

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER, PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 2023-479-KB FOR THE MANAGEMENT AND OPERATION OF A HIGH-END BEACH ESTABLISHMENT; TO AWARD OPTION 1 TO BOUCHER BROTHERS, THE UNANIMOUS TOP-RANKED PROPOSER FOR THIS OPTION, AND AUTHORIZING THE ADMINISTRATION TO NEGOTIATE AN AGREEMENT WITH BOUCHER BROTHERS, INC.; WITH THE FINAL AGREEMENT SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION.

WHEREAS, on May 17, 2023, pursuant to Resolution 2023-32612, the City Commission directed the Administration to prepare and issue a Request for Proposals (RFP) for the management and operation of a high-end beach establishment and ancillary uses on the property and adjacent concession area, located at One Ocean Drive (the "Property") with the new agreements taking effect after the expiration of the existing Penrod Lease and Penrod Concession Agreements on May 6, 2026; and

WHEREAS, on June 13, 2023, RFP 2023-479-KB for the management and operation of a high-end beach establishment was issued; and

WHEREAS, the RFP specified that each Bidder had the option to submit one (1) proposal for Option 1 (agreement having a term of less than 10 years) and one (1) proposal for Option 2 (agreement having a term equal to or greater than 10 years but not more than 30 years, including options, in accordance with Resolution No. 2023-32612); and

WHEREAS, a mandatory pre-proposal conference to provide information to proposers submitting a response was held on June 28, 2023 and a site visit conducted on July 12, 2023; and

WHEREAS, the City received proposals from the following firms for Options 1 and 2:

Option 1:

- Boucher Brothers Management, Inc.
- Tao Group Hospitality/One Ocean Hospitality LLC
- The Group US Management LLC

Option 2:

- Boucher Brothers Management, Inc.
- RH
- Tao Group Hospitality/One Ocean Hospitality LLC
- The Group US Management LLC; and

WHEREAS, on September 11, 2023, the Evaluation Committee appointed by the City Manager convened to consider the proposals received; and

WHEREAS, the Committee was comprised of: Hernan Cardeno, Director, Code Compliance Department; Jose Del Risco, Assistant Director, Parks and Recreation Department; Jason Greene, Chief Financial Officer, Finance Department; Keith Marks, President, South of Fifth Neighborhood Association (SOFNA); Elizabeth Miro, Interim Director, Facilities and Fleet Management Department.; and

WHEREAS, the Committee was provided an overview of the project, information relative to the City's Cone of Silence Ordinance, and the Florida Sunshine Law and was also provided with general information on the scope of services and a copy of each proposal; and

WHEREAS, the Committee was instructed to score and rank each proposal pursuant to the evaluation criteria established in the RFP; and

WHEREAS, the evaluation process resulted in the proposers being ranked by the Evaluation Committee as indicated below:

Option 1 – Boucher Brothers Management, Inc., top-ranked; The Group, second-ranked; and Tao Group, third-ranked

Option2 – Boucher Brothers Management, Inc. and The Group tied top-ranked; Tao Group, third-ranked; and RH, fourth-ranked; and

WHEREAS, the proposal submitted by Boucher Brothers for Option 1 was the unanimously top-ranked proposal by the Evaluation Committee, with the Evaluation Committee emphasizing Boucher Brothers' qualifications, proposed public benefits, and financial proposal; and

WHEREAS, Boucher Brothers has over 20 years of experience in Miami Beach and Ft. Lauderdale managing and operating beach establishments or concessions; and

WHEREAS, for Option 1, Boucher Brothers proposed a rent of 10% of gross operating revenue with a minimum annual guarantee of \$4 million that escalates annually at 3% beginning in year 2, resulting in an estimated minimum rent yield to the City of approximately \$41 million over the 10-year term for Option 1; and

WHEREAS, for Option 1, Boucher Brothers proposed making improvements to the Property, which include major renovations, with an estimated cost of \$26,226,920; and

WHEREAS, for the reasons set forth in the Memorandum accompanying this Resolution, which Memorandum is incorporated into this Resolution as if fully set forth herein, the City Manager recommends that the Mayor and City Commission award Option 1 to Boucher Brothers; and

WHEREAS, the Property is currently operated pursuant to a lease agreement governing a portion of the Property and a concession agreement governing the remainder of the Property; and

WHEREAS, this Resolution awards the RFP to Boucher Brothers for Option 1 and authorizes the Administration to negotiate an agreement with Boucher Brothers consistent with the RFP and Boucher Brothers' proposal, with the final agreement subject to the prior approval of the Mayor and City Commission.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the City Manager, pursuant to Request for Proposals (RFP) No. 2023-479-KB, for the management and operation of a high-end beach establishment at the property located at One Ocean Drive, to award Option 1 to Boucher Brothers, the unanimous top-ranked proposer for this option and authorize the Administration to negotiate an agreement with Boucher Brothers, Inc., with the final agreement subject to the prior approval of the Mayor and City Commission.

PASSED AND ADOPTED this _____ day of _____ 2023.

ATTEST:

RAFAEL E. GRANADO, CITY CLERK

DAN GELBER, MAYOR

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

Devin Rojas 9/21/2023
For City Attorney *DR* Date