



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

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: September 25, 2019

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FINAL CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2020-2024 AND ADOPTING THE CITY OF MIAMI BEACH FINAL CAPITAL BUDGET FOR FY 2020.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution adopting the final Capital Improvement Plan (CIP) for FY 2020-2024 and adopting the final Capital Budget for FY 2020.

BACKGROUND

The City's annual Capital Budget contains capital project commitments appropriated for Fiscal Year 2020. Preparation of the Capital Budget occurred simultaneously with the development of the FY 2020 – FY 2024 Capital Improvement Plan and FY 2020 Operating Budget. The Capital Budget represents the project budgets for both current and new capital projects necessary to improve, enhance, and maintain public facilities and infrastructure to meet the service demands of residents and visitors to the City of Miami Beach. Capital reserves, debt service payments, and capital purchases found in the Operating Budget are not included in this budget. The Capital Budget for FY 2020 appropriates funding for projects that will require commitment of funds during the upcoming fiscal year.

The Capital Improvement Plan (CIP) is a financing and construction/acquisition plan for projects that require significant capital investment. The CIP, which is updated annually and submitted to the City Commission for adoption, specifies and describes the City's capital project schedules and priorities for the five years immediately following the Commission's adoption. In addition, the first year of the plan outlines the funding to be appropriated in the annual Capital Budget.

This document is an official statement of public policy regarding long-range physical development in the City of Miami Beach. The FY 2020 – 2024 CIP of the City of Miami Beach is a five-year plan of public improvements and capital expenditures proposed by the City. A capital improvement is defined as a capital or "in-kind" expenditure of \$25,000 or more, resulting in the acquisition, improvement, or addition to fixed assets in the form of land, buildings, or improvements more-or-less permanent in character and durable equipment with a life expectancy of at least five years.

The FY 2020 – 2024 CIP for the City of Miami Beach is a five-year plan of public improvements and capital expenditures proposed by the City totaling \$1.1 billion, of which \$88.4 million is programmed to be appropriated in FY 2020. The total for projects included in the CIP,

comprising \$1.6 billion in appropriations for ongoing projects through FY 2019 and \$232.5 million in unfunded/programmed needs beyond FY 2024, is \$2.9 billion.

Projects will address many needs across different areas of the City including: neighborhood enhancements such as landscaping and sidewalk restoration; traffic calming; roadway and bridge resurfacing and reconstruction; water, sewer, and drainage system improvements; park construction, renovations and upgrades; renovation of seawalls; parking lot and garage renovations; and construction/renovations of public facilities. A detailed listing of all capital projects is provided in the Proposed FY 2020 – 2024 Capital Improvement Plan & FY 2020 Capital Budget document. The Capital Budget for FY 2020 will be appropriated on October 1, 2019.

On July 21, 1999, the City Commission approved the CIP for the City and the Redevelopment Agency (RDA). Since that time, the City has issued additional General Obligation Bonds pursuant to referendum; Water and Sewer Revenue Bonds; Storm Water Revenue Bonds; Resort Tax Revenue, Parking Revenue, RDA Tax Increment Revenue and Revenue Refunding Bonds; and an Equipment Loan. In addition, beginning in FY 2006, the City committed to funding a Pay-As-You-Go component of the Capital Budget funded from General Fund revenues, as well as committing to using Resort Tax Quality of Life funds in North, Middle, and South Beach for capital projects. In 2005, through a series of workshops with the Mayor and Commission for the City of Miami Beach, previously approved appropriations were reviewed to ensure that projects scheduled to begin construction in the next few years were fully funded, appropriating funds from other projects scheduled to begin in later years and providing for those to be replaced from future financing sources. These changes were reflected in the 2006 – 2010 Capital Budget and CIP for the City and the RDA which was approved by the City Commission on September 21, 2005.

In the spring of 2006, the City created a Capital Budget Process Committee with the responsibility of reviewing and prioritizing new capital projects that would be funded in a given fiscal year and for recommendation of funding allocations from authorized sources for the prioritized projects. The Committee developed and implemented a structured committee-based process for the development of the CIP and Budget, including review criteria that projects must meet to be considered for funding. This process is reviewed and refined annually by the Committee.

Based on the direction received from the Finance and Citywide Projects Committee (FCWPC) in February 2008, the process was modified to allow for early input to the prioritization process by the City Commission. Under the new process, a preliminary list of unfunded projects is presented to the City Commission or the Finance and Citywide Projects Committee, providing the opportunity for input and prioritization. This is consistent with the process for Commission input regarding operating budget priorities and the format used would be similar to that used to seek guidance on operating budget priorities in prior years. This revised process allows for early input by the City Commission regarding priorities for funding, subject to availability.

The flowchart below provides an overview of the Capital Budget process and timelines.



Construction management for the CIP is provided by the Office of Capital Improvement Projects (CIP Office). This office is designed to consolidate the City's capital construction efforts into a single entity tasked with constructing the City's funded Capital Improvements in a timely manner. Projects within neighborhoods are combined to create a single project that addresses the neighborhoods' needs for infrastructure upgrades, traffic flow, enhancements, etc. This comprehensive approach minimizes disruptions and generates costs savings. To continue this on-going implementation effort, the City has entered into agreements with various firms for program management, architectural, engineering, and other relevant professional services, as well as awarding contracts for construction.

In addition, several other departments provide management of some specialized projects. For example, Public Works provides construction management for some utility projects; Environment & Sustainability provides management for some environmental projects and Parks and Recreation provides management of some park-related projects.

On November 6, 2018, the City of Miami Beach's voters approved the issuance of a \$439 million G.O. Bond to fund a total of 57 capital projects citywide, ranging from vertical construction, roadwork, park constructions and renovations, technology implementation, renewals and repairs, and underground infrastructure work. In order to ensure that these projects are completed within a reasonable timeframe, within budget, on a coordinated basis (including coordination with non-G.O. Bond projects and projects by other jurisdictions), through the incorporation of resiliency and best practices, and with effective communication to all impacted stakeholders, the G.O. Bond Program Management division of the City Manager's Office is spearheading the implementation of these projects.

BUILDING RESILIENCY INTO CAPITAL PROJECTS

How important is resilience in capital planning?

Quite important, according to the ratings agencies. This year, the city was asked:

- "How...[is] the City incorporating significant adaption-related projects into its financial and capital planning?" S&P Rating Agency 2019, and

- “Please discuss capital planning and how sea level rise and other climate risks are incorporated into capital planning,” Moody’s Rating Agency 2019.

The city needs to design with resilience in mind now with the same urgency of Hurricane Irma recovery—the urgency of bouncing back as quickly as possible, allowing residents to return and recover, opening the beaches, reaching normal. A resilient investment reduces damage and speeds recovery. Today we don’t have the luxury of designing for one purpose, such as a park, as we did thirty years ago. Our investments need to serve many purposes whenever possible. A park is not just for recreation, it needs to help with sea level rise adaptation, storm water retention, water quality, shade, increase biodiversity, and carbon sequestration.

Infrastructure investment through the capital budget helps build resilience in the most cost effective and efficient way possible.

The purpose of designing with resilience in mind is to make sure we can bounce back as quickly as possible after a shock, like a storm, and to improve a community stress, like pedestrian safety. Designing in this way, at the very beginning when the project is being scoped, means we can get the best results for the lowest cost. Studies show that for every \$1 invested in risk reduction, cities can see \$6 in benefits. We can also create additional cost-free benefits, referred to as “co-benefits”. If we miss these opportunities at the very beginning of scope development, the opportunities are lost. Trying to add resilience later means more time in terms of change orders, and more cost in terms of redesign.

Often what the community wants most out of capital projects—that some may consider as design aesthetics—are high priorities for residents. For example, designing the space for tree canopy from the beginning means the tree has a chance for proper placement to maximize shade and to live longer. Trees also help with carbon sequestration and reduce the heat island effect. Including bike lanes and improving sidewalks, along with other underground infrastructure improvements, makes our city easier to move around and reduces car dependence that causes traffic and greenhouse gas emissions. Reducing car dependence is also a City Commission approved goal—and congestion is a stress that affects all residents. Other enhancements—like unique signage, art, and solar lighting—supports Miami’s Beach’s iconic image for residents and visitors and was recommended by Urban Land Institute to as part of our storm water program review.

To achieve resilience and its co-benefits, cities need leadership and training.

The capital budget is created through an existing citywide process and a prime opportunity increase resilience through infrastructure investment. Over the last few years, the city has made great strides increasing resilience through infrastructure improvements and land use amendments. The Urban Land Institute Advisory Services Panel recommended that the city design projects in a way that increases quality of life benefits and incorporates more blue and green infrastructure. The capital budget is the best place to achieve this. The capital budget has three distinct phases:

- Projects that have been approved in prior years and programmed for funding in future years
- Projects that have been programmed in prior years to be considered for funding in the coming year

- Applications for new projects that are not yet funded

This budget development year, the process was enhanced through the following:

- Resilience training workshops were held for project managers
- Capital application forms for new projects were adjusted for departments to specifically identify resilience improvements and their multiple benefits

Staff has been trained and encouraged to be innovative and to maximize resilience improvements and efficiencies. This is an important first step and we will expand and improve this effort in future budget cycles. This is the tie to economic resilience and addressing our climate change and sea level rise risks.

PURPOSE AND BENEFIT

The CIP is a proposed funding schedule for five years, which is updated annually to add new projects, re-evaluate program and project priorities, and revise recommendations while also considering new requirements and new sources of funding. The annual capital programming process provides the following benefits:

- Serves as a source of information about the City's physical development and capital expenditures to the citizens, City Commission and administration, private investors, funding agencies, and financial institutions
- Provides a mechanism that applies uniformity and consistency in the evaluation of projects and assists in the establishment of priorities
- Provides for coordination among projects with respect to funding, location, and time

The CIP is developed in accordance with the City's stated plans, goals, and objectives and provides for the proper physical and financial coordination of projects. Private sector development initiatives that provide/require modifications to certain infrastructure are properly coordinated with City projects to achieve compatibility and the greatest benefit.

