

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager

DATE: September 22, 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

On June 23, 2023, the Finance and Economic Resiliency Committee (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 facilities for public use.

On July 28, 2023, the Committee requested the Administration explore an arrangement whereby the City would purchase outdoor dining tables and chairs to encourage the utilization of the Plaza by customers of nearby restaurants; and explore potential maintenance, operation, and storage options by the Administration or a local partner.

BACKGROUND

For several years, the City has and continues to explore best practices to stimulate economic development and neighborhood placemaking at the Plaza. Accordingly, the Administration has endeavored to implement creative concepts and temporary uses, leveraging the insights and participation of various partners and stakeholders.¹

The City’s Rue Vendome community programming efforts have included pop-up events and cultural offerings targeting participation among local small businesses, and tactical urbanism such as installation of artwork, recreational furniture, and interactive games. In 2019, the City Commission authorized the Rue Vendome Business Event Activation Grant Program, offering \$1,000 grants to incentivize local businesses to help activate the Plaza, as well as the competitive selection of consultant Prism Creative Group to curate music, cultural, and wellness activation. More recently, an ongoing partnership between

¹ The Administration’s July 28, 2023 Committee Memorandum contained a detailed summary of past planning efforts and various activations at the Plaza, dating from prior to the closing of Rue Vendome through the construction of the pedestrian Plaza in 2022.

the City and the Normandy Fountain Business Association has produced regular programming that has grown popular among residents.

Throughout these efforts, restaurants near Rue Vendome have been encouraged to participate in the Outdoor Dining Concession Program managed by the Public Works Department.² Following recommendation of the North Beach Blue Ribbon Committee, City Commission Resolution No. 2017-29776 directed that restaurants be permitted to activate outdoor seating at no expense during initial soft closure of Rue Vendome. Since that time, despite an established framework for City permitting of outdoor dining, and City Commission incentives targeted for North Beach, like waiver of application and annual program fees and technical assistance with application materials, Rue Vendome restaurant operators have opted not to expand seating facilities into Rue Vendome or the Plaza.

ANALYSIS

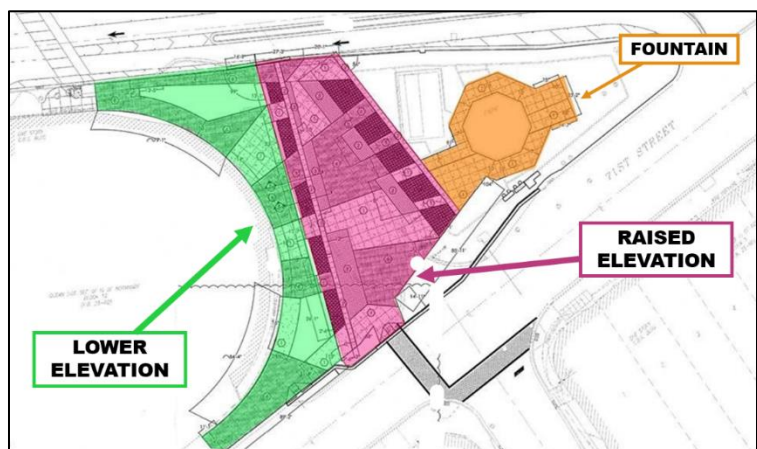
The Economic Development and Facilities and Fleet Management Departments, the Office of Capital Improvement Projects, and City Attorney's Office collectively examined how to produce an activation that would achieve the objectives articulated by the Committee, one that provides benefit to nearby commercial operators, while balancing the interests of all stakeholders and serving the community's interests.

To assist with planning for implementation of additional outdoor dining facilities, the Administration has identified three (3) components of the potential activation, to be further discussed below. These include (1) **location** of the dining furniture, (2) **form and functionality** (i.e., furniture fixed to the ground or movable with recurring set-up); and (3) **maintenance, operational, and storage responsibilities**.

(1) Location of Dining Furniture

The pedestrian Plaza surrounding the Normandy Fountain is composed of concrete pavement and permeable pavers, and built at a higher elevation than the adjacent Rue Vendome commercial properties, privately-owned buildings constructed as early as 1951.

Viewed from above, the Plaza's west side, closest to the restaurants, is at a lower elevation than the Fountain. The sidewalk wraps the curved shape of the commercial building at the lower grade and



² The City will assist any business interested in outdoor dining activation and operators are encouraged to contact the Public Works Department at concessionnotices@miamibeachfl.gov.

measures 10'-0" wide along much of Rue Vendome. Stone benches, and concrete steps and ramps harmonize the transition from the commercial storefronts to the elevated Plaza, location of the historic Fountain and large open space primarily used for events.

