



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: May 12, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FOURTH AMENDMENT TO THE CAPITAL BUDGET FOR FISCAL YEAR 2021 AS SET FORTH IN ATTACHMENTS A, "PROJECTS"; B, "SOURCE OF FUNDS"; AND C "PROGRAMS.**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution.

### **STRATEGIC PLAN SUPPORTED**

Organizational Innovation – Ensure strong fiscal stewardship

### **BACKGROUND**

Planning for capital improvements is an ongoing process; as needs change within the City of Miami Beach ("the City"), capital programs and priorities must be adjusted accordingly. The Capital Improvement Plan ("CIP") serves as the primary planning tool for systematically identifying, prioritizing, and assigning funds to critical City capital development, improvements, and associated needs.

The City's CIP process begins in the spring when all departments are asked to prepare capital improvement updates and requests on the department's ongoing and proposed capital projects. Individual departments prepare submittals identifying potential funding sources and requesting commitment of funds for their respective projects.

The CIP is updated annually and submitted to the City Commission for adoption. The 2021 – 2025 Capital Improvement Plan and FY 2021 Capital Budget was adopted on September 29, 2020 by Resolution No. 2020-31431.

The First Amendment to the FY 2021 Capital Budget was adopted on November 18, 2020 by Resolution No. 2020-31498.

The Second Amendment to the FY 2021 Capital Budget was adopted on January 13, 2021 by Resolution No. 2021-31556.

The Third Amendment to the FY 2021 Capital Budget was adopted on March 17, 2021 by Resolution No. 2021-31647.

Section 166.241(4) (c.), Florida Statutes, requires that a municipality's budget amendment must be adopted in the same manner as the original budget.

#### **FOURTH AMENDMENT TO THE FY 2021 CAPITAL BUDGET**

The Fourth Amendment to the FY 2021 Capital Budget reflects an overall increase of \$3,795,000.00 and a re-alignment of \$10,540,000.00 for the following capital projects:

- 1. Brittany Bay Park:** The scope of this project includes the creation of a living shoreline between the existing remaining seawall and the concrete retaining seawall. The living shoreline will be hydraulically connected to Indian Creek and will have an ADA-accessible overlook that will allow park patrons to walk from the park to the existing seawall's edge. In addition, the project also includes improved pathways, site furniture, and pedestrian lighting to enhance the surrounding riparian and inter-tidal environment. This will be done by creating a new habitat for aquatic and terrestrial species and improving water quality via filtration of upland runoff. The park renovations include new concrete walkways, milling and resurfacing the existing parking lot, new trees, new exercise equipment, and new landscaping.

This project requires additional funding, in the amount of \$295,000.00, as bids received exceeded the budget allocated for this project.

Funding for this amendment would come from the Capital Reserve (Fund 304) fund balance. These funds exist in order to ensure adequate funding, related to previously approved capital projects, for expenditures which increase due to bids over budget, change orders, or other unforeseen items. This fund is not to be used for increases or changes in scope of an existing project and is estimated to have an available balance of \$1.54 million once funds are appropriated to this project.

Prior Years' Appropriations	\$ 1,414,729.00
May 12, 2021 Budget Amendment	295,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 1,709,729.00</b>

- 2. Bayshore Park (Par 3) Renovations:** At the April 29, 2021 Special Commission Meeting, the Commission accepted the Finance and Economic Resiliency's (FERC) recommendation to provide additional funding from the City's Resiliency Fund in order to proceed with the project's underground utility relocation, in the amount of \$3,500,000.00.

The current scope of this project includes developing the former Par 3 golf course as a natural passive public park. During the design phase of this project, it became apparent that conflicts with the underground utilities would need to be resolved during construction. The relocation of these utilities was not accounted for in the original project budget.

There are two existing pipelines under the park. These ground storage tanks support essential life-safety services during emergencies. In the event of a failure, the City would be out of compliance with the required regulatory minimum storage, pursuant to FAC 62-555.320(19). Replacement and relocation of the pipelines would avoid additional potential costs to the City if these pipes were to fail during or after the construction of the planned new park facilities.

