



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

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: May 12, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AN AMENDMENT TO THE FINANCIAL TERMS OF THE CONCESSION AGREEMENT BETWEEN THE CITY AND THE MARKET COMPANY, INC. FOR THE MANAGEMENT AND OPERATION OF THE LINCOLN ROAD GREEN MARKET; SAID AMENDMENT REMOVING THE MINIMUM GUARANTY PAYMENT, IN THE AMOUNT OF \$25,000 ANNUALLY, FOR THE PERIOD COMMENCING ON OCTOBER 1, 2020 AND ENDING ON SEPTEMBER 30, 2022, IN ORDER TO ADDRESS THE FINANCIAL IMPACT OF THE COVID-19 PANDEMIC ON CONCESSIONAIRE'S OPERATIONS.**

RECOMMENDATION

The Administration recommends that the Mayor and City Commission adopt the Resolution.

BACKGROUND

The City's open-air markets serve several objectives, including enhancing the public realm and providing a community gathering place, bringing value to neighborhoods, offering economic opportunity to local vendors and businesses, and contributing to a diverse marketplace for our residents and the community. Currently, successful market on Lincoln Road has been under contract since 2014 and the concession agreement governing those markets, and any applicable renewal/extension periods, expired September 30, 2019, and thereafter entered into a month to month extension set to expire May 31, 2021.

ANALYSIS

On August 26, 2019, the City issued RFLI 2019-318-WG, soliciting letters of interests from firms qualified to manage and operate weekly street markets open to the public, featuring vendors that provide high quality and locally produced products. Pursuant to the RFLI, the City reserves the right, in the City Manager's sole and absolute discretion, to add additional market locations to the contract scope under similar terms and conditions as to those contained in the negotiated contracts.

On September 16, 2020, the Mayor and City Commission adopted Resolution No. 2020-31401 to finalize negotiations with The Market Company, the top ranked proposer, for the management

Due to the COVID-19 pandemic the markets have been required to abide to the CDC guidelines the operator has continued operating at half capacity with approximately 20 vendors instead of the usual 40, in order to comply with safety guidelines. This has caused a financial impact in the operator to be able to meet the Minimum Guarantee of \$25,000.00 as stipulated in the RFLI. The Administration was approached by the concessionaire with the request to waive the Minimum Guarantee for the initial term.

- Revenue proposal: Percentage of Gross Sales (PG) – 22.5%
- Waive Minimum Guarantee initial term (October 1,2020 - September 30, 2022)
- Minimum Guarantee \$25,000.00 starting October 1,2022

The Market Company vendors provide locally grown quality produce and tropical fruits, fresh baked breads, cakes and cookies, plants, spices, local honey, and an impressive array of prepared foods. The Market Company promotes selection of vendors that have local connections and interviews all prospective vendors to review the market application and guidelines.

The City Manager recommends that the Mayor and City Commission adopt the resolution of the Mayor and City Commission of the City of Miami Beach, Florida, approving an amendment to the financial terms of the concession agreement between the City and the Market Company, Inc. for the management and operation of the Lincoln Road Green Market; said amendment removing the minimum guaranty payment, in the amount of \$25,000 annually, for the period commencing on October 1, 2020 and ending on September 30, 2022, in order to address the financial impact of the COVID-19 pandemic on concessionaire's operation.

Exhibit A: Amendment No. 1 to the Lease Agreement