guests in their inside patio.

The Public Works Department will be reaching out to the Ocean Drive Association for any additional feedback that may be able to be released and present it to Committee members for discussion and further direction.

## **FISCAL IMPACT STATEMENT**

The City is unable to determine the exact economic impact and feasibility of allowing outdoor dining concessions on Ocean Drive should it remain open until 5 p.m.. on weekdays and possibly on weekends during spring break. The City collects resort tax revenue data provided from restaurant owners based on a month's total sales revenue.

## **CONCLUSION**

The following is presented to FERC members for discussion and further direction

### **Applicable Area**

South Beach

<b><u>Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?</u></b>	<b><u>Is this item related to a G.O. Bond Project?</u></b>
No	No

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**Department**

Public Works

**Sponsor(s)**

Commissioner Tanya Bhatt

**Condensed Title**

DISCUSS THE ECONOMIC IMPACT AND FEASIBILITY OF ALLOWING OUTDOOR DINING CONCESSIONS ON OCEAN DRIVE TO REMAIN OPEN UNTIL 5 P.M. ON WEEKDAYS, AND POSSIBLY ON WEEKENDS, DURING SPRING BREAK.