



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 16, 2020

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE TENTATIVE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2021 - 2025 AND ADOPTING THE CITY OF MIAMI BEACH TENTATIVE CAPITAL BUDGET FOR FY 2021 SUBJECT TO A SECOND PUBLIC HEARING SCHEDULED ON TUESDAY, SEPTEMBER 29, 2020 AT 5:03 P.M.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution adopting the Tentative Capital Improvement Plan (CIP) for FY 2021 – 2025 and adopting the Tentative Capital Budget for FY 2021.

BACKGROUND

The City's annual Capital Budget contains capital project commitments appropriated for Fiscal Year 2021. Preparation of the Capital Budget occurred simultaneously with the development of the FY 2021 – FY 2025 Capital Improvement Plan and FY 2021 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 2021 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 2021 – 2025 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 2021 – 2025 CIP for the City of Miami Beach is a five-year plan of public improvements and capital expenditures proposed by the City totaling \$1.2 billion, of which \$60.0 million is

programmed to be appropriated in FY 2021. The total for projects included in the CIP, comprising \$1.7 billion in appropriations for ongoing projects through FY 2020 and \$107.6 million in unfunded/programmed needs beyond FY 2025, 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 2021 – 2025 Capital Improvement Plan & FY 2021 Capital Budget document. The Capital Budget for FY 2021 will be appropriated on October 1, 2020.

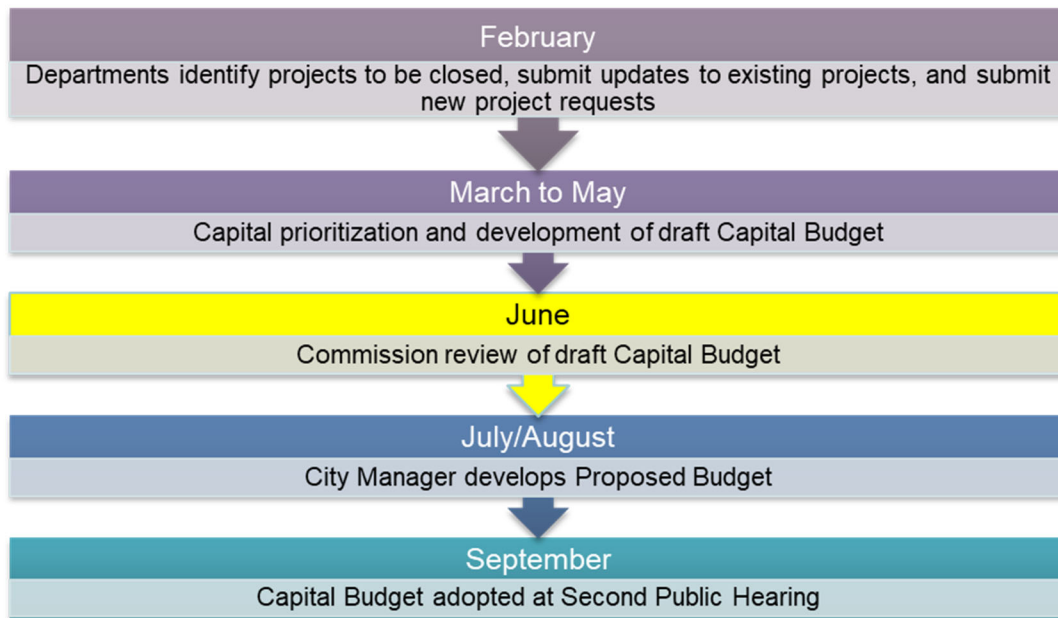
On July 21, 1999, the City Commission approved the CIP for the City and the Redevelopment Agency (RDA). Since that time, the City has issued additional General Obligation Bonds pursuant to referendum; Water and Sewer Revenue Bonds; Storm Water Revenue Bonds; Resort Tax Revenue, Parking Revenue, RDA Tax 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.

In the Fall of 2019, the Capital Budget Process Committee was superseded by the Building Resiliency through the Budget (BRB) Team, which was formed in response to the Urban Land Institute's recommendation. The team is composed staff from the Office of the City Manager, Property Management, Capital Improvements Projects, Environment and Sustainability and the Office of Management and Budget. The purpose of this team is to leverage the budget process to maximize resilience in all capital projects and existing assets using a cross-departmental team to plan for shocks, stresses, and sustainability during early budget development. The team's goal is to reduce risk, save money and to create new quality of life benefits for the community.

Based on the direction received from the Finance and Economic Resiliency Committee (formerly referred to as the Finance and Citywide Projects Committee) 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 Economic Resiliency 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 CIP Office. This office is designed to consolidate the City's capital construction effort into a single entity and is tasked with constructing the City's funded Capital Improvements in a timely manner. Projects within neighborhood areas are combined to create a single project that addresses the neighborhood needs for infrastructure upgrades, traffic flow, enhancements, etc. This comprehensive approach minimizes disruptions and generates costs savings. To forward 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 and 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 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 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. Additional information regarding the implementation of the 2018 G.O. Bond program is available at www.gombinfo.com

FINANCIAL IMPACT OF COVID-19

On March 1, 2020 the Governor issued an Executive Order directing the Surgeon General of the State of Florida to issue a public health emergency and in response to the pandemic outbreak of COVID-19, the Governor declared a State of Emergency on March 9, 2020. In direct response to the first confirmed case of COVID-19 in Miami-Dade County on March 11, 2020 the Miami-Dade County Mayor declared a State of Emergency for Miami-Dade County. The City Manager declared a State of Emergency in the City of Miami Beach on March 12, 2020. Subsequently, both the County and the City issued various Emergency Orders temporarily closing public and private facilities, including the temporary closure of all non-essential retail and commercial establishments and identifying essential retail and commercial businesses which may remain open. These actions have greatly limited the amount of economic activity taking place in the City of Miami Beach and continue to result in significant impacts to the City's finances.

