

MIAMI BEACH

Finance and Citywide Projects Committee Meeting

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive

June 14, 2019 - 8:00 AM

Commissioner Ricky Arriola, Chair
Commissioner Michael Góngora, Vice-Chair
Commissioner Mark Samuelian, Member
Commissioner Micky Steinberg Alternate

John Woodruff, Liaison
Morgan Goldberg, Support Staff

Visit us at www.miamibeachfl.gov for agendas and video streaming of City Commission Committee Meetings.

A meeting of the Finance and Citywide Projects Committee- Budget Briefing was held on Friday, June 14, 2019 at 8:00 a.m. in the Commission Chambers, 3rd floor of City Hall. Attendance: Mayor Dan Gelber, Commissioners Ricky Arriola, Michael Góngora, Mark Samuelian, John Alemán, Micky Steinberg, Joy Malakoff. Members from the Administration and the public were also attendance.

Meeting began at 8:13 a.m.

BUDGET BRIEFING: NEW BUSINESS

1. **PRELIMINARY FISCAL (FY) 2020 GENERAL FUND BUDGET UPDATE PROPOSED MILLAGE RATE**
Office of Budget and Performance Improvement

ACTION

John Woodruff, Chief Financial Officer, explained that today is the first of the three budget briefings and today's focus is the capital budget. He said he will give a quick overview of the general fund budget, but it will be covered in more detail at the July 19th meeting. He went through the operating budget presentation and explained that it builds on the one that the Commission saw at the May 21st Budget Workshop. John Woodruff spoke about the 3% increase in property values. He said we should expect to have a few tight years going forward. He spoke about the new construction trend and that when we come back on July 19th, they will discuss what it is in the development pipeline of what is coming. He explained that we have a gap of about \$4.9 million in the general fund. He spoke about some approaches we will be looking at to balance the budget that will be presented at the next meeting. He also mentioned that the Commission will set the millage rate on July 31st. He said in August they will present the proposed budget and in September the 2 public hearings will take place to adopt the budget.

The Committee didn't have any comments or questions.

2. **FISCAL YEAR 2020 PRELIMINARY CAPITAL BUDGET**
Office of Budget and Performance Improvement

ACTION

John Woodruff, Chief Financial Officer, went through the capital budget presentation. He said we are in the middle of the capital improvement program process and a lot of work has gone into the plan thus far. There is a capital action team and we have folded in a resiliency overlay to that team as well, in order to incorporate resiliency into how we do business. He said when we talk about capital improvement funding we focus on Capital Renewal and Replacement, Resort Tax Quality of Life, and Capital PAYGO, he also mentioned some other funds, but the bulk of the presentation is going to focus on those 3 funds. The presentation began with the Capital Renewal and Replacement. The presentation included the recommended projects that are high priority. The following was brought up:

- Commissioner Alemán brought up the driveway behind Police-Internal Affairs and asked for it to be looked at and also possibly an awning there, she asked that it be assessed. Adrian Morales, Property Management Director, said that it was looked at and it is being put in as a request on their under \$25,000 renovations list, so it won't be visible on Capital Renewal and Replacement list, but they are working on it and it will be available to Police in FY2019/20.

John Woodruff continued with the presentation and talked about the Resort Tax Quality of Life funds and the projects proposed for funding in North Beach, Mid-Beach, and South Beach. The following was brought up:

- Commissioner Alemán brought up a project regarding the North Beach Bandshell. She spoke about seating and said the Bandshell sent her an estimate that she will submit to John Woodruff, an estimate of \$125,000. It would be allocated from the unallocated funds of \$457,096 in North Beach. The Commissioners liked the idea of this, but Commissioner Steinberg would like to know what other projects are not being funded that would have been funded on the priority list prior to taking on a new project. There was general consensus to fund the seating for the Bandshell.
- Commissioner Arriola brought up that we did some repaving along Meridian Avenue and said he saw a request from the Bayshore Neighborhood at least on a temporary basis repave Meridian Avenue from Dade Boulevard to 28th Street. He said the cost would be about \$156,000. Commissioner Alemán mentioned that we did some stop gap paving in Central Bayshore last year because the stormwater infrastructure project got delayed. Roy Coley, Public Works Director, said we did do that paving, he said Commissioner Arriola was talking about some additional paving in the same neighborhood.
- John Woodruff said Parks and Recreation had an additional request. John Rebar, Parks and Recreation Director, said we recently finished a playground replacement at Indian Beach and that project was planned and funded before the Mid-Beach Neighborhood Association was in full force. He said they met with some of the members of the association and they expressed a strong desire to add elements to the playground because the demographics have changed, it is getting younger. They want to expand to a 2-5 year old playground equipment and more shading. John Woodruff said we have \$168,000 in unallocated funds, he said if we take that and then identify some savings in other projects we should be able to cover the gap. Dan Gelber, Mayor, liked this idea. Commissioner Malakoff thinks it is great that more young people are moving to Mid-Beach. There was consensus to add this project.
- Commissioner Malakoff said there was a request from the Miami City Ballet for replacement of flooring, part of it is already funded, but there is a part that is not funded. They said they needed to get back to her with the numbers. John Woodruff said they could hopefully provide the numbers by the July 19th meeting and then the Commissioners can consider it then.

John Woodruff continued with the presentation and talked about the PAYGO fund and the projects it is funding. He said we should try and increase this fund from the current \$2.4 million to \$5 million over time, last year we converted it to a millage rate and it grew slightly with the property values, so hopefully over time that will generate more funds. The following was brought up:

- Mayor Gelber asked about the Polo Park soccer field. John Rebar said that we would like to put up some netting and some goals to utilize the outfield of the baseball field for the younger ages of soccer. He also said there is a proposal for 3 different menu items, baseball, basketball, tennis, or all 3. We have a great relationship with the neighborhood association and we walked them through the G.O. Bond project, they want to tackle one thing at a time, first the G.O. Bond then the lighting.
- Commissioner Samuelian asked what amount of requests for PAYGO are we not funding? John Woodruff said that \$10.2 million was requested, \$2.7 million is available, \$7.5 million is what we are not funding.

John Woodruff continued with the presentation and talked about the other type of funds and the projects they are funding, including the Transportation funds, Parking funds, Stormwater funds, Water and Sewer funds, RDA funds, and other funds; he said the projects are usually tied to whatever fund they are coming from. The following was brought up:

- Commissioner Alemán asked what the status is of the bioswale pilot that was put on referral; she asked if it is part of this or if it needs to be talked about. Roy Coley said the bioswale pilot that Commissioner Alemán proposed is for 59th Street and is not part of this funding. At this point we haven't identified a funding source and that discussion is to be had at the FCWPC and the Sustainability and Resiliency Committee. John Woodruff said it is scheduled to be discussed at the June 28th FCWPC meeting and we have 2 budget workshops after that; it can be vetted at one of those if that is the desire.
- Commissioner Alemán asked about the water meter replacement program, she said some component of that was going to be self-funding. Roy Coley said we have been setting money aside year after year to go into an automated meter reading system that we are in the procurement process for. There is an accumulation of money for that; there is not enough money to totally fund it yet.

John Woodruff continued with the presentation and talked about the G.O. Bond process. He explained the timeline, he said that following the election on November 6th, the Commission approved a plan put together by the resident Committee on which projects to implement when and how much in each tranche on March 13th and the same day we budgeted all of the funding that is in tranche 1. Maria Hernandez and her team have been working with the Departments on the schedule, we will now take that and start quantifying what the future operating and maintenance costs could be from some of these projects.

REGULAR AGENDA: OLD BUSINESS

3. **DISCUSSION REGARDING THE VACATION OF PORTIONS OF OCEAN TERRACE, 74TH AND 75TH STREETS (THE "CITY RIGHT OF WAY AREAS") IN FAVOR OF OCEAN TERRACE HOLDINGS, LLC AND TO REVIEW THE PROPOSED DEVELOPMENT AGREEMENT PROVIDING, AMONG OTHER TERMS, FOR THE DEVELOPER TO (1) GRANT TO THE CITY A PERPETUAL UTILITY, ROADWAY AND PEDESTRIAN ACCESS EASEMENT OVER, ACROSS AND UNDER THE CITY RIGHT-OF-WAY AREAS; AND (2) DEVELOP, DESIGN, AND CONSTRUCT, AT THE DEVELOPER'S SOLE COST AND EXPENSE (EXCEPT FOR PAYMENT OF CERTAIN CITY FEES), CERTAIN PUBLIC PARK AND STREETScape IMPROVEMENTS IN THE VICINITY OF OCEAN TERRACE, BETWEEN 73RD STREET AND 75TH STREET, WITH SUCH PUBLIC IMPROVEMENTS HAVING A VALUE OF APPROXIMATELY FIFTEEN MILLION DOLLARS (\$15,000,000)**

March 13, 2019 – C4 F

Sponsored by Commissioner Arriola
Public Works

ACTION

Commissioner Arriola asked Eric Carpenter to walk the Committee through some of the financial aspects of this project.

