

C4 B REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE –
ANNUAL EVALUATION OF PARKING IMPACT FEE.

Applicable Area:



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.

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

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.

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

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