

# MIAMI BEACH

## Finance and Economic Resiliency Committee Meeting

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October 23, 2020 – 8:00 AM

Commissioner Ricky Arriola, Chair  
Commissioner David Richardson, Vice-Chair  
Commissioner Mark Samuelian, Member  
Commissioner Steven Meiner, Alternate

John Woodruff, Liaison  
Morgan Goldberg, Support Staff

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A meeting of the Finance and Economic Resiliency Committee was held on Friday, October 23, 2020 at 8:00 a.m. via Zoom. Attendance: Commissioners Ricky Arriola, David Richardson, Mark Samuelian, and Steven Meiner. Members from the Administration and the public were also attendance.

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Meeting began at 8:03 a.m.

## **OLD BUSINESS**

### **1. DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS RAPID TRANSIT DEMONSTRATION PROJECT**

May 16, 2018 – C4 R

Sponsored by Commissioner Samuelian  
Transportation & Mobility

### **ACTION**

Commissioner Samuelian opened the item. He explained this is an exciting opportunity to connect the bay and the mainland, the city is an invested partner. He thinks we have some good progress, and this will be a brief update.

Jose Gonzalez, Transportation Director, explained we have been working with Miami-Dade County for a while to try to start up a permanent service using the inside shoulders of the Julia Tuttle Causeway by 2023 which is the long term plan, but in the interim and potentially as early 2021, start up a demonstration service using the outside shoulders of the Julia Tuttle Causeway. He said they provided an update to the 41<sup>st</sup> Street Committee this summer and they passed a motion endorsing the Julia Tuttle express service that will operate along 41<sup>st</sup> Street and then proceed east to serve major hotels and work its way down to the Convention Center area. He said there are members from Miami-Dade County on the call and they have a brief presentation and an update on their study.

Franchesca Taylor, Miami-Dade DTPW Project Manager, provided a brief update on the plans for the BERT. Her colleague went through a powerpoint presentation that touched on the SMART Plan. He focused on the routes that serve Miami Beach. He said the plan is to provide higher speed uninterrupted travel with these routes. The BERT networks extend the reach of the smart corridors. He also spoke about the BERT implementation analysis and the progress as well as the market analysis. In addition, he touched

on the service frequency and ridership estimates. Transit signal priority was also explained, the signal controls which recognize the phase the bus is in. Traffic signal recommendations were touched on as well. The Beach Express North was explained, and it was indicated that it is an interim service and will begin as early as 2021.

Commissioner Samuelian said that he knows we set aside some funding and that this was an update, but he asked if anything is needed from staff to keep this moving.

Jose Gonzalez said this was an update because it has been a while since this project was discussed at the Committee, so at this time they don't need any policy direction. They will continue working with Miami-Dade County and the plan is still the same since the onset of this effort. He said we need to have those more in depth discussions regarding funding with Miami-Dade County, but in terms of the plan it is essentially what the Committee has seen before. They will continue working on the long-term plan to try to expedite it as much as possible.

Commissioner Samuelian said he is excited about the interim service. He said we really want to push to get the interim service going as soon as possible as well. He said what he would consider as a key success factor is ridership. He said we need to deliver the number that was discussed and exceed it. He said we also need to make sure we get the word out; he underlined the need for communications. He also mentioned specialized outreach to some of the hotels in Miami Beach. He thinks one of the critical groups is the workforce coming from the north. He said maybe there are some employee programs the hotels can put in place in terms of communications. Now is the time to ramp up the communications.

Franchesca Taylor clarified that FDOT's updates to the outside shoulder will likely begin in January 2021 and then it will take an extra 100-120 days for construction. They are thinking about the beginning of summer for this to be in place.

Commissioner Richardson mentioned that he met with Commissioner Heyman and the secretary in March 2018, he is wondering what has been taking so long. He asked if FDOT didn't give us the green light fast enough. He asked what is taking so long.

Ms. Taylor said the timetable predates her involvement with the project, but in working with FDOT and having to create a standard concept of operations, the rule book that will conduct this operation has taken some time to fine tune. It has taken them a while to figure out what needs to be explained and studied to then get the approval from FDOT.

**DIRECTION:** Come back to the January 2021 FERC meeting with an update.

2. **DISCUSSION REGARDING MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION AND ITS FINANCIAL CONDITION**

April 10, 2019 – C4 D

Sponsored by Commissioner Richardson  
Office of Housing and Community Services

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

3. **DISCUSSION REGARDING THE PROGRESS MADE ON THE \$330,000 APPROPRIATED FROM THE CITY'S GENERAL RESERVES ALLOCATED TO SUPPORT RENT, MORTGAGE, AND UTILITY ASSISTANCE PROGRAMS**

May 28, 2020 – C4 A

Sponsored by Commissioner Richardson and Co-Sponsored by Commissioner Góngora  
Office of Housing and Community Services

**ACTION**

Commissioner Richardson opened the item. He said this item originally came to the Committee with a request of \$700,000 and the Committee decided to authorize \$330,000.

Maria Ruiz, Director of Housing and Community Services, said they received some good news that we received an additional \$33,000 from a competitive grant we submitted to the Emergency Food and Shelter program. Also, an item will be going to Commission next Wednesday with \$1.5 million of the Cares Act funding that could potentially be used for rent assistance as well. She also said there is an additional \$149,000 that the State is allocating to us that will be coming to the Commission as well. She explained we have expended \$652,000 serving 264 households and still have \$218,000 on the books right now to assist people this is separate from the \$330,000 that was allocated from the General Fund reserves. Miami-Dade County has assisted 17 households and have spent \$57,300. Right now, we are moving at a steady pace. The bulk of the money that we have in tranches 2 and 4 must be spent by December 30<sup>th</sup>. An item will go to Commission next Wednesday to ask if we can have an ongoing lottery registration process on the City's website so we can have a constant flow of applicants and process them to spend the money by December 30<sup>th</sup>. In addition to the \$218,000 that is remaining, the \$149,000 from the State will also have that December 30<sup>th</sup> deadline. To spend all of this money is quite a challenge because people are going back to work and the need has gone down and the bigger challenge is of those households that we are serving directly with the money, many of them are not qualifying because they don't have legal status. The tranche 3 money is generally for the people that don't get served in the other categories. They are moving along at a pretty decent pace. She would recommend that given the fact we have new money with a tight deadline to expend by December 30<sup>th</sup>, that we perhaps hold off on new money and that we spend the money we currently have and then she can provide a better picture. She said she is concerned about the food program because we are seeing people are going back to work but are still coming in for food assistance. At some point we need to decide who we are going to help with that resource. She said maybe we can readdress the rest of the General Fund money in January after the economy starts to perk up again and have a better analysis of the people who are employed or unemployed when they are seeing assistance.

Discussion was held.

Commissioner Richardson asked how much money we allocated in tranche 1 and 2 for rental assistance.

Maria Ruiz said combining tranches 1, 2 and 4, we have \$870,000. Expended is \$652,545.

Maria Ruiz said we have \$272,700 left in tranche 3, with no deadline. Tranche 3 helps people who don't qualify for the other tranches.

