

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **016-2016**

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: January 11, 2016

SUBJECT: **NORTH BEACH FOUNTAIN UNIFIED VALET PARKING PILOT - UPDATE**

As you may recall, the Administration, including the Parking Department and TCED (Tourism and Economic Development), piloted a unified valet parking service for the business corridor along the fountain area through First Class Parking (FCP), the City's valet parking concessionaire. In similar fashion to the Lincoln Road Unified Valet Parking Service provided by FCP, a unified valet parking pilot program for the fountain area has been available on Fridays and Saturdays between the hours of 6pm and 12 Midnight, since Friday, December 11, 2015. FCP agreed to provide this service on an experimental basis to determine its viability with a valet parking user fee of \$ 8.00, per vehicle, in order to offset expenses, including labor, yet maintain user fees at reasonable level.

The following is the utilization and related gross revenue for the valet parking service pilot program:

Date	No. of Vehicles	Gross Revenue
Friday, December 11, 2015	3	\$24
Saturday, December 12, 2015	6	\$48
Friday, December 18, 2015	2	\$16
Saturday, December 19, 2015	5	\$40
Friday, December 25, 2015	0	\$ 0
Saturday, December 26, 2015	3	\$24
Friday, January 1, 2016	3	\$24
Saturday, January 2, 2016	<u>6</u>	<u>\$48</u>
Total:	28	\$224

Clearly, the results of the pilot program are indicative of low demand for valet parking service and from a business perspective, it is not sustainable for FCP.

In my initial report, I referenced how businesses in the area have not been able to privately contract a valet parking service provider primarily due to limited vehicle storage opportunities and its related cost. Aside from labor, vehicle storage is one of the major expenses in providing valet parking service. These expenses, coupled with now confirmed limited demand, directly impact the viability of continued valet parking service, unless, businesses are willing (or able) to partially subsidize some of these expenses.

If businesses along the fountain wish to continue the program, an option to explore is a partial subsidy to First Class Parking to offset expenses, including a modest profit. In the interim, FCP has agreed to extend the pilot program through January 16, 2016, at which point the pilot program will cease.

I will continue to provide updates on the progress of this initiative, if there some development to continue the service materializes. If you should have any questions, please contact Saul Frances, Parking Director via email or at extension 6483.

c: Kathie Brooks, Assistant City Manager
Mark Taxis, Assistant City Manager
Susanne Torriente, Assistant City Manager
John Woodruff, Budget Director/Interim Chief Financial Officer
Eric Carpenter, Assistant City Manager/Public Works Director
Marcia Monserrat, Special Projects Coordinator
Daniel Oates, Chief of Police
Hernan Cardeno, Code Compliance Director
Max Sklar, Director of TCED
Jeffrey Oris, Economic Development Director

JLM/KGB/SF &