MIAMIBEACH

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

COMMISSION MEMORANDUM

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: September 14, 2022

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE TENTATIVE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS (FY) 2023 - 2027 AND ADOPTING THE CITY OF MIAMI BEACH TENTATIVE CAPITAL BUDGET FOR FISCAL YEAR 2023, SUBJECT TO A SECOND PUBLIC HEARING SCHEDULED ON WEDNESDAY, SEPTEMBER 28, 2022 AT 5:03 P.M.**

STRATEGIC PLAN SUPPORTED

Organizational Innovation – Ensure strong fiscal stewardship

ADMINISTRATION RECOMMENDATION

Adopt the Resolution adopting the Tentative Capital Improvement Plan (CIP) for FY 2023 – 2027 and adopting the Tentative Capital Budget for FY 2023.

BACKGROUND

The City's annual Capital Budget contains capital project commitments appropriated for Fiscal Year 2023. Preparation of the Capital Budget occurred simultaneously with the development of the FY 2023 – 2027 Capital Improvement Plan (CIP) and FY 2023 Operating Budget. The Capital Budget represents the project budgets for both current and new capital projects necessary to improve, enhance, and maintain public facilities and infrastructure to meet the service demands of residents and visitors to the City of Miami Beach. Capital reserves, debt service payments, and capital purchases found in the Operating Budget are not included in this budget. The Capital Budget for FY 2023 appropriates funding for projects that will require commitment of funds during the fiscal year.

The Capital Improvement Plan is a financing and construction/acquisition plan for projects that require significant capital investment. The CIP, which is updated annually and submitted to the City Commission for adoption, specifies and describes the City's capital project schedules and priorities for the five years immediately following the Commission's adoption. In addition, the first year of the plan outlines the funding to be appropriated in the annual Capital Budget.

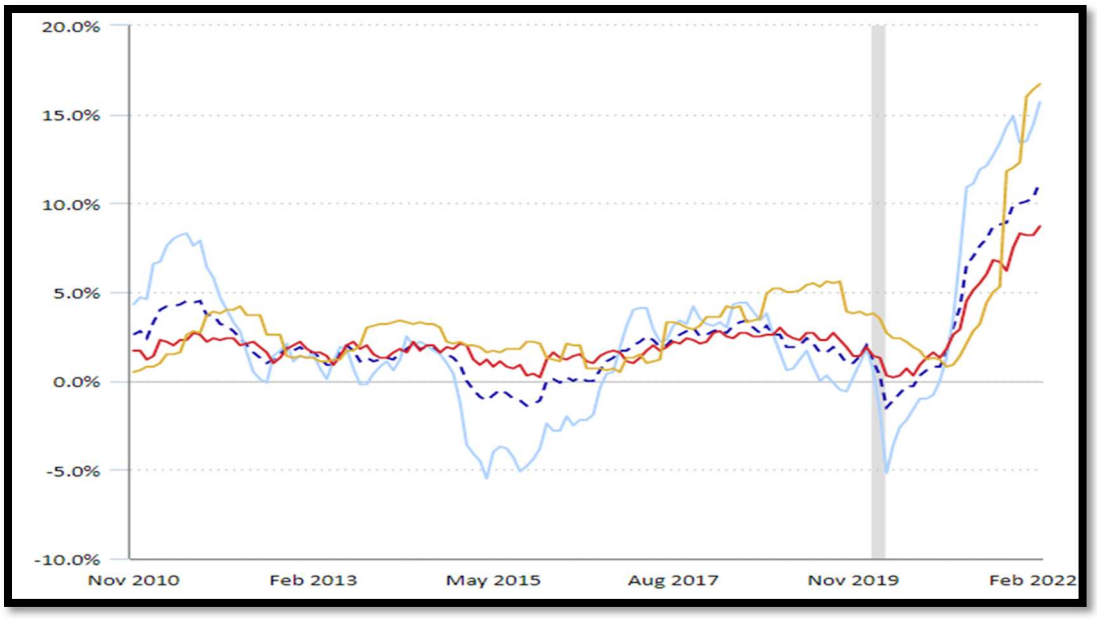
This document is an official statement of public policy regarding long-range physical development in the City of Miami Beach. The FY 2023 – 2027 CIP of the City of Miami Beach is a five-year plan of public improvements and capital expenditures adopted by the City. A capital improvement is defined as a capital or "in-kind" expenditure of $25,000 or more, resulting in the acquisition, improvement, or addition to fixed assets in the form of land, buildings, or improvements more-or-less permanent in character and durable equipment with a life expectancy of at least five years.