Eric Carpenter, Assistant City Manager, presented the item. This is an item that has been in front of the Committee on several occasions in the past. In February, we discussed the Master Plan and potential funding alternatives to try and bring the Ocean Terrace neighborhood design to fruition. In March, the FCWPC recommended and ultimately was approved by Commission, a resolution to work on a public private partnership to try and realize these streetscape improvements along Ocean Terrace consistent with the plan. We did find a willing partner in this process with Ocean Terrace Holdings, they are in the process of trying to redevelop almost the entire block between 74th and 75th Street, Collins Avenue and Ocean Terrace and they were willing to step up to the plate, what we estimated is approximately \$15 million in constructive public improvements in exchange for the City vacating the public right of way adjacent to their project to allow them to attract a higher end hotel flag by providing additional keys that makes their project more viable and ultimately better for the community in the long term. We have gone through a significant negotiation process. At this point we've done an economic analysis that was done by Lambert, the appraisal was done of the area that we are proposing to vacate. The appraisal shows that the value if you were able to develop that right of way that we are vacating is approximately \$11 million. That does not take into consideration that we are getting a full easement back over that right of way, which will allow for pedestrian access, vehicular access, and perpetual public use. The economic analysis that was done shows there is approximately a \$49 million net present value increase to the City's tax rolls and resort tax rolls for the proposed improvements. He offered to walk the Committee through the 11 issues related to the development agreement or tell the Committee we are at a place where we have the framework of the deal relatively in a good spot. We would like to tighten up the timelines a little bit. Right now we are looking at phase 1 of the park streetscape project being completed within 4 years, phase 2 in 8 years. The requirement of the development agreement right now is for the developer to be constructing the private project within that 8 year timeframe and be completed within 11 years. The development agreement, we've been back and forth on and aren't quite there yet, there are still some discussions on the beachfront concessions associated with the hotel. There is a request for some fee waivers associated with the City portion of the project and approximately \$40,000 of fee waivers for the private portion of the project relating to the previously expended application fees.

Commissioner Arriola asked for the big picture in layman terms.

Eric Carpenter said the City is vacating a portion of Ocean Terrace, 74th and 75th Streets, a heavily asphalt and concrete area and turning it into much more green, as an enticing public park/streetscape space. We are paying \$0.

Commissioner Arriola said we are taking an asphalt parking lot for cars and be turned into a park at \$0 to the City. He asked why we wouldn't do that. He asked if he and his colleagues all agree on the big picture.

Commissioner Samuelian said there has been some lack of understanding about what a vacation means and the rights and control the City has on the street post transaction.

Eric Carpenter said a right-of-way in concept is really just a dedication for public access and utility that's typically put in place at the time of plotting the parcels into smaller subdivided parcels. What we're doing in this particular instance is we are taking that right-of-way dedication which is, in fact, an easement with an underlying reversionary right to the adjacent property owners and we are vacating that right-of-way and we are getting a comparable easement back from the developer for public access and utilities in perpetuity.

Commissioner Samuelian asked if we maintain the full rights and control on the property.

Eric Carpenter said yes.

Commissioner Arriola thanked Commissioner Samuelian for bringing that up. It is a very important point he thinks some folks in the public may not understand and are confused, the public has access to this, that is

part of the deal that's being proposed, there's a legal requirement to vacate, but we get everything back that we have today. We are not losing control or access.

Eric Carpenter said the best similarity and it's not exact, but the best similarity that he can draw is that this is similar to what was done in the 1100 block of Lincoln Road where it was a vehicular street with pedestrian access and we turned it into a pedestrian plaza. That's more or less what we're proposing to do with the city still having all the rights and controls that we have today, tomorrow.

Commissioner Alemán said we are going to work on the details negotiate a development agreement and all of that good stuff that we always do. She wants to just take a step back and talk about the role of this vacation. This is a no-brainer transformative project. If you think about Altos del Mar Park which the city is currently in a construction project to renovate, it is on 75th and Collins Avenue on the north side, just south of that is where the North Shore Public Library is and most of the public recall that they voted overwhelmingly to support the G.O. Bond. Part of the reason was we were going to get a brand-new twice the size, North Beach Branch Library over on Collins Avenue the 72nd Street. That frees up an entire publicly owned beachfront waterfront lot on 75th and Collins Avenue on the south side. Then you have the two blocks of Ocean Terrace, then there is Bandshell and Domino Park is, where the volleyball courts and all of that and then you wrap west to Collins Avenue and 72nd Street, which is that surface lot that becomes not just a new library, but also a new park, it becomes a 500 space parking garage, it becomes an aquatic center, a public fitness center with a running track. What you get with this center piece of Ocean Terrace is a connection for a 7 block park and recreation space that's entirely for the North Beach residents, it's spectacular, and it's transformative. When we're looking for developers, she referenced the earlier conversation with Mr. Finvarb and him seeing the vision. We cannot do Town Center with only him, we need other developers and investors to come and believe in the town center vision. We have been trying to get it going. She referenced Sylvia Coltrane, that she has not been able to close on the financing for the flag to get started on that hotel, because the investors come look at what she's asking them to invest in and then they go look at the beachfront and the beachfront is completely decrepit and decaying and unsafe and unsavory and they say if this is what the crown jewel of North Beach, the beachfront looks like, they don't think it is a good investment. We need to get the beachfront changed, it is absolutely for the residents, but the repercussions of that will be, we will start to see strong town center investments and then when we see North Beach is great place to live with the town center and the beachfront. That's when all the small owners that are our residents that own a little Mimo building here and there, in the multifamily districts that we designated historic a few years ago. That's when they have a P & L to invest in their properties and make those beautiful historic gems that are sprinkled all throughout Normandy Isles and North Shore to give them a new future for the next 50 to 100 years. That is how the historic revitalization happens, so all this fits together and that's really what we need to keep in mind. Obviously we need to work the details and we will, but that is what the North Beach Master Plan described and that is what we must deliver and this is a key component.

Commissioner Samuelian said that for him it is a couple thresholds, one, given this type of arrangement needs to be really compelling for the city and the community and for me for the community voice the St. Tropez, which is right there it's going to live with it forever is a critical stakeholder. He asked if Eric Carpenter or the developer can update the Committee on how discussions, the level of interest or support from the St. Tropez, he asked if they support this.

Eric Carpenter said he has been in communication with the president of their board and is here.

Commissioner Arriola asked what we need to achieve in the FCWPC.

Eric Carpenter said in the FCWPC the item needs to be heard and ultimately the Administration's recommendation is that it be approved and forwarded to the City Commission for discussion of the 3 components of this, which are the land use amendments, the vacation, and the development agreement.

Commissioner Arriola said that the big picture makes a lot of sense for him. There are details we can

negotiate. He asked if we are to negotiate those deals here today or at the full Commission, in terms of the easements, concession, etc.

Eric Carpenter said a lot of that has already been structured out, if there are specific items that the Committee wants to delve into today to provide direction to negotiate more, there are a handful of items that we are still actively going through.

Raul Aguila, City Attorney, said the reason this is back here is as the FCWPC recalls, particularly Commissioner Samuelian, it was asked for this to come back with the terms of the agreement of the vacation and development agreement, which are enclosed in the agenda. As Eric Carpenter said they are looking for a recommendation from the Committee and ideally we would bring the development agreement for first reading in June and second readings in July. Hopefully by June we will have some of the remaining terms of the development agreement worked out.

Commissioner Samuelian said he understands they are not negotiating in detail, but Eric Carpenter did ask for feedback. He said if we have a project like this that creates value we want to get there as soon as possible. He has looked at some of the timing and has shared this with the developer; he would like to see if we can do some of these things a bit faster. He is supportive of where we are going and supportive of it moving out of committee, but he would like to see what we can do to accelerate to get the benefits faster.

Commissioner Arriola agreed.

Neisen Kasdin, Akerman, representing the applicant, spoke. He said that they have a full presentation, if the Committee would like to see it, he did also want to address the point that this agreement has been extensively negotiated and drafted. So no one is confused, there are three or four points Eric Carpenter from the City Manager's Office, has put out a very detailed and thorough memo which highlights all of the key deal points and there are many. There are three or four issues which Eric has highlighted, which we are still working on and he announced those earlier. He said Commissioner Samuelian mentioned that concern, they could also take time now to address the timeline or they could sit with him separately, they hear the concerns and want to be responsive.

Commissioner Samuelian said they could do that offline or through Eric Carpenter would be fine with him.

Mr. Kasdin said there are many people from the community here, he said most of the Commissioners participated in an extensive, lengthy process of planning for Ocean Terrace, the charrette, the specific street design, the Commissioners have heard from the community before, but one thing that has come through in all of the comments from the community is basically not to blow it this time. North Beach has been the maid in waiting in this city for decades as everyone says. No one has made a really significant economic investment in this neighborhood. Today it's perhaps ironic the City has the opportunity, both with the project described before and with this project to finally move North Beach forward as the Commission, they have a unique opportunity to make that happen. If it does not happen, there is a good likelihood that investment will pass over the city for many years to come. The other thing that is interesting and he thinks in the big picture of things all have to be aware of, the Commission will be dealing with the budget coming up, what we will see is property values that are flattening, new development that is down significantly, this city is pretty much fully developed between what's been built in the regulations in the city and so the city has been sort of sitting fat and pretty for many years based on all the investment that has taken place, appreciation in property values and development that has taken place. An honest evaluation of that with very little areas left to develop, some of Alton road, perhaps, North Beach, you can see a period of perhaps flattening or even potentially, unfortunately decreasing property values. That is a fiscal issue for this city. He works with developers all over this County from the top national and international developers, investors, doing some of the finest projects anywhere, for example, the Design District, Brickell City Centers, etc. There are dozens and dozens of times the amount of investment going into those areas and he has tried to interest people, he believes in North Beach. He thinks the Town Center Plan is a great idea. He thinks Ocean Terrace could be the next great street that people talk about in Miami Beach because of the linear

park and because the redevelopment of the block, but it is very difficult to get people to invest. They do not believe that North Beach is there. They do not believe it is ready or is right for investment and all the things that the Commission has done and they have done a lot to set the stage, at the end of the day is the most important piece of oceanfront property remains in the state that it is in and Commissioner Aleman mentioned this first, it is very hard to convince investors to go to Town Center or Normandy Isle, they don't see it, they don't get it. This is a very momentous moment for the City Commission there is the opportunity unlike any Commission in the past to really get investment, great public space, and truly catalyze redevelopment of North Beach.

