

C4 AI REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS THE CURRENT AGREEMENT WITH 1ST CLASS PARKING CORPORATION FOR VALET PARKING CONCESSION AND THE POTENTIAL OF CREATING A SUBSIDIZED AND UNIFIED VALET PARKING SYSTEM OFFERING REDUCED RATES AND GREATER CONVENIENCE TO CUSTOMERS.

Applicable Area:



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 3, 2025

TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS THE CURRENT AGREEMENT WITH 1ST CLASS PARKING CORPORATION FOR VALET PARKING CONCESSION AND THE POTENTIAL OF CREATING A SUBSIDIZED AND UNIFIED VALET PARKING SYSTEM OFFERING REDUCED RATES AND GREATER CONVENIENCE TO CUSTOMERS.

RECOMMENDATION

The City Administration ("Administration") recommends exploring opportunities to provide more affordable valet rates and greater convenience to valet customers and recommends that, at the request of the item sponsor, Commissioner Kristen Rosen Gonzalez, the Mayor and City Commission ("City Commission") refer this item to the Finance and Economic Resiliency Committee ("FERC") for discussion and input.

BACKGROUND/HISTORY

On August 7, 2023, the City of Miami Beach ("City") executed a concession agreement ("Agreement") with 1st Class Parking Corporation ("1st Class") for valet parking concession pursuant to Request for Proposals ("RFP") No. 2022-043-WG. The Parking Department currently administers the Agreement to provide valet parking services for several prominent locations in the City, including The Fillmore at The Jackie Gleason Theater, Miami Beach Convention Center, Lincoln Road, and other City properties as authorized by the City Manager. Under the terms of the existing Agreement, 1st Class is required to adhere to a rate schedule for each valet vehicle at each location, in addition to paying concession fees to the City. The current valet rate schedule is as follows:

- Filmore at the Jackie Gleason Theater
 - Sponsored Event Fee \$30.00
 - Pre-Paid Tickets \$35.00
- Miami Beach Convention Center (MBCC)
 - Sponsored Event Fee \$30.00
 - Standard Event Fee \$35.00
- Lincoln Road Mall (certain designated locations)
 - Event days at MBCC, Filmore, New World Symphony \$25.00
 - Non- event days at MBCC or Filmore \$20.00
- Other City Properties (as authorized by the City Manager) \$20.00

In addition, the Agreement provides for a minimum guarantee monthly payment to the City, a percentage of gross receipts paid annually to the City, and excess transaction fees paid to the City based on the established valet rate schedule. The initial term of the Agreement is for one (1) year, commencing on September 1, 2023, with four (4) additional one (1) year renewals at the City's sole discretion, expiring on August 30, 2027. The City reserves the right to re-negotiate concession fees for each annual renewal term.

Given the challenges with finding convenient parking in some areas of the City, some businesses and residents have expressed concerns with the cost of the City's valet services and a desire for more affordable rates for customers. In addition, the current code restriction limiting valet services to only one operator per block (with the exception of Ocean Drive), has also presented some challenges for private valet services and customers, thus, the concept of creating a more "unified" valet system with multiple pick-up and drop-off locations is worth exploration.

For context, in the City of Miami, the Miami Parking Authority ("MPA") executed an agreement with the Miami Design District Associates LLC to help financially support a valet parking service in the Miami Design District through a subsidy from the Design District Parking Improvement Trust Fund, which is administered by the MPA. As a result of this contribution, valet parking operators are not charged the MPA's daily space rental fee for the use of the on-street parking spaces as valet ramps. This contribution alleviates the financial burden on valet companies, enabling them to offer more affordable services to visitors of the area. Furthermore, it should be noted that valet customers can drop off and retrieve their vehicles at any of the ten (10) valet stations and four (4) parking garages located throughout the Design District neighborhood, enhancing customer convenience, service, and satisfaction.

ANALYSIS

The Parking Department will initiate discussions with the MPA and other parking entities to explore opportunities for expanding the City's current valet services beyond the current scope. This effort will involve conducting comprehensive research to identify potential strategies for reducing costs while enhancing customer convenience and maintaining service quality. Additionally, should the Mayor and Commission approve this referral, Parking Department staff will be prepared to provide an update during the upcoming FERC meeting.

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-notices/>

FINANCIAL INFORMATION

N/A

CONCLUSION

The Administration recommends exploring opportunities to provide more affordable valet rates and greater convenience to valet customers and recommends that the City Commission refer this item to the FERC for further discussion and input.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Is this item related to a G.O. Bond Project?

Yes

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

Parking

Sponsor(s)

Commissioner Kristen Rosen Gonzalez

Co-sponsor(s)

Condensed Title

Ref: FERC - Agmt w/ 1st Class Parking Corporation for Valet Services. (Gonzalez) PK

Previous Action (For City Clerk Use Only)