



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

COMMITTEE MEMORANDUM

TO: Members of the Finance & Economic Resiliency Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 17, 2020

SUBJECT: FISCAL YEAR 2021 PROPOSED CAPITAL BUDGET

The FY 2021 Proposed Capital Budget was reviewed by the Finance and Economic Resiliency Committee ("FERC") at the June 16, 2020 FERC 1st Budget Briefing.

Attachment A contains a comprehensive funding summary of the FY 2021-2025 Proposed Capital Improvement Program ("CIP"). The following is an update of changes made to the CIP subsequent to the June 16th Budget Briefing.

Fleet Management Operating Fund

The change below was made subsequent to the June 16th FERC meeting.

- **FY21 Vehicle/Equipment Renewal (#298)** – Programmed amount reduced by \$649,000 based on revised vehicle and equipment replacement list, which incorporated the elimination of 10 department vehicles which have low utilization and several deferrals based on recommendations from Fleet Management and operational departments.

Pay As You Go ("PAYGO") Fund

As discussed at the June 16th FERC meeting, the unallocated available balance of PAYGO funds was \$20,883. At this meeting, the FERC recommended that the Middle Beach Water Tower Painting project be funded in the FY 2021 Capital Budget in the amount of \$50,000.

Subsequent to the June 16th FERC meeting, the Administration identified \$589,947 of PAYGO dollars currently appropriated to the West Avenue Phase II Neighborhood project that could be replaced with 2003 Neighborhood General Obligation Bond dollars, which became available due to closeouts of existing projects. This adjustment, if approved by the City Commission through the 6th Capital Budget Amendment on July 29th, would allow for the funding the Middle Beach Water Tower Painting project and the Park View Island Annex Dog Park project using PAYGO funds as noted below. The available PAYGO Fund balance was further increased by \$44,000, based on the July 1 increase in property values, making a total of \$654,830 available to fund the following projects:

- **Middle Beach Water Tower Painting (#107-2)** – Added this project in the amount of \$50,000 per direction received at the June 16th FERC meeting.

- **Park View Island Annex – Dog Park (#161)** – Moved this project that was previously recommended to be funded from the North Beach Quality of Life Fund in the amount of \$59,575 to be funded instead using PAYGO dollars since the project is not tourist related.

If the FERC approves the recommended projects above, the remaining PAYGO available dollars would be \$545,255.

North Beach Oceanside Park Project

At the June 16th FERC meeting, the Committee directed the Administration to present a holistic analysis (total project scope and cost) of the North Beach Oceanside Park project. The outline below provides a detailed timeline, as well as the project scope and cost, and options to fully fund the project.

On May 2, 2019, an invitation to bid for the project was released. The proposals were received on October 3, 2019. The City Manager rejected all the proposals on October 10, 2019, as all the bids exceeded the project's budget. During December of 2019, the Capital Improvement Projects (CIP) staff met with the project's consultant and with the contractors to evaluate their bids.

On February 4, 2020, the consultant provided a reduced scope of work recommendations along with a reduced project cost. On March 6, 2020, CIP and Parks & Recreation staff met with the consultant to discuss the bid evaluations and explored alternate procurement methods. Between March and April of 2020, CIP and Parks & Recreation staff met with different contractors and received proposals for the different scope components.

During June 2020, CIP, Parks & Recreation staff and the consultant finalized the revised scope of work and the budget options, which are outlined below:

- Improved walkways with new finishes to match current alignment and paved connections to future Beachwalk; eliminates any dead ends
- New fitness equipment, site furniture, and drinking fountains
- New lighting (turtle friendly)
- Landscaping improvements throughout, new irrigation, sods, and shrubs
- Renovated restrooms, shelters, and pavilions
- New sculptural iconic entrances at 5 locations
- 3 new entrances with ornamental gates matching the height of the new fence along Collins Avenue
- New children's playground with shade structure
- Fence along Collins Avenue replaced with a low fence and a hedge
- Upgrades to the existing dog park
- Tree re-location kept to a minimum (reduced by 85% from original plan)
- While the park will be closed during construction, Altos Del Mar Park and Playground is complete, and a temporary dog park can be implemented at West Lots

North Beach Oceanside Park Funding

The original project was \$10.16 million from developer funds. Since then, \$250,000 was transferred to the North Shore Batting Cages project, \$275,000 was used to develop options and disassemble Log Cabin, a \$250,000 grant from the Florida Recreation Development Assistance

Program was awarded for the playground portion of the project, and \$1 million was set-aside as originally planned for the Beachwalk which is a separate G.O. Bond project.

At the FERC meeting on June 16th, additional funding of \$1.475 million was proposed to be added to the project budget. Subsequent to the FERC meeting on June 16th, an additional \$500,000 of PAYGO funding has been identified that brings the revised project budget to \$10,860,000. The updated project cost for the current scope is estimated at \$12,860,000. The difference between the updated project cost and the revised project budget is \$2 million.

NB Oceanside Park Funding Options

In order to complete the project in a timely manner there are two options for consideration. Option 1 is to use the \$10,860,000 of funding currently available in the project budget and defer elements of the project to another phase. These elements would include the playground, dog park, and fencing along Collins Avenue. This option is not recommended as the implementation of the project would close the park for a period of time and possibly have to close it again at a future point when funding for the second phase is identified.

Another option would be identify an additional \$2 million to fully fund the project. This could be accomplished in two different ways. The first, Option 2a, would be to fully fund the project by deferring four other North Beach projects that have North Beach Quality of Life funding. The four projects include: Entrance Signs to North Beach (\$691K), Street Lighting Improvements (\$629K), Normandy Isle Park Pool Renovation (\$358K), and North Beach Streetscape Pilot Project (\$330K). The second option to fully fund the project would be to allocate an additional \$2 million of one-time funds to PAYGO that were identified through balancing the non-COVID budget gap.

Capital Renewal & Replacement Fund (“CRR”)

- Subsequent to the June 16th FERC meeting, the transfer to the CRR fund was increased by \$14,000 based on the increase in July 1 property values from the June 1 property values. This would make a total of \$69,207 available for additional appropriations.

CONCLUSION

The Proposed FY 2021 Capital Budget has been updated with projects requested subsequent to the June 16th Capital Budget Presentation. The final FY 2021 Capital Budget will be adopted at the second Budget Hearing on September 29, 2020.

JLM/JW/TOS