Bill Vitale, President of the Board of Directors of St. Tropez, spoke. He said they are in support of this to say this as quickly as he can. The first time Sandor reached out to them back in February, the first thing he said was he wanted them included in this. Sandor Scher wanted to know his feelings and have his input, he wanted to know what they like, what they don't like, what they would like him to change. Sandor has been good to his word about that, so Mr. Vitale and the St. Tropez are coming at this not as a project that's been foisted on them, but as something that they are invested in and are an integral part of. He did bring up one concern that he wanted to remark about, the unit owners are concerned about the ingress and egress to their building along 73rd Street. The way the plan is currently set up calls for the eastbound lane to fork, there will be a beach drop off, and the residents will turn to the left to get to the building and garage. To be clear, Sandor and his design people have said this will work. Just the other day, they had a two hour meeting with Sandor and they said this will work, they showed scaled drawings with little cars drawn in and all of that to show how this would work, so he's not suggesting in any way that he knows more about this than they do, or that this will be a problem. He would ask the City to please focus on this for them because they need to be able to get in and out of their building. He also said that Mayor Gelber said the other day that the aquatic center is going to be finished in 2023, if that could be ready around the same time that the Ocean Terrace project is done, it will greatly be beneficial to that question of whether 73rd Street becomes a problem. He asked if it would be possible for the City to have some kind of designated police presence at least for a reasonable amount of time to what the deal is there and how many spots there are and how long it takes. That would give the unit owners a level of comfort and kind of seals the deal for them.

Commissioner Arriola said they will have many more opportunities to take a look at the details of this project and all of the points Mr. Vitale is raising are very important and need to be hammered out as part of the development agreement.

Commissioner Alemán said she met with some Mr. Vitale and 2 other gentlemen from the St. Tropez to make sure she understood their concerns. As she described to Sandor Scher subsequently the beach drop off needs to be designed for the drop off to take a few minutes and not back up the ingress especially for the St. Tropez residents. Mr. Scher reassured her on that.

Commissioner Góngora said he knows there are a number of residents that came to support this item that aren't speaking at this very early hour who have reached out to the Commissioners, he thanked them for being here and recognize that they are in the audience. This is a big vision item he gives great deference to those in the neighborhood, but again it's a legal mechanism that we're changing the character of what is now a public street into essentially a public park and there's a development agreement to go along with that. He's had a hard time wrapping his head around the vision part, because for him that's the most important because the North Beach Town Plan, when he first got elected, envisioned keeping a lane of traffic open building out a public park that the city was going to pay for, but leaving a lane of the vehicular traffic. So he has been focused on converting it to a park before he even gets into the whole developer mechanism, so he does take this very seriously. He spent a good amount of time there on Saturday walking around and checking out the area and it is a beautiful beach and it was sad to him that it is an underutilized beach by residents. It seemed like it was more day-trippers that were there from the County that were present. He would like to see us maximize this beautiful city jewel and asset that the residents of St. Tropez are lucky to live across from. He is amenable to this, he thinks Commissioner Samuelian's question was a good one because there is a lot of rumors about it being given away, it is being deeded away, but we are keeping essentially the same rights pursuant to a perpetual easement and it would be

open to the public and he thinks the public needs to be aware of that. As he understands it the developer will not build further than his current property line, he asked if is correct.

Eric Carpenter said yes that is correct.

Commissioner Góngora confirmed that essentially the developer will go take out the parking spaces, convert the asphalt to the public park being designed by Raymond Jungles for \$15 million. He has had a hard time with these valuation determinations as everyone heard on the last item about the alley because in his mind there's a difference between what the street value appraisal is for a street as opposed to what the value is to a development. In this case, we do need to put it out there and he's not opposed to it, but he thinks the public does need to know that the developer is building the park and is taking those development rights and FAR and will put another tower on the Collins Avenue side. Maybe that's great for the area, maybe we need that housing and he hopes it will be great, but there's a value to that and he's having a hard time in his mind deciding if the park is worth the building, that's how he looks at it. He wants to make sure he drives the best deal possible for the community so as this moves forward and he does think it has the votes to move forward today. He is going to have to understand that valuation better before comes for the Commission in total to understand that it's the best thing for the city. Also, for him there needs to be three considerations, one is the parking, it's going to be a huge problem as the lot that's going to become an aquatic center and goes under construction and is temporarily unavailable for parking, he needs to know how that's going to play into the removal of these spots on Ocean Terrace, and there is another thing about taking out the spots in front of North Shore Park. There are three areas right now that the public accesses to go to the beach and to visit the restaurants and stores that are there now and he needs to have before he approves this at Commission, a really good understanding of that timing and where people are going to park throughout this entire process because he doesn't want to shut down all the parking for several years to everybody that may want use that area. He wants to have a strict timing on our park being built. He thinks it's essential that it be built before the developer's building, if we are giving up the street he wants that park there as quickly as possible before the towers go up, because that's why he is voting for this today because of the park, not because of the development. He also wants to make sure that this is not assignable at all. His vote will be contingent on his relationship with this developer who he has come to know and like and trust over the years and is very popular, but he doesn't want to approve a project and then have it flipped to somebody that he doesn't know or don't trust that might not live up to the promises that they've made to the community. So with that said, his vote is contingent on a lot of things coming forth in the development agreement, but for Committee purposes today he'll move it forward and allow the staff to continue to negotiate all of those terms, but his yes today is not a final yes vote, it is a yes to move the process forward.

Commissioner Samuelian said he thinks Commissioner Góngora makes some good points, we'll look forward to hearing those play out and he will second the motion.

Commissioner Steinberg said this is going to go to the full Commission and staff will make sure to iron out the ingress and egress of the St. Tropez and take all of the points that were discussed today, the timing of everything as well is going to play into this including the details of the development agreement where she believes they have 25 years, is something to look at. Also, she said to be mindful when we do have situations where we do close the street down today like for 4th of July, it is a nice event we close it down, what now will happen and how that translates to be sure there is also public access.

Commissioner Malakoff said that she is very pleased with the project and believes it is transformative. She said we talked before about the 83rd Street project as being a catalyst, this also is going to be a catalyst. These buildings fronting on Collins Avenue have been in a derelict state for as long as she can remember. They have needed restoration, they have needed repairs, and they need retail tenants that will service the neighborhood. North Beach really needs this. The only thing she would like to see is for the timeline to be shortened so she can see it completed.

Mayor Gelber said you look at the strip and it is so beautiful and next to other elements that are beautiful and you say how can there not be development there? The truth is that the market has some wisdom and there hasn't been development there. He appreciates the issues raised by his colleagues and he urges Eric Carpenter to make sure we get a great deal. The truth is that folks have to hold property for a long period of time, they are going in an area for whatever reason that has withstood a major development interest for decades, and there is risk on the developer also. We have to be aware of that. If we are not careful and we try to carve this close, we are going to end up just losing it. He thinks that would be terrible, he doesn't think there is anybody that doesn't want this area to reach its potential. It is not just to have a beautiful beach front. Many of our issues in this city are captured by our failure to create inviting town centers close to our residents, including our transportation and housing issues. The idea that we can create something that is dynamic and beautiful, that's inviting, embracing, and walkable, that's commercially viable is transformational to 1/3 of our city. He doesn't want to lose this, he doesn't want to give away the farm, but he thinks Eric Carpenter does this for a living and he wants him to do the best job he can, he said they are going to rely on him and he has the utmost confidence in him, so let's get this going.

Mr. Vitale said he just wanted to add that the St. Tropez Board of Directors is working on a formal letter of support for the project, which they will be able to submit shortly.

Commissioner Alemán said so it gets added and administratively, she received a formal letter of support from the Rhythm Foundation, she gave it to John Woodruff, she asked when it goes back to the Commission that the letter be attached.

Jerry Libbin, Former Commissioner and President/CEO of the Miami Beach Chamber of Commerce, spoke. He said it seems like everybody's onboard moving this project forward, but he wanted to for the record note that the Miami Beach Chamber of Commerce Board of Governors met the developer and had a presentation, understand that the Chamber Board of Governors was in full support and entrusts the City to negotiate a sound development agreement and urges the City to conclude that successfully and move the project forward. He gave a letter to Rafael E. Granado for the record.