LEGAL AUTHORITY

Legal requirements for preparing the City of Miami Beach's CIP are set forth in Miami-Dade County Code (Section 2-11.7—2-11.11), and the Florida Statutes, respectively. House Bill 2377, passed during the 2000 Regular Session of the Florida Legislature, requires the thorough revision of the CIP as a basis of policy and budget initiatives.

RELATIONSHIP OF THE CIP TO THE COMPREHENSIVE PLAN

The City of Miami Beach's Comprehensive Plan contains a Capital Improvement Element (CIE) which describes major City public facility improvements recommended in various elements of the Comprehensive Plan for implementation during the five years following adoption of the Comprehensive Plan. The CIE also demonstrates the ability to fund those improvements. The projects listed are intended to address existing "deficiencies," achieve facility "replacement," or contribute to the general "improvement of Miami Beach." The information in the CIE of the City's Comprehensive Plan is based on the CIP.

PROCESS AND PREPARATION OF THE CIP AND CAPITAL BUDGET

The City's CIP and Capital Budget development process begins in the spring when all departments are asked to prepare their own CIP containing information on the department's ongoing and proposed capital projects. Individual departments submit requests to the Budget Office, identifying funding sources and requesting commitment of funds for their respective projects.

The Capital Budget Process Committee, comprised of the Office of Capital Improvements Projects, Public Works Department, Parks and Recreation Department, Finance Department, Transportation Department, Environment and Sustainability Department, and the Office of Management and Budget Improvement, reviews the proposed projects according to the City's strategic priorities, based on the Review Criteria described below. In addition, the review considers conformance with the City's Comprehensive Plan and other plans for specific areas, and linkages with other projects for combined impact, the availability and source of funding, project impact for maximum benefits to the citizens of the City, and the length of time that a project will benefit the City.

The proposed document is then reviewed by the City Manager, and upon approval, is submitted to the Finance and Citywide Projects Committee for review and, subsequently, to the City Commission and Redevelopment Agency Board for final approval and adoption.

REVIEW CRITERIA

All projects submitted for inclusion in the City's CIP are reviewed on the basis of relative need, benefit, and cost. In addition, several guiding policies direct the determination of the content, scheduling, and funding of the CIP. These policies are as follows:

1. Meet the City's strategic priorities
2. Maximize return on investment in consideration of financial limitations and budget constraints so as to:
 - Preserve prior investments where possible
 - Reduce operating costs
 - Maximize use of outside funding sources to leverage the City's investment
 - Maximize cost effective service delivery
3. Improve and enhance the existing network of City service levels and facilities
4. Implement adopted plans
5. Demonstrate coordination and compatibility with other capital projects and other public and private efforts

CAPITAL BUDGET PROCESS REVIEW

There are three major steps of the Capital Budget review process that staff undertakes each year:

1. Existing projects are reviewed to identify areas where funding previously programmed in the CIP for the upcoming year, as well as future years of the plan, need to be revised due to changes in cost, scope, etc.
2. Projects that have been in the conceptual planning stage are reviewed to determine whether they are sufficiently far enough along to warrant incorporating them in the

adopted capital budget and CIP for the upcoming year.

3. Funding for new projects are submitted and reviewed by an in-house Capital Budget Process Committee comprised of City Staff.

Capital funding priorities were discussed at the Finance and Citywide Projects Committee Budget Briefings held on June 14, 2019 and July 19, 2019. The City Manager, Assistant City Managers, the CIP Office Director, other Department Directors, and other City staff were available to discuss specific projects and respond to the Committee's questions.

SOURCES OF FUNDS

The success of any CIP depends on the close coordination of the physical plan with a financial plan. Projects may be financed through a "Pay-As-You Go" capital component based on transfers from the General Fund, although these are often challenging to fund as they must compete with recurring operating requirements.

For this reason, the City has a financial goal of funding at least 5 percent of the General Fund operating budget as transfers for capital projects (Pay-As-You-Go, Renewal and Replacement, Information and Communication Technology) and capital projects contingency. The purpose of this goal is multi-faceted:

1. To provide flexibility in the operating budget that would allow the budget to be reduced without impacting services during difficult economic times
2. To ensure that the City funds needed upkeep on our General Fund facilities, and right-of-way landscaping, lighting, etc.
3. To provide a mechanism to address additional scope of small new projects prioritized by the community and the City Commission instead of having to delay these for a larger General Obligation Bond issue
4. To provide contingency funding so that projects where bids were higher than budgeted did not have to be delayed, especially during a heated construction market where delays often lead to further increases in costs

The FY 2020 Operating Budget and Work Plan provides for continual improvements and maintenance of our facilities and neighborhoods infrastructure by appropriating, from the General Fund, \$2.9 million as Pay-As-You-Go (PAYGO) funds to be used for PAYGO eligible projects, \$769,000 for Capital Renewal & Replacement projects, and \$300,000 for Information and Communication Technology projects.

At the July 25, 2018 City Commission meeting, the City Commission voted to approve a dedicated PAYGO millage rate of .0755 via Resolution 2018-30429. This allows for growth over time with property values

Additional means of financing of capital projects include the following:

- Borrowing money through the sale of bonds authorized by voters – General Obligation Bonds. General Obligation Debt (G.O. Debt) is the debt service funding required for voter-approved bonds issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral. Funds in this category include:
 - Gulf Breeze Bond Funds – Other (Loan Pool)
 - RCP – 15M Bond – 1996 Parks, Recreation and Culture GO Bond

- 1999 GO Bonds – Fire Safety
- 1999 GO Bonds – Neighborhood Improvements
- 1999 GO Bonds – Parks & Beaches
- 2003 GO Bonds – Fire Safety
- 2003 GO Bonds – Neighborhood Improvements
- 2003 GO Bonds – Parks & Beaches
- 2019 GO Bonds – Infrastructure
- 2019 GO Bonds – Parks
- 2019 GO Bonds – Public Safety
- Borrowing money through the sale of bonds paid for by pledging a specific revenue stream – Revenue Bonds. Funds in this category include:
 - 1997 Parking System Revenue Bonds
 - 2010 Parking Bonds
 - 2015 Parking Revenue Bonds
 - 2015 RDA Bonds
 - 2015 Resort Tax 1% Bonds
 - Storm Water Bonds 2000
 - Storm Water Bonds 2011
 - Storm Water Bonds 2015
 - Storm Water Bonds 2017
 - Interest on Storm Water Bonds
 - Proposed Future Storm Water Bonds
 - Water and Sewer Bonds 2000
 - Water and Sewer Gulf Breeze Loan 2006 Series
 - Water and Sewer Gulf Breeze Loan 2010 Series
 - Water and Sewer Bonds 2017
 - Interest on Water & Sewer Bonds
 - Proposed Future Water & Sewer Bonds
- Loans for Energy Savings Projects whereby the financing is secured by the costs savings that will be generated by the project
- Equipment Loans/Leases – used to fund capital equipment such as cars, trucks, and heavy equipment
- Federal, State, and County Grant Aid Programs. Funding sources in this category include the following:
 - HUD (Housing and Urban Development) Section 108 Loan
 - Miami-Dade County Bond (County GO)
 - Federal Emergency Management Agency (FEMA)
- Special Revenue Funds, which by law, may only be used for specific purposes. Funding sources in this category include the following:
 - The Resort Tax Fund is supported primarily by taxes levied on hotel, motel, rooming house and short term apartment room rents as well as on food and beverages sold at retail in any restaurant, as authorized by State Statute, and is used to fund tourism-eligible expenditures. A specific component of this Fund (the 1% Quality of Life Fund) is used to support tourism-eligible capital projects in north, south and mid-beach that improve the quality of life of the community. The City Commission approved the revision of the allocations during the FY 2019 budget process with an increase in the distribution to Transportation, to help support the cost of the trolley program. Transportation now receives 60% of Quality of Life funds with the remaining 40% being distributed evenly among North Beach, Mid Beach, South Beach, and the Arts.

- Convention Center 1% Resort Tax – used to establish and maintain a capital renewal and replacement fund for improving and maintaining the Convention Center, after providing for payment of annual debt service and related obligations
- Parking Impact Fees
- Concurrency Mitigation Fund
- Half-Cent Transit Surtax
- Local Option Gas Tax
- Convention Development Tax
- Information and Communications Technology Funds
- 911 Emergency Funds
- Art in Public Places Fund
- Building Technology Fund
- Enterprise Fund Revenues which are derived from operations that are financed and operated in a manner like private businesses. The criteria used to determine if an operation should be an Enterprise Fund includes: 1) that it generates revenues; 2) that it provides services to the community; and 3) that it operates as a stand-alone entity, without subsidies from taxes etc. The City's Enterprise Fund Departments are: Convention Center, Sanitation, Storm Water, Water, Sewer, and Parking. In some cases, operating funds are advanced of bond sales and are repaid when the bonds are sold. Capital funding sources in this category include the following:
 - Water & Sewer Enterprise Fund
 - Sanitation Enterprise Fund
 - Parking Operations Fund
 - Storm Water Enterprise Fund
 - Convention Center Fund
- Internal Service Funds which are completely offset by revenues received from the General Fund, Enterprise Fund, and Special Revenue Fund Departments. The City's Internal Service Fund Departments are Information Technology, Central Services, Risk Management, Property Management, and Fleet Management.
- Other miscellaneous funding sources include:
 - Capital Projects not Financed by Bonds/Reallocation of Bonds – Other Capital Projects/Capital Replacement Fund – reflecting funding from smaller miscellaneous sources

In addition, the City of Miami Beach Redevelopment Agency is a separate entity whose Chairperson and Board of Directors are also the City's Mayor and City Commission. Capital projects funded by the Redevelopment Agency promote economic development within the City Center Redevelopment District.

