

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: October 30, 2024 2:25 p.m. Public Hearing

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, FOLLOWING A DULY ADVERTISED PUBLIC HEARING, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE AND OF THE ADMINISTRATION, AND WAIVING, BY 5/7TH VOTE, THE COMPETITIVE BIDDING REQUIREMENT, AS PERMITTED IN SECTION 82-39(A) OF THE CITY CODE, FINDING SAID WAIVER TO BE IN THE BEST INTEREST OF THE CITY, AND APPROVING, IN SUBSTANTIAL FORM, AN AMENDED AND RESTATED LEASE AGREEMENT AMONG THE CITY AND THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA) (COLLECTIVELY, LANDLORD) AND MOONLIGHTER FABLAB, INC. (TENANT), FOR USE OF APPROXIMATELY 7,655 SQUARE FEET OF RETAIL SPACE, LOCATED AT 1661 PENNSYLVANIA AVENUE, MIAMI BEACH, FLORIDA (DEMISED PREMISES); SAID LEASE ADDING TWO ADDITIONAL RENEWAL TERMS: (1) A THREE-YEAR RENEWAL TERM, COMMENCING ON MAY 17, 2026 AND EXPIRING ON MAY 16, 2029, AND (2) A FINAL RENEWAL TERM OF ONE (1) YEAR AND 364 DAYS, COMMENCING ON MAY 17, 2029 AND EXPIRING ON MAY 15, 2031, TO ENABLE TENANT TO SECURE THE FUNDS NEEDED TO EXPAND PROGRAMMING AT THE DEMISED PREMISES; AND FURTHER AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE THE LEASE.
JOINT CITY COMMISSION AND REDEVELOPMENT AGENCY

RECOMMENDATION

The Administration recommends that the Mayor and City Commission waive, by a 5/7ths vote, the formal competitive bidding requirement, as permitted under Section 82-39(a) of the City Code, as being in the best interest of the City.

BACKGROUND/HISTORY

The City owns the Pennsylvania Avenue Garage Condominium, located at 1661 Pennsylvania Avenue, Miami Beach, Florida 33139, which includes Unit 1, a municipal garage (the "Penn Garage"), having approximately 560 parking spaces, and Unit 2, which includes Suites A-G, and has a total of approximately 7,655 square feet of ground floor retail space (the "Retail Space").

On March 13, 2019, pursuant to Resolution No. 2019-30761, the Mayor and City Commission approved a lease among the City of Miami Beach (the "City") and the Miami Beach Redevelopment Agency (the "RDA") (collectively, "Landlord") and Moonlighter Fablab, Inc. d/b/a Moonlighter Makerspace ("Moonlighter" or "Tenant") for use of approximately 6,720 square feet of the Retail Space for an initial term of three (3) years, with two (2) additional renewal terms, of one (1) year each at Landlord's option, for the purpose of providing an innovative public space

combining a Science, Technology, Engineering, Arts & Math (S.T.E.A.M) education center, co-working space, and digital fabrication lab ("Lease"); and further requiring the City of Miami Beach ("City") to install, at its cost, a demising wall at the Retail Space, dividing MBCC's space from the proposed Moonlighter space to enable both tenants to occupy the Retail Space ("City's Work").

On February 19, 2021, the Finance and Economic Resiliency Committee ("FERC") discussed expanding Moonlighter to the northeasterly 935 square feet area of the Retail Space, previously occupied by the Miami Beach Chamber of Commerce ("MBCC") Visitor Center. On April 21, 2021, the City Commission and RDA accepted the FERC's recommendation, and pursuant to Resolution No. 2021-31687, approved Amendment No. 1 to the Lease Agreement to include the remaining 935 square foot area for a total 7,665 square feet of Retail Space.

On August 16, 2023, the Landlord and Tenant exercised the First Renewal Option commencing on May 1, 2024, and ending on April 30, 2025. The Lease Agreement has one remaining renewal option for a period of (1) one year which the Tenant intends on exercising.

ANALYSIS

Tenant has expressed that in order to obtain and secure funding for additional programs, a Lease of more than one year is necessary. Accordingly, Tenant has requested the Landlord approve the extension of the term of the Lease for two more renewal options: (i) a three-year term renewal term, and (ii) a final renewal term of one (1) year and 364 days in order to secure the funds needed to continue operating and expand programming.

Finance Economic and Resiliency Committee (FERC) Recommendation

On April 19, 2024, this item was presented before the Finance Economic and Resiliency Committee for consideration. Commissioner Fernandez moved the approval of the Lease to the full City Commission, with the favorable recommendation of the remaining members of the FERC, with a request for additional public benefits directed towards the City's schools, nonprofits, and seniors.

The basic terms and additional public benefits negotiated for the proposed Amended and Restated Lease Agreement are as follows:

Demised Premises: Approximately 7,655 rentable square feet

Use: S.T.E.A.M. education center, co-working space, and digital fabrication lab.

Term: Initial Term commencing May 17, 2021, and expiring May 16, 2024

Renewal Terms: (i) one (1) year, commencing on May 17, 2024 and expiring on May 16, 2025; (ii) one (1) year, commencing on May 17, 2025 and expiring on May 16, 2026 (ii) a three-year term, commencing on May 17, 2026 and expiring on May 16, 2029; and (iii) a final term for one (1) year and 364 days, commencing on May 17, 2029 and expiring on May 15, 2031

Rent: One Dollar (\$1.00) annually

Additional Rent: In addition to the Base Rent, Tenant shall also pay the Property Tax Payment, sales and use taxes.