At the April 17, 2020 FERC meeting, in response to the projected revenue losses through the end of the fiscal year, the Administration presented the City's budget-balancing plan. These plans emphasized cost reductions as much as possible, including a reduction in capital expenditures, and judiciously using reserves to make up the difference.

The table below provides a summary of the deferrals of capital projects to FY 2021. Savings from these deferrals will be reflected in the FY 2021 budget.

Fund	Number of Projects	\$
CRR	4	797,730
PAYGO	13	2,677,572
QOL	18	2,720,462
TOTAL	35	6,195,764

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 Building Resiliency through the Budget Team, comprised of staff from the Office of the City Manager, Property Management, Capital Improvements Projects, Environment and Sustainability and the Office of Management and Budget, 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 Economic Resiliency 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 Economic Resiliency Committee Budget Briefings held on June 16, 2020, July 17, 2020, and July 24, 2020. 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

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.

As noted above, in order to recognize the savings from the deferral of the capital projects in FY 2020, only the difference between the amount that was deferred and the amount was budgeted to be collected in FY 2020 (\$252,000) will be transferred to the PAYGO Fund in FY 2021. The remainder will be transferred to the General Fund's reserve, consistent with the City's budget balancing plan that was presented at the April 17, 2020 FERC meeting.

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: Building, 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, 2020 assessed value was \$6.3 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 2021 – FY 2025 FIVE YEAR CAPITAL IMPROVEMENT PLAN

The FY 2021 – FY 2025 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 2021 through FY 2025.

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.

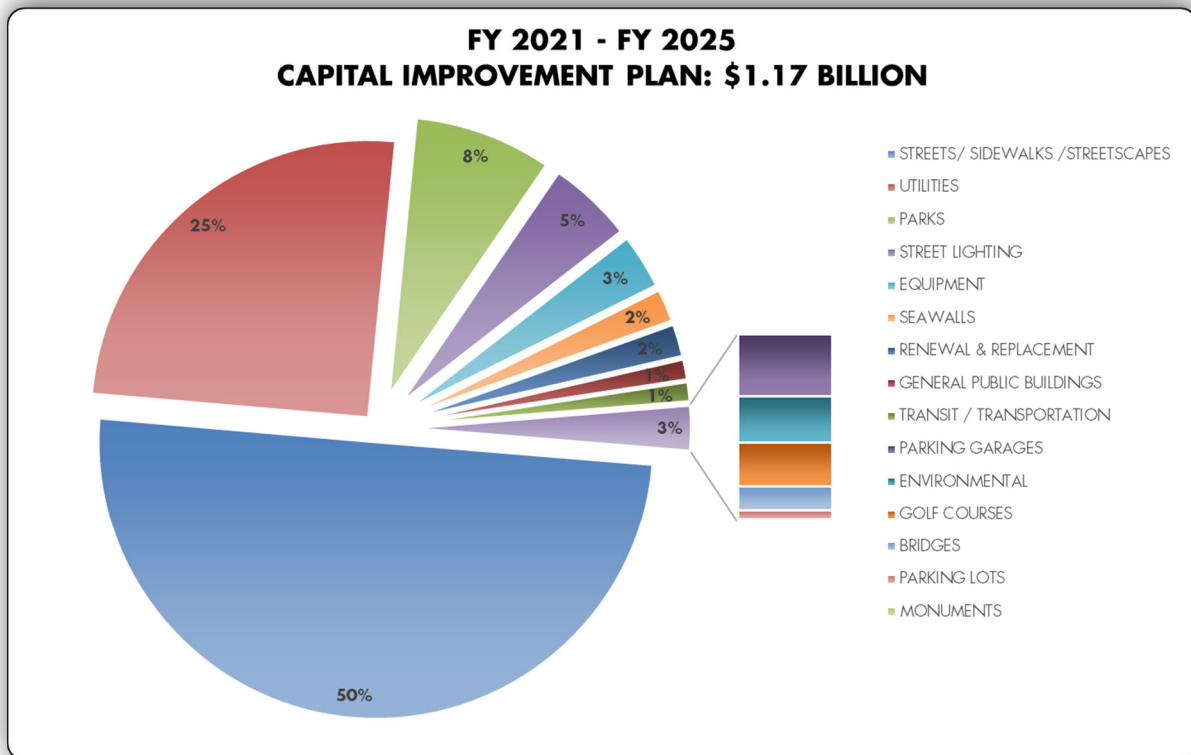
The CIP also contains information on appropriations prior to FY 2021 for ongoing/active projects, as well as potential future appropriations beyond FY 2025. In conjunction with the development of the FY 2021 Capital Budget and FY 2021 – FY 2025 CIP, the City began to develop a list of potential projects 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 2021 Capital Budget and the FY 2021 – FY 2025 CIP, and beyond.

FY 2021 Tentative Capital Budget and FY 2021 – 2025 CIP
September 16, 2020
Page 10 of 29