Commissioner Richardson asked if there has been a decrease in demand for housing.

Maria Ruiz said if we keep an ongoing lottery process, we will get a better feel of what the need is because we haven't asked anyone since the last lottery from August. The other advantage to this ongoing lottery is to be able to identify which slot of funds the person is best qualified for.

Maria Ruiz said we get calls on a daily basis for assistance. She said accepting people as they apply will help draw down the funds in a timely manner. She said we have enough money to get us through December at the current pace of expenditure. The opportunity to open the online registration process would hopefully capture some of those people who are behind on HOA fees or maintenance fees, because now they are getting their quarterly assessments. We will probably see an uptick in homeowners applying for assistance.

Commissioner Richardson asked if any action from the Commission is needed to help facilitate the first come first serve applications.

Maria Ruiz said it is a first come first qualified basis. When they bring the \$1.5 million to Commission to accept there will also be action to open up an ongoing registration process. She said it would be great for the Committee to recommend keeping an open registration process at least through the end of the year to timely expend the funds. We can reevaluate January 1<sup>st</sup>, but we want to make sure there are enough

applicants to meet the December 30<sup>th</sup> deadline. If we do the online process, we can process the requests faster.

Commissioner Richardson asked if the Commission approves this, how soon can we open the registration online.

Maria Ruiz said we can start it the next day. She said they have already worked with IT to have the online platform set up and also with Communications to be sure it is put in the e-blasts, social media, and announce it to the COVID-19 resource list.

Commissioner Richardson motioned to accept the recommendation of the Administration to change the registration to a first come first qualified basis through December 31<sup>st</sup> to get the money spent. He said he appreciates all of the hard work.

Commissioner Samuelian said he appreciates all of the hard work and seconded the motion.

Commissioner Arriola thanked Maria Ruiz for her hard work.

**MOTION:** Commissioner Richardson motioned to accept the recommendation of the Administration to change the registration to a first come first qualified basis through December 31<sup>st</sup> to spend the money. Commissioner Samuelian seconded. All in favor.

#### 4. **UPDATE ON THE CITY'S BLUEWAYS MASTER PLAN**

July 17, 2019 – C4 K

Sponsored by Commissioner Arriola

Environment & Sustainability/Parks and Recreation

#### **ACTION**

Elizabeth Wheaton, Environment and Sustainability Director, presented the item. She provided some background on the Blueways Master Plan including the mooring field. She explained the mooring field study was presented to the Committee and she was given to direction to explore grant options for the design and permitting of the facility. The preliminary study identified a 50-slip mooring specifically adjacent to Maurice Gibb park and the study also looked at future phases that would extend south along West Avenue. She said funding has been identified from the Florida Inland Navigation District which would provide a 50/50 match for design and permitting, when we get to construction it would provide another 50%. Other funding that has also been identified but we won't be able to access that funding until we have the design and permits in hand. She said Commissioner Samuelian and other members of the public have asked what happens once the mooring field is created and where the boats currently in those areas would go. She explained that the reason a mooring field is being suggested as part of the Blueways Master Plan is because currently boaters can boat anywhere in Miami Beach waters that are not considered a channel. If a mooring field is created within the boundaries, boaters would have to register for a mooring ball and pay a fee and have to moor at the ball. The City would then have the ability to keep out boats out that didn't register for the mooring field. The City of Miami is in the process of creating mooring fields at Watson Island and Virginia Key. Once that happens, we are expecting boats will come from Watson island towards Miami Beach. One of the things that was included in the mooring field study was an evaluation of number of boats that have increased over time. There has been an increase in boats from the early 2000s that are now mooring off of Maurice Gibb Park and further south along West Avenue. She said a question for the Commttee is whether they would like to extend the boundaries of the study further south along West Avenue or keep the budget request for next year of 50 slips adjacent to Maurice Gibb Park.

Commissioner Arriola confirmed the reason Elizabeth Wheaton posed that question is because WAVNA has expressed urgency to have the mooring field extended to 5<sup>th</sup> Street.

Elizabeth Wheaton said that is correct and as part of the outreach for the study we met with Sunset Harbour neighborhood as well as West Avenue and West Avenue neighborhood has been very vocal in the

desire to have a mooring field adjacent to their neighborhood. She also noted there is a meeting scheduled on October 28<sup>th</sup> with Commissioner Eileen Higgins on this topic that WAVNA has organized.

Commissioner Samuelian said we have a real problem and moorings are a great approach. He likes directionally where we are going. He said on the West Avenue extension, conceptually he is open to it, he would like to know the pros and cons and would like to see the cost. He has raised the point of unintended consequences. He said if we do this in Sunset Harbour the problem may move south. He also said he understands that some of the grants can be pursued before the City has major out of pocket expenses.

Elizabeth Wheaton said the Florida Inland Navigation District funding will be open for application in March, then intent would be to include the mooring permitting and design as part of the FY 2022 budget process as that is moving forward, we would apply for the funds. If we receive that grant, they would become available in October 2021.

Commissioner Samuelian said he would be in support of aggressively pursuing the grant funding. He is very open to the West Avenue extension. He also said to continue ongoing community outreach. He said the City should be complimented for the online virtual presentations. He likes the direction this is going.

Commissioner Richardson said he thinks this all sounds great.

Commissioner Arriola said he supports extending the study to include the WAVNA neighborhood all the way to 5<sup>th</sup> Street. He said so we keep it in front of us so we don't only think about mooring fields as a defensive strategy to root out some of the derelict vessels and some of the bad behavior, but also as a community asset to attract a better class of tourists.

Elizabeth Wheaton noted that the feasibility study did suggest if the City was interested in a harbor master building. During the public outreach portion in 2019 and 2020, that was an item that was discussed, if there were land facilities where would they go. From a permitting standpoint, we would need to identify bathrooms, but amenities such as showers are a nice to have, but not a necessity. She said she would like some direction on the upland facilities. The consultants recommended there be upland facilities, but it wasn't decided by the community what they would like to see. We need to know if the upland facilities should be included in the budget request for FY 2022 and where the facilities would be located and what they would consist of.

Commissioner Richardson asked if the Marina Project passes in the referendum if there would be any opportunity especially if we moved south on West Avenue for that potential operation to have a shower and bathroom station.

Eric Carpenter, Assistant City Manager, said we had some preliminary conversations with the Marina about our interest in doing mooring fields. The Marina is certainly interested in what we are going to be doing and may be willing to partner with us. There is nothing solid, but there is some confluence of objectives between the marina and mooring fields.

Commissioner Richardson confirmed that there would be an opportunity to have more discussions if the Marina Project passes with the operator about the potential facilities there. He also asked if we are able to do that, if it would satisfy the geography or if we would still be looking at needing a facility more towards the north like in the Sunset Harbour area.

Elizabeth Wheaton said based on initial conversations we believe that location or within that distance would satisfy the needs.

Commissioner Richardson said we will wait to see what the voters decide.