Further, revenues associated with the expiration of the South Pointe Redevelopment District (previously part of the Miami Beach Redevelopment Agency) are now used to fund storm water projects. The South Pointe Redevelopment District was the most successful redevelopment district in the State of Florida. Assessed values increased from \$59 million when the district was established in 1976 to almost \$2.2 billion as of January 1, 2005. The January 1, 2019 assessed value was \$6.2 billion.

The CIP reflects funding for projects prior to the expiration of the South Pointe Redevelopment District that have not yet been completed within the following funds:

- South Pointe RDA
- City Center RDA Capital Fund
- MDC CDT Interlocal – Convention Development Tax or Resort Tax Eligible Projects
- South Pointe Capital
- RDA – Garage Fund

OVERVIEW OF THE FY 2020 – FY 2024 FIVE YEAR CAPITAL IMPROVEMENT PLAN

The FY 2020 – FY 2024 CIP for the City of Miami Beach is a five-year plan of public improvements and capital expenditures proposed by the City. This document is an official statement of public policy regarding long-range physical development in the City of Miami Beach. The CIP has been updated to include projects that will be active during FY 2020 through FY 2024.

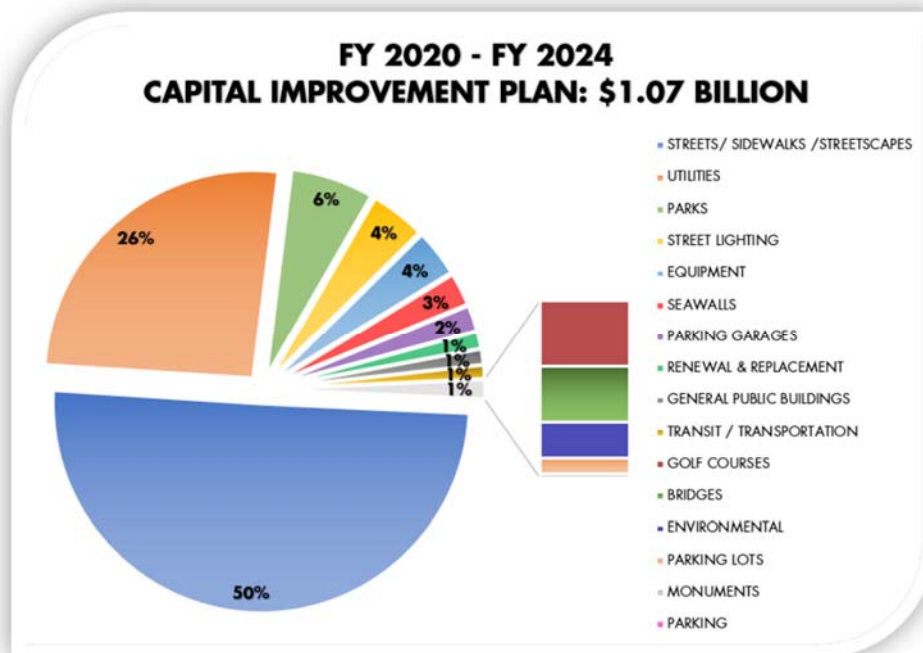
The CIP has also been updated to include additional funding sources that have become available, changes in project timing, and other adjustments to ongoing projects as they have become better defined, including projects that have been reconfigured, re-titled, combined with or separated from other projects and/or project groupings. These adjustments have no fiscal or cash impact and are as a result of a comprehensive review of the program to ensure that our plan accurately reflects all project budgets, funding sources, and commitments.

The CIP also contains information on appropriations prior to FY 2020 for ongoing/active projects, as well as potential future appropriations beyond FY 2024. In conjunction with the development of the FY 2020 Capital Budget and FY 2020 – FY 2024 CIP, the City began to develop a list of potential projects that may be funded in the future, including projects that have been approved as part of a plan, but not yet sequenced or approved for funding.

The following table shows a summary of the Five-Year CIP by program area, as well as prior year funding for ongoing projects and funding requirements for desired projects with no anticipated funding for the FY 2020 Capital Budget and the FY 2020 – FY 2024 CIP, and beyond.

PROGRAM	PRIOR YEARS	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Future	TOTAL
ART IN PUBLIC PLACES	8,288,131	-	-	-	-	-	-	8,288,131
BRIDGES	9,245,127	1,131,077	3,743,923	-	-	-	595,000	14,715,127
CONVENTION CENTER	629,955,548	212,000	-	-	-	-	-	630,167,548
ENVIRONMENTAL	4,604,000	250,000	1,450,000	1,500,000	-	-	4,500,000	12,304,000
EQUIPMENT	34,209,908	7,038,718	11,296,000	9,313,000	5,420,000	5,777,000	-	73,054,626
GENERAL PUBLIC BUILDINGS	24,613,977	746,942	6,600,000	5,000,000	-	-	15,000,000	51,960,919
GOLF COURSES	5,649,190	545,000	305,000	-	5,000,000	-	-	11,499,190
MONUMENTS	601,000	-	412,000	-	-	-	-	1,013,000
PARKING	250,000	-	-	-	-	-	-	250,000
PARKING GARAGES	62,466,660	12,683,000	3,710,000	1,430,000	1,662,000	1,785,000	12,525,000	96,261,660
PARKING LOTS	4,629,650	250,000	650,000	150,000	150,000	150,000	-	5,979,650
PARKS	149,794,486	2,675,770	3,635,080	57,764,100	2,163,500	1,050,000	21,275,000	238,357,936
RENEWAL & REPLACEMENT	24,878,657	3,274,375	5,153,000	4,342,000	1,451,000	100,000	6,334,000	45,533,032
SEAWALLS	28,310,371	5,000,000	5,000,000	7,000,000	5,000,000	5,000,000	-	55,310,371
STREETS / SIDEWALKS / STREETSCAPES	429,236,517	20,216,972	193,659,575	174,156,403	139,815,403	9,178,421	150,500,000	1,116,763,291
STREET LIGHTING	10,060,664	600,000	600,000	18,100,000	13,100,000	13,100,000	13,100,000	68,660,664
TRANSIT / TRANSPORTATION	76,206,990	2,291,825	3,300,230	4,894,467	320,000	-	8,711,000	95,724,512
UTILITIES	75,509,795	31,460,117	86,645,921	7,850,000	32,315,542	118,490,895	-	352,272,270
GRAND TOTAL	1,578,510,671	88,375,796	326,160,729	291,499,970	206,397,445	154,631,316	232,540,000	2,878,115,927
							FY 2020-2024	1,067,065,256

The graph which follows shows the major project types with funding proposed and programmed in the FY 2020 – FY 2024 CIP. The largest proposed and programmed investments are in the street/sidewalks/streetscapes (50%), and utilities (26%).



OVERVIEW OF THE FY 2020 CAPITAL BUDGET (ONE-YEAR CAPITAL BUDGET)

At the first budget briefing on June 14, 2019, staff presented the preliminary list of unfunded projects, which were being requested, including projects that the Administration proposed for funding subject to the availability of funds. A summary of projects recommended for funding in the FY 2020 Capital Budget, based on direction given by the Finance and Citywide Projects Committee on June 14, 2019 and July 19, 2019, is presented below (sorted by funding source):

Transportation

- North Beach Neighborhood Greenways-Phase1 - \$448,625

Capital Renewal and Replacement Fund (CRR)

For FY 2020, it is proposed that the voted renewal and replacement millage rate remain flat at 0.0235, which would generate \$769,000 for capital renewal and replacement projects. These funds, in addition to the prior year fund balance available for appropriation, would allow for the funding the following projects:

- Historic City Hall Elevator Modernization - \$350,000
- Unidad Building-Roof Replacement - \$80,000
- PAL Building-Roof Repairs - \$90,000
- City Hall-Cooling Tower Condenser Line Replacement - \$90,000
- City Hall-Cooling Tower Base Replacement - \$100,000
- Fire Station #2 (Admin)-Waterproofing & Wind Retrofit - \$192,000

Community Development Block Grant (CDBG)

- Added \$396,037 in funding for the Biscayne Beach House (Affordable Housing property at 795 81st Street) based on approval of the FY 2020 CDBG Entitlement Fund allocations approved by Commission through Resolution 2019-30812

7th Street Garage

- 72nd Street Recreation Center (GOB Project) - \$128,296
- 7th Street Garage-Roofing Repairs & Renewal (CRR Project) - \$84,000
- 7th Street Garage-New Interior Drainage Pipes (CRR Project) - \$30,000
- 7th Street Garage-Interior Surface Restoration (CRR Project) - \$95,000

Home Investment Partnership Program (HOME)

- Biscayne Beach House Affordable Housing Property - \$271,000
- Transferred funding from the Lottie Apartments project to the Madeleine Village Project, as approved by the City Commission on September 11, 2019 through Resolution 2019-30946 - \$128,095
- Added funding to the Madeleine Village project, as approved by the City Commission on September 11, 2019 through Resolution 2019-30946 - \$204,280

RDA City Center Renewal & Replacement Fund

- Lincoln Rd Stone Restoration (CRR Project) - \$214,619

Non-TIF (Tax Increment Financing) RDA Fund

- Lincoln Rd Stone Restoration (CRR Project) - \$153,381

Local Option Gas Tax (LOGT) Fund

- Alton Road and 16th Street Intersection Improvements - \$540,000

People's Transportation Plan (PTP/Half Cent Transit Surtax-County) Fund

- Protected Bicycle Lanes (GOB project) - \$130,000
- Jefferson Avenue and 15th Street Pedestrian Flashing Beacons - \$74,200

Capital Projects Financed by Other Funds

- North Beach Oceanside Park Redevelopment - \$1,250,000
- Sunset Islands 1&2 Guardhouse - \$20,000

Pay-As-You-Go (PAYGO) Fund

- Alleyway Restoration Ph III - \$100,000
- Middle Beach Row Landscape - \$50,000
- Indian Creek Landscape & Irrigation - \$363,500
- Smart Building Automation System - \$100,000
- Waterway Restoration (GOB project) - \$250,000
- City Hall-Generator Replacement (CRR Project) - \$600,000
- Historic City Hall- Variable Frequency Drives Replacement (CRR Project) - \$200,000
- Polo Park Sports Lighting & Multi-Use Soccer Field - \$857,680
- Citywide Bridges - \$706,077