Program	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Future	TOTAL
ART IN PUBLIC PLACES	7,936,131	-	-	-	-	-	-	7,936,131
BRIDGES	10,376,204	-	3,863,923	-	-	-	-	14,240,127
CONVENTION CENTER	629,567,548	-	-	-	-	-	-	629,567,548
ENVIRONMENTAL	4,854,000	-	2,950,000	-	-	4,500,000	-	12,304,000
EQUIPMENT	40,782,886	9,968,000	12,192,000	5,906,000	5,334,000	3,622,000	-	77,804,886
GENERAL PUBLIC BUILDINGS	23,675,351	(1,270,965)	12,705,170	-	-	2,200,000	13,000,000	50,309,556
GOLF COURSES	6,129,190	-	6,604,000	234,000	42,000	125,000	-	13,134,190
MONUMENTS	568,000	97,350	350,000	-	-	-	-	1,015,350
PARKING	250,000	-	-	-	-	-	-	250,000
PARKING GARAGES	63,421,649	335,500	3,717,790	1,956,100	1,785,000	2,325,000	500,000	74,041,039
PARKING LOTS	4,471,113	419,029	650,000	150,000	150,000	150,000	-	5,990,142
PARKS	151,730,444	4,264,914	58,814,725	1,452,000	4,845,170	23,659,100	3,123,000	247,889,353
RENEWAL & REPLACEMENT	24,504,639	1,976,294	9,258,745	2,290,500	1,744,000	6,534,000	-	46,308,178
SEAWALLS	29,412,426	5,000,000	7,000,000	5,000,000	5,000,000	-	-	51,412,426
STREETS / SIDEWALKS / STREETSCAPES	447,102,496	8,167,526	359,628,707	141,289,270	9,178,421	65,000,000	85,500,000	1,115,866,420
STREET LIGHTING	10,902,664	(629,000)	18,729,000	13,100,000	13,100,000	13,100,000	-	68,302,664
TRANSIT / TRANSPORTATION	77,695,000	601,253	6,673,650	947,000	1,500,000	3,280,000	5,431,000	96,127,903
UTILITIES	116,678,560	31,061,244	73,747,770	29,169,102	144,271,030	15,268,653	-	410,196,359
GRAND TOTAL	1,650,058,301	59,991,145	576,885,480	201,493,972	186,949,621	139,763,753	107,554,000	2,922,696,272
							FY 2021-2025	1,165,083,971

The graph which follows shows the major project types with funding proposed and programmed in the FY 2021 – FY 2025 CIP. The largest proposed and programmed investments are in the street/sidewalks/streetscapes (50%), and utilities (25%).



OVERVIEW OF THE FY 2021 CAPITAL BUDGET (ONE-YEAR CAPITAL BUDGET)

At the first budget briefing on June 16, 2020, 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 2021 Capital Budget, based on direction given by the Finance and Economic Resiliency Committee on June 16, 2020, July 17, 2020, and July 24, 2020, is presented below (sorted by funding source):

Throughout this document, the projects which were deferred in FY 2020 are reflected on the attachment in blue font.

Capital Renewal and Replacement Fund (CRR) (Fund 125)

The proposed dedicated millage of 0.0235 mills is estimated to generate \$807,000 for the General Fund Capital Renewal and Replacement Fund based on a 4.1 percent increase in property values. This reflects a \$38,000 increase in CRR dollars available for capital projects over last year.

As noted above, in order to recognize the savings from the deferral of the capital projects in FY 2020, only the difference between the amount that was deferred and the amount was budgeted to be collected in FY 2020 (\$43,000) will be transferred to the CRR Fund in FY 2021. The remainder will be transferred to the General Fund's reserve, consistent with the City's budget balancing plan that was presented at the April 17, 2020 FERC meeting.

In order to fund these critical projects, four of the projects (totaling \$797,730), which were deferred in FY 2020 are proposed to be unfunded, three of which are for work to be done at the South Shore Community Center, which is the proposed site for the new Fire Station #1. The Property Management Department has confirmed that no critical work currently needs to be done at this facility.

The fourth project is a pavement and sidewalk program, which currently has funding. The request for additional funding has been programmed to be reviewed in the FY 2022 budget process.

The recommended General Fund Renewal and Replacement projects for FY 2021 are listed below in priority order and are recommended by Staff for funding due to their Priority 1 (Critical to Continued Operations) needs. The remaining project requests are lower priority or are beyond the funding capacity at this time:

- Fire Station #2 Training Tower Structural Repairs - \$160,800
- Fire Station #1 Roof Repairs - \$ 111,100
- Miami Beach Police Department 4th Floor HVAC Controls - \$312,000
- Fire Station # 2 A/C Replacement - \$52,500
- 1701 Meridian Ave 50-Year Recertification - \$50,500
- Historic City Hall 90-Year Recertification - \$66,000
- Bass Museum Window Replacement - \$67,355

Projects deferred due to COVID-19 which are proposed to be defunded:

- Pavement & Sidewalk Program - \$462,014 (programmed in FY 2022)
- South Shore Community Center Fire Alarm Renewal - \$100,716
- South Shore Community Center Bathroom and Kitchen Upgrade - \$150,000

- [South Shore Community Center Playground Area Mitigation - \\$85,000](#)

North Beach Quality of Life (Fund 307)

- North Beach Oceanside Park (NBOSP) - \$3,475,000

Projects defunded and re-programmed in FY 2022 in order to provide additional funding for the NBOSP project:

- Street Lighting Improvements - \$629,000
- North Beach Streetscape Pilot - \$330,000
- Normandy Isle Park Pool Renovation - \$358,000
- Entrance Signs to North Beach - \$691,000

Projects deferred due to COVID-19 which are proposed to be re-activated:

- [Alleyway Restoration Phase III - \\$60,000](#)
- [North Shore Bandshell Plumbing Repairs - \\$30,000](#)
- [North Beach Right-Of-Way Landscaping - \\$157,000](#)
- [Beach Restrooms Exhaust Systems - \\$7,000](#)

Projects deferred due to COVID-19 which are proposed to be defunded:

- [North Beach Yard - \\$494,204 – Project terminated in FY 2019](#)
- [North Beach Oceanside Park Security - \\$225,000 – Funding transferred to the NBOSP projects above](#)

Mid Beach Quality of Life (Fund 306)

- Indian Beach Park Playground Expansion – additional funding of \$623,910
- Fire Station #3 40-Year Recertification - \$48,700

Projects deferred due to COVID-19 which are proposed to be re-activated:

- [41st Street Bridges Repair - \\$480,000](#)
- [Indian Beach Park Playground Expansion - \\$168,090](#)
- [MB Golf Course Irrigation Pump - \\$100,000](#)
- [Alleyway Restoration Ph III - \\$60,000](#)
- [Middle Beach ROW Landscape - \\$82,000](#)
- [Beach Restrooms Exhaust Systems - \\$9,000](#)

South Beach Quality of Life (Fund 305)

- Bass Museum Window Replacement - \$67,355
- Bass Museum Condenser Water Pumps Renewal - \$45,450
- World War Memorial - \$62,000
- Fillmore - Site Lighting Phase II - \$50,000
- Botanical Gardens Restrooms - \$50,500
- MBPD Cuban Monument Restoration - \$35,350
- Fire Station # 2-A/C Replacement - \$52,500
- Fire Station # 2 Training Tower Structural Repairs - \$160,800
- 10th St Auditorium Coating of Roof - \$65,650
- 10th Street Auditorium Water Pump Renewal - \$191,900
- Citywide Park Landscaping Improvements (South Pointe & Lummus Park) - \$200,000

Projects deferred due to COVID-19 which are proposed to be re-activated:

- South Beach Pedestrian Zones - \$300,000
- Beach Restrooms Paint and Concrete - \$15,275
- Miami City Ballet Studio Flooring - \$140,000
- South Beach ROW Landscape - \$273,893
- Beach Restrooms Exhaust Systems - \$19,000

Projects deferred due to COVID-19 which are proposed to be defunded:

- Bass Museum Park Café Furniture and Equipment - \$100,000 (programmed in FY 2022)

Pay-As-You-Go (PAYGO) (Fund 302)

PAYGO funds help ensure adequate on-going reinvestment in the City's capital plant and equipment. This funding can be used for any general government purpose and is the most flexible funding source in the Capital Budget. The PAYGO fund has been historically funded by the General Fund at \$2.4 million annually. Funding levels have been as high as \$7.5 million in the past.

During the development of the FY 2019 budget, the Commission approved a dedicated millage rate for PAYGO funding. This dedicated millage will allow for the growth of this fund over time, as property values increase. Last year, the millage rate of 0.0755 was estimated to generate \$2,470,000. Based on the July 1st final property values, the estimated FY 2021 revenue is \$2,592,000. This reflects a \$122,000 increase in PAYGO dollars available for capital projects over last year.

As noted above, in order to recognize the savings from the deferral of the capital projects in FY 2020, only the difference between the amount that was deferred and the amount was budgeted to be collected in FY 2020 (\$252,000) will be transferred to the PAYGO Fund in FY 2021. The remainder will be transferred to the General Fund's reserve, consistent with the City's budget balancing plan that was presented at the April 17, 2020 FERC meeting.

In order to fund these critical projects, eight of the projects (totaling \$1,007,440) which were deferred in FY 2020 are proposed to be unfunded. The funding for each of these projects has been programmed to be reviewed in the FY 2022 budget process.

- Security Enhancements Citywide - \$500,000
- North Beach Oceanside Park - \$500,000
- Fleet Management Concrete Spalling - \$100,000
- Fleet Management-Generator Transfer Switch - \$100,000
- Ocean Rescue Fire Alarm Renewal - \$30,300
- Fleet Management Fire Sprinkler - \$250,000
- Brittany Bay Park - \$171,729
- Citywide Bridges - \$219,125 (transfer from Bridge Repairs FY 2019 project)
- Belle Isle Park Lighting Enhancement - \$110,000
- Miami Beach Water Tower Painting - \$50,000
- De-appropriate West Avenue Phase II - \$589,947 (as discussed at the July 17, 2020 FERC meeting, allowing for these PAYGO dollars to be used to fund other capital projects in the FY 2021 Capital Budget. Available 2003 General Obligation Bond for Neighborhoods dollars will be appropriated to fund this project as noted below.)

Projects deferred due to COVID-19 which are proposed to be re-activated:

- Polo Park Lighting & Soccer Field - \$857,680

- City Hall-Generator Replacement - \$600,000
- Beach Restrooms Paint and Concrete - \$86,000
- Park View Island Annex – Dog Park - \$59,575

Projects deferred due to COVID-19 which are proposed to be defunded and programmed in future years:

- Citywide Parks Irrigation System – \$155,725
- Collins Park Performing Arts Venue (Rotunda) – \$175,000
- Alleyway Restoration Phase III - \$100,000
- Middle Beach ROW Landscape - \$135,715
- North Beach Parks Restroom Restoration - \$91,000
- Outdoor Training Facility (Fire) - \$100,000 (programmed FY 2025)
- Buoy Park Reforestation Improvement - \$150,000
- Smart Building Automation System - \$100,000

Transportation (Fund 106)

- Change of funding source for North Beach Neighborhood Greenways-Phase 1 to the Concurrency Mitigation Fund - \$448,625

7th Street Garage (Fund 142)

- 7 Street Garage UPS Battery System Renewal- \$66,600

Fees in Lieu of Parking (Fund 155)

- Surface Lot at Biscayne Beach - \$307,029

Concurrency Mitigation Fund (Fund 158)

- Change of funding source for a portion of the Intelligent Transport System project to the People's Transportation Plan- PTP (Half Cent Transit Surtax- County) Fund - \$741,000
- North Beach Greenways- Phase II - \$604,230
- Pine Tree Drive and 46th Street Roundabout (additional funding of \$500,000 is expected from Miami Dade County) - \$603,603
- North Beach Greenways Phase I - \$448,625

People's Transportation Plan (PTP/Half Cent Transit Surtax-County) (Fund 187)

- Intelligent Transport System - \$741,000
- Prairie Avenue and 44th Street/Chase Avenue Traffic Circle - \$84,420

2003 General Obligation Bond for Neighborhood (Fund 384)

- West Avenue Phase II - \$589,947 (added per 7/17/2020 FERC discussion as noted above)

