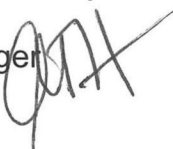


MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager 

DATE: July 28, 2023

SUBJECT: **UPDATE FROM THE ECONOMIC DEVELOPMENT DEPARTMENT REGARDING STEPS TAKEN TO IMPROVE BUSINESS RETENTION AND ATTRACT NEW BUSINESSES - NORMANDY FOUNTAIN PLAZA OUTDOOR SEATING ACTIVATION**

HISTORY

The mission of the Economic Development Department (the "Department") is to establish, maintain, and grow the City's business community by promoting the City's image, supporting businesses, and creating a diverse economy for our dynamic and resilient global community. During the June 23, 2023 Finance and Economic Resiliency Committee (the "Committee") meeting, the Committee requested an update on (1) outreach efforts to inform and educate commercial restaurants operating near the North Beach Normandy Fountain /Vendome Plaza (the "Plaza") on the necessary steps to secure outdoor seating, and (2) to explore the feasibility of installing seating for public use.

Rue Vendome was a right-of-way under Florida Department of Transportation (FDOT) jurisdiction. Historically, it provided on-street parking serving Normandy Fountain businesses and provided connection between 71st Street and Normandy Drive. Over the last decade, the City responded to public sentiment to close the right-of-way and unite the Normandy Fountain with adjacent commercial properties via a landscaped plaza.

In 2014, City Commission Resolution No. 2014-28879 adopted the North Beach Revitalization Plan, as endorsed by the Mayor's Blue Ribbon Panel on North Beach. Section 7.6.3 of the Revitalization Plan recommended that "[t]he City should seek to close Rue Vendome between 71st Street and Normandy Drive...[t]he plaza should then be reconstructed to function as a public plaza including outdoor dining areas...[o]utdoor dining would promote the location of additional restaurants and could assist in attracting uses..."

In 2016, Resolution No. 2016-29608 adopted the 2016 North Beach Master Plan (Plan NoBe), which recommended Rue Vendome become a pedestrian street, creating a large plaza with the Normandy Fountain. A key recommendation of Plan NoBe was to transform the Normandy Fountain vicinity into a vibrant, pedestrian-oriented commercial district.

In 2017, Resolution No. 2017-29776 approved the permanent closure of Rue Vendome and directed the Administration to conduct a survey of nearby business owners interested in pursuing a sidewalk café permit. Although Resolution No. 2017-29904 authorized a sponsorship agreement for branded tables, chairs, and umbrellas, including daily set up and take down service, an agreement for this type of activation was never executed.

In advance of preparing a permanent design for the Plaza, temporary closure of Rue Vendome was realized using tactical urbanism, i.e., landscaping planters, bistro lighting, and installation of an art deco sunburst mural. The City organized short term programming on a weekly basis to avoid creation of an inactive space, including Friday Night Live music, a farmer's market, wellness activities, and community events. Despite promotional efforts, including the #KnowNoBe social media and digital marketing campaign, community events and activities at Rue Vendome experienced low public attendance. A pop-up plaza was installed as a passive park, featuring seating furniture, umbrellas, swings, and life-size

games intended to foster an atmosphere conducive to pedestrian activity during periods between programmed events. Given their temporary and mobile nature, these fixtures and furniture were unfortunate casualties of vandalism and theft.



At the June 29, 2018 meeting of the Finance and Citywide Projects Committee, staff reported that Normandy Fountain restaurants had expressed little interest in applying to the sidewalk café program for expansion into Rue Vendome. In the absence of any activation and as the adjacent business establishments initially did not desire to extend their commercial activities into Rue Vendome, Resolution No. 2018-30528 authorized activation and cultural programming of Rue Vendome by Prism Creative Group. In 2019, the City launched a

pilot Rue Vendome Business Event Activation Grant Program to allow additional small businesses to purchase event production items for Plaza activation.

In 2021, Resolution No. 2021-31709 approved the North Beach Community Redevelopment Agency (North Beach CRA) Redevelopment Plan (2021), whose revitalization strategies included transitioning Normandy Fountain, away from an automobile-centric layout, and into a community and commercial center of Normandy Isle.

After obtaining approval from FDOT, the Office of Capital Improvement Projects (CIP) oversaw the streetscape project to transform the Normandy Fountain into a vibrant pedestrian plaza. A ribbon cutting ceremony occurred on February 27, 2022. Oolite stone benches, steps, and ramps harmonize the elevated Plaza with adjacent commercial properties and new shade trees, benches, and lighting enhanced existing landscaping. Currently, the reconfigured Plaza has permanent seating capacity for a minimum of 96 persons, provided by 140 linear feet of benches that accommodate 70 persons and thirteen (13) Landscape Form wood benches that comfortably seat 26 people.

Today, abundant seating areas exist in the Plaza, and seating capacity is regularly supplemented with tables and chairs brought in and removed by special event producers. Seating furniture that is not permanently affixed to the ground would need to be secured/affixed to the Plaza during the day and stored on a nightly basis to prevent loss and enclosed storage space does not currently exist onsite. The load in/out of seating furniture is a laborious task with time and labor costs.

Outdoor Dining Concession Program

The City Commission has consistently enacted outdoor dining legislative incentives that specifically benefitted North Beach, in an effort to stimulate



economic development. Pursuant to Ordinance Nos. 98-3146, 2000-3237, 2003-3397, 2013-3397, 2013-3824, 2015-3968, 2017-4144, and 2018-4195, the City Commission waived or abated square footage fees for North Beach sidewalk cafés. Ordinance No.

