



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

COMMITTEE MEMORANDUM

TO: Honorable Chair and Members of the Public Safety and
Neighborhood Quality of Life Committee

FROM: Alina T. Hudak, City Manager

DATE: June 15, 2022

**SUBJECT: A DISCUSSION REGARDING RAINBOW DAYCARE
POTENTIAL LOCATION**

BACKGROUND

The South Shore Community Center (SSCC), located at 833 6th Street, is the designated site of a General Obligation Bond (GOB) funded project, slated for Tranche 2 of GOB improvements. SSCC is occupied by three tenants: 1) LHANC Rainbow Intergenerational Childcare Center (Daycare); 2) South Florida Seniors in Action, Inc.; and 3) Miami-Dade County Community Action Agency, whose leases were extended on a month-to-month basis pursuant to Resolution No. 2021-31928 and No. 2022-3197, respectively. The leases have been extended through December 31, 2022, to provide the City additional time to identify suitable relocation options for the tenants.

In anticipation of the project's implementation, the City pursued several options to meet the physical and programmatic requirements of the Daycare currently serving 75 children. The City identified an adequate site directly across the street from SSCC, on a retail space located at 555 Jefferson Avenue (the "Property") owned by Estefan Enterprises, Inc. (Landlord). Subsequently, the City negotiated the terms with the Landlord. Accordingly, on December 8, 2021, pursuant to Resolution No. 2021-31953, the Mayor and City Commission approved and authorized the City Manager to negotiate a new lease agreement with Estefan Enterprises, Inc. based upon the mutually agreed upon terms. In consideration of the anticipated expense, the City allocated \$1.6M to cover the annual lease and any improvements to the space required for the Daycare.

However, on December 28, 2021, Estefan Enterprises, Inc. communicated to the City a desire to revise the terms on the contemplated lease. Negotiations were terminated and additional options to relocate the Daycare have since been explored.

At the April 6, 2022, City Commission Meeting, Vice-Mayor Kristen Rosen Gonzalez submitted Item R9-K to "*Discuss Rainbow Daycare Negotiations*". The item was referred by acclamation to the Public Safety and Neighborhood Quality of Life Committee for further discussion.

Vice-Mayor Rosen Gonzalez posed the following questions to the Administration in considering options other than the 555 Jefferson Property:

- *Are any sites available on Miami-Dade County Public School (MDCPS) properties?*
- *Should the City explore renovating the current Fire Station at 1045 Jefferson now to prepare for daycare?*
- *Do any MB parks have space for daycare?*
- *What are the costs of other nearby private properties?*
- *Could the Housing Authority contribute money? Do they have any spaces in their buildings or on their properties?*
- *Maybe find some space at the garage on Alton and 5th?*

ANALYSIS

The City has continued to pursue relocation options. This includes leasing temporary trailers at Flamingo Park to accommodate the Daycare. The projected expense for this arrangement is approximately \$1.8M as detailed in Exhibit A. The City had previously earmarked \$1.6M for the former location which accounted for any improvements, the annual lease, and operating expenses. The City continues to review opportunities for a permanent location for the Daycare including the Police Athletic League (PAL), which is currently being investigated. As such, the Administration continued to search for suitable locations through CBRE commercial brokerage firm, as well as several in-house searches by the Asset Management Division through Co-Star (a commercial property search platform), which have resulted with no viable locations.

There are several components a property must provide to be acceptable to house a daycare; and one that caters to children under the age of five (5). Among the requirements, the property must include at minimum: (i) must be a one-story only facility; (ii) 7,000+ square feet (building area); (iii) ample room for a play area; (iv) accessible parking and drop-off / pick-up points; and (v) a location between 6th Street and 21st Street.

Accordingly, the viability of the options presented to the Administration were limited. The Miami Dade County Public Schools which qualify to house a daycare already have one in place. The Housing Authority of the City of Miami Beach has advised that they do not have any possible locations/space or funding to house the Daycare. Lastly, the request of finding space in 5th and Alton is not an option, because (i) this is a privately-owned building and the City has no jurisdiction in enforcing its tenancy; and (ii) there is no space to meet the minimum Daycare requirements.

CONCLUSION

The City has continued to pursue relocation options for LHANC Rainbow Intergenerational Childcare Center, South Florida Seniors in Action, Inc., and Miami-Dade County Community Action Agency. Currently, the Administration recommends purchasing and installing temporary trailers at Flamingo Park to accommodate the Daycare. The projected expense for the trailers is approximately \$1.8M as detailed in Exhibit A. The City had already earmarked \$1.6M for the former location option. The relocation to trailers on a temporary basis until the long-term solution is completed as part of the Police Athletic League (PAL) facility would result in an annual net savings of \$200,000 after the initial year. Additionally, purchasing and not leasing the trailers is preferred and recommended because the City will be able to use the trailers to replace existing trailers that are nearing their end-of-life period. The procured trailers have a life expectancy of five to ten years. The trailers would be housed at Flamingo Park temporarily only; they will then be reassigned and relocated for other needs. The Administration is recommending the Budget Amendment for the trailer purchases as required.

Exhibits:

A - Trailer Proposal

B - Flamingo Park Trailer Location