Water & Sewer (Fund 418)

- FDOT Utilities Relocation - \$221,175
- Wastewater Manhole Rehabilitation - \$1,545,000
- Sewer Pump Station # 18 Improvements - \$700,000
- Water & Wastewater Mains and Rehab - \$140,889
- DERM & EPA Consent Decree - \$500,000

Water & Sewer Bonds (Funds 419, 420)

- Wastewater Stations Rehabilitation - \$6,603,400
- Water Pump Stations Improvements - \$4,595,000
- Water & Wastewater Mains and Rehab - \$9,276,820
- Water Meter Replacement Program - \$5,000,000
- Valve Replacement Program - \$931,635
- FDOT Utilities Relocation - \$178,825

Storm Water Bonds (Fund 429)

- West Avenue Phase II - \$9,195,255
- Scada and PLC Systems - \$1,237,500

Miami-Dade County Inter-Local Agreement (Storm Water/General Capital Projects) (Fund 433)

- Citywide Seawall Rehab - \$5,000,000

Sanitation Enterprise (Fund 435)

- Defunding Bayshore Green Waste Facility as the project is near completion and remaining funds are only needed for possible DERM requests or modification of the engineering controls for closure - \$576,761

RDA Garage (Fund 463)

- 16th Street Garage Fire Sprinkler - \$1,144,000
- 16th Street Canvas Awning Renewal - \$56,560
- Anchor Garage-Fire Alarm Replacement - \$101,000

Parking Bond (Fund 486)

- 6th Street & Collins Parking Lot P14 - \$303,000
- Defunding Lot 9d P86-6976 Indian Creek Drive to reflect reduction in cost - \$191,000
- 13th Street Garage-Window/Glass Block - \$35,350
- Sunset Harbour Garage-Fire Alarm - \$35,000
- 42nd Street Garage-50yr Certification - \$312,090
- 12th Street Garage Roof and Deck - \$806
- Defunding 1755 Meridian Garage Roof and Deck to reflect reduction in scope and cost - \$900,000
- 13th Street Garage-40yr Certification - \$300,000
- 42nd Street Garage Fall Protection Guards Renewal - \$151,500

Parking Capital Not Bonds (Fund 490)

- Change of funding source of the 12th Street Garage-Roof and Deck project for portion which could be funded by Parking Bonds - \$299,806
- Defunding 1755 Meridian Garage Roof and Deck to reflect reduction in scope and cost - \$500,000

Fleet Management (Fund 510)

- FY 2021 Vehicle/Equipment Replacement - \$9,968,000
-

Information Technology (Fund 550)

- Fiber Communications Installation - \$131,000

Community Development Block Grant (CDBG) (Various Funds)

- Beginning in FY 2021, housing projects funded by this grant will only be presented to the Commission directly for approval by the Office of Housing and Community Services, as currently done with the operating budget for this grant.

Home Investment Partnership Program (HOME) (Various Funds)

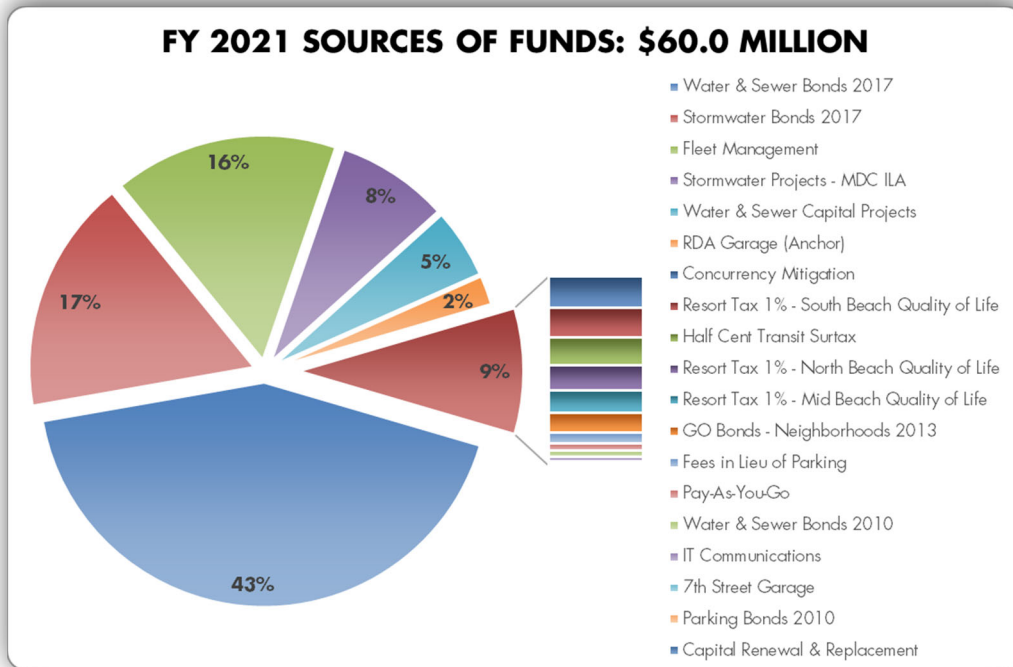
- Beginning in FY 2021, housing projects funded by this grant will only be presented to the Commission directly for approval by the Office of Housing and Community Services, as currently done with the operating budget for this grant.

The Capital Budget for FY 2021 totals \$59,991,145 and will be appropriated on October 1, 2020 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.

