

C4 N REFERRAL TO THE PLANNING BOARD AN ORDINANCE TO ELIMINATE 0.5 FAR BONUS FOR HOTELS LOCATED WITHIN THE CD-2 DISTRICT IN SOUTH BEACH.



COMMISSION MEMORANDUM

TO:	Honorable Mayor and Members of the City Commission
FROM:	Rickelle Williams, Interim City Manager
DATE:	June 26, 2024
TITLE:	REFERRAL TO THE PLANNING BOARD – ORDINANCE TO ELIMINATE 0.5 FAR BONUS FOR HOTELS LOCATED WITHIN THE CD-2 DISTRICT IN SOUTH BEACH.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission refer the attached draft ordinance to the Planning Board.

BACKGROUND/HISTORY

On December 13, 2023, at the request of Commissioner Alex Fernandez, the Mayor and City Commission referred a discussion (item C4 N) pertaining to the 0.5 floor area ratio (FAR) bonus available to hotel uses in the CD-2 zoning district to the Land Use and Sustainability Committee (LUSC). Commissioners Tanya K. Bhatt, Joseph Magazine and David Suarez were the co-sponsors of the item.

On March 5, 2024, the LUSC discussed the item and recommended that the City Commission refer an ordinance amendment to the Planning Board to repeal the 0.5 FAR bonus for hotels in the CD-2 district along Alton Road, as well as in the North Beach CD-2 districts on Normandy Isle and along Collins Avenue. On April 3, 2024, the City Commission referred the ordinance to the Planning Board and on May 28, 2024, the Planning Board transmitted the ordinance to the City Commission with a favorable recommendation. The City Commission is scheduled to review this ordinance at First Reading on June 26, 2024.

The LUSC continued the discussion pertaining to the 0.5 FAR bonus for hotels located in the CD-2 district along Washington Avenue and Collins Avenue in South Beach, to the June 10, 2024 LUSC meeting. On June 10, 2024, the LUSC recommended that the City Commission refer an ordinance amendment to the Planning Board to repeal the 0.5 FAR bonus for hotels in the CD-2 district along Washington Avenue and Collins Avenue in South Beach.

ANALYSIS

Pursuant to Section 7.2.11.3 of the Land Development Regulations of the City Code (LDRs), the maximum floor area ratio in the CD-2, commercial medium intensity, zoning district is 1.5. However, "when more than 25 percent (25%) of the total area of a building is used for residential or hotel units," the maximum FAR is 2.0.

At the direction of the LUSC on March 5, 2024, the Administration made presentations to the Planning Board and Washington Avenue Business Improvement District (BID), to obtain feedback on the proposed elimination of the 0.5 FAR bonus for hotel uses in the CD-2 districts along Washington Avenue. The following is a summary of the feedback received from these bodies:

Planning Board

On March 26, 2024, city staff presented the proposal to the Planning Board. The Board discussed the proposal and requested additional information, such as input from the Washington Avenue BID. Some members of the Board indicated support for the proposal, and there was no opposition, but the Planning Board concluded more information would be needed before a recommendation could be provided.

Washington Avenue BID

On April 11, 2024, city staff presented the proposal to the Washington Avenue BID. The members of the BID were not supportive of a roll back of the 0.5 FAR bonus for hotels in the CD-2 district along Washington Avenue. However, the members were all supportive of incentives for increasing and promoting residential development along Washington Avenue.

The City Commission is scheduled to consider a separate ordinance at First Reading on June 26, 2024, which removes the 0.5 FAR bonus for a site containing a hotel unit, suite hotel unit or hostel in the CD-2 districts along Alton Road, as well as in North Beach; this ordinance, excludes the CD-2 districts on Collins Avenue in South Beach, as well as on Washington Avenue. The attached draft ordinance proposes to remove the 0.5 FAR bonus for a site containing a hotel unit, suite hotel unit or hostel in all CD-2 districts, including the CD-2 districts on Washington Avenue and Collins Avenue in South Beach.