MOTION: Commissioner Góngora moved the item forward to Commission and allow staff to negotiate the terms further and address the points that were discussed. Commissioner Samuelian seconded. All in favor.

REGULAR AGENDA: NEW BUSINESS

4. DISCUSSION TO EXAMINE WHAT PORTION OF THE \$10 MILLION PREVIOUSLY PROGRAMMED FOR THE LIGHT RAIL/MODERN STREET CAR PROJECT COULD BE REALLOCATED TO THE 72ND STREET PROJECT

May 8, 2019 – R7 A

Office of Budget and Performance Improvement

ACTION

John Woodruff, Chief Financial Officer, presented the item as part of the Capital Budget presentation. He said at the end of the G.O. Bond allocation process, the project was originally budgeted at \$63 or \$64 million, at the time when the final decisions were made, it was cut down by \$10 million to \$53 million. We went back and reworked some of those numbers and he is hearing there is a gap of about \$10.6 million to really do the project with the scope that was intended. There have been a lot of questions of the scope and what we are able to cover with the \$10.6 million; he will allow David Martinez to explain the scope. He spoke about the paths to get to the \$10.6 million if desired. One path, which is the recommended one is where we could use the \$10 million of resort tax funding that is currently in the light rail project. The cost for the parking garage is substantial and right now our Park Mobile numbers tell us that the usage is 23% nonresidents, when we apply that percentage to the cost of the garage, we could use \$6.3 million of the \$10 million allocation and then the aquatic complex we anticipate will be used by nonresidents as well so we took 15% as a planning number, so that would give us \$7.7 million. That got us close enough where we

could use some available parking funds to close that gap. When figuring out how to get to the \$10 million, we wanted to keep intact the North Beach Town Center garage parking money that we set aside, even if that project doesn't work out we could always use it for any other parking garage that might come up. He then introduced David Martinez to talk about the scope of the project.

David Martinez, CIP Director, spoke. He recapped what was in the G.O. Bond project when it went out to the voters. There were 6 items that were specifically broken out in the G.O. Bond one pagers and what the residents saw and voted on. The first item was the parking garage, second was the civic commercial space, third was a library, fourth was a recreational park green space, five was the aquatic complex, and six was a generic site work component. All of those components in the G.O. Bond added up to the \$53.8 million. Some of those were broken up into some additional subsets. There were no other items in the parking garage. On the civic commercial space, it was broke up into three pieces. The civic commercial space was made up of the ground-level liner for the garage; it included the community center that would be up in the roof or on the top level of the garage of up to 5,000 square foot. It includes the upscale fitness gym and running track, also on the top level of the garage. The library was the library, and the green space was just that. The aquatic complex was composed of course of a 50 meter competition sized pool and a 25 meter competition warm up pool and it also included sports lighting.

Mayor Gelber asked how much unallocated space is in the building now.

Commissioner Alemán said in addition to the library there is unallocated square footage.

David Martinez said 20,000 square feet. He continued explaining the scope. He said the site work included utility relocations, and it also included a sustainable and resilient element that was added on to the G.O. Bond. When you look at the total budget it brings us to \$64.3 million versus \$53.8. Right now we do have a consultant on board continuing doing feasibility, they have some deliverables that should be coming in right about now and we are now.

Mayor Gelber asked what staff recommends. He asked if the \$50 million facility going to diminish some of mission.

David Martinez said there are some elements that work in unison and some that are independent. For example, the library can either be attached or not attached and it doesn't affect other components. If you look at the aquatic component it has a relationship with the fitness gym in terms of the shared uses like lockers, showers, community rooms, etc. These things are programmed to go together. Parking is just that, the current lot has 320 spaces, either we reduce or increase parking spaces.

Commissioner Alemán said the library can be unbuckled, but she will say why she doesn't recommend it. The primary users of the library are young people and seniors. She said we have the North Shore Youth Center where these people will be and it ties in really well together with the library. She said David Martinez and a few other people went to see what new modern libraries look like and one component is media innovation centers. They got excited about that component of the library because we can use that as a City to enhance what is happening with youth with education and offer technology classes to seniors, etc. This whole area where we will have all of these components is such a great set of amenities that all fit together. She would like to find the \$10 million.

Commissioner Góngora said that he agrees with Commissioner Alemán and thinks it will be wonderful. He asked what the timeline is for the recreation center to go online, the funding in tranche 1 versus tranche 2.

David Martinez said he can touch briefly on what the schedule would look like if we were just going to continue on from this point. When we looked at this through the design build process, we would be looking at an overall project development of about 4 years. During the 4 years, we are looking to possibly awarding this project to a design builder; we are estimating it would probably happen sometime at the end of the 3rd quarter or 4th quarter of FY 2019/20.

Commissioner Alemán said she thinks the point is that David Martinez is ready to issue the design, either a \$50 million design or \$60 million design and there needs to be a commitment from the Commission on which way to go on this. There are options to find the \$10 million as discussed previously. She said we are at a standstill because David Martinez needs to know what version of the project to bid out.

David Martinez said that is correct. The next step if we were to proceed is to develop the criteria to put together for the RFQ for the design builder.

Commissioner Malakoff said when we looked at this during the original selection committee for the G.O. Bond; she doesn't remember seeing a gymnasium or running track.

David Martinez said that has been there all along, but maybe the way it was presented was unclear. He said the most significant changes prior to engaging in the G.O. Bond process was that the warm up pool was added, the skate park was removed, and the greenspace increased. All of the other elements remained the same.

Commissioner Malakoff said the civic space was to have the community room and not to build another community room.

David Martinez said the commercial space that we are talking about is approximately 20,000 plus or minus square feet of liner on the ground floor and up to 5,000 square feet community room on the roof that would have the benefit of looking out at the ocean.

Commissioner Malakoff asked if that was included in the \$53 million as it was allocated.

David Martinez said the first time this was presented on the wish list of G.O. Bond projects; we came up with a \$60 million amount. That was cut by \$10 million at that time and there were discussions to find the money down the road. Further down the road, there was money added for resilience and sustainable items and that is what brought it to \$53.8 million.

Commissioner Arriola said his frustration is that we chopped \$10 million off assuming we could build this same project for \$10 million less and it wasn't going to make a difference in the vote, but here we are.

Commissioner Góngora said he feels that this item is premature. Everything that was in the G.O. Bond and everything David Martinez is saying today is an educated estimate. He said he is not going to allocate \$10.6 million based upon the slide that was shown today. He said he needs to understand what the project costs; he needs to see what the backup is. The voters approved a \$53 million project and now we are saying it could be \$64 million, but no backup or any real document is being given. For him, it just based on David Martinez's verbal representation. He doesn't see why they would allocate the \$10.6 million today, when the project won't be ready to go out to bid until the 3rd quarter of next year.

Commissioner Samuelian said he has some concerns as well. He said we are in a very tight operating budget and as he thinks about this he is concerned about the message around fiscal responsibility that we brought to the community. We spent a lot of time on this process, a number of the Commissioners advocated strongly and got the voters to approve substantial increases in a \$53 million project. Now to go back and say we want to add almost 20% of the cost is a big deal to him. He is also concerned about the financials, this project which he voted for, represents a third of parks budget, if we add another \$10 million that becomes 50% of all of our investment. This project also has significant operating and maintenance cost, in a tough budget environment we are going to have to face millions of dollars. In addition to some of the requests Commissioner Góngora had, he would like to understand the cost from an operating and maintenance standpoint. His other request would be to know what are we not doing? What is out there? He thinks we need to have a broader discussion, he is fine with looking at the light rail, but is not fine with making this commitment, especially because we went to the community with another approach.

Commissioner Arriola said he does support the higher amount and he would like to find the \$10 million because this is a worthwhile project. He was a strong supporter of it for the full value when it was first discussed it. He thinks they owe to the public to provide the vision. He thinks it is going to be one of the nicest civic projects in the entire County, if not the nicest. The thing to consider when talking about operating costs, there is a retail component and a parking component that generates funds. There is also a park and a pool. This is not just a cost center, this generates revenue as well. He said rather than looking at the transportation fund, he would rather look at the North Beach Town Center parking garage money that we are setting aside. He thinks there may be a proposal on the table there where we are not required to come out of pocket, therefore, freeing up money, he would be supportive of transferring that money to this project. He doesn't know where that discussion stands with that developer, but if we are getting close to a deal there, he would love to take that money and put it into this project and reserve the \$10 million for transportation needs in the future.

Jimmy L. Morales, City Manager, said that the latest proposal is that they will build the garage without our money.

Eric Carpenter, Assistant City Manager, said there is approximately \$10 million in the parking fund that was allocated for that deal. He said he would like to put on the record that we still have a parking issue in North Beach and if we were going to allocate those \$10 million that were supposed to help the parking problem we may want to look at potentially expanding the parking garage portion of this project, higher than the 500 spaces.

Mayor Gelber said there are at least a few Commissioners that are concerned about the funds or the size of the project, he is not concerned about the size, slightly different than Commissioner Arriola's view, his view was that the G.O. Bond was \$10 million less, which was less of a tax increase. If we can find the money in a project that we are not programming it for and it is not taking from some other important need, then he doesn't think there is a problem with increasing the size of the project in the way that David Martinez suggested. He thinks his colleagues needs to get a briefing from David Martinez on the details so that people are secure as to what the difference is. If they received briefings on the details sufficiently to see maybe it is worth it to add the money or maybe not, where we get the funds from is the second issue. He thinks there are some funds that are available that are aligned with the mission of what we are trying to do there. Parking is for the area, so if we are taking parking money from one block and putting it into that we aren't exactly subverting anyone's will, we are actually using the money for what it was intended for.