Replacing these pipelines now would avoid impacting the park at a future date and avoid undue risks associated with their replacement after construction. The utilities will be relocated within the park and protected with encasements or carrier pipes to mitigate conflicts.

Funding for this amendment would come from the Resiliency (Fund 304) fund balance, which has a current available balance of \$50.3 million. If this budget amendment is approved, the available balance would decrease to \$46.8 million. As discussed at previous FERC meetings, there is a planned use of \$15.0 million of these funds for the North & South West Ave. Ph II Improvements projects and \$5,000,000 for the First Street project. If those funds are set aside, the remaining available balance in this fund would be \$26.8 million. In addition, it is estimated that \$11 million in FY 2022 revenues will be added to this fund balance next fiscal year, which would result in an overall available balance of \$37.8 million.

Prior Years' Appropriations	\$ 5,460,190.00
May 12, 2021 Budget Amendment	3,500,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 8,960,190.00</b>

## **REVISED GENERAL OBLIGATION (G.O.) BOND IMPLEMENTATION PLAN**

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; and
- Improve the City's neighborhoods and infrastructure, including stormwater and flooding mitigation projects, sidewalk and street renovation and repairs, protected bicycle lanes, pedestrian paths, landscaping, and lighting.

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 \$19,760,000.00.

Interest rates are currently at historic lows, which provides a unique opportunity for the City to revise the implementation plan to move up funding for many projects. For example, the original interest rates used during community outreach for the G.O. Bond were 4.25%. The actual interest rates for Tranche 1 were lower at 3.5%, and our best estimate regarding rates for Tranche 2 is currently about 1.7%. The revised G.O. Bond implementation plan is estimated to save \$21.2 million in debt service savings over the life of the bonds compared to the originally estimated debt service costs in 2018. The Administration has developed a revised G.O. Bond Implementation Plan that, in summary, proposes the following:

- Consolidation of the number of tranches taking advantage of lower borrowing costs than originally projected (3 four-year tranches instead of 4 three-year tranches);

- Setting of a new prioritization of projects, allowing the advancement of certain projects that were proposed to commence in future tranches; and
- Realignment of 14 tranche 1 projects based on current cashflow projections.

At the April 21, 2021 City Commission meeting, the Commission approved the revised General Obligation Bond Implementation Plan. This proposed budget amendment would effect these changes through the re-alignment of \$10,540,000.00 in funding of tranche 1 projects, as outlined below. It is important to note that the total original budget for each project will remain the same over the life of the G.O. Bond program. This revised plan only adjusts the timing of funding for the affected projects.

- 3. Scott Rakow Youth Center:** This project will improve structural elements of the youth center facilities to include: a full roof replacement; pool area renovations; new basketball court flooring; and high impact windows. The project also includes an emergency generator, a new HVAC system, and more security cameras. This amendment moves up \$640,000 of funding for basketball flooring, gymnastic flooring, flooring at the ice rink, and outdoor patio flooring that was originally scheduled for Tranche 2.

Funding for this proposed amendment, in the amount of \$640,000.00 would come from funds previously appropriated through the 2019 GO Bonds – Parks (Fund 391) to the North Shore Park and Youth Center project.

Prior Years' Appropriations	\$ 4,448,000.00
May 12, 2021 Budget Amendment	640,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 5,088,000.00</b>

- 4. Ocean Drive Corridor:** This project involves the reconstruction of Ocean Drive (5<sup>th</sup> Street to 15<sup>th</sup> Street) by eliminating vehicular traffic with a full street redesign; removing existing sidewalks and curbs; raising asphalt roadways; installing a new drainage system; modifying traffic signals; redoing the landscaping; and converting roadways into decorative and ADA-accessible, pedestrian-only paver pathways. This amendment moves up \$2,000,000 of funding for design of the project that was originally scheduled for Tranche 2.