Lower Elevation. Placement of dining furniture within the narrow, lower level may present egress and accessibility challenges given the 10'-0" sidewalk width. Further, recreational use by the public might be deterred if the facilities appear as intended solely for use by patrons of the adjacent commercial establishments, as opposed to installation in the elevated area, where most visible to passersby and the street front.



Higher Elevation. The elevated area is characterized by wide open space and provides greater accessibility. Permanent equipment placed in the raised elevation area could adversely impact any of the regular, ongoing programming occurring in the Plaza. For example, Resolution 2022-32334 authorized a professional services agreement with the Normandy Fountain Business Association, Inc. (the "NFBA"), to produce regular activations and cultural programming, free to the public, in the elevated Plaza area. The agreement provides for direct funding support by the City for the programming. Additional seating should complement and be accessible to the existing event programming at the Plaza.

The Administration recommends that, if furniture is purchased by the City, placement in the Plaza's elevated area offers greater adaptability, maximizes use of empty space, affords the most beneficial use to the general public, and allows for restaurant establishments to participate separately in the City's Outdoor Dining Concession Program. While Plaza restaurants are encouraged to participate in the City's Outdoor Dining Concession Program to provide for seating adjacent to and specifically for their business, the options detailed below would add outdoor seating that may be accessed not only by restaurant patrons, but also the general public.

(2) Form & Functionality

(i). Option 1: Permanent (Fixed Furniture; No Daily Set-up)

Format	Four (4) sturdy, weather-resistant picnic-style dining sets, including fixed seating and a shade structure, all permanently affixed to the ground. Total of sixteen (16) seats.
Cost Estimate*	Approximately \$6,000 - \$8,000 *Does not include installation, maintenance, or sanitation
Furniture	Four (4) table sets, each with the following: <ul style="list-style-type: none"> • 1 picnic-style or pedestal-style table • 4-person seating per table (with ADA accessible options) • 1 large umbrella / sun shelter per table (6' – 8' diameter)

Pros:

- No requirement for daily set up, breakdown, and transport, and related labor costs.
- No need to identify off-site storage space.
- Prefabricated dining sets come with everything included (umbrella, chairs, and table).
- Materials designed for durability and weather resistance.



Cons:

- High upfront cost/capital investment.
- Cannot be moved and restricted by location.
- Reduces amount of flexible, open space, which could impact Plaza activations/programming.
- Fastening of fixtures not easily compatible with Plaza’s existing, thick concrete surface.

(ii). Option 2: Temporary (Movable Furniture; Daily Set-up & Offsite Storage)

Format	Two (2) tables sets Total of eight (8) seats.
Cost Estimate	\$2,038 for purchase plus daily labor costs* *Labor cost is incurred each day of operation
Furniture	Two (2) table sets total, each with the following: <ul style="list-style-type: none"> • 1 table • 4 chairs

	<ul style="list-style-type: none"> 1 large umbrella / sun shelter per table (6' – 8' diameter) 				
Cost Breakdown (Capital)	Item	Price per unit	Quantity	Subtotal	
	Table	\$215	1	\$215	
	Chair	\$116	4	\$464	
	Umbrella	\$185	1	\$185	
	Umbrella Stand	\$155	1	\$155	
				<i>Total per set</i>	\$1,019
Cost Breakdown (Labor)*	# City Employees	Price per hour each	Quantity	Subtotal	
	2 for Set-up	\$79	1 hour each	\$158	
	2 for Breakdown	\$79	1 hour each	\$158	
				<i>Total per day</i>	\$316
	Daily Activation (365 days/year)				\$115,340
	Weekend Activation Only (Fri.-Sun.) (3 days/week/year)				\$49,296

*Does not include maintenance and sanitation

Pros:

- Inexpensive capital investment
- Lightweight, portable, and stackable for easy setup, daily storage, and can be reconfigured for events.
- Versatile in function and adaptable as needed to meet varying space requirements.
- Can be implemented as a temporary pilot (rather than permanent fixtures).

Cons:

- Requires identification of offsite storage.
- Lightweight, portable, and foldable characteristics result in less durable fabrication.
- Lightweight, moveable furniture susceptible to weather and theft.