Commissioner Arriola said he believes we need upland facilities and he likes what Commissioner Richardson said about having them at the Marina if the project passes.

**DIRECTION:** Extend boundaries to 5<sup>th</sup> Street along West Avenue. Come back to the FERC to discuss the upland facilities further.

5. **REVIEW THE ECONOMIC IMPACT OF SUPER BOWL 2020 AND THE MIAMI HERALD ARTICLE REGARDING TALKS OF A FREE CONCERT**

February 12, 2020 – R9 R

Sponsored by Commissioner Meiner and Co-sponsored by Commissioner Góngora  
Tourism and Culture/Finance

**ACTION**

Heather Shaw, Tourism and Culture Assistant Director, presented the item. She explained that this item is about the economic impact of the Super Bowl 2020. She said she added documents from the Super Bowl Host Committee. She went through the statistics in the study that was attached to the item. The Super Bowl created 4,500 jobs full time and part time and they believe the total impact from the Super Bowl for the Greater Miami area was \$571 million. For the City of Miami Beach the Convention Center saw 80,000 visitors and brought in approximately \$3 million in revenue. Comparing the average night for hotels in Miami Beach for 2019 to the Super Bowl, the average daily rate for the highest peak days which is usually Saturday was \$368, but during the Super Bowl it was \$938. We believe that 42% of the Super Bowl visitors traveled to Miami Beach and the gross spend was approximately \$29 million. The overall economic impact is somewhere in the \$200 million range and these are figures still being worked out with the GMCVB.

Commissioner Meiner said that he initially put this on right after the Super Bowl. He doesn't have any doubt that the Super Bowl has a positive economic impact on our City and our businesses, he thinks it is good to have this analysis because we did waive fees. He mentioned it would be good to have a concrete breakdown for larger events we bring in like the College Football Championship coming up. He said he was satisfied with the negotiations on the concert, but it led to the question what kind of negotiations we could have and what free benefits we can bring in since we do waive quite a bit of fees for other events.

Heather Shaw said we work with the events coming in and make sure there are public benefits like free tickets or free activations to make sure we are balancing out the benefit we are giving them and that we are receiving.

Commissioner Samuelian said he agrees with Commissioner Meiner that the after the fact analysis is valuable. He suggests doing more of this on the front end. He would like to make this part of the standard discipline.

**DIRECTION:** Make economic impact analysis as part of our standard discipline with events that come to the City and make sure we are getting substantial public benefits.

6. **DISCUSSION REGARDING A FINANCIAL PLAN FOR THE WATER AND SEWER SYSTEM MASTER PLAN**

January 15, 2020 – C4 A

Public Works

**ACTION**

Roy Coley, Public Works Director, presented the item. He provided some background on the item. He said in March the City Commission at the Committee's recommendation adopted a critical infrastructure plan for the water and wastewater system. The plan costs in excess of \$122 million and was identified as necessary to prevent the failure of our aging infrastructure. The Commission adopted this and also made available to the Public Works Department resources that were on hand to initiate the critical infrastructure plan and the Commission directed the Administration to immediately begin a rate study financial capacity analysis. The study was completed, and the consultant is present today to show a presentation with the analysis. He introduced the consultant; his name is Bryan Metz and he is the president of GovRates a rate financial and management consultant firm. He said Mr. Mantz has been involved in several utility industry

manuals of rates and charges. He also noted that Mr. Metz has been involved with Miami Beach since 2016 and helped us develop the current rate that we have.

Mr. Mantz went through the water and sewer rate study presentation. He provided an overview of the water and sewer utility. The last rate study was completed in 2016. He spoke about the major cost factors affecting the water and sewer utility system. The presentation also included pictures to show what needs to be replaced. There is some aging infrastructure in the City. Funding of the needs would come from \$50.2 million from bonds that will be issued in 2022, \$48.3 million from the remaining proceeds of the 2017 bonds, and the remaining \$25.7 million will come from Pay-As-You-Go funding. He continued with the presentation and spoke about operating expenses and how they are projected to continue increasing over the years. He also touched on passing through rates from Miami-Dade County. Also, it was mentioned that utility costs increase at a higher rate than regular inflation. He also noted there is an opportunity to refund utility's existing series 2010 bonds to save about \$16.5 million in debt service payments during the forecast period and improvement debt service coverage. He continued to explain the refinancing the series 2010 bonds and showed a chart of the potential annual debt service. He also touched on the revenue requirements as well as the projected need for revenue adjustments. They are recommending 2.4% in 2021 and moving forward in years 2 through 5, there is a need for 2.3% of annual rate increases in addition to the pass through of future rates from Miami-Dade County. The best financial management practices are smaller, incremental increases over time to help avoid future "rate shock" and higher "catch up" rate increases. He strongly advised on the smaller incremental increases over time. He continued with the presentation and spoke about projected financial position should enable utility to accomplish multiple key objectives. He also spoke about financial risks of not adjusting rates at this time. He also touched on the rate design and noted he is recommending gradually increasing the base charge recovery to promote revenue stability. He also showed a comparison of monthly charges. He also said that the rate comparison is not a report card on how well the utility is performing and he provided some reasons why user rates differ among utilities. The recommendation to the Committee and Commission is to adopt a proposed schedule of water and sewer user rates for fiscal years 2021-2025 with smaller incremental rate increases over time. In all fiscal years, the combined water and sewer bill for average usage of the single-family residential customer is well below 4.5% of the median household income, which is a historical affordability metric used by the utility industry. It is recommended to have a gradual increases of the base charge recovery percentage and that the City pass-through future wholesale rate increases from Miami-Dade County per the formula in the City Code, the approval of the refunding of the series 2010 bonds, and monitor actual versus projected financial results.

Roy Coley said they are recommending the Committee recommend to the Commission to adopt this rate schedule, he would be joining with Rafael Paz next week to develop the language to alter our existing ordinance based on what the Committee approves today and then it will go to the next Commission meeting.

Rafael Paz, Deputy City Attorney, said the way this would work in an ordinance amendment is that the Commission would be approving a total increase now of the aggregate amount of the 11.6% and the ordinance would specify that it would be phased in over a 5 year period and it would specify exactly the percentage as noted in the memorandum and in the presentation. This will be approved once and automatically updated each year with the fee schedule.

Discussion was held.

Commissioner Samuelian said no one ever likes to have this conversation about fees increasing, but it is an important conversation. He said he likes the refinancing of the bonds and the savings we would receive, it seems like a no brainer. Also, he likes the incremental approach. He also said the thought that Rafael Paz mentioned about making one decision and then the increases would come gradually is preferred instead of having this conversation every year. He asked how we got to this point with the needs that we have. He asked when the last time was we did a program like this.

Roy Coley said that the City is more than 100 years old and much of the infrastructure was installed at the time. We have water lines that are documented installed in the 1920s in multiple places in town. They are

at the end of their useful life. In many cases, he believes in his professional opinion things are beyond their useful life and we are living with risk right now. We have critical sewer line issues and mentioned some other problems. This is what we recognize as an attempt to prevent issues from occurring and an attempt to reduce our risk. It is something we can easily say should have happened 20 or 30 years ago. It is an absolutely certainty that this work needs to be done if we want to reduce the risk of catastrophic utility failure.

