

COMMITTEE MEMORANDUM

TO: Members of the Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager

DATE: June 11, 2021

SUBJECT: **DISCUSS APPROPRIATING \$2 MILLION FOR THE ADAPTIVE FITNESS AND RECREATION CENTER OR OTHER CITY PROJECTS**

BACKGROUND/HISTORY

This item was referred to the Finance & Economic Resiliency Committee (FERC) at the May 12, 2021 City Commission meeting by Commissioner Arriola. The purpose of the referral is to consider appropriating \$2 million for the Adaptive Fitness and Recreation Center that will serve as a first-class accessible amenity for people from our community with disabilities.

ANALYSIS

Project Timeline

On October 31, 2017, the City Commission adopted Resolution No. 2017-30082, approving a Management Agreement with the Sabrina Cohen Foundation, for the Foundation to raise the funds and be responsible for all of the expenses related to the City's design, development, and construction of an Adaptive Recreation Center to be located within a portion of the City's P72 surface parking lot at 53rd Street and Collins Avenue. The Agreement provides that the City would be the owner of the Center, which would be used for the primary purpose of providing the general public and, specifically persons living with physical and cognitive disabilities with an accessible access point to the beach and related beach programming.

On July 2, 2018, pursuant to the Agreement's terms, the City Commission adopted Resolution No. 2018-30377 approving the Foundation's proposed Concept Plan for the Center.

On January 16, 2019, the City Commission approved Amendment No. 1 via Resolution No. 2019-30671 updating certain technical references, consistent with the Concept Plan approved by the City Commission on July 2, 2018 and applicable provisions of the City Code.

On July 31, 2019, the City Commission approved Amendment No. 2 via Resolution No. 2019-30922 extending the fundraising schedule and deadlines in the Agreement by 12 months in order to provide the Foundation with additional time to raise donations for the design and construction of the Adaptive Recreation Center. The Agreement was amended as follows:

- 25% of project costs raised (in cash, donation pledges and grant commitments) within 24 months following the City Commission's approval of the Concept Plan (July 2, 2020);
- 50% of project costs raised (in cash, donation pledges and grant commitments) within 36 months following the City Commission's approval of the Concept Plan;
- 100% of project costs raised (in cash, donation pledges and grant commitments) within 48 months following the City Commission's approval of the Concept Plan

Due to the COVID-19 emergency, the Foundation was entitled to an extension to their fundraising schedule and deadline, which is set to expire in September 2021. A separate item on this FERC agenda addresses a potential extension to the fundraising schedule and deadline.

Project Costs

The project includes a new 3 story wellness center that will house an adaptive gym, rooftop pool, robotics lab, locker rooms, and storage space for the Beach Days program. Planned services include a resource library, yoga and meditation classes and various therapy forms (water, art, dance, music). The cost of the project is currently estimated at \$15 to \$20 million to be funded entirely by private donations.

In April 2021, a new beachfront observation deck and park designed to be accessible for people with disabilities was funded for \$577,000 in Miami-Dade County general obligation bond. This project is separate from the Adaptive Recreation Center and not included in the management agreement. The City will be meeting with the Foundation to further understand the scope of work for the beachfront observation deck and park to develop the total project budget.

Ocean Terrace Settlement Agreement

A settlement agreement between Ocean Terrace Holding and its related entities (Ocean Terrace) and the City was approved by the City Commission on April 21, 2021. As part of the settlement agreement, Ocean Terrace will make a \$3 million contribution to the City on the following terms:

- The first payment of \$1,000,000 shall occur within 10 days of the execution of the Settlement Agreement (this amount has been received);
- The second payment of \$1,000,000 shall occur on or before September 1, 2021; and
- The third payment of \$1,000,000 shall be contributed towards the construction of the 72nd Street Community Complex and paid on the earlier of the execution of the design-build agreement for the 72nd Street Community Complex, or April 1, 2022. In the event the City does not proceed with the 72nd Street Community Complex on or before January 1, 2024, the City will have the sole discretion to use the \$1,000,000 for another project in North Beach.

Of the total \$3 million contribution to the City, \$1 million is earmarked for the 72nd Street Community Complex and \$400,000 is needed to cover the legal fees for the settlement agreement, leaving a total of \$1.6 million that is uncommitted and available to fund a capital project.

Funding Needs

The City has several capital projects that are experiencing high cost inflation due to COVID-19's impact on the global supply chains. This impact is in addition to normal cost impacts from scope changes, cost inflation, permitting delays, competition with private sector construction, etc. The following are various capital projects with funding that currently have projected funding gaps:

- 72nd Street Community Complex: >\$20 million
- Bayshore Park (Par 3): \$6 to 7 million
- Fire Station #1: \$6 to \$10 million
- Maurice Gibb Park: \$500K to \$1 million
- North Beach Oceanside Park: \$2 million
- West Avenue: \$15 million
- First Street: \$20 million

In addition, there are several projects that are currently unfunded:

- Collins Park Cultural Facility
- Byron Carlyle
- Barclay
- Old Fire Station #1
- Fillmore Theater
- Tight Urbanism

CONCLUSION

The City has several capital projects with significant funding gaps as well as other projects that are currently unfunded. The Administration recommends that the City Commission holistically evaluate all of the City's capital project funding needs as part of the FY 2022 Budget process before committing to allocating the \$1.6 million available from the Ocean Terrace settlement agreement to any capital project.