Commissioner Alemán said the other thing that hasn't been talked about is that this project frees up the entire city owned public block at Collins Avenue and 75th Street, which is a beachfront block. The old library site is freed up by this project, which is worth millions of dollars. She said in terms of the design criteria that we should go with the full project and instead of these funds, which she fully understands we have had folks working hard on transportation initiatives and are probably nervous about taking the light rail funds because we may need them for transportation initiatives. She will include in her motion that we reallocate the funds from the other North Beach Town Center parking garage project.

Commissioner Malakoff said or from the library site. That is a very valuable site; \$10 million can easily come from there. It would require a transaction.

Mayor Gelber said Commissioner Malakoff might be right that that money is not with us, but will be. He thinks the Commission needs to believe that a higher end project is necessary and then figure out where the money comes from. There seems to be a few sources that are consistent with the mission of what we want to do there.

Commissioner Alemán's motion is for the Commission to give David Martinez the direction to proceed with the full scope of the project and to unfund the North Beach Town Center project, the \$10 million from parking, so those funds can be redeployed here.

Commissioner Góngora said he is going to be a no and is going to explain why. He hasn't received any information about the project to understand the difference. This is a lot of money that he is not prepared to casually vote on. He would like to see more information, specifically how the price breaks down, what the estimates are, what has been worked up. He also said this is not an emergency, because right now they have identified the light rail project funds, there is also money in the parking fund. He doesn't understand why they would vote to tie up money from either of those funds when we don't know what the options are or specifics about the particular project. If they do want to tie up the city funds, which he thinks is a bad idea, he would recommend doing it from the light rail funds and leave the parking fund alone.

Commissioner Samuelian said he is going to be a no as well. He thinks what we need to see is the alternatives of what is \$50 and what is \$60 million and how we value engineer this alignment with what we went to the voters for. He would also like to see us fine tune the operating and maintenance cost. His recollection is that it was \$2-3 million a year. He would like to see that. He doesn't know that he would allocate \$10 million more without understanding the O & M costs. Finally, he would like to see what we are not doing if we out \$10 million more here. From him to get from a no to a yes, he would like to see those things.

Commissioner Alemán said there is another budget meeting that this can be decided at. She doesn't casually vote on things at all, but she has also been working on this project for 3 and a half years. Certainly, as we go through this budget process, this is an important project. We have \$10 million for this project in tranche 1, the Administration is trying to get it going, which they should because that was part of the promise to the voters and the Commission needs to give direction on what scope they should be targeting. They need to know that now and not 2 years from now.

Mayor Gelber said he would rather not pass it today.

Commissioner Alemán withdrew her motion.

Mayor Gelber said to move this to the next meeting, but everyone should commit to learning enough about it. He thinks they all agree that if it's a good idea they want to do it, but for those that don't know enough should learn it well enough so that the Commission can more meaningfully give direction. He asked for David Martinez to come up with a way to explain the value engineering from \$50 to \$60 million and also the funding sources. We should have a funding source when we begin, but it can be substituted out at a later date if needed.

Commissioner Arriola said he wanted to reiterate and encourage all of them to fully fund this project. He doesn't know if there is anything in the full developed plan he would want to sacrifice. He would like to find the money and he personally would like to use the money from the North Beach Town Center Garage project. He would not like to value engineer the project.

Daniel Veitia, resident, spoke. He said he appreciated the love for North Beach today. He said this is not only the largest G.O. Bond project, but the most significant one for North Beach. There was concern by residents of allocation that was given in tranche 1 to North Beach and the commitment that was given to them was that this was the project; this was a project that stemmed from the basis of the North Beach Master Plan. This project started before the G.O. Bond as well. There was a huge perception in the community that this project is not going forward as quickly as it needs to. He has heard today that the project could take 5-6 years, but it is in the community's mind that this is a 4 year project that in tranche 2, it will be funded fully. There has been clear understanding that until we determine the fund the designer cannot be hired to start designing the building to start having community meetings. This is the biggest commitment to North Beach. He asked to quickly find the solutions, to move the project along.

Ron Starkman, Chairman of the Budget Advisory Committee, spoke. He said they had a BAC meeting on Tuesday; they didn't pass any specific resolutions since John Woodruff said this was more of an informational presentation and was still a work in progress. He said former Mayor Kasdin set the stage

beautifully earlier in terms of how we should be looking at the future finances for the City. If there ever was a time where we need to start drawing the line on spending, it's now. For example, on the project we were just speaking about in North Beach he thinks people had a problem even approved the \$50+ million because it was a substantial portion of the budget. He said that people didn't think the money would be taken from reserves. He said it was voted on before to take the light rail money and set it aside as part of the reserves when it would be needed for a transportation study. He said now we want to use it for something that is a nice to have, but at the same time there are numerous projects. It is going to be a balancing act between some nice to have things and some things we really need to have. As Commissioner Samuelian said we need to look at the big picture before allocating this money. The other main message in respect to the capital budget, in prior years their Committee has said there is not enough money being set aside for roads, streets, and buildings to maintain the level of maintenance we need for a standard that is expected. He said we did get a bail out because a percentage of the G.O. Bond was allocated for deferred maintenance items. We borrowed against money that should be taken out of our operating budget. Their Committee feels this isn't something that should be continued. They don't think we should take any money from reserves since we don't see the finances improving in the future.

Commissioner Arriola said this is why he is strongly supporting that we look to use the money from the North Beach Town Center garage deal that we have been working on because that is money we can only use for parking. Almost 50% of this project is for parking. This is the first major public investment being made in North Beach, which is why it seems so large, but it is a fraction of what has go on in South Beach for many years.

Mayor Gelber said that it does make sense to give the Commission a little time to look at this.

Commissioner Alemán said she wanted to confirm what she heard, this is not a value engineering up, this is original scope and original estimate, and the Commissioners that aren't that familiar with it are going to get up to speed before the next budget meeting.

Commissioner Samuelian said he would frame it a little differently, he thinks they approved a \$50 million project and he would like to see what that option looks like. He would really like to see in this very tough budget environment what the operating and maintenance costs will be. He thinks Mr. Starkman raises some good points; we have a lot of other needs. He asked what we not doing are if we allocate \$10 million more than what was in the G.O. Bond.

Commissioner Alemán said she doesn't support that at all. Parking funds can only be used for parking. Second, this is a G.O. Bond project, we committed to delivering these projects. They made promises to the public that need to be delivered.

Mayor Gelber said he doesn't think they are committing to \$50 or \$60 million, they are committing to learning the different versions and the sources of income if we were to increase it. Personally, the G.O. Bond was a commitment to the residents that we were going to tax them at a certain amount, that doesn't preclude the City from adding additional funds that aren't part of the tax. He thinks it is very fair for everyone to want to know what the versions of the project are and if they decide it is important to go over the \$50 million where that money would come from to make sure it is responsible use of money. He said Commissioner Samuelian should look and make sure he is comfortable and if not, then that is the way it is and he is going to do the same thing, because maybe there will be something in the middle and maybe there will be another source of money. We are not going to tax people more than we promised them. He said he is sure we are adding money to other projects in the G.O. Bond as well, for example the license plate readers. We can of course supplement the projects.

Commissioner Malakoff said she is comfortable with the entire recreation center proposal. She is not comfortable with taking \$10 million from the transportation fund. She believes the \$10 million that was allocated for the North Beach Town Center parking garage our part of it is not happening and \$10 million is not enough to build a garage. If we could reallocate those funds to the parking component, then that would

free up enough to complete the project as its been proposed and if there is any value engineering along the way she would be very interested in that.

Mayor Gelber reiterated that they are going to agree to learn more and bring it up at the next budget meeting on July 19th.

John Woodruff said they will bring much more detail on the project.

DIRECTION: Come back to the July 19th FCWPC Budget Briefing meeting with more details on the scope of the project with the different versions including the funding for the gap. Staff to meet with the Mayor/Commissioners individually to explain more about the project in detail.

5. DISCUSS THE PROPOSED VACATION OF AN ALLEY IN THE NORTH BEACH TOWN CENTER CORE (TC-C) DISTRICT BETWEEN ABBOTT AVENUE AND BYRON AVENUE, FROM 71ST STREET TO 72ND STREET, IN FAVOR OF ABBOT AVENUE PARTNERS, LLC; PUMPS AT 71, LLC; AND 7433 COLLINS AVE CORP

April 10, 2019 – C4 AH

Sponsored by Commissioner Alemán

Public Works

ACTION

Roy Coley, Public Works Director, presented the item. He said this item may be better described as relocation rather than a vacation. The developer is asking us to vacate a portion of the City alley and in return the developer is proposing to dedicate other lands to us. There is a net increase in land to the City. The developer is proposing to build a bioswale as a public benefit to the City. He thinks this alley vacation is pretty simple; the City ends up with more property, about a couple hundred square feet. The developer loses some property square footage development rights. The Administration is recommending the way this has been proposed.