Maintenance: Tenant shall be solely responsible for the operation, maintenance and repair of the Demised Premises; Tenant shall maintain all fixtures and appurtenances, interior walls, windows and doors; the City maintain the exterior structure, including roof, exterior plumbing, exterior painting and A/C units shared by more than one tenant.

Utilities/Insurance: The City pays for utilities (electricity and water and sewer expenses). The City pays for insurance costs; the Tenant unconditionally agrees to reimburse the City for any increase in the costs associated with the Tenant's occupancy.

Termination Option: The City reserves the right, through its City Manager, to terminate the Lease Agreement, at any time, without cause and without liability to the City, upon providing the Tenant with one hundred eighty (180) days prior written notice.

Moonlighter has proposed to expand their existing programs the public benefits initiatives as outlined below:

S.T.E.A.M. Education

Supporting Science, Technology, Engineering, Arts, and Mathematics education to students throughout Miami Beach.

- 1 Free field trip for up to 300 students from the following public schools in Miami Beach:
 - North Beach Elementary
 - Miami Beach South Pointe Elementary
 - Biscayne Beach Elementary
 - Treasure Island Elementary School
 - Miami Beach Fienberg/Fisher K-8
 - Miami Beach Nautilus Middle
 - Miami Beach Senior High School

- 20% off any additional field trips for the above listed public schools in Miami Beach.

- 10% off all Moonlighter Fablab youth S.T.E.A.M. programming to all Miami Beach residents/students.

- Free professional development workshops for up to 25 Miami Beach teachers and recreation staff per year.

- Annual Internships for MB High School Students. Up to 5 Students in Spring and up to 5 Students in Fall semester each year Internship provides Advanced Manufacturing S.T.E.A.M Basics Certification.

- Up to 1 free tour of Makerspace for all IT Academy Students in Miami Beach Senior High School, organized by Miami Beach Senior High School.

Miami Beach Resident Discounts

- Community Workshops: Our workshops teach the basic and safety use of various advanced manufacturing equipment, hand tools, and design software available in the Moonlighter Fablab Miami Beach | Community Benefits 3 lab. All Miami Beach residents will have an exclusive discount (with Photo ID confirming MB residence) to all community workshops. 10% off maker workshops for Miami Beach residents.
- Nonprofits based in Miami-Beach receive up to 2 free technical office hours in support of their mission-based projects.
- City of Miami Beach Senior Residents (ages 65+) receive a 15% discount on memberships to Moonlighter Fablab.
- City of Miami Beach Public Schools (North Beach Elementary, Miami Beach South Pointe Elementary, Biscayne Beach Elementary, Treasure Island Elementary School, Miami Beach Fienberg/Fisher K-8, Miami Beach Nautilus Middle School, Miami Beach Senior High School) S.T.E.A.M. related clubs can schedule use of the space for S.T.E.A.M.-related projects and activities up to 2 hours per month.

Venue Waiver

- Partner with Miami Beach Chamber of Commerce to provide free use of space for business development workshops, networking events, or economic development events up to four events annually.
- Up to 4 venue waivers per year: Exhibition space can be granted to civic, arts and cultural, and educational organizations for exhibitions, fundraisers, workshops, and events that support the advancement of the mission.

The following benefits are offered contingent upon success of additional fundraising efforts:

S.T.E.A.M. Education

- Scholarships for up to 50 needs-based students to attend Summer S.T.E.A.M.. Camps at Moonlighter.
- Scholarships for after-school sessions for low income/needs-based Miami Beach Fienberg/Fisher K-8 + Biscayne Beach Elementary students with transportation included from the school.
- Paid Summer internship programs for Miami Beach Senior High School students.
- On-Site S.T.E.A.M. programs at Miami Beach Schools subject to availability of necessary on-site equipment.

Urban Placemaking / Arts Activations

10% off design and fabrication services for civic or arts organizations. Partnering with local Miami Beach institutions to activate public spaces and/or support arts initiatives with the digital fabrication lab. Work with local artists to nurture emerging talent: Artisans and Innovators in Residence. A residency program that supports creatives with the resources they need to build their innovative concepts.

Free Community Events

Up to 10 free community events per year. Talks/lectures, panels, exhibitions, meetups, and presentations exploring the fields of Art, Design, Engineering, Internet of Things, Machine Learning, Artificial Intelligence, Robotics, Automation, Autonomous, Alternative Energies, Advanced Manufacturing and Construction, Climate Resilience, Maker Education, and Community Benefits relevant topics to advance education and workforce development in the region, preparing the City for innovation industries.

FISCAL IMPACT STATEMENT

N/A

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

CONCLUSION

The City Manager recommends that the Mayor and Members of the Miami Beach City Commission approve the Amended and Restated Lease (attached hereto as Exhibit A) with Moonlighter Fablab Inc. and waive by a 5/7ths vote, the formal competitive bidding requirement, as permitted under Section 82-39(a) of the City Code, as being in the best interest of the City.

Applicable Area

South Beach

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

Facilities and Fleet Management

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Condensed Title

Joint, 2:25 p.m. PH, Approve Lease Agmt w/ Moonlighter Fablab, 1661 Pennsylvania Ave.
(Fernandez) FF 5/7