(iii). Option 3: Hybrid Model (Movable & Fixed Furniture; Daily Set-up)

Format	Two (2) table sets; Hybrid model is identical to Option 2 (Temporary Model) except contemplates a fixed umbrella stand , with daily set-up and storage of table, chairs, and umbrella. Total of eight (8) seats.			
Cost Estimate	\$2,328 (for two table sets) for purchase without installation, plus daily labor costs* *Labor cost is incurred each day of operation			
Furniture	Two (2) table sets total, each with the following: <ul style="list-style-type: none"> • 1 table • 4 chairs • 1 large umbrella / sun shelter per table (6' – 8' diameter) 			
Cost Breakdown (Capital)	<i>Item</i>	<i>Price per unit</i>	<i>Quantity</i>	<i>Subtotal</i>
	Table	\$215	1	\$215
	Chair	\$116	4	\$464
	Umbrella	\$185	1	\$185
	Umbrella Stand	\$300	1	\$155
				<i>Total per set</i>
Daily Cost Breakdown (Labor)*	<i># City Employees</i>	<i>Price per hour each</i>	<i>Quantity</i>	<i>Subtotal</i>
	2 for Set-up	\$79	1 hour each	\$158
	2 for Breakdown	\$79	1 hour each	\$158
				<i>Total per day</i>
*Does not include maintenance and sanitation	Daily Activation (365 days/year)			\$115,340
	Weekend Activation Only (Fri.-Sun.) (3 days/week/year)			\$49,296

Pros:

- Inexpensive capital investment.
- Less daily set-up assembly required (umbrella is fixed).
- Stationary mounted umbrellas enhance safety .
- Lightweight, portable, and stackable for easy setup, daily storage (except fixed umbrella).
- Limited fixed furniture element (umbrella) solidifies placement to prevent unwanted adjustment.



Cons:

- Requires identification of offsite storage.
- Lightweight, portable, and foldable characteristics of tables and chairs result in less durable fabrication.
- Lightweight, moveable furniture susceptible to weather and theft.
- Fixed anchoring of umbrellas could be obtrusive when table and chairs are not in use.

(3) Responsibility for Operation and Maintenance

Additional Plaza seating would indirectly benefit existing restaurants as it could be utilized by their patrons. However, since the closure of Rue Vendome, none of the past or present Rue Vendome restaurant operators have submitted formal application for outdoor dining in the Plaza. Operators have cited the added expense of Miami-Dade County Division of



Environmental Resource Management (DERM) regulatory compliance as an obstacle to extending their operations outdoors into the plaza. Compliance with Fats, Oils and Grease (FOG) Discharge Control regulations, commonly referred to as grease trap

regulations, is unavoidable as it is regulated by Miami-Dade County and outside the City's purview. If seating is added and benefits exclusive use by one business, the added seating capacity must be added to the restaurant's business tax receipt (BTR). In addition to DERM requirements, the additional seating capacity could trigger concurrency implications that could result in added mobility fees. Restaurants seeking to shift a portion of its existing seating to outside would not be considered as adding seating. Concession agreements between the City and a restaurant operator typically allocate responsibility for daily maintenance obligations (e.g., trash removal and cleanliness of site area) upon the operator, who maintains requisite insurance coverage and remains liable for breach of contract.

Nevertheless, the City has an interest in cultivating an active Plaza environment. Additional seating will achieve greater use and enjoyment by the public if located in the Plaza's elevated area, where it is not associated with any particular business. **The City may either directly handle all aspects of providing and maintaining outdoor seating (including set-up and sanitation) or outsource the operational and maintenance duties to a contracted partner, ideally an organization that**



represents the interests of a plurality of stakeholders, such as a business association. If not directly maintained by the City, to ensure that operational, logistical, and maintenance functions are administered, and that one entity is responsible to the City, the Administration recommends that a professional services agreement be entered into with a local vendor. It is important that these functions be performed by a reliable and accountable partner, perhaps the Normandy Fountain Business Association as part of its existing professional services agreement, or another qualified vendor identified by the City pursuant to a competitive process.

CONCLUSION:

The Administration recommends that any supplement of dining furniture:

- 1) be located in the open, elevated portion of the Plaza for the enjoyment of all,**
- 2) consist of a limited amount of temporary furniture as part of a 12-month pilot program, similar to Option #2 above, and**
- 3) be administered by a contracted vendor responsible for operations, maintenance, and storage responsibilities.**

Note that procurement, installation, and maintenance costs are not currently identified, budgeted, or appropriated. Less intensive activation (such as Option 2) can help gauge progress and interest from the public during a 12-month pilot period, before potentially investing in more permanent fixtures.

The Department and the North Beach CRA remain committed to exploring additional measures to activate the Plaza, in an effort to promote business expansion, attraction, and retention. 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.