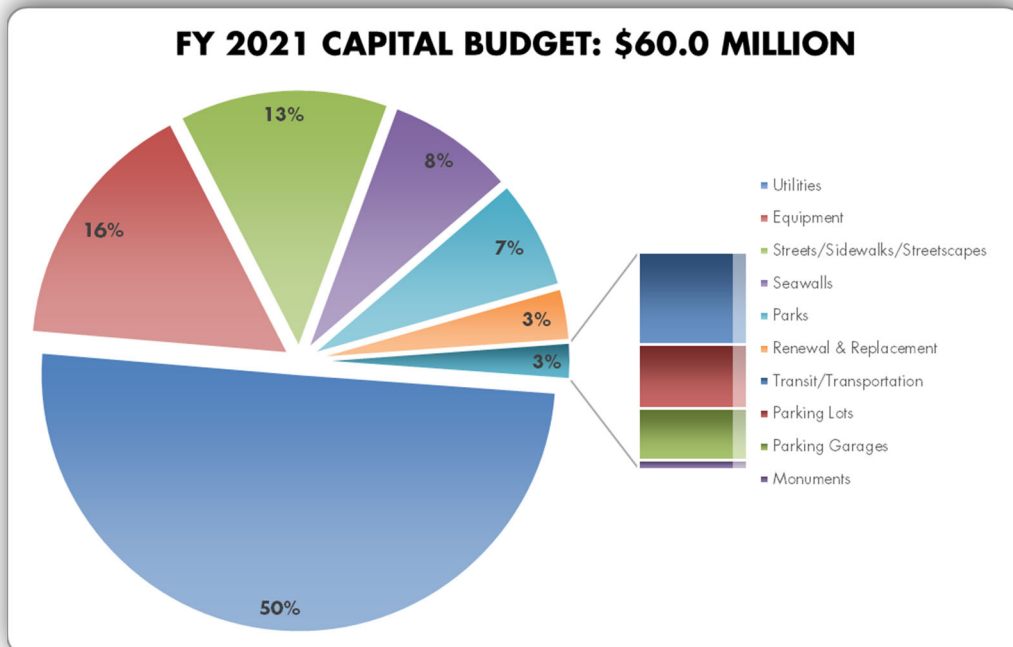
FUNDING SOURCE	FY 2021
Water & Sewer Bonds 2017	26,406,855
Stormwater Bonds 2017	10,432,755
Fleet Management	9,968,000
Stormwater Projects - MDC ILA	5,000,000
Water & Sewer Capital Projects	3,107,064
RDA Garage (Anchor)	1,301,560
Concurrency Mitigation	915,458
Resort Tax 1% - South Beach Quality of Life	881,505
Half Cent Transit Surtax	825,420
Resort Tax 1% - North Beach Quality of Life	747,796
Resort Tax 1% - Mid Beach Quality of Life	672,610
GO Bonds - Neighborhoods 2013	589,947
Fees in Lieu of Parking	307,029
Pay-As-You-Go	214,642
Water & Sewer Bonds 2010	178,825
IT Communications	131,000
7th Street Garage	66,600
Parking Bonds 2010	46,746
Capital Renewal & Replacement	22,525
Transportation	(448,625)
Sanitation Projects	(576,761)
Parking Capital Not Bonds	(799,806)
Total Appropriations as of 10/1/2020	\$ 59,991,145

PROGRAM	FY 2021
Utilities	31,061,244
Equipment	9,968,000
Streets/Sidewalks/Streetscapes	8,167,526
Seawalls	5,000,000
Parks	4,264,914
Renewal & Replacement	1,976,294
Transit/Transportation	601,253
Parking Lots	419,029
Parking Garages	335,500
Monuments	97,350
Street Lighting	(629,000)
General Public Buildings	(1,270,965)
Total Appropriations as of 10/1/2020	\$ 59,991,145

The FY 2021 – 2025 Capital Improvement Plan by Funding Summary (Attachment A) sorts the projects in the FY 2021 – 2025 CIP and FY 2021 Capital Budget by funding source (revenue). As seen in the following graph, the Water & Sewer Bonds bring in the largest portion (43%) of revenue for FY 2021 capital projects, followed by Storm Water Bonds at 17%.



The FY 2021 – 2025 Capital Improvement Plan by Program (Attachment B) sorts the projects in the FY 2021 – 2025 CIP and FY 2021 Capital Budget by Program (expenditure). The largest proposed investments in FY 2021 are in utilities (50%), followed by equipment at 16%.



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 2% 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 voted to amend the Art in Public Places Ordinance at the September 11, 2019 Commission meeting (Ordinance 2019-4296). The amendment expanded the definition of "City Construction Project" to include bay walks, beach walks, streetscape beautification projects (resurfacing, curbs, gutters, pavers, sidewalks, landscaping, lighting, bus shelters, bus benches, street furniture, signage and similar above ground improvements); amended the dollar threshold therein from \$500,000 to \$250,000 for the projects subject to the provisions of Art in Public Places; and amended 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 \$7.9 million in funding for the Miami Beach Convention Center, Fire Station #2, Flamingo Park, and Lummus 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.

Prior Years include \$7.1 million for the West Avenue Bridge over Collins Canal; \$1.6 million for Painting and Lighting of Bridges in North Beach; \$706,077 for Citywide Bridges; \$480,000 for the 41st Street Bridges Repair; and \$180,000 for the Lighting and Painting of the 81st Street Pedestrian Bridge. The unfunded portion of the five-year capital plan includes \$3.9 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. This addition creates 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. This collection is the largest collection of single curated public art in the United States.

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.

Prior Years include \$615.4 million for the Convention Center Renovation; \$9.5 million for the Convention Center Park; \$3.9 million for the Carl Fisher Clubhouse renovation; and \$771,000 for the Convention Center Garage Equipment.

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.

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; \$250,000 in funding for surveying and permitting costs related to the Waterway Restoration G.O. Bond project; \$111,000 for Fleet Management Facility Remediation; and \$30,000 for the Lake Pancoast Mangrove Planter (formerly known as the Indian Creek Living Shoreline).