Commissioner Samuelian confirmed some of this work has already begun.

Roy Coley said yes, about \$20 million dollar of available money was approved by the Commission and work was started. We immediately started replacing some water lines and some sewer pump station rehab. We are spending the money now and moving as fast as possible on design work.

Commissioner Samuelian said he is not one to say we should be kicking the can down the road when the need is clear. He believes we need to proceed making our infrastructure more resilient for the future. He sees the recommendation on the table. He asked if there are any other options to consider. He wants to understand what our choices are.

Roy Coley said we have identified the most palatable recommendation. The refinancing of the debt of the series 2010 bond is a no brainer like discussed, we are spending all available reserves we have, and we are still \$50 million short to make this \$122 million plan work. The percentages are reasonable numbers over the next few years, and this is something we have to do. There are no other options unless we want to live with more risk.

Commissioner Samuelian said he doesn't like the idea of living with more risk. It is very important the public understands we have a \$122 million program that is actually underway and this is important for this to be communicated, whether it is an insert with the bill or on social media. He thinks we need to take action on this.

Commissioner Richardson agreed with comments Commissioner Samuelian made and the refinancing of the debt is a no brainer. He asked if there is an opportunity to refinance the debt from the series 2017 bonds at lower rates now.

Bryan Mantz said he spoke with the City's financial advisor on that and at this time it isn't something that would save the City money on.

Commissioner Richardson asked what happens after the 5 years, he asked if we have a longer-term plan. He asked what the 5 years after this plan will look like.

Roy Coley said Hazen and Sawyer our consultant did develop a long-term plan which was a 20-year renewal and replacement plan for the utilities. The consultant said there is a list of things in this plan that are critical because they are beyond their useful life and have to move on this immediately. That is where the \$122 million critical plan came from. At the end of that period we are out of the critical phase and as Mr. Mantz mentioned in the presentation we intend to go forward with PAYGO funding to continue renewal and replacement on our long term plan and we have submitted the long term plan to the Land Use and Sustainability Committee and also shared the plan at the Resiliency Retreat in January, but did focus on the 5 year portion of the plan.

Commissioner Richardson asked how much money we are looking at from PAYGO after the 5 years.

Roy Coley said it is more than \$100 million phased in over 15 years and that is what we intend to pay as we go.

Bryan Mantz said it is about \$93 million from 2026-2030. With respect to adjustments after 2025 we are just looking at CPI and pass through adjustments.

Commissioner Richardson asked about the next 10 years.

Roy Coley said he doesn't have that number in front of him, so he can report back with that total number.

Commissioner Richardson said Commissioner Samuelian raised a great point about communication. We should not kick the can down the road, he wishes someone looked at this 20 years ago and would be looking at something different today.

Commissioner Samuelian moved the item as described.

Commissioner Richardson said we are moving the recommendation to the Commission. He would like to see a communication plan when this is presented to the Commission. He would like to see what steps are going to be taken to communicate this to the community if this is adopted. The other thing he would recommend is to talk about the 20-year plan, he thinks they need to have it as a frame of reference. He thinks they should be prepared to explain that we are having to do rate increases and retiring some debt for this \$122 million, but that there is \$93 million in the next 5 years will be from PAYGO funding. He thinks they need to be prepared to talk about the \$93 million from PAYGO, when in these first 5 years we have 3 different sources of funding that are being used. He wants to get this done.

Commissioner Samuelian said he supports what Commissioner Richardson said about adding the communication plan and adding the component of the 20-year plan and to explain the \$93 million from PAYGO. He also said when doing the communications on this to underscore risk and resilience and that what we are doing is to address real risk and that this is part of our plan to be more resilient for the long term.

**MOTION:** Vote of acclamation to move the item as recommended by the Administration and add to have a communication plan ready to discuss at Commission and also include the 20-year plan explanation along with the \$93 million from PAYGO.

## 7. **DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND**

April 11, 2018 – C4 O

Sponsored by Commissioner Arriola  
Planning

### **ACTION**

Commissioner Arriola opened the item. He provided background on the item and spoke about how we are moving forward with facing sea level rise and climate change. He would like to create this fund to help the historic buildings offset the cost of increasing their resiliency to storm events and rising seas. We need to decide the mechanism we would use and how we would fund this. Then at some point down the road we need to figure out how one takes advantage of the funds available for an investment in the properties.

Debbie Tackett, Chief of Historic Preservation, spoke. She said the last time the Committee heard this item was in June, at that time they were given direction to return to the Committee to explore different funding sources including private sources that could match City funding and were also asked to look at other County models. In addition, they reached out to the community to get some feedback. They had a survey go out, in addition to questions regarding flood risk mitigation and possible funding for that and it also included several questions regarding a historic preservation fund. She said we got a great response, over 400 people responded, an overwhelming majority of the respondents did say they would make improvements to their property if there was a 50/50 matching grant opportunity with the City. The top 3 resiliency and flood mitigation improvements that were responded to were an engineering assessment, introduction of green infrastructure on the property, and yard and driveway grading elevation. The top 3 that were not related to flood mitigation included landscape improvements, general façade repairs, painting and just behind painting was door and window replacement. When asked about the top 3 criteria that the City should consider when awarding the funding, the respondents said properties that were vulnerable to flood risks, properties that have received previous damage to flooding, and the grant funds should be

contingent on financial need of the applicants. They were pleased with the responses because they were consistent with the recommendations from KCI, the consultant. She said we are leaning towards the fund source recommendations that were in the consultant's report which are SHIP or CDBG funds.

Carmen Sanchez, Deputy Planning Director, provided some funding options. One of the options that was recommended by the consultant was dedicating demolition fees associated with permits and also some fees for violations. She said they are hesitant on the violations because we want people to comply instead of receiving revenue. The amount of revenue from the demolition fees is minimal. It will not make a significant impact. She said they think some seed money from the Commission would be better or from General Fund, SHIP, and CDBG because they would have a more robust impact setting up the program. She said we need to start with small steps like façade improvements before we raise a building. She thinks the 50/50 split between the property owner and the City is a good way to start. In addition, another recommendation was if a homeowner sells their home a portion of the funds would come back to the City to provide as other grants. She continued to explain their recommendations.

Commissioner Samuelian said he likes the idea of the 50/50 split. He thinks this is important for the City to play a role. He said there is a related item that is making its way through the Land Use and Sustainability Committee on private property adaptation. He said that may be a learning opportunity. That will be coming to the Commission in the next month or so. He mentioned something that was discussed at the LUSC about height grants and they would go towards to workforce housing and then some can go towards the historic preservation fund.

Discussion was held regarding grant opportunities.

Commissioner Richardson asked if we have put anything in writing in terms of recommendations if we were to go down this road. He thinks it is a great idea.