South Beach Quality of Life (SB QOL) Fund

- Smart Lighting Master Plan - \$200,000
- Dade Boulevard Pedestrian Pathway - \$225,000
- South Beach Row Landscape - \$280,000
- Beach Restrooms-Replace Restroom Exhaust Systems (CRR Project) - \$19,000

- Super Bowl Signage/Painting/Decorative Lighting – South Beach - \$150,000
- Super Bowl Landscape & Park Improvements - Lummus Park - \$250,000
- Beachwalk Tree Wells (14th to 22nd Street) - \$150,000
- Miami City Ballet Studio Flooring - \$140,000

Mid Beach Quality of Life (MB QOL) Fund

- Alleyway Restoration Ph III - \$60,000
- Middle Beach Row Landscape - \$50,000
- Indian Creek Landscape & Irrigation - \$363,500
- Smart Lighting Master Plan - \$200,000
- Miami Beach Golf Course-Roof Replacement (CRR Project) - \$245,000
- Beach Restrooms-Replace Restroom Exhaust Systems (CRR Project) - \$9,000
- MB Golf Course Storage Tank Replacement (CRR Project) - \$200,000
- MB Golf Course Irrigation Pump House Renovation (CRR Project) - \$100,000
- Indian Beach Park Playground Expansion - \$168,090
- Security Cameras on Beachwalk (23rd to 46th Street) - \$903,000

North Beach Quality of Life (NB QOL) Fund

- Alleyway Restoration Ph III - \$60,000
- North Beach Row Landscaping - \$100,000
- Painting & Lighting of Bridges (North Beach Bridges) - \$425,000
- Entrance Signs to North Beach - \$449,000
- Smart Lighting Master Plan - \$200,000
- Bandshell Rear Seating - \$188,000
- Beach Restrooms-Replace Restroom Exhaust Systems (CRR Project) - \$7,000

South Pointe RDA (Pre-Miami Dade County Interlocal Agreement Fund/MDC-ILA)

- 1st Street-Alton Road to Washington - \$2,469,616
- Defunding Flamingo 10G-6 Street ROW Improvements, which is now a part of the Flamingo Park Neighborhood project - \$2,469,616
- South Beach Pedestrian Zones - \$650,000

Miami-Dade County Interlocal – Convention Development Tax or Resort Tax Eligible Fund

- Beach Storage Area Enclosure (CRR project) - \$170,000

South Pointe Capital Fund

- 1st Street-Alton Road to Washington - \$4,500,000
- Defunding Flamingo 10G-6 Street ROW Improvements, which is now a part of the Flamingo Park Neighborhood project - \$4,500,000
- South Pointe Park-Fire Alarm Renewal (CRR project) - \$35,000

Water & Sewer Capital Projects Funded by Operations Fund

- DERM & EPA Consent Decree (sanitary sewer evaluation survey) - \$500,000
- Water Pump Stations Improvements - \$1,000,000
- Wastewater Manhole Rehabilitation - \$1,500,000
- Sewer Pump Station Odor Control Systems - \$850,600
- Sewer Pump Station #18 Improvements - \$700,000
- Public Works Facility-Water Station Roof Replacement (CRR Project) - \$30,000

Water & Sewer Bonds

- Waste Water Stations Rehabilitation - \$4,500,000
- Scada and PLC Systems - \$1,625,250
- Defunding Sunset Harbour Pump Station Upgrades project, as no additional funding is needed - \$1,190,983
- Water & Wastewater Mains and Rehab - \$17,000,000

Storm Water Bonds

- 1st Street-Alton Road to Washington - \$17,101,125
- Scada and PLC Systems - \$1,625,250
- Bioswale Pilot Project (59th Street West of Alton) - \$850,000

Miami-Dade County Inter-Local Agreement (Storm Water/General Capital Projects) Fund

- Flamingo Neighborhood - \$300,000
- Palm & Hibiscus Island Enhancement - \$1,293,847
- Citywide Seawall Rehab - \$5,000,000

Storm Water Capital Not Bonds

- Storm Water Outfalls - \$2,000,000
- Drainage System Water Quality Pilot - \$500,000

Sanitation Enterprise Fund

- 17th Street Garage-Reconfiguration of Sanitation Area (CRR Project) - \$200,000

Convention Center Operating Fund

- Convention Center Park (Fitness Area) - \$212,000

RDA Garage Fund

- Anchor Garage-Fire Alarm Replacement (CRR Project) - \$120,000
- Anchor Garage-Replacement of Stairwell Doors (CRR Project) - \$27,000
- Anchor Garage-Renewal of Interior Floor Drainage Piping (CRR Project) - \$30,000

Penn Garage Fund

- Penn Garage-Sealing of Superstructure (CRR Project) - \$25,000
- Penn Garage-Interior Surface Restoration (CRR Project) - \$95,000

Parking Bond

- Garage-License Plate Recognition Cameras - \$463,205

Parking Capital Not Bonds

- 72nd Street Recreation Center (GOB Project) - \$10,471,704
- Garage-License Plate Recognition Cameras - \$391,795
- 42nd Street Garage-Dispatch Area Expansion (CRR Project) - \$100,000
- 12th Street Garage-Elevator Replacement (CRR Project) - \$250,000
- 12th Street Garage-Roof Renewal (CRR Project) - \$64,000
- 1755 Meridian Avenue-2nd Floor Parking Office Security Enclosure (CRR Project) - \$35,000
- 17th Street Garage-Roofing Repairs (CRR Project) - \$30,000
- 17th Street Garage-Generator replacement (CRR Project) - \$120,000

- 42nd Street Garage-Generator Replacement (CRR Project) - \$71,000
- 42nd Street Garage-Replacement of Interior Drainage Pipes (CRR Project) - \$34,000
- Citywide Parking Lots-Seal Coating (CRR Project) - \$100,000
- Citywide Parking Lot Improvements (CRR Project) - \$150,000
- 13th Street Parking Garage Elevator (CRR Project) - \$140,500
- De-appropriation of funding remaining within the 17th Street Parking Garage Elevator project, as it will be completed with savings (CRR Project) - \$140,500

Fleet Management Fund

- FY 2020 General Fund Vehicle/Equipment Replacement - \$7,468,000

Communications Fund

- Defunding Public Safety Radio and Viper System project, as this project was approved to be funded using G.O. Bond dollars - \$1,433,728

The projects below were added to the CIP after the final budget briefing held on 7/26/19:

Community Development Block Grant (CDBG)

- Biscayne Beach House Affordable Housing property at 795 81st Street) - \$396,037 (added based on approval of the FY 2020 CDBG Entitlement Fund allocations approved by Commission through Resolution 2019-30812)

7th Street Garage

- 72nd Street Recreation Center (GOB Project #1) - \$128,296 (added per 7/19/2019 FCWPC discussion)

Home Investment Partnership Program (HOME)

- Biscayne Beach House (Affordable Housing property at 795 81st Street) - \$271,000 (added based on approval of the FY 2020 HOME Entitlement Fund allocations approved by Commission through Resolution 2019-30812)

Parking Capital Not Bonds

- 72nd Street Recreation Center (GOB Project #1) - \$10,471,704 (added per 7/19/2019 FCWPC discussion)

Capital Projects Financed by Other Funds

- Added \$20,000 to the Sunset Islands 1&2 Guardhouse project to increase the budget based on additional Homeowners' Association contribution for architectural and engineering services related to this project

Pay-As-You-Go (PAYGO) Fund

- Removed FY 2020 and FY 2021 programmed amounts for the Flamingo Neighborhood Reforestation project, the Nautilus Hurricane Reforestation project and the Lake Pancoast Reforestation project, as these areas will be covered within project #68219 - GO#33 Street Tree Master Plan funding

Miami-Dade County Inter-Local Agreement (Storm Water/General Capital Projects) Fund

- Replaced \$7,000,000 of recommended funding for Indian Creek Street Drainage Improvements, in FY 2020, with \$5,593,058, in FY 2019, based on approval of the 8th

Capital Budget Amendment at the July 31, 2019 Commission meeting via Resolution 2019-30929

- Added \$1,293,847 to the Palm & Hibiscus Island Enhancement project in order to fund the expanded scope of the project to provide drain inlets within qualifying properties on both Palm & Hibiscus Islands.

Parking Capital Not Bonds

- Transferred \$140,500 from the 42nd Street Garage Elevator Replacement project to the 13th Street Parking Garage Elevator project, as the 13th St. project is in need of additional funding and the 42nd Street project will be completed with savings.