APPLICATION FEE WAIVER

The subject amendment is proposed on a comprehensive basis, and not on behalf of a private applicant or third party. Pursuant to section 2.4.1.c of the Land Development Regulations of the City Code, amendments to the City Code require the payment of the applicable fees in section 2.2.3.5, 2.2.3.6, and appendix A to the City Code. These fees may be waived by a five-sevenths (5/7ths) vote of the City Commission, based upon one or more of the following circumstances:

1. The City Commission determines that the proposed amendment is necessary due to a change in federal or state law, or to implement best practices in urban planning, or based on circumstances unique to the proposed amendment.
2. Upon the written recommendation of the City Manager acknowledging a documented financial hardship of a property owner(s) or developer(s).
3. If requested, in writing, by a non-profit organization, neighborhood association, or homeowner's association for property owned by any such organization or association, so long as the request demonstrates that a public purpose is achieved by enacting the applicable amendment.

Should this proposal be referred to the Planning Board, the Administration recommends that the City Commission determine that the proposed amendment is necessary based on circumstances unique to the proposed amendment and waive the applicable fees.

FISCAL IMPACT STATEMENT

No Fiscal Impact Expected

Does this Ordinance require a Business Impact Estimate? No
(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

CONCLUSION

The Administration recommends the following:

- 1. The City Commission refer the attached draft ordinance to the Planning Board.
- 2. In accordance with section 2.4.1.c.1 of the Land Development Regulations of the City Code, the City Commission waive the applicable fees based on circumstances unique to the proposed amendment.

Applicable Area

South Beach

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

Planning

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Commissioner Tanya K. Bhatt
Commissioner Joseph Magazine
Commissioner David Suarez

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Steven Meiner and Members of the City Commission

FROM: Rickelle Williams, Interim City Manager *RW*

DATE: June 26, 2024

SUBJECT: **Referral to the Planning Board – Ordinance to Eliminate .5 FAR Bonus for Hotels Located within the CD-2 District in South Beach**

RECOMMENDATION

The Administration recommends that the Mayor and City Commission refer the attached draft ordinance to the Planning Board.

HISTORY/BACKGROUND

On December 13, 2023, at the request of Commissioner Alex Fernandez, the City Commission referred a discussion (item C4 N) pertaining to the .5 floor area ratio (FAR) bonus available to hotel uses in the CD-2 zoning district to the Land Use and Sustainability Committee (LUSC). Commissioners Tanya K. Bhatt, Joseph Magazine and David Suarez were the co-sponsors of the item.

On March 5, 2024, the LUSC discussed the item and recommended that the City Commission refer an ordinance amendment to the Planning Board to repeal the .5 FAR bonus for hotels in the CD-2 district along Alton Road, as well as in the North Beach CD-2 districts on Normandy Isle and along Collins Avenue. On April 3, 2024, the City Commission referred the ordinance to the Planning Board and on May 28, 2024, the Planning Board transmitted the ordinance to the City Commission with a favorable recommendation. The City Commission is scheduled to review this ordinance at First Reading on June 26, 2024.

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ANALYSIS

Pursuant to Section 7.2.11.3 of the Land Development Regulations of the City Code (LDRs), the maximum floor area ratio in the CD-2, commercial medium intensity, zoning district is 1.5. However, "when more than 25 percent (25%) of the total area of a building is used for residential or hotel units," the maximum FAR is 2.0.

At the direction of the LUSC on March 5, 2024, the Administration made presentations to the Planning Board and Washington Avenue BID, to obtain feedback on the proposed elimination of the .5 FAR bonus for hotel uses in the CD-2 districts along Washington Avenue. The following is a summary of the feedback received from these bodies:

Planning Board

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The City Commission is scheduled to consider a separate ordinance at First Reading on June 26, 2024, which removes the .5 FAR bonus for a site containing a hotel unit, suite hotel unit or hostel in the CD-2 districts along Alton Road, as well as in North Beach; this ordinance, excludes the CD-2 districts on Collins Avenue in South Beach, as well as on Washington Avenue. The attached draft ordinance proposes to remove the .5 FAR bonus for a site containing a hotel unit, suite hotel unit or hostel in all CD-2 districts, including the CD-2 districts on Washington Avenue and Collins Avenue in South Beach.