Michael Larkin, representative of the applicant in this matter, spoke. He said that the North Beach HOA adopted a resolution in support of this application, it is a new HOA, an umbrella HOA that represents the entire subsidiary HOAs along the western side of North Beach, they represent over 11,000 residents and they are in support of this application. This proposal is almost an entire block of assemblage; it covers everything to the southwest corner of the property. The application is seeking to close the northern half of Abbot Court and all of Normandy Beach Court. In regards to Abbot Court, if they were to do nothing it would be a dead end, but as Roy Coley mentioned they are seeking to reconfigure it, so that it does not dead end, but it terminates at Byron Avenue. They are dedicating to the City a 40 foot wide area of property on the southwest side, 20 feet of that would be the alley that Roy Coley described that they will construct, and the other 20 feet will be the bioswale. A bioswale is a more evolved catch basin; the benefit of a bioswale is that you have the plants purifying the water to much greater degree. The development rights will remain with the alley and the bioswale, they are not taking them into their property, which represents a net loss of development rights to his client and a net gain to the City. Most importantly they are in compliance with the Town Center Master Plan regulations which call for assembling block long developments. The Town Center regulations also create a hierarchy of streets; 72nd street is a class A street, with the closure of the alley, we will have continuous retail frontage facing the park, which is incredibly valuable. He said his client is the first to develop in this area, and when he is successful he will be the spark that will turn the rest of the Town Center on fire. One of the other public benefits is improving of the public realm; these are mandated by the Town Center regulations in terms of wider sidewalks and street trees. The development universe of South Florida is evenly divided between visionaries and promoters. He spoke about the binder boys that were promoters in Miami in the 1920s and spoke about another individual that in the 1990s in South Beach. He spoke about a visionary, Tony Goldman in the 1980s as well that set South Beach on fire. He said that his client can certainly step into the shoes of Tony

Goldman and come into an area of Miami Beach, which is similarly depressed and revive the area. He introduced his client Bobby.

Robert Finvarb, developer on this project, spoke. He gave some background how he grew up in Miami Beach. He said the request in his opinion is a benign request; it is going to allow them to execute a better project. On the objectives of the Town Center is to activate 72nd Street, to activate that as a corridor near that connects the park, the Bandshell, the only promenade basically that connects the park to the beach. In his opinion the vacation of the alley is the only way to effectuate that. If they are unable to vacate the alley it will be next to impossible for him to activate an outdoor café and activate the 72nd Street frontage of their property because there will be vehicles entering and exiting midblock. He said he met with Eric Carpenter, Roy Coley, Tom Mooney and received their support and took their ideas. They are going to be doing the first bioswale in Miami Beach. He said he met with some of the Commissioners and has committed to get this project moving. As soon as they are ready to complete the alley vacation, they will move forward with design and move forward with their Design Review Board application. He wants to get this project done; the FAR increase was voted on almost 2 years ago and is still going through the bureaucratic process. He said he would appreciate anything the Commission can do to move the process along.

Ray Fort, Architectonica, spoke. He said he worked through the Planning process for North Beach. He said one of the important things that came out of that and staff did a great job of establishing this was the idea of hierarchy between the streets in Town Center. He showed a presentation board and said the site sits fronting 72nd Street, Abbot, and Byron. He said it was established that 72nd and 71st were considered the primary streets that were to be pedestrian oriented. Byron, Carlyle and Abbot were more B type streets and Abbot being a little more important. He said they did studies on the site on what would happen if we closed the alley and what would happen if the alley remained. He spoke about the condition if the alley were to remain. He said they believe that what would end up happening is that it would force the condition of building the required parking for the project along the 72nd Byron corner and putting the activated building along Abbot and 72nd. What they don't like about this is that 72nd Street is really fronting that park, they want to make it a nice street to walk along and pedestrian oriented. There are plans there to review the streetscape. Putting a garage on the frontend doesn't make sense because it bifurcates the site and creates 2 halves you cannot encroach upon. The proposed closure unifies that, the alley gets relocated and makes a turn to the west. They did a study as to what that would be in terms of a project and how much better it is in terms of the activation along that A street. The alley makes the turn from north to west; they are able to line Abbot and 72nd Street with continuous retail and are able to locate the garage entrance off of Byron. We look at a typical podium level, we would enclose the parking on it and it very much matches some of the studies that staff put together in which the parking was mostly lined along those streets, in this case Abbot and 72nd and then only Byron gets a little bit of exposure, but it creates a pedestrian friendly condition. The podium levels will have people living there instead of just cars. Above that you have a consolidated residential building. The idea here is that the closure really benefits the project a lot. It makes a lot of sense and is much more consistent with the Town Center Master Plan.

Bo Martinez, Economic Development Director, spoke. He said as a department they took a look at the alley vacation, what we are calling a swap. The swap was really to look at how the assemblage of the different properties as well as the alley vacation would leverage and build a mixed-use development and residential project as designed in the 2016 Master Plan. What they tried to do was take a look at this from a high level from the NoBe Master Plan and take a look at the city alley, the portion of the alley to be vacated and then the alley land provided back to the city. When they did their brief economic analysis on this, they felt that based on the alley swap, the contribution to fund a bio swale, as well as the net alley land that's given back to the city would be at a benefit to the city and the resulting in about a \$452,000 net cost to the city, in addition to 218 square feet of new alley back to the city for this project. They really felt that this would be a great project to kick off as part of the overall North Beach master plan as well as looking at opportunities for future development in and around this location. They recommend the project.

Commissioner Arriola asked Jimmy L. Morales what he thought.

Jimmy L. Morales, City Manager, said as they discussed before, nothing has happened on that street since he was a kid. He said our Planning Department worked very closely with the developer to come up with something consistent with the Master Plan and our Economic Development Department looked at it, Public Works is also comfortable that this in no way causing any issue for the City with the alley. The bioswale will be the first one done and it is something we can study and see how it works. If we talk about something being a catalyst project, this could be the catalyst project.

Commissioner Arriola said that is how he sees it, he confirmed with Roy Coley that he said this is not an alley vacation it is an alley relocation.

Roy Coley confirmed that that was his description because we are actually obtaining more square footage property than we currently own; he thought it was easier to understand as a swap versus a straight vacation.

Commissioner Arriola said in his opinion this is as close to a no brainer as you can get. It leads to a more beautiful project, it is shovel ready.

Commissioner Alemán said the other thing that was mentioned very elaborately was that, the relocation of the alley enables the overlay of the Town Center and the way it was designed with the A, B, and C streets to be implemented. If you don't relocate the alley you cannot implement the design of the Town Center overlay the way our Planning Department crafted it.

Commissioner Arriola said many decades ago, the planners just used grids, but that is not how all cities need to be. Great cities have curves. He is not sure why we sweat these things as much as we do, if we have professionals telling us it is a good idea.

Jimmy L. Morales said that Carmen Sanchez did a lot of the work on the Town Center Master Plan and can talk about how this is consistent and supportive of that.

Carmen Sanchez, Deputy Planning Director, spoke. She said that yes indeed, the project actually espouses all the principles that we have for the Town Center. It actually moves the entrances away from the main streets away from 72nd, away from 71st and actually locates them onto the side streets. This truly does follow the principles that we laid out for Town Center. The fact that we're creating a bioswale also is really important for the city as a whole, so we can start capturing excess water and so forth. So as far as this project is concerned the Department is behind it, they are very comfortable with the proposal, from a Planning perspective this is a good project.

Commissioner Góngora said he is more hesitant than some of his colleagues on these items because he thinks that they engage in a slippery slope when we start vacating streets and alleyways, even for good projects like this and he does think this will be a good project, but that he has concerns. He is also concerned when he doesn't know exactly what's going to be built, today for the first time he is seeing some architectural drawings, but it leaves open a question in his mind as to what can be built there. So it's difficult for him to vote on these things without knowing what's going to be built. With that said, he did meet with the developer yesterday and his team and it did give him some comfort that it is somebody that is a long term Miami Beach resident and someone part of our community and he believes he will want to do something good for our community. He assures him he is going to build something good for the community, some rentals and things of that nature. The valuation model that we use for these projects, he thinks is flawed because we look at straight-line appraisal values as to what these things are worth and he knows at last Commission meeting they referred an item in the future if and when these items should come up to really see not just what the value of the specific property is, in this case an alley, but to look at what the value to the development is because even though he understands it's a relocation, it will be a curved alley. He knows that it's going to be more value for the development to do one continuous building than to build two separate structures with an alley through it. It will be far less attractive, they will get far less rent and it will be an economic benefit to the developer. So with that said he does appreciate the proffer of the

\$350,000 bioswale and he thinks it will be a good public benefit. If we are going to be relocating or vacating, he thinks we need to maximize the public benefit, and he did speak with the developer and would like to corroborate or confirm with either him or his team what they told him because he would like to see more of a public benefit for North Beach. He is not looking to define that, but he has some that he personally likes, he knows that UNIDAD has a budget shortfall, he knows we need money for the Coral Rock house, and they are about to discuss an enormous budget deficit for the aquatic center. So in order for him to be a yes, and he is not going to try to stop this, he is going to vote for this to go out of the Committee but for him to be a yes vote through the two readings it needs to go through for Commission purposes, and it does need a 6/7 vote as far as he understands, he would like to see more of a benefit for the community from this.