The projects below were adjusted in the CIP subsequent to 9/11/19 Budget Hearing:

Home Investment Partnership Program (HOME)

- Transferred funding from the Lottie Apartments project to the Madeleine Village Project, as approved by the City Commission on September 11, 2019 through Resolution 2019-30946 - \$128,095
- Added funding to the Madeleine Village project, as approved by the City Commission on September 11, 2019 through Resolution 2019-30946 - \$204,280

South Beach Quality of Life (SB QOL) Fund

- Removed future funding for the South Pointe Artificial Turf per City Commission direction on 9/11/19 - \$804,277

South Pointe Capital Fund

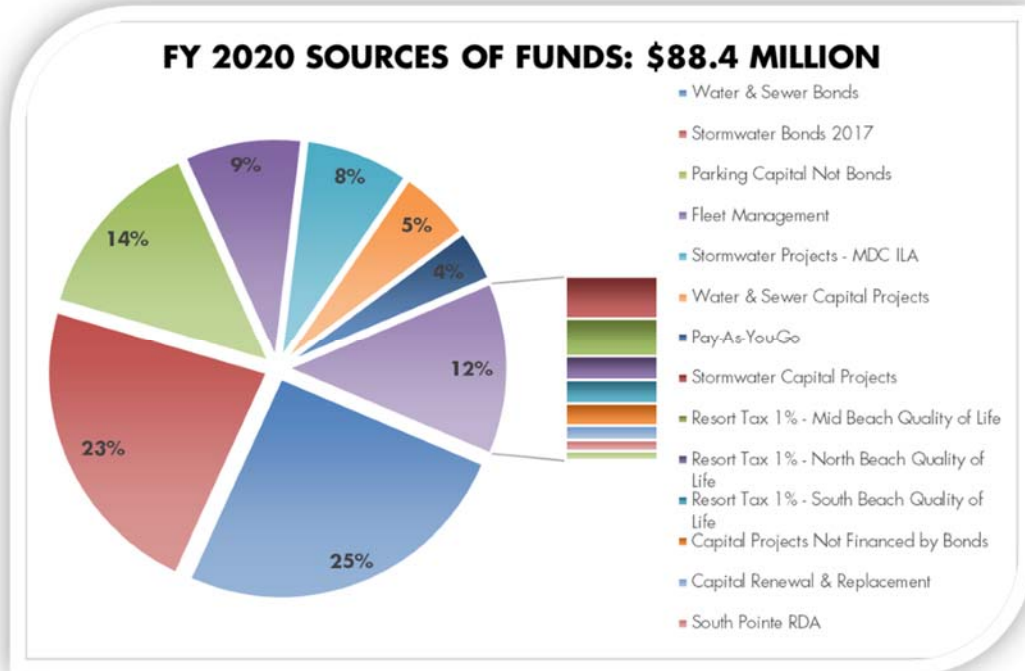
- Removed future funding for the South Pointe Artificial Turf per City Commission direction on 9/11/19 - \$465,723

The Capital Budget for FY 2020 totals \$88,375,796 and will be appropriated on October 1, 2019 when approved by the City Commission. Projects will address many needs in different areas of the City including: neighborhood enhancements such as landscaping and sidewalk restoration; traffic calming; roadway and bridge resurfacing and reconstruction; water, sewer, and drainage system improvements; park construction, renovations and upgrades; renovations of seawalls; parking lot and garage renovations, construction/renovations of public facilities; and vehicle replacement. The following tables summarize the capital expenditures by funding and program source.

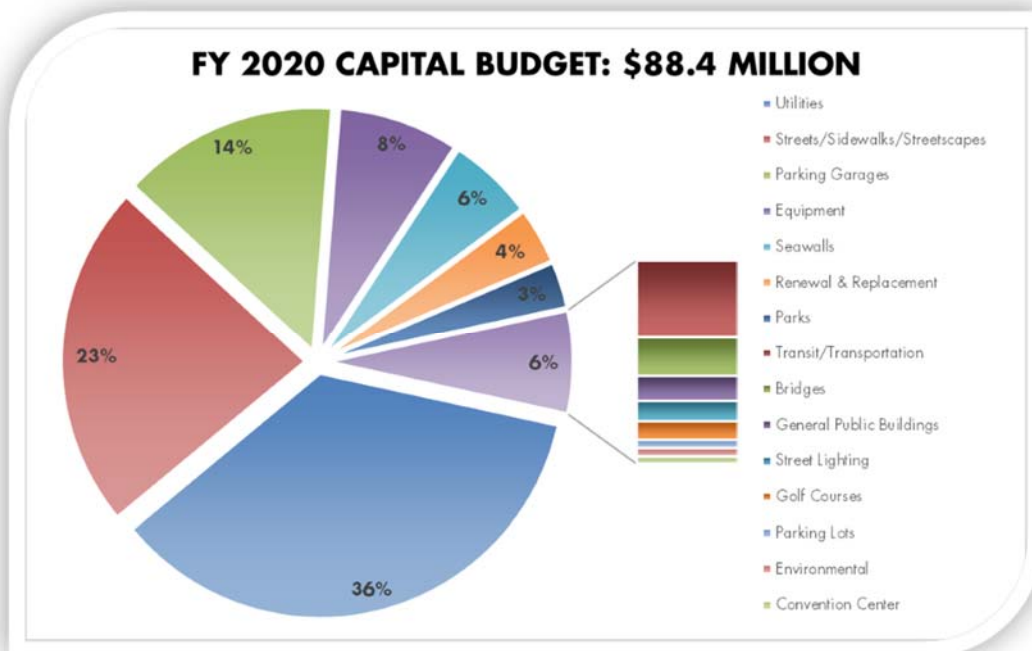
FUNDING SOURCE	FY 2020
Water & Sewer Bonds	21,934,267
Stormwater Bonds 2017	19,576,375
Parking Capital Not Bonds	11,817,499
Fleet Management	7,468,000
Stormwater Projects - MDC ILA	6,593,847
Water & Sewer Capital Projects	4,580,600
Pay-As-You-Go	3,227,257
Stormwater Capital Projects	2,500,000
Resort Tax 1% - Mid Beach Quality of Life	2,298,590
Resort Tax 1% - North Beach Quality of Life	1,429,000
Resort Tax 1% - South Beach Quality of Life	1,414,000
Capital Projects Not Financed by Bonds	1,270,000
Capital Renewal & Replacement	902,000
South Pointe RDA	650,000
Local Option Gas Tax	540,000
Parking Bonds 2010	463,205
Transportation	448,625
Community Development Block Grant	396,037
7th Street Garage	337,296
HOME Invest Partnerships Program	475,280
RDA City Center Renewal & Replacement	214,619
Convention Center Projects	212,000
Half Cent Transit Surtax	204,200
Sanitation Projects	200,000
RDA Garage (Anchor)	177,000
Miami Dade County Interlocal CDT/RTAX	170,000
Non-TIF RDA	153,381
Pennsylvania Ave. Garage	120,000
South Pointe Capital	35,000
Communications	(1,432,282)
Total Proposed Appropriations as of 9/30/19	88,375,796

PROGRAM	FY 2020
Utilities	31,460,117
Streets/Sidewalks/Streetscapes	20,216,972
Parking Garages	12,683,000
Equipment	7,038,718
Seawalls	5,000,000
Renewal & Replacement	3,274,375
Parks	2,675,770
Transit/Transportation	2,291,825
Bridges	1,131,077
General Public Buildings	746,942
Street Lighting	600,000
Golf Courses	545,000
Parking Lots	250,000
Environmental	250,000
Convention Center	212,000
Total Proposed Appropriations as of 9/30/19	88,375,796

The FY 2020-2024 Capital Improvement Plan by Funding Summary (Attachment A) sorts the projects in the FY 2020 – 2024 CIP and FY 2020 Capital Budget by funding source (revenue). As seen in the following graph, the Water & Sewer Bonds bring in the largest portion (25%) of revenue for FY 2020 capital projects, followed by Storm Water Bonds at 23%.



The FY 2020 – 2024 Capital Improvement Plan by Program (Attachment B) sorts the projects in the FY 2020 – 2024 CIP and FY 2020 Capital Budget by Program (expenditure). The largest proposed investments are in utilities (36%), followed by streets/sidewalks/streetscapes at 23%.



PROJECT HIGHLIGHTS BY PROGRAM AREA

Art in Public Places (AiPP)

The Art in Public Places (AiPP) Ordinance (Ordinance No. 95-2985) was adopted in 1995. The Ordinance was created to “enhance the aesthetic environment of the City of Miami Beach by including works of art on public property within the City and in City construction projects.” The AiPP Ordinance was amended in May 2004 to clarify the definition of terms for eligible construction projects for funding, as well as the policies and procedures for appropriations. The AiPP Guidelines were also adopted by the City Commission at that time.

The AiPP program is currently funded by 1.5% of all hard costs of City projects, including new construction, additions, and costs for construction of joint private/public projects. The fund is used for the commission or acquisition of works of art; conservation and maintenance of works of art; research and evaluation of works of art; printing and distribution of related materials; and administration.

The City Commission will be voting on proposed amendments to the Art in Public Places Ordinance at the September 11, 2019 Commission meeting. The amendment to the current ordinance would expand the definition of " City Construction Project" to include baywalks, beachwalks, streetscape beautification projects (resurfacing, curbs, gutters, pavers, sidewalks, landscaping, lighting, bus shelters, bus benches, street furniture, signage and similar above ground improvements); amend the dollar threshold therein from \$ 500,000 to \$ 250,000 for the projects subject to the provisions of Art in Public Places; and amend the amount to be appropriated to Art in Public Places from not less than 1. 5 percent, to not less than 2 percent.

Prior Years include \$8.3 million in funding for the Miami Beach Convention Center, Fire Station #2, Flamingo Park, Lummus Park, and Soundscape Park.

Bridges

Bridge repair projects are prioritized and funded based upon inspections by the Florida Department of Transportation, which ensures the safety of all bridges statewide. Other factors are also considered when determining the condition of a bridge, such as its load capacity. It is the City’s responsibility to ensure that bridges are repaired in order to be safe for the motoring public. Pedestrian bridges are also included in this category, which is the City’s responsibility to maintain.

The One-Year FY 2020 Capital Budget appropriates \$706,077 for Citywide Bridges, beginning with the lowest rated bridge at 77th Street over Biscayne Point Canal and \$425,000 for painting and lighting of bridges in North Beach.

Prior Years include \$7.1 million for the West Avenue Bridge over Collins Canal; \$1.2 million for Painting and Lighting of Bridges in North Beach; \$480,000 for the 41st Street Bridges Repair; \$280,000 for Citywide Bridge Repairs and \$180,000 for the Lighting and Painting of the 81st Street Pedestrian Bridge. Future funding needs include \$4.3 million for repairs of bridges citywide.

Convention Center

The Miami Beach Convention Center (MBCC) has been a significant factor in the economic impact of Miami Beach and the greater Miami-Dade County for over fifty years. It served as the site where Cassius Clay (later known as Muhammad Ali) defeated Sonny Liston for his first Heavyweight Championship of the World in 1964. In 1968, the Miami Beach Convention Center hosted the Republican National Convention and more than 20,000 delegates; while in 1972, more than 45,000 delegates visited the facility during both the Republican and Democratic National Conventions.