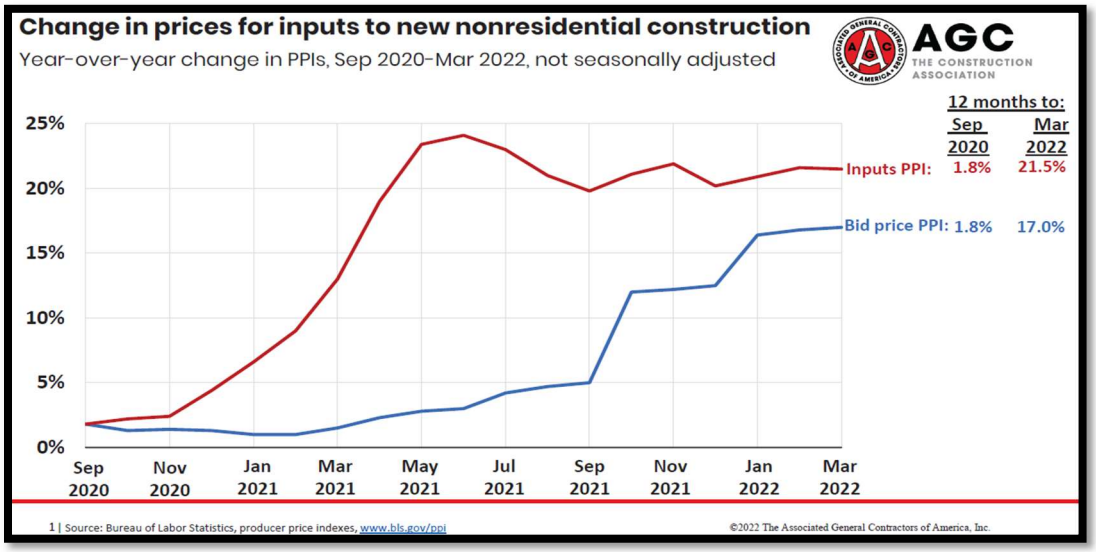
The FY 2023 – 2027 CIP for the City of Miami Beach is a five-year plan of public improvements and capital expenditures, proposed to be adopted by the City totaling $868.3 million, of which $68.7 million is proposed to be appropriated in FY 2023. The total for all projects included in the comprehensive capital plan is $3.8 billion, which also includes $1.7 billion in appropriations for ongoing projects through FY 2022 and $1.2 billion in unfunded/programmed needs beyond FY 2027.

Projects will address many needs across different areas of the City including neighborhood enhancements such as landscaping and sidewalk restoration; traffic calming; roadway and bridge resurfacing and reconstruction; water, sewer, and drainage system improvements; park construction, renovations, and upgrades; renovation of seawalls; parking lot and garage renovations; and construction/renovations of public facilities. A detailed listing of all capital projects is provided in the Proposed FY 2023 – 2027 Capital Improvement Plan & FY 2023 Capital Budget document. The Capital Budget for FY 2023 will be appropriated on October 1, 2022.

CAPITAL COST INCREASES & CAPITAL PROJECT GAPS

COVID-19 has disrupted global supply chains, resulting in a spike in prices, which is dramatically impacting the City's capital project costs. As a result, contractors have been forced to build high contingencies into their costs estimates to compensate for the fluctuations in pricing of commodities, labor, transportation, fuel, etc. and have been unable to commit to project delivery schedules. Coupled with these realities, there is uncertainty regarding how long the impact of this disruption will last. The charts below outline a 12-month percent change in Producer Price Indexes and changes in prices for inputs to new nonresidential construction.





In addition, various cost impacts from project scope changes, normal cost inflation, permitting delays, and competition with private sector construction are also impacting the cost of the several of the City's capital projects. These conditions have resulted in potential funding gaps in many of the City's existing projects noted below, as discussed in the FY 2023 budget process.

G.O. Bond projects

- 72nd Street Complex - pending contract negotiations
- Maurice Gibb Park – estimated at $5.0 million – bids due in September
- Fire Station #1 – estimated at $4.8 million with an additional $1.8 million needed to relocate childcare facility
- North Beach Ocean Rescue Facility - pending negotiations with the Miami Dade County regarding scope change
- Bayshore Park (Par 3) - estimated at $7.0 million – bids due in October
- Marine Patrol - $3.4 million; scope changed from renovation to new construction
- Police Headquarters - $3.0 million (after transferring savings from other Public Safety GO Bond Projects) – bids due in October
- Skate Park - $1.4 million: scope change for restrooms and lighting – estimated award in July 2023

Other

- Pine Tree Traffic Circle – estimated at $4.3 million, pending negotiations with Miami Dade County regarding scope changes from resident input
- Collins Park Rotunda - $1.2 million; scope change to include external panel rehabilitation
- Palm & Hibiscus Pump Station Driveways & Landscaping - $600,000; added scope for maintenance driveways
- North Shore Park Youth Center Restrooms - $312,000

APPROACH TO ADDRESS CAPITAL PROJECT GAPS

In response, during this year's budget process, the Administration's approach is to fund only critical renewal and replacement projects, as recommended by the Facilities and Fleet

department, and to delay funding many new projects, in an attempt to set aside funding to close the gaps on key existing projects.

The primary strategy is to:

- Fund only high priority projects in Capital Renewal & Replacement (CRR) and Pay-As-You-Go (PAYGO)
- Avoid funding new projects in governmental funds
- Set aside most of the Quality of Life (QOL) funds to close project gaps
- Hold remaining Resiliency funding until funding for the West Avenue project is resolved
- Fund special revenue fund projects, based on need and funding availability (i.e., Parking, Transportation, Convention Center, Water & Sewer, and Storm Water)

The following strategies outline further funding opportunities, which provide additional options to close these gaps.