Carmen Sanchez said she will let Roy Coley address what was actually reached during negotiation for public benefit, but from the Planning perspective, they looked solely at the zoning and how the building will behave and how the impact of the urban fabric what it would be at that point, given the relocation of the alley. They didn't really have much. She turned it over to Roy Coley.

Commissioner Góngora said his question was more for the developer team, he would like to get some corroboration that will happen before this comes before Commission from one of them.

Commissioner Arriola asked his colleagues if they want to move it out of Committee to Commission to have a longer discussion there.

Commissioner Góngora said he does but wants to get some corroboration that there is going to be a better public benefit or he is not going to vote it out of the Committee.

Michael Larkin said they met with Commissioner Góngora yesterday told them something he did not know that UNIDAD suffered a huge loss of a state grant \$200,000 going forward, so they committed to meet with the executive director of UNIDAD to see that what they could do to help. They are happy to sit down with UNIDAD to see how they can help them.

Commissioner Arriola said when this kind of stuff comes up, what bothers him, why development is so hard in this city is that when someone sees the direction that something is about to pass, but they need a vote, by the time all of the Commissioners stop throwing their want list at the developer it kills the project. So it is not fair for anyone to tie their vote to something that they can take credit for, because if they all played that game we would sabotage everything in the city.

Commissioner Góngora said this isn't a game. This is a difference in opinion of what a public benefit and what our role as a Commissioner is, less development engaged and more community engaged, so he does think it's incredibly appropriate if somebody wanted to take a little piece of land by his house that was unused that he didn't use and give him a little piece of their house, he would still want to look for a benefit there and he doesn't see this is as any different. He likes to get the most for the public, that's a difference in mentality. He said he wants more for the public and Commissioner Arriola wants more for the development community.

Commissioner Malakoff and Commissioner Arriola said that wasn't true.

Commissioner Malakoff said every one of the Commissioners on the dais look out for the public benefit. It's not just one Commissioner. This is a catalyst to start North Beach and the Master Plan that we worked so hard on for the last 5 years. This is the first shovel ready project that makes sense, it is for the public benefit, it's not for the public benefit to let everything stay just the way it is. That's why we hired Dover Kohl to do the Master Plan and for Commissioner Góngora to think he is the only one looking out for the public benefit is absolutely wrong and she resents it.

Commissioner Góngora said that is not what he is saying and he would like to clarify his point. He would like to see this project happen; the difference is he wants to get the most for the public out of the deal. He said he is a harder bargainer by what he thinks is best for the public and he's sorry if Commissioner Malakoff finds that frustrating but that's why he believes that he was elected by the residents, to look out for their best interest.

Commissioner Samuelian said one of the benefits of speaking last is that you can hear a few of the comments, he doesn't think they are that far apart. His view is that this is a catalyst project. We do want to see development in North Beach and this project seems to meet some of those thresholds, so he too would like to see it move forward. That being said, our role is to represent the community and he supports Commissioner Góngora's thoughts that we want the best deal for our community. Now that the path to that is the analysis that we passed on resolution, where we get an analysis of what the value is there so we can look at it and say is this the best deal for the city. His last thought is about timing and the developer wants to move quickly, if we have the right deal, then it is in all of our interests. He asked the developer to give a sense of some of the key milestones that they would be looking to do and if he would be comfortable putting that as part of the agreement.

Mr. Finvarb said the key milestone is vacating the alley. One fallacy that has been discussed that it is going to be a less expensive project, that's not true. If they don't vacate the alley, he is going to throw up a precast garage on one side of the alley and a building on the other side of the alley. It is going to be a suburban looking project that's out of the box and he is not going to do something architecturally significant with all due respect to Ray, it is beneath Architectonica to design that project. He will use an architect that does Wendy's or McDonald's. He said he can do that, they are being pioneers here, new upscale residential apartments, that thesis hasn't been proven in North Beach. They have to come in at a compelling price point. They cannot compete with the amenity base that exists in Midtown, Brickell, Design District, and Wynwood now. They are going to have to come in significantly lower to attract those residents that are going to populate these buildings.

Michael Larkin said to answer Commissioner Samuelian's question about benchmarks if the project is going to move quickly, they are very comfortable in saying that by mid- March of next year, they will be doing final submittal for their DRB application because they are going to be done with this, and it is a very long process. This process will conclude in October, and they will have the final submittal by mid-March, will be heard at the May DRB meeting, and then will rush to get their building permit. In August 2020 that's when the penalty kicks in and they have to pay for additional height and they are going to avoid that. Those are the benchmarks that were discussed yesterday with the Commissioner.

Commissioner Alemán said what we see here are different philosophies about negotiations and how negotiations get done. For her as a 25 year Fortune 500 corporate executive you don't wait until the end and then throw some surprises at each other on a threat to walk out. Those aren't good faith negotiations; she knows that our staff does a very good job. First of all, they built public benefit right into the overlay. The developer has to pay for a sidewalk that's twice as wide. The developer has to pay for trees that that caliber of the trunk is twice as big as anywhere in the city. Mr. Finvarb might be the only guy to get through the public benefit relief period which they talked about which is on the timeline of this incentive to go faster. Every other developer in the Town Center is going to just pay a straight up public benefit fee that is going to go into a fund that this Commission is going to reinvest into the North Beach community. There are other public benefits including realizing not just serving as a catalyst for the Town Center, but also realizing the vision of the class A, B, and C streets. You need to understand what that is, it drives the walkability and the streetscape throughout the entire Town Center. Without this alley relocation, which actually is a square foot net benefit to the city valued at \$450,000, it also realizes that Town Center Overlay. She said she doesn't do her public benefit negotiations from this seat; she doesn't see that as negotiating as a business person in good faith, you need to get that information to the other party early in the process so that they can see if the numbers still work. It's a little bit of a different approach. Everyone on the dais has their interests for the public and the public will benefit from this project, so she hope one of the Committee members will move it, so they can get onto other agenda items. She said that if any of her colleagues are holding back to let them

know now because the developer can go forward if he doesn't have an indication of 6/7ths right now, then let them know because he should go design a different project.

Dan Gelber, Mayor, said it is important to know where everyone stands on a high majority vote. He intends to support this. Like our City Manager he grew up in the community, he's watched all good development seem to have just skipped over North Beach not for the last 10 years, for the last 50 years and that dynamic has to change. There are problems in that community, quality of life challenges in that community, and he would really hate to wait another 50 years for that to happen. He is going to support it at the Commission. He thinks it's smart. It has to have a public benefit obviously, there's randomness to the way things are set up, the fact that we want to move it around in order to create something that makes more sense for the residents to have better vistas and the walkability is easier and the activations are better for the community, it is good stuff. He doesn't think this is a hard call at all and he'll be supporting it when he has a chance to vote for it.

Commissioner Steinberg said so far she thinks it is moving in the right direction.

Commissioner Góngora said he appreciates all of the comments and he doesn't disagree with any of them. He doesn't know what the public benefits are until it gets to Committee. This wasn't his item; he didn't have negotiations with the developer for the alley. He didn't put it on the agenda so until this comes to Committee he doesn't have an opportunity to really give his two cents, so that's why he has to do it here. He doesn't think anybody's disagreeing that this could be a valuable and good project to fulfill the North Beach Town Center vision. What he doesn't understand is why doing more for our community would be a bad thing, especially when the developer's team is proffering that they're willing to do more. So for Committee purposes he will move it forward contingent on an enhanced public benefit when it comes before Commission. Commissioner Samuelian seconded. All in favor.

MOTION: Commissioner Góngora moved the item forward contingent on an enhanced public benefit when it comes before the full Commission. Commissioner Samuelian seconded. All in favor.

DEFERRED ITEMS

6. DISCUSSION ON THE FOUR MOTIONS FROM THE MAYOR'S 41ST STREET BLUE RIBBON COMMITTEE MADE ON MARCH 14, 2019

April 10, 2019 – C4 E

Sponsored by Commissioner Samuelian
Economic Development

ACTION

DIRECTION: Item withdrawn by sponsor.

7. DISCUSS A PROPOSAL TO ESTABLISH A MONUMENT OR COMMEMORATIVE PLAQUE AT THE RAINBOW CROSSWALK LOCATED AT 12TH STREET AND OCEAN DRIVE

May 8, 2019 – C4 H

Sponsored by Commissioner Góngora
Parks and Recreation

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

8. DISCUSS A COMPOSTING PROGRAM IN NORTH BEACH SIMILAR TO THE PROGRAM AT THE MIAMI BEACH BOTANICAL GARDEN

May 8, 2019 – C4 E

Sponsored by Commissioner Alemán
Environment and Sustainability

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

9. DISCUSSION REGARDING THE LOCATION OF A STORAGE FACILITY AND NEW RESTROOMS FOR SOUNDSCAPE PARK

January 16, 2019 – C4 I
Tourism and Culture

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting, pending designer renderings.