Debbie Tackett said the recommendations will be relatively in line with the consultant's in terms of structuring this fund. There should be an independent committee to review the projects, not in the Planning Department. They also believe the fund should start out as a pilot program with a limited area. She said we would see the impact of the awarded funds quicker than if the money was spread out throughout the historic districts. The funding is something that the Administration needs direction on.

Commissioner Richardson asked if there is a range of money we would need for the pilot program.

Carmen Sanchez said it depends on how many properties we are looking to assist. She said they can come back with some initial numbers and then the Committee can make a decision of where it would come from and make a recommendation to the full Commission so we can establish the program.

Commissioner Richardson said he would like to see the Administration reduce the thoughts to writing, it is helpful to the Committee to be able to read something and see what is being recommending and then tweak it a little bit in the Committee. He said he likes the idea about a possibility of the height grant, he doesn't think the demolition dollars would enough. He also mentioned if the voters act favorable to the Marina project, the Commission decided to dedicate \$5 million to 4 different buckets and one of them was sustainability. He thinks this type of project would qualify for that bucket. He would be supportive of having some seed money come out of that, we may not get that for a while because of the cash flow, but he would be willing to front some of that money, once all of the restrictions are lifted and we know we will get the money. He would like to see recommendations from the Administration on what the program would look like, sources of seed money, and possibly some State money. He would also like to know what the recommendation would be as a cap.

Commissioner Samuelian said he would also like a written recommendation. He also agreed with Commissioner Richardson about the funding from the Marina project and other sources he mentioned. He also said he would take the results of this conversation and make sure John Woodruff and Amy Knowles are tied in as it relates to the private property adaptation because they are ready with the program to go to Commission soon. Maybe there is some synergy there with that effort. They both have the same goals of

having the City play a positive role to raise awareness, educate, and catalyze to get the private sector moving because we need them to do their part.

Carmen Sanchez said they can have something prepared for the November 13<sup>th</sup> FERC meeting. She said they work closely with Amy Knowles and they are working hand in hand with her to move this effort and the private property adaptation forward as well.

**DIRECTION:** Come back to the November 13, 2020 FERC meeting with a written recommendation.

## **NEW BUSINESS**

### **8. DISCUSS FUNDING A NEW YEAR'S EVE FIREWORKS SHOW AT COLLINS PARK**

June 24, 2020 – C4 F

Sponsored by Commissioner Arriola  
Tourism and Culture

#### **ACTION**

**DIRECTION:** Item withdrawn.

### **9. DISCUSSION ON THE CITY'S DEPENDENCE ON TOURISM REVENUES AND HOW TO MITIGATE**

June 24, 2020 – C4 I

Sponsored by Commissioner Samuelian  
Office of Management and Budget

#### **ACTION**

Commissioner Samuelian opened the item. He explained we all know we are a tourist and hospitality centric economy and he doesn't think it is changing any time soon. He thinks what we have seen challenges that this type of economy brings. For example, we have lived through Irma, Zika, and now COVID-19. He would like to have a strategic program and if there is an opportunity to move the needle where we still are a tourist and hospitality centric economy, but there are some other allies to rely on. He said he thinks what we have identified is that there are some opportunities. The goal today is to share the thinking to date, understand the thoughts and perspective of the Committee members, but really get action oriented and see if we can go after some of these programs.

John Woodruff, Chief Financial Officer, said this item captures an update on a lot of different initiatives going on in the City. He said the intent is to give a broad overview and at an upcoming meeting dive a little deeper into some of these as we make progress on them. He explained the different categories. The first one is identifying and growing new revenue streams. On July 29<sup>th</sup> the Commission approved the partnership with Spectra, the City's new naming rights and sponsorships consultant. They are in the process right now of meeting with various departments to identify and prioritize some potential opportunities. As those are identified they will be brought to the Commission for consideration. He said we could bring back Spectra potentially to the November 13<sup>th</sup> meeting and get an update to see what the top 5 opportunities the City could be considering in the near future. The Property Management Department is working hard to maximize the value of City owned assets across our portfolio. To lead those efforts, we recently engaged CBRE to conduct an inventory review, which should be ready by the end of the calendar year and bring it back to the Committee when completed. The second category is recruiting new businesses or industries. When we were discussing hiring a new Economic Development Director the need for business recruitment and retention was a topic of conversation. Rickelle Williams, the new Director along with the Administration will be evaluating the functions of the department and potentially reorganizing the resources they already had to reflect this priority of business recruitment and retention. Another category, for the last several months there has been an item to incentivize the development of office space at LUSC and was last heard at the City Commission meeting on October 14<sup>th</sup>. The idea is to grant more height of about 75 feet for mixed use buildings and commercial buildings containing a minimum of 10,000 square feet to try to incentivize the kind of interior floor to ceiling space. Another category is transforming

one-time funds into recurring revenue and a good example is the development and ground lease agreement for the new Convention Center Hotel. That agreement included guaranteed rent payments of \$2 million annually and will be split equally between stormwater projects, traffic reduction measures, and education initiatives. Anything above that could be used for other projects. A new project is the Marina Park Project, there would be one payment to the City of \$55 million that is split among certain buckets and there is a guaranteed rent to the City of \$1.9 million and it would go up with inflation over time. Another category is increasing reserves and insuring tourism revenues. In 2019 the City Commission approved changes to the General Fund reserve policy which went from a minimum of 2 months to a goal of 3 months and the Resort Tax reserve policy was increased from 3 months to 6 months because there is more variability. The last category is cost reductions, we worked hard in Parking over the last few years to reduce the transfer we had to the General Fund and this year we worked hard to right size the department to position to be successful in the future. In Sanitation we used the zero-based budget approach to help make changes to balance the fund. In the next few months, we will also be working on some other measures with the Budget Advisory Committee. This can be a standing item and we bring back individual departments that are helping to lead the different initiatives.

Commissioner Richardson welcomed Rickelle Williams and offered her an opportunity to jump into the conversation.

Rickelle Williams, Economic Development Director, spoke. She said John Woodruff summarized the efforts very well. She said she is doing an evaluation of some of the programs and resources available to us. She is looking at the sectors of the City that have been impacted. She is looking at ways to enhance and diversify the business community. she said she is looking at financial services firms, the tech industry, and healthcare industry. She spoke about attracting different firms to come into our City. We can also look at generating revenue through P3 projects. She said we will have more detailed discussions as things move forward.

Commissioner Arriola said that John Woodruff presented the item well, but he is not sure if he mentioned things like development of office product which would bring potential office tenants that diversifies the local economy and creates day-time revenue sources. He mentioned private equity hedge fund people moving to South Florida, which is something he wants us to pursue. He thinks we should continue pursuing the Arts and Culture to diversify our tourism economy like the Mayor has been pushing for us to do. There are slow times in the year and we need to figure out how to attract a different type of tourist during those times to smooth out our fiscal calendar. Also, how we push for a higher end tourist base, where we get more of our hotels filled with businesspeople and families.

