

NB 19. DISCUSS THE MANAGEMENT AND OPERATION OF PUBLIC BEACHFRONT CONCESSION AGREEMENT(S) AS IT PERTAINS TO THE SALE OF ALCOHOLIC BEVERAGES AND ADVERTISING / SPONSORSHIP OPPORTUNITIES

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 MANAGEMENT AND OPERATION OF PUBLIC BEACHFRONT CONCESSION AGREEMENT(S) AS IT PERTAINS TO THE SALE OF ALCOHOLIC BEVERAGES AND ADVERTISING / SPONSORSHIP OPPORTUNITIES

RECOMMENDATION

The Administration recommends that the FERC discuss and take action on this proposed amendment and present it for consideration.

BACKGROUND/HISTORY

On February 26, 2025, the Mayor and City Commission approved the referral of item C4 AC sponsored by Commissioner Rosen Gonzalez, to the Finance and Economic Resiliency Committee (“FERC” or the “Committee”) to discuss the management and operation of public beachfront concession agreement(s) as it pertains to the sale of alcoholic beverages and advertising / sponsorship opportunities (Exhibit A).

The City of Miami Beach and Boucher Brothers Miami Beach, LLC (“Concessionaire”) are parties to a concession agreement granting the Concessionaire the exclusive right to operate beachfront concessions at Lummus Park, Ocean Terrace, North Shore Open Space Park, and South Pointe Park Beach. The Agreement includes services such as the rental of beach equipment, food and beverage service, retail sales of beach-related products, and watersports rentals.

The original Concession Agreement, dated February 2, 2012, had an initial term of five (5) years, commencing retroactively on November 5, 2011, and ending on November 4, 2016, with one (1) renewal term of five (5) years, subject to approval by the Mayor and City Commission. On September 14, 2016, the City Commission approved Amendment No. 1, which extended the agreement for an additional five (5) years, ending on November 4, 2021. On May 21, 2019, pursuant to Resolution No. 2019-30829, the City and the Concessionaire executed an Amended and Restated Concession Agreement. This agreement granted Boucher Brothers the exclusive right to operate beachfront concessions for an extended initial term of seven (7) years and six (6) months, commencing on July 1, 2019, and ending on December 31, 2026, with two (2) additional renewal options for five (5) years each (the “Agreement”).

Throughout the term of the Agreement, the Concessionaire has consistently provided quality services, contributing to increased revenue and enhanced visitor experiences. Under this proposed second amendment, the Concessionaire would be permitted to incorporate alcoholic beverage sales as part of its food and beverage services, subject to compliance with all applicable local and state regulations. Additionally, the amendment includes provisions for advertising and sponsorship initiatives to enhance revenue potential and visitor engagement within the concession areas.

ANALYSIS

As part of the City's ongoing efforts to enhance visitor experiences and explore additional revenue-generating opportunities, the proposed amendment was reviewed to assess its potential benefits. The key considerations include:

- Increased Revenue: Allowing the sale of alcoholic beverages and securing sponsorships would contribute to higher concession revenues, benefiting both the Concessionaire and the City.
- Enhanced Guest Experience: The availability of alcoholic beverages aligns with industry trends and visitor expectations for premium beachfront services.
- Advertising and Sponsorship Opportunities: Partnerships with select brands could create additional revenue streams while maintaining the City's aesthetic and branding standards.

The Concessionaire's current Agreement does not allow for the sale of alcoholic beverages. Pursuant to the Agreement, Concessionaire shall not: (a) sell advertising for display in locations not plainly visible to the general public (but visible to beachgoers), such as the underside of umbrellas, menu display boards contained within a kiosk or hut) and, subject to the approval of the City Manager or his or her designee and the City Commission, such other advertising; or (b) to offer the exclusive sale, rental or use of any particular brand or product that would otherwise be permitted for use or sale pursuant to this Agreement, subject to the Concessionaire's disclosure of same, as required pursuant to this paragraph, and subject to the City's rights as stipulated in the Agreement. Concessionaire shall pay to the City an amount equal to the greater of (i) the Minimum Guarantee, or (ii) the Percentage of Gross Receipts in the amount equal to fifty percent (50%) of gross receipts derived by Concessionaire from the sales of Advertising and/or Sponsorship.

FISCAL IMPACT STATEMENT

N/A

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-notices/>

FINANCIAL INFORMATION

CONCLUSION

The proposed amendment would authorize Boucher Brothers Miami Beach, LLC to implement the sale of alcoholic beverages and advertising/sponsorships within the concession areas, subject to compliance with all applicable regulations and guidelines. If the Committee determines that the implementation of the sale of alcohol and advertising/sponsorship programs within the beach concession areas would be favorable to the City's economic interest, the Administration recommends that the FERC discuss and take action on this proposed amendment and present it for consideration.

Applicable Area

Citywide

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

No

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 Kristen Rosen Gonzalez

Co-sponsor(s)

Condensed Title

Discuss beachfront concession agreements as it pertains to the sale of alcohol and advertising opportunities.

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Kristen Rosen Gonzalez
DATE: February 26, 2025
TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCE COMMITTEE TO DISCUSS THE MANAGEMENT AND OPERATION OF PUBLIC BEACHFRONT CONCESSION AGREEMENT(S) AS IT PERTAINS TO THE SALE OF ALCOHOLIC BEVERAGES AND ADVERTISING / SPONSORSHIP OPPORTUNITIES.

RECOMMENDATION

BACKGROUND/HISTORY

Please place on the February 26, 2025, City Commission consent agenda a referral to the Finance and Economic Resilience Committee (FERC) to discuss the management and operation of public beachfront concession agreement(s) as it pertains to the sale of alcoholic beverages and advertising/sponsorship opportunities. I would also like to discuss what steps the City can take to enforce and prevent illegal alcoholic beverage and food sales currently occurring on the public beachfront.

ANALYSIS

FISCAL IMPACT STATEMENT

NA

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

CONCLUSION

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? Yes

If so, specify the name of lobbyist(s) and principal(s): Rafael E. Andrade

Department

Office of Commissioner Kristen Rosen Gonzalez

Sponsor(s)

Commissioner Kristen Rosen Gonzalez

Co-sponsor(s)

Condensed Title

Ref: FERC - Public Beachfront Concession Agmts - Alcohol Sales/Ads/Sponsorships. (KRG)

Previous Action (For City Clerk Use Only)