Originally built in 1957, the MBCC encompassed 108,000 square feet. In 1968, an additional 130,500 square feet of exhibit space was added, with additional support facilities subsequently constructed in 1974. In 1986, as the demand for exhibition space increased, the facility underwent a \$92 million renovation and doubled in size to its current footprint. The expanded MBCC opened in 1989. At that time, a master plan was also developed for the convention center complex. Since that time, the facility has received over \$50 million in continuing upgrades, including complete renovations of all restrooms, full carpet replacement, and installation of a state-of-the-art telecommunications and networking infrastructure.

Since the 1989 MBCC renovation, significant changes have taken place in the convention and tradeshow industry. The number of events, attendance, and space needs have increased on an annual basis industry-wide. The economic impact of the convention and tradeshow has also increased over time. Many cities have responded to this industry growth by increasing the size of their convention centers and by adding amenities such as increased meeting space, additional parking, general session space, various technological amenities, and related features in an effort to address industry trends.

Changes in how a competitive hotel package and cultural offerings are viewed by event planners have also led to significant development in areas adjacent to the convention center in major markets throughout the country. Large headquarter hotels have been developed, and efforts to create walkable restaurant/retail environments surrounding convention centers have also been undertaken. The primary objectives of the master plan project are improvements to the MBCC and redevelopment of its surrounding area that are supported by market demand and are necessary to facilitate the ability of the MBCC to attract high impact conventions and tradeshows in an increasingly competitive environment.

A report prepared by Convention Sports & Leisure (CSL) commissioned by the Greater Miami Convention and Visitors Bureau (GMCVB) determined that the MBCC shall serve as the region's convention center given its geographic draw, and no new facility should be planned elsewhere in Miami-Dade County. The report further determined that improvements to the MBCC, including a multi-purpose general assembly/banquet hall, should be made to increase its marketability and attract high-end conventions.

The expansion and renovation of the existing MBCC includes an expansion to 1.4 million square feet, the re-orientation of the four exhibit halls, façade modifications, two separate loading docks on opposite ends of the building with 32 dock spaces, site improvements along the canal and roadways, the addition of a Grand Lobby, 1 Grand Ballroom and 4 junior ballrooms, including the rooftop 'Sunset Vista Ballroom', 10,000 square foot production kitchen, 1.61 miles of fiber optic cabling and 480 miles of copper wiring to support IT communications, 84 meeting rooms with free Wi-Fi, and 800 parking spaces located on the roof. The new MBCC re-orientes the halls in an East/West direction with the primary access from Convention Center Drive, although

Washington Avenue will serve as a secondary means of entry.

The project includes substantial improvements to the north of the property. The new addition at the northern portion of the property features an enclosed ground floor parking area and truck loading and delivery area. Above this is the multi-story Grand Ballroom, offering two outdoor patios spaces, with views of the beautified 3.8 acres of Collins Canal Park that spans along Collins Canal and features the restored historic Carl Fisher Clubhouse, with a completion date of November 2019. This addition will create a new internalized loading area and includes two helix ramping entrance accesses to the roof level parking. The Washington Avenue elevation will be predominately pedestrian in nature with the elimination of the visitor drop-off and cab cueing areas. The streetscape modifications have included a green edge along the avenue with native shade trees to promote a more pedestrian friendly experience. Convention Center Drive becomes the main access point for vehicular access and for the visitor and shared ride drop-off areas. Modifications include a new median along Convention Center Drive and 19th Street creating a more sophisticated streetscape and a more celebrated boulevard experience. The Collins Canal Park walk will be substantially improved and will create a softer northern edge to the MBCC, with a continued path starting at the Holocaust Memorial, continuing through the Botanical Gardens, into Collins Canal Park and ending at the Bass Museum and Collins Park to connect multiple green spaces across multiple city blocks.

The project also includes sizeable Art in Public Places installations including pieces by six internationally recognized artists such as Ellen Harvey, Sarah Morris and Joseph Kosuth, with a budget of \$7.1M for expected completion of the final project in Fall 2019, this collection is the largest collection of single curated public art in the United States.

The MBCC is now substantially complete and welcoming new and repeat business utilizing all four exhibit halls. Art Basel 2018 welcomed its highest number of attendees and the facilities first gala - the Baptist Health Gala, was one of the largest galas in Miami-Dade and received accolades from local and regional influencers.

On July 25, 2018, Resolution 2018-30438 was passed and adopted by the City Commission. This resolution called for a special election on November 6, 2018 for the purpose of submitting to the electorate of the City of Miami Beach, a ballot question regarding a 99-year lease of a 2.6-acre property to MB Mixed Use Investment, LLC, requiring the construction/operation of an 800-room hotel connected to the Convention Center per Resolution 2018-30425. The property is located at the northeast corner of 17th Street and Convention Center Drive. On November 6, 2018, the citizens of the City of Miami Beach voted in favor of the MBCC Hotel. The development of the hotel has been approved by the Design Review Board and is prepared for the official ground breaking in 2019.

In FY 2019, the City restructured the financial terms with MBCC F&B vendor, Centerplate, to provide for the City to receive 95% of the net operating profits of the catering and F&B operations at the MBCC (after payment of all operating expenses), and (2) extended the term of the City's agreement with Centerplate to an additional two years.

During FY 2019, significant bookings secured for future years include: Million Dollar Roundtable, SuperCon, National Automated Clearing House Association - The Electronics Payments Association (NACHA) American Society for Aesthetic Plastic Surgery, Association Of The Nonwoven Fabrics Industry and the Miami Auto Show.

The One-Year FY 2020 Capital Budget totals \$212,000 for Convention Center Park (Fitness Area).

Prior Years include \$615.4 million for the Convention Center Renovation; \$9.2 million for the Convention Center Park; \$3.9 million for the Carl Fisher Clubhouse renovation; \$771,000 for the Convention Center Garage Equipment and \$600,000 for legal, consulting, and resident-surveying services related to a Convention Center hotel.

Environmental

Environmental projects in the CIP cover a range of projects including beach access gates, canal enhancement projects, tidal flooding mitigation, lighting for the baywalk, recreational greenways, and remediation.

The One-Year FY 2020 Capital Budget provides \$250,000 in funding for surveying and permitting costs related to the Waterway Restoration G.O. Bond project.

Prior Years include \$2.7 million for the Middle Beach Recreational Corridor Phase III; \$1.1 million for Maurice Gibb Park soil remediation; \$386,000 for Baywalk Phase 2; \$310,000 for the Baywalk from 10th to 12th Street; \$111,000 for Fleet Management Facility Remediation and \$30,000 for the Lake Pancoast Mangrove Planter (formerly known as the Indian Creek Living Shoreline).

Future funding includes \$6.0 million in G.O. Bond funding for the Waterway Restoration project and the Lake Pancoast Mangrove Planter in the amount of \$1,450,000, which is programmed for FY 2021.

Equipment

The capital equipment section of the CIP includes the purchase of major capital equipment, including property management, fleet, lighting, and information technology equipment related acquisitions.

The One-Year FY 2020 Capital Budget funds \$7.5 million for annual vehicle/equipment replacement; \$903,000 for Security Cameras on Beachwalk (23rd to 46th St); \$100,000 for the Smart Building Automation System and defunding of the Public Safety Radio & Viper system amounting to \$1,432,282, which has been funded by the G.O. Bond.

Prior Years include \$10.6 million for Fleet vehicle/equipment replacement; \$12.1 million for the Public Safety Radio System (G.O. Bond project), and other major projects such as \$2.8 million for Convention Center FF&E; \$1.9 million for License Plate Readers (G.O. Bond project); \$1.7 million for replacement of the Permits Plus Software; \$1.5 million for cameras in the Entertainment District (G.O. Bond project); \$825,000 for Cameras in the Business District (G.O. Bond project); and \$400,000 for cameras on the Beachwalk (G.O. Bond project). An additional 15 miscellaneous projects totaling \$2.3 million were also funded within this program.

Future funding needs total \$31.8 million for various projects, primarily related to vehicle and equipment replacement needs.

General Public Buildings

The One-Year FY 2020 Capital Budget includes \$667,037 in funding necessary for repairs at the Biscayne Beach affordable housing property that was acquired by the City in FY 2019; \$188,000 for North Shore Bandshell Rear Seating, \$20,000 in additional funding for the Sunset Islands 1& 2 Guardhouse, and the transfer of \$128,095 from the Lottie Apartments to the Madeleine Village, as approved by the City Commission on September 11, 2019 through Resolution 2019-30946.

Prior Years include \$7.5 million for the Bass Museum space expansion; \$7.0 million for Fire Station #1 (G.O. Bond project); \$2.7 million for the Marine Patrol Facility (G.O. Bond project); \$1.3 million for the Bayshore Green Waste Facility; \$1.3 million for Lottie Apartments; \$1.1 million for Biscayne Beach affordable housing property; \$1.0 million for North Shore Park Restrooms; \$648,225 for Sunset Islands 1&2 Guardhouse; \$668,000 for the North Shore Bandshell Canopy, \$553,467 for the North Beach Yard and \$829,898 for 3 miscellaneous projects.

Future programmed funding includes \$5.3 million for creating a Public Works facility at a vacant/unused pump station; \$1 million for Greenspace Facility Renovation, \$310,000 for North Shore Bandshell Rear Canopy, along with future tranches of various GOB projects.

Golf Courses

The City operates the Miami Beach Golf Club and the Normandy Shores Golf Club. The golf clubs are funded from the General Fund with all revenues generated going to the City to off-set operational expenditures and debt service. The City's golf courses/clubs are managed and operated by Professional Course Management (PCM) on behalf of the City.

The One-Year FY 2020 Capital Budget totals \$245,000 for the Miami Beach Golf Club Roof; \$200,000 for the Miami Beach Golf Club Storage Tank and \$100,000 for the Miami Beach Golf Course Irrigation Pump House Renovation.

Prior Years include \$5.5 million for renovations to the Community Park (Par 3); \$124,000 for the Miami Beach Golf Course Practice Tee Renovation and \$65,000 for the BGC Golf Cart Staging Area project.