Commissioner Samuelian said he thinks there is a whole migration to work at home and work virtually. He would like us to give some thought to that and maybe perhaps we can team with our hotels that probably have capacity to attract businesspeople. He wants to get the word out for people to come and work from Miami Beach. He said this is a program where we are going to be intentional in having conversations in these other areas because we will always talk about tourism and hospitality. A thought on a next step is saying this list that John Woodruff presented is good enough to start with and have one every month come back. He would like to hear about quantitative goals and plans to get there.

Commissioner Richardson said he always like things in writing and asked if Commissioner Samuelian would like to see any action from this today.

Commissioner Samuelian said he would like something in writing, maybe including the comments made today and let's get this ball going and bring one of the programs that is furthest along and he thinks it is in the communications area with Spectra. He said to get them up talking about plans and targets and how we move the needle.

Commissioner Richardson said he agrees with that. He said the presentation was great and agrees with comments from his colleagues. He liked Commissioner Arriola's comment about looking at hospitality and seeing what elements of hospitality we haven't served in Miami Beach. He also liked the comment from Commissioner Samuelian of people working from home. He has been a big supporter of getting more

Class A office space in Miami Beach. He said he feels very strongly about the economic development part of the Economic Development Department, he will not let community development absorb all of the time. He liked that Ms. Williams mentioned tech and he would like that to be explored more because they don't require Class A office space.

John Woodruff said we will update the memorandum, provide more detail, and add some things discussed today. He also asked Tonya Daniels if Spectra will be good to go with some preliminary ideas for the November 13<sup>th</sup> FERC meeting.

Tonya Daniels, Marketing and Communications Director, said that sounds doable. She said they have been meeting weekly and just got to meet the final candidate that they intend to hire to focus solely on our contract. Also, she will be bringing them to talk to some of the Department directors in person and tour the facilities. They have preliminarily talked about numbers and expectations, she believes they are ready to give ideas and provide a presentation at the November 13<sup>th</sup> FERC meeting.

**DIRECTION:** Come back to the November 13, 2020 FERC meeting with a more detailed memorandum and a presentation from Spectra.

**10. DISCUSSION ON A PROPOSAL TO DEPLOY INTERACTIVE DIGITAL KIOSKS**

September 16, 2020 – C4 M

Sponsored by Commissioner Arriola

Communications/Property Management/Procurement

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**11. DISCUSSION REGARDING THE CITY OF MIAMI BEACH'S POLICIES TO RETAIN TENANTS DURING THE PANDEMIC**

October 14, 2020 – C4 E

Sponsored by Commissioner Samuelian

Property Management

**ACTION**

Commissioner Samuelian opened the item. He said the pandemic has been a tragic time for everyone. He said this dove tails from a previous discussion on the City properties and how we best leverage them. It struck him that we are a landlord. He wanted to start a conversation how we best address the challenges that some of our tenants are dealing with in a fair and equitable way and how we make sure to continue to activate our communities. If we lose businesses that is a problem.

Commissioner Richardson thanked the Property Management Team for their support with the food distributions and how they work to support us in the City.

Adrian Morales, Property Management Director, spoke. He said that we had an opportunity to take a look at our portfolio and trying to maximize our portfolio in a post pandemic recovery. He is currently acting as the asset manager temporarily and he has had the opportunity to dive into every single one of our agreements and try to identify opportunities. Some of the tenants have reached out to us and other Commissioners to try and seek some assistance. He said when we had the emergency orders of safer at home at the height of the pandemic, the City suspended rents in April through September 30<sup>th</sup>. As we come out of that into FY 2021, we are trying to identify with the Budget Department the fiscal impact of those lost revenues if we were to continue to suspend rents. It is not cookie cutter across the board, there are different types of agreements. He has already met with some of the tenants. He provided an example of a business that had less than a month open before the pandemic, which is a difficult situation. He also mentioned another example of a tenant that was supposed to go in the Anchor Garage and now they are

scared because of the pandemic. We are going to work with all of them to make sure we keep our tenants during this difficult time.

Commissioner Richardson asked how we treated these City properties in our budget that we just adopted. He asked if we did an estimate at a certain percentage level.

John Woodruff, Chief Financial Officer, said he knows we discounted it to some degree, he doesn't have that information handy, but can certainly have it for the next discussion.

Commissioner Samuelian said we probably need to continue this item to the next meeting and allow Adrian Morales a little more time to connect with John Woodruff and figure out the numbers. He was looking to start the conversation. He is happy we are taking a holistic view of our portfolio, he appreciates what we did to get it to this point, and now he is hearing we are going to be thoughtful, analytical, and empathetic and he looks forward to hearing it at the next meeting.

Commissioner Arriola said that it is very clear we should be trying to support local businesses and our tenants. We want to keep them and help them stay healthy. We are in a unique situation as a public entity, everything we do is public. Things like rent relief and other accommodations we may make for a tenant, that is public information, so he worries how we do this so we don't send a certain signal to other people that are falling behind and wondering why they cannot get the same accommodations from their landlords. He is concerned we could be opening the floodgates to all tenants in the City.

Adrian Morales said he agrees with Commissioner Arriola, there are some operators that have been open and are producing. For an example, the beach concessionaires have been open, so we wouldn't treat them the same as the Jackie Gleason that has been dark since March. As part of this process, we would evaluate every single agreement. He said maybe we would do an application process and then we would review and go based off financials. This is a collaborative effort with the Budget Department, Economic Development, and the Office of the City Manager to try and get the best approach where it is not cookie cutter and are just giving away revenue opportunities.

Commissioner Richardson said Commissioner Arriola brought up a good point, because he can hear a potential lessee saying they are lucky they rented space in a City facility versus a commercial facility. He said for this to be continued to next month and if John Woodruff by the November 13<sup>th</sup> meeting bring back the amounts we have put in the budget to have a frame of reference of we initially passed. He also asked if Adrian Morales can bring the first shot at the process and the recommendation for the December meeting. He also said the way the Administration handled the first 6 months of the pandemic was acceptable and good for our tenants. He doesn't want time to pass so we are in the Summer of next year, close to the end of our fiscal year and we are making decisions of how we are going to treat the whole fiscal year. He thinks we need to get a handle on this sooner rather than later.

Commissioner Samuelian said he is good with what Commissioner Richardson said. He also reiterated what Commissioner Arriola and Commissioner Richardson mentioned about addressing people fairly and do it without opening the flood gates but recognizing the uniqueness of each agreement and transaction.

Commissioner Richardson asked to bring back for the November 13<sup>th</sup> FERC meeting, if there is any rent assistance for commercial activity from the State of Federal government.

**DIRECTION:** Come back to the November 13, 2020 FERC meeting with the amounts that were approved in the budget for the rents and if there are any rent assistance programs for commercial activity.