Subsequent to the June 10, 2024, LUSC meeting, the item sponsor requested that an exception provision be included in the ordinance, for those properties that have a pending land use board application. This exception provision is included in the attached draft ordinance for referral.

APPLICATION FEE WAIVER

The subject amendment is proposed on a comprehensive basis, and not on behalf of a private applicant or third party. Pursuant to section 2.4.1.c of the Land Development Regulations of the City Code, amendments to the City Code require the payment of the applicable fees in section 2.2.3.5, 2.2.3.6, and appendix A to the City Code. These fees may be waived by a five-sevenths (5/7ths) vote of the City Commission, based upon one or more of the following circumstances:

1. The City Commission determines that the proposed amendment is necessary due to a change in federal or state law, or to implement best practices in urban planning, or based on circumstances unique to the proposed amendment.
2. Upon the written recommendation of the City Manager acknowledging a documented financial hardship of a property owner(s) or developer(s).
3. If requested, in writing, by a non-profit organization, neighborhood association, or homeowner's association for property owned by any such organization or association, so

long as the request demonstrates that a public purpose is achieved by enacting the applicable amendment.

Should this proposal be referred to the Planning Board, the Administration recommends that the City Commission determine that the proposed amendment is necessary based on circumstances unique to the proposed amendment and waive the applicable fees.

CONCLUSION

The Administration recommends the following:

1. The City Commission refer the attached draft ordinance to the Planning Board.
2. In accordance with section 2.4.1.c.1 of the Land Development Regulations of the City Code, the City Commission waive the applicable fees based on circumstances unique to the proposed amendment.

RW/TRM

T:\Agenda\2024\6 June 2024\Planning\REF to PB - Eliminate .5 FAR Bonus for Hotels in CD2 District in South Beach - REF MEMO SUPPLEMENTAL.docx

Eliminate .5 FAR Bonus for Hotels located within the CD-2 District in South Beach

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING THE RESILIENCY CODE OF THE CITY OF MIAMI BEACH, BY AMENDING CHAPTER 7, ENTITLED "ZONING DISTRICTS AND REGULATIONS," ARTICLE II, "DISTRICT REGULATIONS," SECTION 7.2.11, "CD-2 COMMERCIAL, MEDIUM INTENSITY DISTRICT," BY AMENDING SECTION 7.2.11.3, ENTITLED "DEVELOPMENT REGULATIONS (CD-2)," TO MODIFY THE FLOOR AREA RATIO BONUS FOR HOTEL USES IN THE CD-2 DISTRICT; AND PROVIDING FOR CODIFICATION, REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the City of Miami Beach (the "City") has the authority to enact laws which promote the public health, safety and general welfare of its citizens; and

WHEREAS, the CD-2 commercial, medium intensity district provides for commercial activities, services, offices, and related activities which serve the entire City; and

WHEREAS, the Land Development Regulations incentivize diverse combinations of residential lifestyles and unique commercial services in mixed-use development, in certain neighborhoods; and

WHEREAS, as applicable to mixed-use buildings in the CD-2 commercial, medium intensity district, Section 7.2.11.3 of the City Code provides that when more than 25 percent of the total area of a building is used for residential or hotel units, the floor area ratio applicable to mixed use buildings may be utilized; and

WHEREAS, the Mayor and City Commission desire to remove the current FAR bonus for hotel uses in certain CD-2 zoning districts.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA.

SECTION 1. Chapter 7, entitled "Zoning Districts and Regulations, Article II, entitled "District Regulations," at Section 7.2.11, "CD-2 Commercial, Medium Intensity District," is hereby amended as follows:

**CHAPTER 7
ZONING DISTRICTS AND REGULATIONS**

* * *

ARTICLE II. – DISTRICT REGULATIONS

* * *

7.2.11. CD-2 COMMERCIAL, MEDIUM INTENSITY DISTRICT

* * *

7.2.11.3 Development Regulations (CD-2)

a. The development regulations in the CD-2 commercial, medium intensity district are as follows:

- i. The tower setback shall not be less than the pedestal setback.
- ii. Parking lots and garages: If located on the same lot as the main structure the setbacks below shall apply. If primary use the setbacks are listed in Section 7.5.3.2.n.

