



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: June 23, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE AND OF THE CITY MANAGER AND WAIVING, BY 5/7TH VOTE, THE FORMAL COMPETITIVE BIDDING REQUIREMENT IN SECTION 2-367(e) OF THE CITY CODE, FINDING SUCH WAIVER TO BE IN THE BEST INTEREST OF THE CITY, AND 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 WAIVING THE MINIMUM GUARANTEE 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.**

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### **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 June 30, 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 and operation of a green market on Lincoln Road and further authorize the City Manager and the City Clerk to execute the final negotiated agreements. The concessionaire's essential financial terms included a Minimum Guarantee of \$25,000.00 (MG) plus 22.5% of Gross Receipts (PG).

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.

Following is a basic summary of the proposal for the Lincoln Road Green Market:

- 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

Currently, The Market Company produces the Lincoln Road Green Market (22 years), Normandy Village Marketplace (21 years), Well 'Canes Markets on the University of Miami campus in Coral Gables and the Medical Center campus, a part of the Jackson Hospital complex. The Market Company also produces markets at Jackson South Hospital, Government Center Downtown, Miami Shores, Miami Lakes, and at the Lennar Center in Coral Gables.

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.

On May 12, 2021, the Mayor and City Commission referred this item (C7-H) to the Finance and Economic Resiliency Committee (FERC). On May 21, 2021 the Committee discussed the item and recommended approval, by acclamation, a waiver of the MG payment for the first two contractual years of the Initial Term of the Concession Agreement.

#### City Manager Recommendation

Based upon the established performance record of the Concessionaire with the City and the material impact that the pandemic has had upon the Concessionaire's operations, I recommend waiving the MG payment for the initial first two years of the Term of the Concession Agreement in order to provide Concessionaire time to ramp up its operations. Since the financial relief period exceeds the period of time in which COVID-19 restrictions will be in place, this item will require a waiver pursuant to Section 2-367(e) of the City Code. Based upon the foregoing, I recommend waving by 5/7<sup>th</sup> vote, the formal competitive bidding requirement in Section 2-367(e) of the City Code, finding such waiver to be in the best interest of the City.

## **CONCLUSION**

I recommend that the Mayor and City Commission accept the recommendation of the Finance and Economic Resiliency Committee and adopt the Resolution, waive by 5/7<sup>th</sup> vote, the formal competitive bidding requirement in Section 2-367(e) of the City Code, finding such waiver to be in the best interest of the City, and approve 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 guarantee 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.