The unfunded portion of the five-year capital plan includes \$6.0 million in G.O. Bond funding for the Waterway Restoration project and \$1.5 million for Lake Pancoast Mangrove Planter project.

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 2021 Capital Budget funds \$10.0 million for annual vehicle/equipment replacement; \$100,000 for Fleet Management's generator transfer switch; and defunding of the Smart Building Automation System amounting to \$100,000.

Prior Years include \$18.1 million for Fleet vehicle/equipment replacement; \$10.4 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 the replacement of the permitting software; \$1.5 million for cameras in the Entertainment District (G.O. Bond project); \$903,000 for Cameras on the Beachwalk between 23rd and 46th Streets; \$825,000 for Cameras in the Business District (G.O. Bond project); \$700,000 for Cameras on the Beachwalk (G.O. Bond project) and \$555,000 for new Police Station Generators. An additional 12 miscellaneous projects totaling \$1.4 million were also funded within this program.

The unfunded portion of the five-year capital plan totals \$27.1 million for various projects, primarily related to vehicle and equipment replacement needs.

General Public Buildings

The One-Year FY 2021 Capital Budget includes the defunding of: \$576,761 for Bayshore Green Waste Facility; \$494,204 for North Beach Yard; \$100,000 for Bass Museum Café Furniture and Equipment deferred to FY 2022; and \$100,000 for Outdoor Training Facility for Fire deferred to FY 2025.

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); \$1.9 million for Building Department's renovations; \$1.3 million for the Bayshore Green Waste Facility; \$1.0 million for North Shore Park exterior café and restrooms; \$668,225 for Sunset Islands 1&2 Guardhouse; \$668,000 for the North Shore Bandshell Canopy; and \$941,467 for 4 miscellaneous projects.

The unfunded portion of the five-year capital plan includes \$5.3 million for creating a Public Works facility at a vacant/unused pump station; \$1 million for North Shore Park exterior café and restrooms; \$1 million for the Greenspace Facility Renovation; \$310,000 for North Shore Bandshell Rear Canopy; \$200,000 for the Fire department's Outdoor Training Facility; \$100,000 for the Bass Museum Space Expansion. Programmed funding beyond FY 2025 includes future tranches for various G.O. Bond 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.

Prior Years include \$5.5 million for renovations to the Community Park (Par 3); \$257,000 for the Miami Beach Golf Club Roof; \$188,000 for the Miami Beach Golf Club Storage Tank; \$124,000 for the Miami Beach Golf Course Practice Tee Renovation; and \$100,000 for the Miami Beach Golf Course Irrigation Pump House Renovation.

The unfunded portion of the five-year capital plan includes \$6.0 million for the Miami Beach Golf Course Renovation; \$200,000 for the Normandy Shores Golf Club Roof; \$196,000 for the Normandy Shores Golf Club Pumps; \$125,000 for Normandy Shores Golf Club Tee Renovations; \$114,000 for the Miami Beach Golf Club Driving Range Lighting project; and \$370,000 for 6 miscellaneous projects.

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. The One-Year FY 2021 Capital Budget includes \$62,000 for a World War Memorial and \$35,350 for the Miami Beach Police Department Cuban Monument Restoration projects.

Prior Years include \$279,000 for the Alton Road Fountain at 20th Street project and \$289,000 for the Flagler Monument Solar Illumination project.

The unfunded portion of the five-year capital plan includes \$350,000 for the Water Tower Restoration on Star Island.

Parking, Parking Garages, and Parking Lots

The City manages and operates 63 surface parking lots and 11 garages. There is a total of 9,642 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; \$11.3 million for the 72nd Street Community Complex; \$9.7 million for the garage at Collins Avenue and 13th Street; \$3.0 million for Penrods at 1 Ocean Drive Parking Lot; \$1.9 million for the 1755 Meridian Garage Roof and Deck; \$1.8 million for the 16th Street Garage Roof and Deck; \$1.4 million for 17th Street Parking Garage Coating; \$1.4 million for Garage Security Camera System; and 42 renewal and replacement projects totaling \$9.9 million.

The One-Year FY 2021 Capital Budget includes \$1.1 million for the 16th Street Garage Fire Sprinkler; \$312,000 for the 42nd Street Garage – 50 Year Certification; \$307,029 for the Surface Lot at Biscayne Beach; \$303,000 for the 6th Street and Collins parking lot; \$300,000 for the 13th Street Garage – 40 Year Certification; the defunding of 3 projects as a part of the COVID-19 Parking Savings Plan totaling \$1.9 million; and 4 renewal and replacement projects totaling \$278,410.

The unfunded portion of the five-year capital plan primarily reflects funding needs for repairs and maintenance of the City's parking garages and lots totaling \$10.9 million, in addition to future funding needs totaling \$500,000.

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 2021 Capital Budget for Parks totals \$4.3 million and includes \$4.0 million for the North Beach Oceanside Park redevelopment; \$623,910 for Indian Beach playground expansion; \$200,000 for Citywide parks landscaping improvements; \$171,729 for Brittany Bay Park; and the defunding of 4 projects totaling \$705,725.

Prior Years funding for multiple open projects, inclusive of GOB projects, total \$151.7 million. Aside from the 18 GOB projects totaling \$83.8 million, prior years includes major projects such as \$18.2 million for Flamingo Park; \$9.9 million for North Beach Oceanside Park; \$9.2 million for South Pointe Park remediation; \$5.0 million for Altos Del Mar Park; \$3.3 million for Lifeguard Stand Replacements; \$2.7 million for Muss Park Facility; \$2.6 million for the Band Shell Master Plan; \$2.6 million for Maurice Gibb Park redesign; \$1.5 million for Allison Park redesign; \$1.4 million for Fairway Park improvements and \$11.4 million for 29 smaller projects.

