



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

COMMISSION MEMORANDUM

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: December 8, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE CONCESSION AGREEMENT BETWEEN THE CITY AND PRODUCTIONS SUD, INC. FOR THE MANAGEMENT AND OPERATIONS OF THE LINCOLN ROAD ANTIQUES AND COLLECTIBLES MARKET; SAID AMENDMENT MODIFYING THE FINANCIAL TERMS OF THE AGREEMENT 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

Pursuant to Resolution No. 2020-31401, the City and Productions Sud, Inc. (Concessionaire) are parties to a Concession Agreement (Agreement), dated April 5, 2021, for the operation and management of the Antiques and Collectibles Market on Lincoln Road. Said Agreement commencing on October 1, 2020, and expiring on September 30, 2023, contains two (2) renewal options, at the City's sole discretion, for an additional two (2) years each. The market operates every weekend from October through May and is a positive impact to the residents and visitors of Miami Beach. The Antiques and Collectibles Market has been operating on Lincoln Road and serving Miami Beach residents and visitors for the past 28 years.

ANALYSIS

The Agreement's essential financial terms requires Concessionaire to pay 15% of Gross Receipts (PG) a Minimum Guarantee of \$40,000 (MG). Although the market was able to open and operate for the 2021 season, from October 2020 through May 2021, the COVID-19 pandemic resulted in the Concessionaire losing over half of its vendors. This caused a financial

impact for the operator to meet the Minimum Guarantee (MG).

On September 17, 2021, the Mayor and City Commission referred an item to the Finance and Economic Resiliency Committee (FERC) to discuss potential relief for the Concessionaire. The Administration reviewed the Concessionaire's sales for the 2020 and 2021 season. Based on the discussion with the Concessionaire, the Administration presented the following financial terms and conditions, which would be included in Amendment No. 2 to the Agreement:

- Reduce current Minimum Guarantee from \$40,000 to \$23,000 for the period of October 1, 2020 to September 30, 2022.
- Commencing on October 1, 2022, the annual Minimum Guarantee would return to \$40,000 as stipulated in the Agreement.
- Concessionaire will continue to pay 15% Gross Sales during the entire term of the Agreement.

FINANCE AND ECONOMIC RESILIENCY COMMITTEE RECOMMENDATION

At the October 13, 2021 Finance and Economic Resiliency Committee (FERC) meeting, the Administration presented the terms and conditions as set forth above. The Committee considered this matter and recommended in favor of approving Amendment No. 2 to the Concession Agreement.

The Concessionaire has expressed that due to COVID-19 Delta variant, many of their vendors remain displaced and is concerned that the lucrative tourism traffic has not yet returned to Lincoln Road. The Concessionaire expects the 2022 season to continue a similar track for at least a portion of the season.

CONCLUSION

Based upon the foregoing, I recommend that the Mayor and City Commission adopt the Resolution approving and authorizing Amendment No. 2 to the Concession Agreement between the City and Productions Sud, Inc.; said Amendment, modifying the financial terms of the Agreement in order to address the financial impact of the COVID-19 pandemic on Concessionaire's operations.

Attachment:

Resolution
Exhibit "1" - Amendment No.2