

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 26, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND RESILIENCY COMMITTEE, AT ITS JANUARY 24, 2025 MEETING, TO IMPLEMENT A ONE-YEAR LINCOLN ROAD OUTDOOR CONCESSION ABATEMENT PROGRAM AT 100% REDUCTION FOR THE FIRST THREE MONTHS FOR ANY NEW RESTAURANT AND A 50% REDUCTION FOR THE MONTHS OF AUGUST, SEPTEMBER, AND OCTOBER OF 2025 (DEEMED THE SLOWEST MONTHS OF THE YEAR); AND FOR SUCH REDUCTIONS TO BE EFFECTIVE DURING THE OCTOBER 2025-MARCH 2026 BILLING PERIOD.

### **RECOMMENDATION**

The Administration does not recommend decreasing the outdoor dining concession fees by 50%, nor the three-month abatement for new businesses, as it would not represent a significant amount of cost savings for the outdoor dining concession applicant.

### **BACKGROUND/HISTORY**

On November 20, 2024, at the request of Commissioner Kristen Rosen Gonzalez, the Mayor and City Commission (City Commission) approved item C4F, a referral to the Finance and Economic Resiliency Committee (FERC) to discuss considering a 50% outdoor dining concession fee reduction during the months of August, September, and October (deemed the slowest months of the year), and a fee abatement for any new business for the first three months of operation.

This discussion was scheduled to be heard at the December 20, 2024 FERC meeting, however, the item was not reached. It was heard instead at its next meeting on January 24, 2025.

### **ANALYSIS**

The outdoor dining concession agreement for Fiscal Year (FY) 2024/25 began on October 1, 2024. Fees for the concessions are broken down into two payments. The first payment covers the months of October – March and the second payment from April – September.

Any amendments to the agreement would require City Commission approval, to amend the billing cycle, and proceed with the fee adjustments for the desired months. The adjustments would be based on the restaurant's outdoor seating square footage multiplied by \$32 per square foot, per year, which the City charges, minus the 50% suggested discount. There are currently 149 outdoor concessions throughout the City (Attachment A), bringing an estimated revenue of \$2 Million per year.

Currently, there are eight (8) new restaurants that have applied for an outdoor dining concession. One (1) of the new restaurants is on Lincoln Road with approximately 100 square feet (equating to \$800 for a 3-month period).

## **FISCAL IMPACT STATEMENT**

There will not be a fiscal impact, however, there will be a revenue impact as listed below:

### **100% abatement for any new business on Lincoln Road:**

\$6,400, based on an 800 SF average footprint per new restaurant

### **50% reduction for the months of August, September and October of 2025:**

\$123,140, effective during the October 2025 – March 2026 billing period (next fiscal year) for Lincoln Road only.

## **CONCLUSION**

The Administration does not recommend decreasing the outdoor dining concession fees by 50%, nor the three-month abatement for new businesses, as it would not represent a significant amount of cost savings for the outdoor dining concession applicant.

## **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

## **Department**

Public Works

## **Condensed Title**

Accept Recom, Implement 1-Year Lincoln Road Outdoor Concession Abatement Program. PW

## **Previous Action (For City Clerk Use Only)**