2018-4195 amended the sidewalk café regulations, formerly codified in Chapter 82 of the City Code, to make site plans available to North Beach restaurant operators at a reduced cost from the Public Works Department in lieu of requiring plans prepared by an architect. These measures were intended to promote proliferation of low-scale sidewalk cafés by small business owners in North Beach who were otherwise disproportionately burdened by fees and costs associated with the sidewalk café program.

On June 9, 2022, the City Commission adopted Resolution No. 2022-32205, creating the Outdoor Dining Concession Program (the “Program”) allowing select restaurants with brick-and-mortar facilities to offer food and beverage service on the rights-of-way abutting their physical establishment. The Program is a contract-based model, replacing the City’s regulatory permit-based structure, the sidewalk café program in Chapter 82, but achieves the same purpose of providing restaurants with revocable use of public space for the enjoyment of their patrons. Under the Program, the City Commission delegated the City Manager the authority to execute concession agreements consistent with a Commission-approved template agreement, or the City Manager is authorized to negotiate, at her sole discretion, terms materially different from the approved template, with such changes subject to City Commission approval. Like the prior sidewalk café program, North Beach restaurants are not assessed fees for Program participation.

To participate in the Program, applicants must submit a letter of interest application form with documentation evidencing valid insurance, business tax receipt, grease trap installation and Miami-Dade County DERM approval, and a site plan sealed by certified architect or engineer. Any operator interested in the Program may contact the Public Works Department Engineering Division for information and application materials at concessionnotices@miamibeachfl.gov.

ANALYSIS

Following the Committee’s June 29, 2023 meeting, the Administration (representing both the City and North Beach CRA) have made efforts to inform and discuss outdoor seating activation with Normandy Fountain area businesses. The Normandy Fountain Business Association (“NFBA”), a nonprofit formed to represent and advocate for commercial property owners and business operators within the Normandy Fountain business district along Normandy Drive and 71st Street in Normandy Isle, is a key partner in these efforts. It is also worth noting that the NFBA is contracted and funded by the City to activate the plaza with varied programming throughout the year, NFBA activations offer family-friendly opportunities for residents, visitors and businesses to gather.

Presently, there are four (4) occupied commercial properties fronting Rue Vendome at Normandy Fountain Plaza. Only three (3) of these properties are currently configured for restaurant use and potentially eligible for outdoor dining at this time. There is also one (1) vacant property with the potential to take advantage of abutting plaza space and which has expressed interest during recent outreach efforts.

- 946 Normandy Drive, former location of Indian Spice restaurant

- 950 Normandy Drive, EasyCash check cashing store
- 954 Normandy Drive, Karnitas 71st restaurant
- 956 Normandy Drive, Donut Cream donut shop
- 1025 71st Street, vacant and former location of Chase Bank.

Management for Karnitas 71st restaurant, 954 Normandy Drive, has expressed interest in outdoor dining. The restaurant tenant formerly operating at 946 Normandy Drive recently ceased operation and a new tenant plans to launch a brand-new culinary offering. Availing a passionate business with outdoor dining could help the enterprise gain traction. In addition, the former Chase Bank location, 1025 71 Street, which occupied a significant share of the frontage of Rue Vendome, has been vacant for a few years. Property representatives have suggested that the ability to provide outdoor dining would substantially increase the storefront's marketability to potential tenants.



Participation in the Program by Rue Vendome businesses could be transformative for the commercial district because these properties, situated at the Normandy Fountain, are highly visible by vehicular traffic and pedestrians. Additional measures to incentivize outdoor dining at Normandy Fountain/Vendome Plaza would promote foot traffic and activity that enhance the vibrancy of this community landmark.

City staff discussed outdoor dining at Normandy Fountain with stakeholders on several occasions since the Committee's June 23, 2023 meeting. On July 18, 2023, staff attended a meeting, organized by the NFBA, at a Rue Vendome restaurant with approximately 30 members of the community in attendance. Staff from the Economic Development and Public Works departments answered questions and shared requirements for the concession program including the application process. Business proprietors expressed interest and enthusiasm when staff also presented on the Commercial Façade Improvement Program, recently approved by the North Beach CRA.

CONCLUSION:

Given the past lack of public interest when movable dining tables and passive seating furniture were placed in the Plaza, the susceptibility of such property to damage and loss, and logistics involved with routine setup, removal, and storage of facilities, **the**

Administration recommends that any further supplement of dining furniture 1) be the responsibility of a commercial establishment via the Outdoor Dining Concession Program and/or event producers via a Special Event Permit, who can manage and maintain the facilities and/or 2) be the responsibility of the City through placement of fixed outdoor furniture to augment existing seating capacity in the vicinity and any seating provided by restaurant operators.

The City is nearing finalization of the master lease agreement with FDOT to allow sidewalk cafés on state roads including 71st Street, which is maintained by FDOT. Staff will continue to perform outreach to the NFBA and interested businesses and property owners to assist with improving the user experience at Normandy Fountain. **Note that the procurement, installation and maintenance of fixed seating would have a fiscal impact that is yet to be determined. These potential costs are not currently budgeted or appropriated.**

The Department and the North Beach CRA remain committed to promote business expansion, attraction, and retention to ensure a diverse economy. To do so, the communications and outreach strategy, with the assistance and participation of various City departments, including Public Works, CIP and Facilities and Fleet Management, is imperative to further support these efforts.