Future funding needs include \$5.0 million for the Miami Beach Golf Course Renovation; \$175,000 for the Normandy Shores Golf Club Roof; \$80,000 for the Miami Beach Golf Club Driving Range Lighting project and \$50,000 for the Normandy Shores Golf Club Pumps.

Monuments

There are numerous monuments throughout the City, with of many of them being historic. In 2009, the City conducted a comprehensive assessment of necessary repairs.

Prior Years include \$279,000 for the Alton Road Fountain at 20th Street project and \$322,000 for the Flagler Monument Solar Illumination project.

Future funding needs include \$350,000 for the Water Tower Restoration on Star Island and \$62,000 for a World War Memorial.

Parking, Parking Garages, and Parking Lots

The City manages and operates 67 surface parking lots and 11 garages. There is a total of 9,677 metered spaces both on- and off-street and 23 residential parking permit zones citywide. The CIP programs provide funding for on-going maintenance of facilities, which includes renovation of parking lots that are anticipated to provide additional parking spaces when complete.

Prior Years for the Parking Garage/Parking programs include \$27.6 million for the Collins Park garage; \$14.3 million for the garage at Collins Avenue and 13th Street; \$4.0 million for 17th Street Parking Garage Coating; \$3.8 million for Revenue Control Systems; \$3.0 million for Penrods at 1 Ocean Drive Parking Lot; \$1.9 million for the 17th Street Garage Roof and Deck; \$1.8 million for the 16th Street Garage Roof and Deck; \$1.4 million for Garage Security Camera System; and 24 renewal and replacement projects totaling \$6.1 million.

The One-Year FY 2020 Capital Budget includes \$10.6 million for the 72nd Street Park and Parking Structure; \$855,000 for Garage License Plate Recognition Devices; and 18 renewal and replacement projects totaling \$1.5 million.

Future funding needs for the Parking Garage program total \$32.2 million for various projects.

Parks

The City maintains the appearance of the gateways to the City, all municipal parks, buildings, grounds, and City-controlled medians, swales, and landscape areas, including management of the City's urban forest and the landscape maintenance contracts for the entire City's parking facilities.

The One-Year FY 2020 Capital Budget for Parks totals \$2.7 million and includes \$1.25 million for the North Beach Oceanside Park redevelopment; \$857,680 for Polo Park to fund sports lighting and create a multi-use soccer field; \$250,000 for Super Bowl landscaping and park improvements; \$168,090 for Indian Beach Park playground expansion, and \$150,000 for Beachwalk tree wells from 14th to 22nd Street.

Prior Years funding for multiple open projects total \$149.8 million and includes major projects such as \$17.9 million for Flamingo Park; \$15.7 million for the Community Park; \$15.4 million for Flamingo Park & Youth Center (G.O. Bond project) and \$10.8 million for 72nd Street Recreation Center. Prior Years also includes 15 other G.O. Bond projects totaling \$41.2 million and 38 other projects totaling \$47.6 million.

Future funding needs reflect the five-year capital plan for the Parks department in addition to future tranches for various GOB projects.

Renewal and Replacement

FY 2012 was the first year that new and existing capital renewal and replacement projects were included in the CIP and Capital Budget.

Prior to FY 2005, the City made significant investment in the routine maintenance of its assets, as well as funding major capital projects bringing online miles of sidewalks and curbing, additional streetlights, new parks and park facilities, new Fire station facilities, etc. However,

maintenance of the capital investments competed with General Fund services and routine maintenance with the result that funding levels did not provide for major capital renewal and replacement projects. As a result, these projects often were deferred many years beyond the useful life of the capital component requiring replacement or renewal, and in some cases, until the point where an entire capital project was required for major improvements.

To ensure that renewal and replacement of General Fund assets were funded and addressed when needed, in FY 2005, the City of Miami Beach established a dedicated millage for renewal and replacement funding to be used for capital projects that extended the useful life of the City's General Fund assets to be used exclusively to provide for renewal and replacement of capital items related to facilities and infrastructure over and above routine maintenance. The following restrictions regarding the fund were established at the time that the dedicated funding was created:

- Projects must meet the following criteria for funding:
 - Extend the useful life of a City of Miami Beach General Fund asset by at least 5 years with a threshold value of at least \$25,000; for example, the replacement a major component of the asset such as roofs, HVAC systems, electrical systems, fire alarm systems, sprinkler systems that due to significant deterioration would constrain the remaining useful life of the asset, OR
 - Significantly reduce future maintenance cost over the remaining life of the asset providing for a reduction in future maintenance costs that are greater than the cost of the project
- The Mayor and Commission may authorize additional uses of the funds for unforeseen or unanticipated events affecting life, health, property or public safety subject to a five-sevenths (5/7) vote
- Appropriation of project specific expenditures from the General Fund Capital Renewal and Replacement Fund shall be included in the City Manager's annual proposed budget, to be approved by the Mayor and City Commission annually during the City's second public hearing on the budget
- Interest earnings that accrue in the General Fund Capital Renewal and Replacement Fund shall be included in the appropriation for the Fund in the following fiscal year
- Changes among project specific appropriations may be authorized by the City Manager to the extent that no new projects are added and the total annual allocation is not exceeded
- During a fiscal year, changes to the total allocation and changes to the list of projects to be funded from the General Fund Capital Renewal and Replacement Fund shall require prior approval and authorization by a majority of the City Commission. Excess project specific appropriations not required will be available for re-appropriation the following year
- Project specific appropriations that are not expended in a given fiscal year shall remain in the General Fund Capital Renewal and Replacement Fund for the life of the project

At the same time, the City established a systematic approach to identify renewal and replacement needs. Facilities are inspected at least once every five years to determine current needs as well as projected replacement dates for all major components. A Facility Condition Index Rating (FCI) is assigned to each facility based on the total value of existing requirements divided by the current replacement value of the building. Based on industry standards ratings are assigned as follows:

- 0.00 to 0.10 Excellent
- 0.11 to 0.21 Good
- 0.122 to 0.32 Fair
- Greater than 0.33 Poor

Facilities that have high public usage have a goal of “Excellent,” while all other facilities have a goal of “Good.” Renewal and replacement projects for facilities that are not supported by the General Fund are funded from available cash balances in their respective Internal Service or Enterprise Funds, e.g. Fleet, Sanitation, Property Management, Water, Sewer, Storm Water, Parking, and Convention Center. City Center Redevelopment Area (RDA) projects are funded through the City Center RDA budget.

The current dedicated millage of 0.0235 mills (same as in FY 2019) is projected to generate \$768,000 for the General Fund Capital Renewal and Replacement Fund. Internal Service Funds, Enterprise Funds and Special Revenue Funds also provide sources of funding for non-General Fund Renewal and Replacement Projects. The One-Year FY 2020 Capital Budget has 19 projects totaling \$3.3 million. Prior year appropriations total \$25.0 million.

Seawalls

The City of Miami Beach is part of a barrier island and seawalls perform an important function in improving water quality and protecting upland structures such as roads and utilities.

The One-Year FY 2020 Capital Budget totals \$5.0 million, with \$5.0 million programmed annually from FY 2021 to FY 2024.

Prior Years funding for multiple open projects totals \$28.3 million and includes \$8.0 million for Seawalls & Shorelines throughout the City (G.O. Bond project); \$5.5 million for enhancements at Collins Canal, \$2.6 million for seawall repair by the Fleet Management facility, \$1.8 million for the Convention Center Drive to Washington project, \$1.7 million for the Biscayne Bay Street End project (Phase 2), and \$1.6 million for the Dade Boulevard – Washington Avenue project. Prior Years also includes 13 other projects totaling \$7.2 million.

Street/Sidewalk/Streetscape Improvements

Projects within neighborhood areas are combined to create a single project that addresses the neighborhood needs for infrastructure upgrades (including upgrades to underground water, sewer and storm water infrastructure), traffic flow improvements, street lighting, and landscaping enhancements.

The One-Year FY 2020 Capital Budget totals \$20.2 million, primarily for the 1st Street-Alton Road to Washington project totaling \$24.07 million, offset by \$6.97 million from the defunding of Flamingo 10G-6 St. ROW Improvements project, which is now a part of the Flamingo Park Neighborhood project. The FY 2020 budget also includes \$1.29 million in increased funding for the Palm and Hibiscus Island Enhancement project and \$727,000 for Indian Creek Landscaping and Irrigation.

Prior Year appropriations for open projects total \$429.2 million and include several key projects such as West Avenue, Venetian Neighborhood-Islands, Palm and Hibiscus Island, Lincoln Road Washington Ave to Lenox Ave, Bayshore Neighborhood, City Center Commercial District BP9B,

and Bay Road.

Future funding needs total \$667.3 million inclusive of future tranches for various GOB projects.

Street Lighting

Improving lighting throughout the City consistent with Lighting and Crime Prevention Through Environmental Design (CPTED) principles was prioritized during the FY 2016 budget process.

The One-Year FY 2020 Capital Budget totals \$600,000 for a Smart Lighting Master Plan, with \$600,000 programmed each year in the future.

Prior Years include \$5.0 million for Street Lighting Improvements (G.O. Bond project); \$1.9 million for the Smart Lighting Master Plan; \$1.6 million for Streetlight Improvements; \$665,625 for Beachwalk Lighting Retrofit; \$450,000 for Citywide Parking Lot Lighting; \$168,060 for Aluminum Street Lighting Pole Replacement; \$148,779 for the 5th Street Flyover lighting and \$139,000 for Normandy Isle-Marseille Lighting.

Other future funding needs include \$12.5 million each year, beginning in FY 2022, for Street Lighting Improvements; \$600,000 each year, beginning in FY 2021, for the Smart Lighting Master Plan, along with future tranches of GOB projects.