## **DEFERRED ITEMS**

### **12. UPDATE ON BYRON CARLYLE RFP NEGOTIATIONS**

October 16, 2019 – R7D  
Economic Development

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**13. UPDATE FROM THE ECONOMIC DEVELOPMENT DEPARTMENT REGARDING STEPS TAKEN TO STREAMLINE THE BUSINESS PERMITTING PROCESS, IMPROVE BUSINESS RETENTION, AND ATTRACT NEW BUSINESSES**

December 12, 2018 – C4 E

Sponsored by Commissioner Arriola

Economic Development

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**14. DISCUSSION REGARDING THE BEST USES FOR THE COLLINS PARK GARAGE RETAIL SPACE**

July 29, 2020 – R9 I

Economic Development

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**15. DISCUSS INVESTING IN PLAYGROUNDS IN LUMMUS PARK**

February 12, 2020 – C4 E

Sponsored by Commissioner Arriola

Parks and Recreation

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**16. DISCUSSION REGARDING STORMWATER CONNECTION FEES FOR COMMERCIAL PROPERTIES**

July 17, 2019 – C4 E

Sponsored by Commissioner Arriola and Commissioner Samuelian

Public Works

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**17. DISCUSSION REGARDING THE ANIMAL WELFARE COMMITTEE'S RECOMMENDATION TO FUND A PET ADOPTION FACILITY**

July 17, 2019 – C4 N

Sponsored by Commissioner Arriola and Co-Sponsored by Commissioner Samuelian

Public Works

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**18. AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 6 OF THE CODE OF THE CITY OF MIAMI BEACH, FLORIDA, ENTITLED "ALCOHOLIC BEVERAGES," BY AMENDING ARTICLE I, ENTITLED "IN GENERAL," BY**

**AMENDING SECTION 6-3 THEREOF, ENTITLED "HOURS OF SALE/VIOLATIONS," BY REQUIRING THOSE ALCOHOLIC BEVERAGE ESTABLISHMENTS LOCATED ON OCEAN DRIVE, BETWEEN 5<sup>TH</sup> STREET AND 15<sup>TH</sup> STREET, POSSESSING A 5 A.M. ALCOHOL LICENSE AND SELLING OR SERVING ALCOHOLIC BEVERAGE(S) LATER THAN 12 A.M., TO RETAIN THE SERVICES OF AN OFF-DUTY POLICE OFFICER, FROM 12 A.M. UNTIL THIRTY (30) MINUTES PAST THE CLOSING TIME OF THE ALCOHOLIC BEVERAGE ESTABLISHMENT, FOR ALL SATURDAYS AND SUNDAYS (AND ALL SATURDAYS, SUNDAYS AND MONDAYS FOR THOSE HOLIDAY WEEKENDS OR CITY-SPONSORED EVENTS) DURING WHICH ALCOHOLIC BEVERAGES ARE SOLD OR SERVED BEYOND 12 A.M.; ESTABLISHING EXCEPTIONS; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE**

December 11, 2019 – R5 J  
Sponsored by Mayor Gelber  
Office of the City Attorney

**ACTION**

**DIRECTION:** Defer to the November 13, 2020 FERC meeting.

**19. DISCUSS THE OFFICE OF INSPECTOR GENERAL'S REVIEW OF THE ISSUANCE OF CITYWIDE PARKING PERMITS**

October 14, 2020 – C4 A  
Parking

**ACTION**

**DIRECTION:** Item to be heard at the November 13, 2020 FERC meeting.

**20. DISCUSS THE CURRENT STATE OF AND FUTURE PLANS FOR THE CITY OF MIAMI BEACH PARKING DEPARTMENT**

October 14, 2020 – C4 B  
Sponsored by Commissioner Samuelian and Co-Sponsored by Commissioner  
Parking

**ACTION**

**DIRECTION:** Item to be heard at the November 13, 2020 FERC meeting.

**21. DISCUSSION TO CONSIDER A PROPOSED ORDINANCE TO AMEND SECTION 34-203 OF THE CITY CODE, RELATING TO THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT, TO RE-ADOPT THE RELEVANT PROVISIONS OF CITY ORDINANCE NO. 2002-3380, WHICH ELIMINATED THE NOT-TOEXCEED AMOUNT OF \$500 PER PROPERTY IN CONNECTION WITH THE AD VALOREM TAXES LEVIED ON PROPERTIES LOCATED WITHIN THE DISTRICT**

October 14, 2020 – C4 C  
Sponsored by Commissioner Richardson  
Office of the City Attorney

**ACTION**

**DIRECTION:** Item to be heard at the November 13, 2020 FERC meeting.

**22. DISCUSSION ON CREATING A DATABASE AND TRACKING THE USAGE OF SMALL AND DISADVANTAGED BUSINESSES AS CERTIFIED BY MIAMI-DADE COUNTY**

October 14, 2020 – C4 D  
Sponsored by Commissioner Steinberg  
Economic Development

**ACTION**

**DIRECTION:** Item to be heard at the November 13, 2020 FERC meeting.

23. **DISCUSSION TO CONSIDER A PROPOSED ORDINANCE TO THE CITY'S PREVAILING WAGES ORDINANCE, SET FORTH IN CHAPTE 31 OF THE CITY CODE, TO EXTEND THE REQUIREMENTS OF THE PREVAILING WAGE ORDINANCE TO CERTAIN CONSTRUCTION PROJECTS THAT ARE DEVELOPED ON CITY-OWNDED LAND BY PERSONS OR ENTITIES OTHER THAN THE CITY, PURSUANT TO DEVELOPMENT AGREEMENTS, GROUND LEASES, OR MANAGEMENT AGREEMENTS FOR THE CITY**

October 14, 2020 – C4 F

Sponsored by Commissioner Richardson

Procurement/Office of the City Attorney

**ACTION**

**DIRECTION:** Item to be heard at the November 13, 2020 FERC meeting.

24. **DISCUSS FUNDING BOLLARDS ALONG THE BEACHWALK**

October 14, 2020 – C4 Z

Sponsored by Commissioner Arriola

Transportation/Property Management/Tourism and Culture

**ACTION**

**DIRECTION:** Item to be heard at the November 13, 2020 FERC meeting.

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

September 12, 2018 – R9 F

Sponsored by Commissioner Góngora

Office of the City Manager

**ACTION**

**DIRECTION:** Defer to the December 18, 2020 FERC meeting.

26. **DISCUSSION REGARDING CITY'S HOMELESS WALK-IN CENTER**

September 11, 2019 – R9 O

Sponsored by Commissioner Samuelian

Office of Housing and Community Services

**ACTION**

**DIRECTION:** Defer to the December 18, 2020 FERC meeting.

27. **DISCUSSION REGARDING THE LGBTQ ADVISORY COMMITTEE MOTION REGARDING FUNDING FOR LGBTQ COMMUNITY INITIATIVES**

April 22, 2020 -C4 A

Sponsored by Commissioner Góngora

Office of Management and Budget

**ACTION**

**DIRECTION:** Defer to the December 18, 2020 FERC meeting.

**28. REVIEW OF ALL CITY DEPARTMENTS FOR JUSTIFICATION AND EFFICIENCY**

October 16, 2019 – C4 U

Sponsored by Commissioner Góngora  
Office of Management and Budget

**ACTION**

**DIRECTION:** Defer to be discussed as part of the FY 2022 budget process.

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

September 12, 2018 – R9 E

Sponsored by Commissioner Arriola  
Office of the City Manager

**ACTION**

**DIRECTION:** Item withdrawn.

**30. DISCUSS MODIFYING COMPONENTS OF THE COLLABORATION, FUNDING, AND MANAGEMENT AGREEMENT BETWEEN THE CITY AND THE SABRINA COHEN FOUNDATION, INC. FOR AN ADAPTIVE RECREATION CENTER**

