

NB 9. DISCUSS THE ANNUAL EVALUATION OF THE PARKING IMPACT FEE.

Applicable Area:

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members
 FROM: Eric Carpenter, City Manager
 DATE: March 26, 2025
 TITLE: DISCUSS THE ANNUAL EVALUATION OF THE PARKING IMPACT FEE.

RECOMMENDATION

The Administration recommends that the Finance and Economic Resiliency Committee (FERC) discuss the item and recommend to the Mayor and City Commission (City Commission) that the yearly fee in lieu of parking rate, which is currently set at \$40,000 per off-street parking space, remain the same.

BACKGROUND/HISTORY

On December 11, 2024, at the request of the City Manager, the City Commission referred the subject discussion item (C4 B) to the FERC.

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 fee-in-lieu of parking rate is \$40,000 per required parking space. This fee was last revised in September of 2014, when it was raised from \$35,000 per space to the current amount of \$40,000 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 per space to approximately \$55,000 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 per year for each required space.

The current one-time fee-in-lieu of parking (\$40,000 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).

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 yearly fee-in-lieu of parking rate,

which is currently set at \$40,000 per off-street parking space, remain the same. The annual fee-in-lieu of parking program, which is 2% of the one-time fee, would not increase from the current \$800.00 per required space.

FISCAL IMPACT STATEMENT

See analysis above.

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

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 FERC discuss the item and recommend to the City Commission that the yearly fee in lieu of parking rate, which is currently set at \$40,000 per off-street parking space, remain the same.

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)

City Manager

Co-sponsor(s)

Condensed Title

Discuss the Annual Evaluation of the Parking Impact Fee



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Eric Carpenter, City Manager
DATE: December 11, 2024
TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE – ANNUAL EVALUATION OF PARKING IMPACT FEE.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission (City Commission) refer a discussion item to the Finance and Economic Resiliency Committee (FERC) pertaining to the fee-in lieu of parking program.

BACKGROUND/HISTORY

Chapter 5, Article IV, of the Land Development Regulations of the City Code (LDR's) 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 LDR's 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 fee in lieu of parking is \$40,000 per required space. This fee was last revised in September of 2014, when it was raised from \$35,000 per space to the current amount of \$40,000 per space.

ANALYSIS

As required by Section 5.4.2(d) of the LDR's, 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 per space to approximately \$55,000 per space. Additionally, the annual-recurring fee, which is 2% of the one-time fee, would increase from the current \$800.00 per required space to approximately \$1,100 per required space.

Table with 6 columns: Garage, Construction Cost, Spaces, Cost/Space, Year Opened, 2021-2022, 2022-2023. Row 1: CPI Adjustment % (7.10%, 9.90%). Row 2: Collins Park Garage (G12) at 340 23rd Street (\$23,921,877.37, 516, \$46,360.23, 2021, \$49,651.80, \$54,567.33)

The current fee in lieu of parking is prohibitively expensive and has resulted in many applicants seeking alternatives other than paying the fee for new construction. Increasing the fee would primarily impact businesses that pay the annual recurring fees, potentially resulting in higher

annual fees.

The Administration recommends that this item be referred to the FERC to discuss and provide a recommendation on the following:

1. Whether to increase the fee in lieu of parking, which is currently set at \$40,000 per off-street parking space.
2. Discuss and provide a recommendation on the effectiveness and continued application of the fee in lieu of parking program.

FISCAL IMPACT STATEMENT

Not Applicable

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 refer a discussion item to the FERC pertaining to the fee-in lieu of parking program.

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

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Condensed Title

Ref: FERC – Annual Evaluation of Parking Impact Fee. (CM) PL