

R9 X REFERRAL TO THE PLANNING BOARD - HOTEL PROHIBITION IN CERTAIN
ZONING DISTRICTS.



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Interim City Manager Rickelle Williams

DATE: June 26, 2024

TITLE: REFERRAL TO THE PLANNING BOARD - HOTEL PROHIBITION IN CERTAIN ZONING DISTRICTS.

RECOMMENDATION

The Administration recommends that the City Commission discuss and consider referring an ordinance to the Planning Board.

BACKGROUND/HISTORY

On December 13, 2023, at the request of Commissioner Joseph Magazine, the Mayor and City Commission referred discussions regarding hotel uses and the hotel approval process, pursuant to items C4 S and R9 G, to the Land Use and Sustainability Committee (LUSC). Commissioners Tanya K. Bhatt, Alex Fernandez, Kristen Rosen Gonzalez and David Suarez were co-sponsors of these items.

On March 5, 2024, as part of a larger discussion pertaining to hotel and transient uses, the LUSC recommended that the City Commission refer an ordinance amendment to the Planning Board to prohibit hotels in the R-PS3, R-PS4, C-PS2, CD-3 (41st Street only), TC-C, TC-1, TC-2 and TC-3 zoning districts. The LUSC also requested that prior to the City Commission considering a referral item, feedback on the proposal be obtained from 41st Street stakeholders, the North Beach Community Redevelopment Agency (CRA) Advisory Committee and the Washington Avenue Business Improvement District (BID).

ANALYSIS

Currently, any new hotel development consisting of ground up construction or additions to existing structures, requires the review and approval of the Design Review Board (DRB) or Historic Preservation Board (HPB). The following are the zoning districts in the City where hotel uses are currently permitted:

- CD-2 and CD-3 (Commercial).
- TC-C (North Beach, Town Center Central Core).
- TC-1 and TC-2 (North Beach Town Center).
- TC-3 (North Beach Town Center) – As a conditional use only.
- MXE (Mixed Use Entertainment).
- RM-3 and RM-2 (Residential Multifamily) – Hotels are prohibited in the RM-2 and RM-3 districts located in the West Avenue and Palm View Neighborhoods.
- RM-1 (Residential Low Intensity) – Only for properties fronting Harding Avenue from 73rd to 87th Streets.
- R-PS3 and R-PS4 (Residential Performance Standard).
- C-PS1, C-PS2, C-PS3 and C-PS4 (Commercial Performance Standard).
- CCC (Civic and Convention Center District).

Hotel uses are primarily confined to commercial districts, as well as medium to high density residential districts. In 2013, the City Commission adopted amendments to the Land Development Regulations of the City Code for Palm View and West Avenue areas of the City to prohibit future hotel development.

The following is a summary of the feedback received from the applicable stakeholders, as requested by the LUSC:

41st Street BID

On March 27, 2024, city staff presented the proposal to prohibit or limit future hotels within the CD-3 zoning district along 41st Street to the 41st Street BID. The members of the BID were not supportive of limiting or prohibiting hotel uses within this area and instead suggested that the market should determine whether hotel uses would be appropriate.

Mayor's 41st Street Committee

On April 11, 2024, city staff presented the proposal to prohibit or limit future hotels within the CD-3 zoning district along 41st Street to the Mayor's 41st Street Committee. The members of the Committee concluded that additional information would be needed to provide a formal recommendation. Specifically, the members would like to know the economic impacts of limiting hotel development on 41st Street, in terms of resort taxes and economic development. Additionally, the panel suggested that if the City proceeds with further regulation of hotels along 41st Street that consideration be given to limiting the size of the hotel to allow for small boutique hotels, rather than prohibiting hotels outright.

North Beach CRA Advisory Committee

On April 9, 2024, city staff presented the proposal to prohibit or limit future hotels within the North Beach area, including the TC-C, TC-1, TC-2 and TC-3 zoning districts to the North Beach CRA Advisory Committee. While several Advisory Committee members were generally supportive of possible regulations limiting certain types of transient uses, they expressed concern relative to the inability to regulate the short-term rental of apartment units and noted that short-term rental properties have had more adverse impacts than hotel properties in the neighborhood. CRA Advisory Committee members also expressed a desire to encourage development in the North Beach CRA district and expressed concerns regarding limiting hotel uses in the entire town center. Finally, members noted that much of the town center area is currently being developed with approved projects and were not convinced that the hotel prohibition would have any significant benefit to the area. In summary, members' opinions were mixed and the Committee requested additional time to consider the proposal.

Washington Avenue BID

On April 11, 2024, city staff presented the proposal to prohibit or limit future hotels within the zoning districts along and near Washington Avenue to the Washington Avenue BID. The members of the BID were not supportive of a hotel prohibition in the CD-2 or C-PS2 districts along Washington Avenue. However, the members were all supportive of incentives for increasing and promoting residential development along Washington Avenue.

Based upon the feedback of these committees, and considering the context of the different areas where hotel prohibitions were identified by the LUSC, the Administration recommends that the City Commission consider the following as part of the discussion on this item:

South of 5th Street and Flamingo Park Areas

Since these areas of the City have developed a stronger residential identity, the prohibition of hotel uses would likely make the most sense in the R-PS3 district, as it is non-oceanfront, as well as the C-PS2 district, exclusive of properties fronting Washington Avenue north of Fifth Street.

41st Street Corridor

Although the 41st Street BID and 41st Street Committee did not recommend prohibiting hotels

outright, given the close proximity of the 41st Street area to single family districts, a more limited set of regulations may be worthy of consideration. This could include limits on the overall size of hotel projects, as well as the number of hotel units and allowable accessory uses. Additionally, to facilitate a more boutique type of hotel, a larger minimum hotel unit size could be explored.

North Beach

Given the proximity of the town center districts to the ocean and other characteristics unique to North Beach, the complete prohibition of hotel uses in the area may be premature. In particular the up zoning of the TC-C district in 2018 was designed to facilitate a prosperous mix of uses, and hotel uses could be a good complement to the residential projects that have already been approved.

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

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 Administration recommends the following:

1. The City Commission discuss and consider referring an ordinance to the Planning Board.
2. In accordance with section 2.4.1.c.1 of the Land Development Regulations of the City Code, if

an ordinance is referred, the City Commission waive the applicable fees based on circumstances unique to the proposed amendment.

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)

Commissioner Joseph Magazine

Co-sponsor(s)