Funding for this proposed amendment, in the amount of \$2,000,000.00 would come from funds previously appropriated through the 2019 GO Bonds – Infrastructure (Fund 393) to the Seawall and Living Shorelines project.

Prior Years' Appropriations	\$ 0.00
May 12, 2021 Budget Amendment	2,000,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 2,000,000.00</b>

- 5. Washington Avenue Corridor:** This project involves the revitalization of the Washington Avenue Corridor by working with the Washington Avenue Business Improvement District to upgrade landscapes and streetscapes in the district. This will increase pedestrian friendliness with aesthetic enhancements, creative placemaking, and open space for community programming. This amendment moves up \$1,000,000 of funding for design of the project that was originally scheduled for Tranche 2.

Funding for this proposed amendment, in the amount of \$1,000,000 would come from funds previously appropriated through the 2019 GO Bonds – Infrastructure (Fund 393) to the Seawall and Living Shorelines project.

Prior Years' Appropriations	\$ 0.00
May 12, 2021 Budget Amendment	1,000,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 1,000,000.00</b>

- 6. Sidewalk Improvements Program:** This project will renovate 25% of the city's sidewalks by replacing cracked and faulty sidewalk surfaces in areas citywide. This amendment moves up \$1,700,000 of funding that was originally scheduled for Tranche 2.

Funding for this proposed amendment, in the amount of \$1,700,000.00 would come from funds previously appropriated through the 2019 GO Bonds – Infrastructure (Fund 393) to the Street Pavement Program project.

Prior Years' Appropriations	\$ 3,500,000.00
May 12, 2021 Budget Amendment	1,700,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 5,200,000.00</b>

- 7. Ocean Rescue North Beach Facility:** This project will replace existing double-wide trailers and provide a permanent facility within North Beach Oceanside Park to serve as the Ocean Rescue sub-station for North Beach. This amendment moves up \$1,000,000 of funding for design of the project that was originally scheduled for Tranche 4.

Funding for this proposed amendment, in the amount of \$1,000,000.00 would come from funds previously appropriated through the 2019 GO Bonds – Public Safety (Fund 392) to the Fire Station #1 project.

Prior Years' Appropriations	\$ 0.00
May 12, 2021 Budget Amendment	1,000,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 1,000,000.00</b>

- 8. Police Headquarters Facility:** This project includes the renovation of the Police Headquarter facilities by upgrading the fire alarm, sprinkler, and HVAC systems; installing building generators; and improving police officer training and certification programs with the installation of a new practice shooting range. This amendment moves up \$1,500,000 of funding for miscellaneous elements that were originally scheduled for Tranche 3.

Funding for this proposed amendment, in the amount of \$1,500,000.00 would come from funds previously appropriated through the 2019 GO Bonds – Public Safety (Fund 392) to the Street Lighting Improvement project.

Prior Years' Appropriations	\$ 4,000,000.00
May 12, 2021 Budget Amendment	1,500,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 5,500,000.00</b>

- 9. LED Lighting in the Parks:** This project includes upgrading sports and pathway lighting, in Flamingo, North Shore, Normandy Isle, Tatum, Stillwater, and Crespi Parks, to a modern LED technology system that illuminates outdoor areas while also saving energy. This amendment moves up \$2,700,000 of funding to move up the Flamingo Park lighting project that was originally scheduled for Tranche 2.

Funding for this proposed amendment, in the amount of \$2,700,000.00 would come from funds previously appropriated through the 2019 GO Bonds – Public Safety (Fund 392) to the following projects:

- Fire Station #1 (\$2,000,000.00)
- Marine Patrol Fire/Police Facility (\$700,000.00)

Prior Years' Appropriations	\$ 1,041,000.00
May 12, 2021 Budget Amendment	2,700,000.00
<b>Proposed Total Appropriations</b>	<b>\$ 3,741,000.00</b>

## **CONCLUSION**

The Administration recommends that the Mayor and City Commission adopt the Fourth Amendment to the FY 2021 Capital Budget.

ATH/JW/TOS