DEVELOPMENT REGULATIONS TABLE (CD-2)	
Maximum FAR	1.5 (5)
Mixed Use Buildings (When more than 25 percent (25%) of the total area of a building is used for residential, residential office, or hotel units)	2.0 (5) (9)(10)
Maximum Density (Dwelling Units Per Acre)	100 DUA (80% bonus for workforce or affordable units)

* * *

1. Except as provided in Section 7.5.2.
2. An additional 5 feet of height is allowed if the nonresidential first habitable level has a minimum ceiling height of 14 feet above DFE.
3. Except that the building height shall be limited to 25 feet within 50 feet from the rear property line for lots abutting an alley; and within 60 feet from a residential district for blocks with no alley.
4. Notwithstanding the foregoing, rooftop additions to contributing structures in a historic district and individually designated historic buildings may follow existing nonconforming side and rear pedestal setbacks.
5. Notwithstanding the above regulations, the maximum floor area ratio (FAR) for self-storage warehouses shall be 1.5. The floor area ratio provision for mixed use buildings on this table shall not apply to self-storage warehouse development.
6. For contributing hotel structures, located within an individual historic site, a local historic district or a national register district, which are being renovated in accordance with the Secretary of the Interior Standards and Guidelines for the Rehabilitation of Historic Structures as amended, retaining the existing room configuration shall be permitted, provided all rooms are a minimum of 200 square feet. Additionally, existing room configurations for the above-described hotel structures may be modified to address applicable life-safety and accessibility regulations, provided the 200 square feet minimum unit size is maintained, and provided the maximum occupancy per hotel room does not exceed 4 persons. In addition, the minimum hotel unit size for a property

formerly zoned HD is 250 square feet, provided that the property does not exceed 25,000 square feet as of March 23, 2019.

7. The number of units may not exceed the maximum density set forth in the comprehensive plan.
8. Developments located in zoning districts that do not prohibit the short-term rental of residential apartment units shall be eligible for an exemption from the average unit size requirements established above, subject to the following conditions:
 - Density. The development shall not be permitted to exceed the maximum residential density established in the Comprehensive Plan or Land Development Regulations.
 - Minimum Unit Size. This incentive shall not be construed to permit any unit that is smaller than the minimum allowable unit size for the type of unit being proposed.
 - Covenant. In order to be eligible for this voluntary average unit size incentive, the property owner, at the owner's sole discretion, shall voluntarily execute a restrictive covenant running with the land, in a form approved by the City Attorney, affirming that in perpetuity no residential units on the property shall be leased or rented for a period of less than six months and one day.
9. Notwithstanding the above regulations, new development or redevelopment of residential office units may only be eligible for the floor area ratio applicable to mixed use buildings in the event that the property owner voluntarily elects, at the owner's sole discretion, to execute a restrictive covenant running with the land, in a form approved by the city attorney affirming that, in perpetuity, none of the residential office units on the property shall be leased or rented for a period of less than six months and one day.
10. Notwithstanding the above regulations, the maximum floor area ratio (FAR) for a site containing a hotel unit, suite hotel unit or hostel, shall be 1.5 and the floor area ratio provision for a mixed use building on this table shall not apply to a site containing a hotel unit, suite hotel unit or hostel, ~~except for those properties located on Washington Avenue and Collins Avenue south of 63rd Street.~~

SECTION 2. REPEALER.

All ordinances or parts of ordinances and all section and parts of sections in conflict herewith are hereby repealed.

SECTION 3. CODIFICATION.

It is the intention of the City Commission, and it is hereby ordained, that the provisions of this Ordinance shall become and be made part of the Code of the City of Miami Beach, as amended; that the sections of this Ordinance may be re-numbered or re-lettered to accomplish such intention; and that the word "ordinance" may be changed to "section" or other appropriate word.

SECTION 4. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. APPLICABILITY

This Ordinance shall not apply to properties fronting Washington Avenue that have an