The unfunded portion of the five-year capital plan for the Parks department totals \$88.8 million. In addition, future funding needs total \$3.1 million. Programmed funding beyond FY 2025 includes future tranches for various G.O. Bond 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 proposed dedicated millage of 0.0235 mills is projected to generate \$807,000, of which \$43,000 will be transferred for the General Fund Capital Renewal and Replacement Fund while the remainder will be transferred to the General Fund's reserve, as previously noted. 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 2021 Capital Budget has 21 projects totaling \$2.8 million which includes: \$500,000 for security enhancements citywide; \$321,600 for Fire Station #2's training tower; \$312,000 for MBPD 4th floor HVAC controls; \$250,000 for Fleet Management's fire sprinkler system; \$191,900 for the heat pump renewal at the 10th Street Auditorium; \$134,710 for window

replacement at the Bass Museum, and more; along with 5 projects defunded or deferred totaling \$784,716. Prior year appropriations total \$24.5 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 2021 Capital Budget totals \$5.0 million for Citywide seawall rehabilitation, with \$5.0 million programmed annually from FY 2022 to FY 2025. The unfunded portion of the five-year capital plan also includes future G.O. Bond tranche for Seawalls and Shorelines amounting to \$2.0 million.

Prior Years funding for totals \$29.4 million for Citywide seawall rehabilitation.

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 2021 Capital Budget totals \$8.2 million, primarily for the West Avenue Phase II project totaling \$9.2 million, offset by \$1.0 million from the defunding and deferral of 4 projects to FY 2022.

Prior Year appropriations for open projects total \$447.1 million and include several key projects such as West Avenue, Palm and Hibiscus Island, Venetian Islands, Lincoln Road, 1st Street-Alton Road to Washington, West Ave/Bay Road, City Center, and Bayshore Neighborhood.

The unfunded portion of the five-year capital plan totals \$575.1 million, and includes \$138.0 million for the Flamingo Neighborhood; \$80.0 million for the La Gorce Neighborhood; \$60.1 million for the North Shore Neighborhood; \$56.2 million for the Flamingo neighborhood; \$54.8 million for the City Center Commercial District and \$52.0 million for the Town Center project. In addition, future funding needs total \$85.5 million Programmed funding beyond FY 2025 includes future tranches for various G.O. Bond projects. The prioritization of these projects are contingent on the implementation of the Jacobs Engineering study.

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 2021 Capital Budget includes \$629,000 for the defunding and deferral to FY 2022 of the Street Lighting Improvements project.

Prior Years include \$6.6 million for Street Lighting Improvements (\$5 million funded by the G.O. Bond), \$2.5 million for the Smart Lighting Master Plan, \$665,625 for the Beachwalk Lighting; \$450,000 for Citywide Parking Lot Lighting, \$381,000 for 41st Street Corridor lighting enhancements, and \$316,839 for 2 additional projects.

The unfunded portion of the five-year capital plan includes \$12.5 million each year for Street Lighting Improvements beginning in FY 2022, along with \$629,000 deferred to FY 2022; \$600,000 each year for the Smart Lighting Master Plan; and \$5.0 million for the future tranche of the G.O. Bond Street Lighting Improvements project.

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; 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 2021 Capital Budget totals \$601,253, which primarily includes \$604,230 for North Beach Greenways-Phase II; \$603,603 for Pine Tree Drive and 46th Street roundabout; and \$84,420 for Prairie Avenue and 44th Street/Chase Avenue traffic circle; offset by \$691,000 due to the defunding, and deferral to FY 2022, of the Entrance Signs to North Beach project.

Prior Years include \$42.5 million for the Transportation Capital Initiative and \$18.8 million for the Intelligent Transportation System. An additional 25 projects totaling \$16.4 million were also funded within this program.

The unfunded portion of the five-year capital plan totals \$12.4 million, in addition, future funding needs total \$5.4 million.

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 2021 Capital Budget includes \$29.1 million for Water and Sewer projects, including \$9.4 million for Water and Wastewater Main Rehabilitation; \$6.6 million for the Waste Water Stations' Rehabilitation; \$5.0 million for the Water Meter Replacement program; \$4.6 million for Water Pump Station Improvements; \$1.5 million for Waste Water Manhole Rehabilitation; \$931,635 for the Valve Replacement Program; \$500,000 for DERM & EPA Consent Decree; and \$400,000 for relocation of FDOT utilities. These projects are consistent with critical needs identified from Hazen & Sawyer Study. Future changes to the Water & Sewer portion of the Capital Budget are dependent on policy decisions related to the adoption and implementation of the Jacobs Engineering Study.

The One-Year FY 2021 Capital Budget for Stormwater projects includes \$1.2 million for SCADA and PLC systems; and \$700,000 for Storm Water Pump Station # 18 improvements. Future changes to the Stormwater portion of the Capital Budget are dependent on policy decisions related to the adoption and implementation of the Jacobs Engineering Study.

Aside from the aforementioned projects, the one-year capital budget includes \$131,000 for installation of fiber communications. The unfunded portion of the five-year capital plan totals \$262.5 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.

On May 2, 2019, the City issued \$162,225,000 in General Obligation and Refunding Bonds, Series 2019 to provide the current refunding of the Series 2003 General Obligation Bonds maturing after September 1, 2033. The net proceeds of the issue were placed into an irrevocable escrow deposit account, which invested in government obligations, that will provide monies sufficient to pay the principal and interest of the refunded bonds. On the date of issue, \$28,080,000 of principal was refunded. The aggregate difference in debt service between the refunding debt and the refunded debt is \$8,522,492 and the economic gain on the transaction was \$4,904,949.

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 has 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 2021 - 2025 and adopting the City of Miami Beach’s final Capital Budget for FY 2021.

Attachment A – FY 2021 - 2025 Capital Improvement Plan Funding Summary

Attachment B – FY 2021 - 2025 Capital Improvement Plan by Program

JLM/JW/TOS