10. DISCUSSION REGARDING THE ANNEXATION OF THE WESTERNMOST ISLANDS OF THE VENETIAN ISLANDS AND MAKING THEM A PART OF MIAMI BEACH, AND TO REVIEW PROPERTY TAXES, ECONOMIC IMPACT, AND VALUE

September 12, 2018 – R9 F
Sponsored by Commissioner Góngora
Office of the City Attorney

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

11. DISCUSSION REGARDING THE ANNEXATION OF NORTH BAY VILLAGE, AND TO REVIEW PROPERTY TAXES, ECONOMIC IMPACT, AND VALUE

September 12, 2018 – R9 E
Sponsored by Commissioner Arriola
Office of the City Attorney

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

12. DISCUSSION REGARDING CAPITAL APPROPRIATIONS FOR THE PROPERTY MANAGEMENT EMERGENCY GENERATOR

June 5, 2019 – C4 A
Property Management

ACTION

DIRECTION: Item to be heard at the June 28, 2019 FCWPC meeting.

13. DISCUSSION REGARDING THE INITIAL FUNDING FOR UNDERGROUNDING OF UTILITIES IN THE CITY OF MIAMI BEACH

June 5, 2019 – C4 C
Sponsored by Commissioner Alemán
Public Works

ACTION

DIRECTION: Item to be heard at the June 28, 2019 FCWPC meeting.

14. DISCUSSION REGARDING A BIOSWALE PILOT PROJECT FOR 59TH STREET WEST OF ALTON ROAD

June 5, 2019 – C4 J

Sponsored by Commissioner Alemán
Public Works

ACTION

DIRECTION: Item to be heard at the June 28, 2019 FCWPC meeting.

15. DISCUSSION ON UPDATING MINIMUM WAGES ON CITY FUNDED CONSTRUCTION CONTRACTS

January 16, 2019 – C4 M

Sponsored by Commissioner Steinberg
Procurement/Office of Capital Improvement Projects

ACTION

DIRECTION: Defer to the July 26, 2019 FCWPC meeting.

16. DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS RAPID TRANSIT DEMONSTRATION PROJECT

May 16, 2018 – C4 R

Sponsored by Commissioner Samuelian
Transportation

ACTION

DIRECTION: Update to be provided at the July 31, 2019 FCWPC meeting.

17. UPDATE ON THE PROGRESS OF THE TRAFFIC MITIGATION STRATEGY TO HELP REDUCE TRAFFIC IMPACTS OF THE CONNECTING MIAMI CONSTRUCTION PROJECT

March 13, 2019 – R7 G

Sponsored by Commissioner Samuelian
Transportation

ACTION

DIRECTION: Update to be provided at the July 31, 2019 FCWPC meeting.

18. DISCUSSION REGARDING BENCHMARKING OF IMPACT FEES

January 16, 2019 – C4 G

Sponsored by Commissioner Alemán
Office of Budget and Performance Improvement

ACTION

DIRECTION: Defer to the September 20, 2019 FCWPC meeting, pending analysis.

19. DISCUSSION REGARDING THE BUDGET ADVISORY COMMITTEE MOTION THAT THE CITY OF MIAMI BEACH COMPLETE A FACILITY CONDITION ASSESSMENT

December 12, 2018 – C4 H

Sponsored by Commissioner Samuelian

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

20. DISCUSSION REGARDING THE MAY 21, 2019 YOUTH COMMISSION MOTION OF PARTICIPATING IN THE LEGISLATIVE ACTION DAYS YOUTH COUNCIL

June 5, 2019 – C4 G

Sponsored by Commissioner Góngora

Organizational Development Performance Initiatives

ACTION

DIRECTION: Item to be heard at the June 28, 2019 FCWPC meeting.

21. DISCUSSION TO REVIEW THE MAYOR'S PANEL ON OCEAN DRIVE, SAFETY, SECURITY, AND INFRASTRUCTURE SUBCOMMITTEE'S MOTION FOR A SECRET SHOPPER PROGRAM AS AN INVESTIGATIVE TOOL

June 5, 2019 – C4 Y

Sponsored by Commissioner Samuelian

Office of the City Manager

ACTION

DIRECTION: Item to be heard at the June 28, 2019 FCWPC meeting.

22. DISCUSS THE IMPLEMENTATION OF THE MOTION MADE ON APRIL 5 BY THE HISPANIC AFFAIRS COMMITTEE

April 10, 2019 – C4 AF

Sponsored by Commissioner Samuelian

Marketing and Communications

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

23. DISCUSS HERITAGE TREE DESIGNATION, AWARENESS CAMPAIGN AND INCENTIVE PROGRAM

April 10, 2019 – C4 H

Sponsored by Commissioner Alemán and Co-Sponsored by Vice-Mayor Malakoff

Environment and Sustainability

ACTION

DIRECTION: Defer to the June 28, 2019 FCWPC meeting.

24. DISCUSSION REGARDING CREATING A CONNECTION BETWEEN OCEAN DRIVE AND LINCOLN ROAD THROUGH ESPANOLA WAY

June 5, 2019 – C4 H

Sponsored by Commissioner Arriola

Public Works

ACTION

DIRECTION: Item to be heard at the July 31, 2019 FCWPC meeting.

25. DISCUSSION ON MARCH/APRIL 2020 PROGRAMMING STRATEGY

June 5, 2019 – C4 B

Sponsored by Commissioner Arriola and Co-Sponsored by Mayor Gelber
Tourism and Culture

ACTION

DIRECTION: Item to be removed, as it was never supposed to be referred.

26. DISCUSSION REGARDING THE RENEWAL OF THE AGREEMENT WITH THE FRANCHISE HAULERS

June 5, 2019 – C4 D

Public Works

ACTION

DIRECTION: Item to be heard at the June 28, 2019 FCWPC meeting.

27. DISCUSSION REGARDING ZERO BASED BUDGET (ZBB) EXERCISE FOR SANITATION

May 8, 2019 – C4 F

Sponsored by Commissioner Arriola
Public Works

ACTION

DIRECTION: Defer to the July 19, 2019 FCWPC meeting, per request from the Commission Budget Workshop.

28. DISCUSSION REGARDING THE RECYCLING FEE AND BACKYARD SERVICE COST

September 12, 2018 – R5 M

Sponsored by Commissioner Arriola
Public Works

ACTION

DIRECTION: Defer to the July 19, 2019 FCWPC meeting, to be included as part of the Zero Based Budget Exercise for Sanitation item discussion.

29. DISCUSSION TO REVIEW THE CITY'S FORTHCOMING STORMWATER MANAGEMENT BUDGET AS WELL AS RELATED UTILITIES, ABOVE GROUND, AND OTHER ASSOCIATED COSTS

September 12, 2018 – C4 G

Sponsored by Vice-Mayor Samuelian
Public Works

ACTION

DIRECTION: Defer to the July 26, 2019 FCWPC meeting, pending information from Jacobs Engineering.

30. DISCUSSION REGARDING APPROPRIATING SERIES 2017 STORMWATER BOND PROCEEDS AND SERIES 2017 WATER AND SEWER BOND PROCEEDS TO NORTH BEACH TOWN CENTER

June 5, 2019 – C4 I

Sponsored by Commissioner Arriola
Public Works

ACTION

DIRECTION: Item to be heard at the July 26, 2019 FCWPC meeting.

31. DISCUSSION PERTAINING TO A FUTURE PLAN FOR THE PARKING LOT ON THE NORTH SIDE OF 75TH STREET BETWEEN COLLINS AVENUE AND OCEAN TERRACE

June 5, 2019 – C4 E

Economic Development

ACTION

DIRECTION: Item to be heard at the July 31, 2019 FCWPC meeting.

32. DISCUSSION REGARDING VACATING A PORTION OF OCEAN COURT BETWEEN THE CLEVELANDER AND ESSEX HOTELS IN FAVOR OF THE JESTA GROUP PURSUANT TO SECTION 82-37 OF THE CITY CODE TO ENABLE A PEDESTRIAN BRIDGE TO LINK BOTH PROPERTIES

June 5, 2019 – C4 F

Sponsored by Commissioner Arriola

Public Works

ACTION

DIRECTION: Item to be heard at the July 31, 2019 FCWPC meeting.

33. DISCUSSION REGARDING THE BIGBELLY PROGRAM AND POTENTIAL WAYS TO SUBSIDIZE ITS COST

October 17, 2018 – C4 I

Sponsored by Commissioner Arriola

Public Works

ACTION

DIRECTION: Defer to a future FCWPC meeting pending further discussions with BigBelly.

34. DISCUSS THE DESIGN AND PLAN CONCEPT FOR THE OCEAN TERRACE NEIGHBORHOOD URBAN DESIGN PLAN BY THE CORRADINO GROUP AND REFERRING THE PROPOSED IMPLEMENTATION PLAN FOR PRIORITIZATION AND POTENTIAL FUNDING OPTIONS

December 12, 2018 – C7 AE

Economic Development

ACTION

DIRECTION: Defer pending development agreement for Ocean Terrace.

35. DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND

April 11, 2018 – C4 O

Sponsored by Commissioner Arriola

Finance/Planning

ACTION

DIRECTION: Come back to the September 20, 2019 FCWPC meeting with an update and a recommendation.

36. DISCUSSION ON MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION AND ITS FINANCIAL CONDITION

April 10, 2019 – C4 D

Sponsored by Vice-Mayor Malakoff

Office of Housing and Community Services

ACTION

DIRECTION: Come back to the September 20, 2019 FCWPC meeting with an update on the progress.