October 16, 2019 – C4 I

Sponsored by Commissioner Arriola  
Parks and Recreation

**ACTION**

**DIRECTION:** Item withdrawn.

**ADDENDUM**

**31. DISCUSSION REGARDING THE APPROVAL OF A NEW LEASE FOR THE MIAMI BEACH ROWING CLUB**

Property Management

**ACTION**

Adrian Morales, Property Management Director, presented the item. He explained that the agreement with the Shane Rowing Center is set to expire in May 2021. Dr. Shane is interested in a new agreement. We have a ground lease right now where the Rowing Center is responsible for the maintenance of the facility, after the agreement sunsets the City would assume the rights and the property will transfer over. There are some capital improvements that are needed, those are still being discussed internally right now. The intent would be to work with the Budget Department on a 5-year lifecycle plan for this facility. At the Committee and Commission's direction we would do a 9-year agreement and then the rights for this facility would revert to the City. The City owns the land and the building was built in 1998 as part of an original agreement with the JCC and after that the agreement was amended to allow for capital improvement expansion, some additional boat houses, etc. There is a ground lease and the Rowing Center has been operating the facility, we have renewed it for certain periods and now they are asking for an additional 9-year term and after that sunsets, the City would absorb the facility and the obligations for capital maintenance, etc.

Discussion was held.

Commissioner Richardson asked the value of the ground lease.

Rafael Paz, Deputy City Attorney, said they pay a nominal amount.

Adrian Morales said it is \$10 per year.

Rafael Paz said the City owns the land, the Rowing Center owns the facility improvements, the idea is as part of this extension they would transfer the facility would be added to our books as a City building. The City would then provide property insurance. It is a benefit of the facility for the City to take over the obligation as part of our overall insurance portfolio.

Commissioner Richardson asked if we would also take on maintenance of the facility.

Adrian Morales said not the day to day maintenance, the basic janitorial and operation functions would still be a part of the Rowing Center team. Capital improvements would be the responsibility of the City. The baseline review was done. The roof is in need of replacement, it is beyond its useful life. The units have also reached their useful life. There is about \$900,000 of unfunded improvements that are needed including a dock ramp and landing platform that is not part of the seawall project that is already funded. The seawall project is \$780,000. The capital improvements need to be done between now and the next 5 years. The \$600,000 platform project would take priority because it would coincide with the seawall project that shouldn't be delayed. His professional opinion is that the roof will hold. There are some minor leaks that we can address with a small capital investment.

John Woodruff, Chief Financial Officer, said that \$600,000 isn't available today, but he imagines the seawall construction schedule probably would get us into the next capital budget cycle. He said we can probably allocate the \$600,000 in the FY 2022 capital budget and make it available October 1<sup>st</sup> and it would likely still coincide the construction schedule.

Adrian Morales confirmed that is correct and as he indicated in the memorandum, they will work with the Budget Department on the capital program and would try to identify priorities. He will get a schedule and timeline for the seawall as he works with the Public Works Department. They are still working through the permitting.

Commissioner Richardson said this is a great community asset, but we need to explain to the tax-payers that we are going to be taking over an asset that is need of substantial repairs. It concerns him. He asked what the benefit is to the City.

Adrian Morales said the City would take on this facility as part of our portfolio.

Commissioner Richardson asked what the Administration's recommendation is from a financial perspective.

John Woodruff said we are committed to the seawall and if we build the seawall and the Rowing Center cannot operate without the dock ramp landing platform because they can't afford to pay for it then the whole facility really isn't going to be able to operate the way it is designed to. If we do nothing it sounds like a problem from an operation standpoint. This is probably the best of a rough situation.

Rafael Paz said one of the main benefits of extending the agreement and proceeding in this fashion is to preserve the current uses as a Rowing Center and Rowing Club and continue the Shane Center as it exists today. The idea is to provide a public private partnership with this non-profit to continue the existing uses.

Commissioner Richardson asked about the 9-year term.

Rafael Paz said if it is over 10 years, since this facility is along Indian Creek, it would be subject to a referendum approval for a lease in excess of 10 years.

Commissioner Samuelian said one thing he is interested in is what we were doing before and what we have to do after and how that math plays out. He asked why we are doing this now since the lease is until May 2021, what prompted this change now?

Adrian Morales said the Shane Rowing Center approached the City to discuss a potential and early renewal of this agreement.

Bal Cheema, Treasurer of the Shane Rowing Center, said the discussions regarding the renewal started for several reasons. There was another option wanting to start a lease with them, Hydro, starting November of this year. Since this lease ends May 2021, their thought was to combine the approval of that lease and the renewal at the same time. The second reason is that they have a lease with the University of Miami that expires prior to their lease and they are waiting for a renewal. There are a lot of factors involved. It made more sense to get this approved so they could address the other issues. Hydro is a company that makes rowers similar to the Peloton for biking and they wanted to lease and film upstairs, but right now that is off the table. One of the issues that prompted the discussion is off the table, but the first issue is still in play. The University of Miami doesn't want to renew their lease until they know the Rowing Center has their lease renewed.

Commissioner Samuelian asked what the urgency is for this Committee. He said there is a meeting in about 3 weeks, and it sounds like there are some things still being reviewed and contemplated. He would like to see the numbers laid out. He asked how urgent action on this is needed at this time.

Adrian Morales said they are still working on the lease agreement but didn't want to miss the opportunity to discuss it at the Committee. They wanted to discuss it and get the feedback of the Committee and then go back review the agreement with the Shane Rowing Center and start negotiations and then go to the Commission in the next few months.

Commissioner Samuelian said his preference is to hear the status of the negotiations and the updates on the numbers at the November 13<sup>th</sup> FERC meeting. It would be helpful if the Committee needs to provide a recommendation, he would like one more review of this.

Commissioner Richardson agreed with Commissioner Samuelian. He said to bring it back to the November 13<sup>th</sup> FERC meeting. He would like additional discussion on the lease terms, he is not inclined today to be in favor of a 9-year lease on assets that we are being asked to take over that need significant capital improvements. This is a very important asset to the City of Miami Beach because of the opportunity to continue the activities that have been going on at the Rowing Center. The other thing he would like to see given that there is a discussion of moving the asset to the City portfolio and we are going to have to come up with the funding for capital improvements. Also, if the Rowing Center is making substantial revenues they would need to be a partner in the improvements. If they are not making substantial revenues, then he can understand that the City will step up and help. He said alerts are being set off at a time which includes the transfer of the asset which needs substantial capital improvements. He would like to understand the financials of the Shane Rowing Center that would cause the need to transfer the assets needing substantial capital improvements.

**DIRECTION:** Come back to the November 13, 2020 FERC meeting with further details on negotiations of the lease and financials.