Transit/Transportation

The City is responsible for the management of transportation and traffic engineering services, including coordination with the County for the provision of transit service; coordination and funding of the South Beach Local, the most successful bus circulator in the County; design and implementation of traffic mobility improvements; coordination of the shared-bike program; and implementation of the Bikeways Master Plan. Along with, and related to growth management, traffic flow continues to be one of our community's major concerns.

The One-Year FY 2020 Capital Budget totals \$2.3 million, which primarily includes \$650,000 for South Beach pedestrian zones; \$540,000 for Alton Road and 16th Street intersection improvements; \$449,000 for entrance signs to North Beach and \$448,625 for the North Beach Neighborhood Greenways-Phase1.

Prior Years include \$42.5 million for the Transportation Capital Initiative and \$18.8 million for the Intelligent Transportation System. An additional 24 projects totaling \$14.9 million were also funded within this program.

Future funding needs total \$17.2 million inclusive of future tranches for various GOB projects.

Utilities

The City is responsible for the maintenance and operation of the water and sewer system that provides reliable and high-quality water and a reliable sanitary sewer system that protects public health and safety; and complies with all federal, state, and local regulations. The City purchases wholesale water from Miami-Dade County for distribution within the City and the City also operates and maintains the storm water collection and conveyance system that protects public health and safety and complies with all federal, state, and local regulations.

The One-Year FY 2020 Capital Budget totals \$31.5 million and includes \$17.0 million for Water and Wastewater Main Rehabilitation; \$4.5 million for the water meter replacement program; \$3.25 million for SCADA and PLC systems; \$2.0 million for Storm Water Outfalls; \$1.5 million for Wastewater Manhole Rehabilitation; \$1.0 million for Water Pump Station Improvements; \$850,000 for Sewer Pump Station Odor Control; \$850,000 for the Bioswale Pilot Project at 59th Street and Alton Road; \$700,000 for Storm Water Pump Station # 18 Improvements; \$500,000 for DERM & EPA Consent Decree, and defunding of the Sunset Harbour Pump Station Upgrades amounting to \$1.19 million, as no further Storm Water funding is required at this time.

Future funding needs total \$245.3 million for various projects.

FINANCING

Several capital financing transactions are reflected in the CIP including: General Obligation Bonds, Storm Water Revenue Bonds, Water and Sewer Revenue Bonds, Gulf Breeze Loans, and an Equipment Master Lease.

In 1995, the City issued \$59 million in Water and Sewer Revenue Bonds. In 1997, the City paid \$15 million for the 1996 authorized General Obligation Bonds to construct, renovate and rebuild parks and recreation facilities within the City's park system.

In 2000, the City issued the initial \$30 million of the authorized \$92 million 1999 General Obligation Bond. These funds were issued to expand, renovate, and improve fire stations and related facilities; improve recreation and maintenance facilities for parks and beaches; and improve neighborhood infrastructure. In 2000, the City also issued \$54,310,000 in Water and Sewer Bonds and \$52,170,000 in Storm Water Revenue Bonds. In addition, the City was granted a \$4 million Section 108 U.S. Housing and Urban Development Loan for improvements to neighborhood streets, North Shore Park and Youth Center.

In 2001, the City executed loan agreements with the City of Gulf Breeze, Florida, providing \$15 million for the renovation and improvement of two City owned golf courses and their related facilities. The City issued the remaining \$62,465,000 of the referendum-approved \$92 million General Obligation bonds in July 2003 for improving neighborhood infrastructure in the City. Further, in 2006 and 2010, the City executed loan agreements with the City of Gulf Breeze, Florida, providing an additional \$24 million and \$30 million for water and sewer projects, respectively.

In 2006 and 2010, the City executed loan agreements with the City of Gulf Breeze, Florida, providing an additional \$24 million and \$30 million for water and sewer projects, respectively. In FY 2009, a line of credit was issued and was being used to fund projects in advance of issuing water and sewer and storm water bonds. The City uses this line of credit in order to have the necessary funding capacity to enter into new projects while allowing time to both build the necessary rate capacity to issue additional tax-exempt bonds. This phased approach provides the City with more time to refine the cost estimates for projects planned to be in construction prior to issuance of bonds. In FY 2012, approximately \$50 million in storm water bonds were issued replacing funding for projects previously funded by the line of credit. In FY 2015, approximately \$100 million in storm water bonds were issued as part of the first of three \$100 million bonds to upgrade the City's storm water system.

On December 15, 2015, the City issued \$164,920,000 in Resort Tax Revenue Bonds, Series 2015. These Series of bonds were issued by the City for the purpose of providing funds to (1)

finance a portion of the costs of acquiring and constructing renovations to the Miami Beach Convention Center and related improvements, and (ii) pay the costs of issuing the Series 2015 bonds. The City also issued \$58,825,000 in Parking Revenue Bonds, Series 2015. These Series of bonds were issued by the City for the purpose of providing funds to (i) finance a portion of the costs of acquiring and constructing a new parking facility and improvements to a surface parking lot to serve the City's Convention Center, and (ii) pay the cost of issuing the Series 2015 bonds. Lastly, the RDA Agency issued \$286,245,000 in Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A and \$35,850,000 in Tax Increment Revenue Refunding Bonds, Taxable Series 2015B. The Series 2015A bonds were used, together with certain other legally available moneys of the Agency, to (i) provide for the current refunding of all the outstanding Series 2005B bonds, (ii) finance certain costs of acquiring and constructing renovations to the Miami Beach Convention Center and certain other improvements, and (iii) pay costs of issuance of the Series 2015 bond and refunding the outstanding Series 2005B bonds. The Series 2015B will be used to (i) provide for the advance refunding of all the outstanding Series 1998 bonds, (ii) provide for the current refunding of all the outstanding Series 2005A bonds, and (iii) pay costs of issuance of the Series 2015B bonds and refunding the outstanding Series 1998A bonds and the outstanding Series 2015A bonds, including the portion of the premium allocable to the Series 2015B bonds for the reserve policy.

In Fiscal Year 2017, the City obtained a bank loan in the amount of \$19.7 million to refund the outstanding taxable special obligation refunding bonds, Series 2005. This refinancing provided the City with a net present value savings of \$1.5 million over five years.

Subsequent to September 30, 2017, on December 14, 2017, the City issued at par value \$115.2 million of Water and Sewer Revenue Bonds secured by the net revenues of the City's combined water and sewer system. The Series 2017 Bonds are being used for the purpose of providing funds to finance the cost of certain capital improvements as part of the City's multi-year program to upgrade the facilities and enhance the effectiveness and reliability of the Water and Sewer Utility as well as to provide current refunding and defeasance of all outstanding Series 2000 Bonds, prepayment of all outstanding Series 2006B-2 Bonds, and prepayment of all the outstanding Series 2006E Bonds. The bonds are rated Aa3 by Moody's and AA- by Standard and Poor's. The Bonds have an all-inclusive true interest cost of 3.75% for 30 year fixed rate debt. The advance refunding generated \$7.2 million in savings, with average annual savings of \$550,000 in 2018 – 2030. The refinancing also restructured the debt to provide more overall level debt service, which reduces the impact of the additional debt service for capital improvements to ratepayers.

On December 22, 2017, the City issued at par value \$156.6 million of Storm Water Revenue Bonds secured by the net revenues of the City's storm water system. The Series 2017 Bonds are being used for the purpose of providing funds to finance a portion of the costs of certain capital improvements as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the Storm Water Utility as well as provide for the advance 5 refunding and defeasance for a portion of the outstanding 2011A Bonds and 2011B Bonds. The City will provide for the refunded bonds to be redeemed on September 1, 2021 at a redemption price equal to the principal amount of the refunded bonds, without premium. The bonds are rated Aa3 by Moody's and AA- by Standard and Poor's. The Bonds have an all-inclusive true interest cost of 3.81% for 30 year fixed rate debt. The advance refunding generated \$5.5 million in savings, with average annual savings of \$230,000 in 2018 – 2041.

GENERAL OBLIGATION BOND PROJECTS

On November 6, 2018, the citizens of the City of Miami Beach voted in favor of issuing \$439 million in General Obligation bonds (“G.O. Bonds”) to:

- Improve the City’s police, fire, and public safety facilities, in addition to equipment, technology, and lighting to improve security throughout the City
- Improve the City’s parks, recreational and cultural facilities, inclusive of playgrounds, baywalks, beachwalks, waterways, landscaping, equipment, lighting, security, and parking related to such facilities
- Improve the City’s neighborhoods and infrastructure, including storm water and flooding mitigation projects, sidewalk and street renovation and repairs, protected bicycle lanes, pedestrian paths, landscaping, and lighting

At the March 4, 2019 G.O. Bond workshop, the City Commission reviewed the proposed G.O. Bond Implementation Plan, which outlines the sequencing of the 57 approved projects. At the March 13, 2019 Commission Meeting, the City Commission approved the G.O. Bond execution plan for the first tranche and authorized the issuance of General Obligation Bonds, Series 2019, for the funding of these projects. The fourth amendment to the FY 2019 Capital Budget, which was approved at this meeting, allowed for the expedited funding of seven of these approved first tranche projects in the amount of \$19,760,000.

At the April 10, 2019 Commission Meeting, the City Commission approved the funding of the remaining \$131,379,000 of tranche 1 projects, for a total of \$151,139,000, as summarized below and detailed in attachment A.

- 19 Parks projects totaling \$86,733,000
- 11 Public Safety projects totaling \$36,406,000
- 8 Neighborhood/Infrastructure projects totaling \$28,000,000

In an effort to increase transparency and to provide detailed information on the G.O. Bond program, the City recently launched a robust website which provides a wealth of information on the status of each project, including an interactive dashboard that provides real-time information at the users’ fingertips. For more information, go to <https://www.gombinfo.com/>.

CONCLUSION

The Administration recommends adopting the final Capital Improvement Plan for FY 2020-2024 and adopting the City of Miami Beach’s final Capital Budget for FY 2020.

Attachment A – FY 2020-2024 Capital Improvement Plan Funding Summary
Attachment B – FY 2020-2024 Capital Improvement Plan by Program

JLM/JW/TOS