FY 2022 Projected General Fund and Resort Tax Fund Reserves - $15.0 million

In the second quarter projections for FY 2022, which were provided in a Letter to Commission (LTC# 210-2022) dated May 26, 2022, the Administration recommended that the projected General Fund year-end surplus of $13.5 million be set aside and/or allocated for the following:

1) $5.9 million to reach the General Fund Reserve policy target amount of 3 months, or 25%, adopted by Resolution No. 2019-30954
2) $7.6 million to fund anticipated Capital Project gaps; $3.0 million of which is recommended to be used to fund urgent capital needs in FY 2023.

General Fund	$
Q2 Projected Reserve	$96.1M
General Fund Reserve Policy (3 months)	$88.5M
Above/(Below) Policy Goal	**$7.6M**

Similarly, the Administration recommends that the projected Resort Tax year-end surplus of $15.3 million be set aside and/or allocated for the following:

1) $3.2 million for FY 2023 Spring Break Programming, which will be discussed more in detail during the development of the FY 2023 budget
2) $5.5 million to reach the Resort Tax Reserve policy target amount of 6 months, or 50%, adopted by Resolution No. 2019-30664
3) $6.6 million to fund anticipated Capital Project gaps

In addition, based on Resort Tax revenues collected subsequent to completion of the second quarter analysis, the projected Resort Tax year-end surplus has increased by $3.8 million. The Administration recommends adding this amount to the set-aside for capital projects.

Resort Tax Fund	$
Q2 Projected Reserve	$38.4M
Additional Revenue Since Q2 (April & May)	$3.8M
2% Resort Tax Reserve Policy (6 months)	$28.6M
Spring Break Programming – Set Aside	($3.2M)
Above/(Below) Policy Goal	**$10.4M**

Unallocated Quality of Life Funds (Tourism related) - $6.3 million

Based on the projects recommended to be funded using the Quality of Life funds, the remaining unallocated amounts total $6.3 million.

- North Beach - $2.5 million
- Mid Beach - $1.4 million
- South Beach - $2.4 million

At the July 22, 2022 Finance and Economic Resiliency Committee (FERC) Budget Briefing, the Committee approved the use of these funds to close the budget gaps for the Marine Patrol Facility and the Collins Park Cultural Facility projects.

Funds Set Aside for Funding Gaps	$
Resort Tax Fund Excess Reserves	$10.4M
General Fund Excess Reserves	$7.6M
Unallocated Quality of Life Funds	$6.3M
Citywide Bridges Project	($3.0M)
Seagull Hotel Street Vacation	$4.0M
Available Fund	**$25.3M**
Marine Patrol Facility	($3.4M)
Collins Park Arts Force Housing	($2.9M)
Remaining Available for Funding Gaps	**$19.0M**

Other

Other potential funding opportunities include:

- Lincoln Lane Class A Office Space - **$4.5 million** (timing varies)
- Current NB Library Site: **TBD** pending RFP (subject to referendum)
- Transportation Capital Initiative Project - **$36.1 million;** currently earmarked for transportation initiatives

The administration will continue to evaluate project funding needs, as bids are received, and make funding recommendations to the City Commission throughout the upcoming months.

FUNDING RECOMMENDATIONS

Attachment A, provided for your review, includes an overview of available funding by source, as well as funding requests for new and existing projects. The funding recommendations in the proposed FY 2023 Capital Budget are primarily based on critical capital renewal and replacement needs.

It is important to note that the five-year capital improvement plan detailed in Attachment A includes the City's known capital needs for the next five years. The plan has been balanced based on projected available dollars and the annual funding priorities. Projects that are unable to be funded in the year requested are re-prioritized to future years, or to the future/unfunded column.

The table below summarizes the unfunded needs included in the City's total Capital Improvement Plan, for a total of $1.6 billion:

Unfunded Needs – Total CIP	$
Renewal & Replacement	12M
Pay-As-You-Go	140M
Transportation	86M
Parking	6M
Water & Sewer	605M
Stormwater	740M
Other	9M
Total	**$1,598M**

OVERVIEW OF THE FY 2023 – FY 2027 FIVE-YEAR CAPITAL IMPROVEMENT PLAN

The FY 2023 – FY 2027 CIP for the City of Miami Beach is a five-year plan of public improvements and capital expenditures proposed by the City. This document is an official statement of public policy regarding long-range physical development in the City of Miami Beach. The CIP has been updated to include projects that will be active during FY 2023 through FY 2027.

The CIP has also been updated to include additional funding sources that have become available, changes in project timing, and other adjustments to ongoing projects as they have become better defined, including projects that have been reconfigured, re-titled, combined with or separated from other projects and/or project groupings. These adjustments have no fiscal or cash impact and are as a result of a comprehensive review of the program to ensure that our plan accurately reflects all project budgets, funding sources, and commitments.

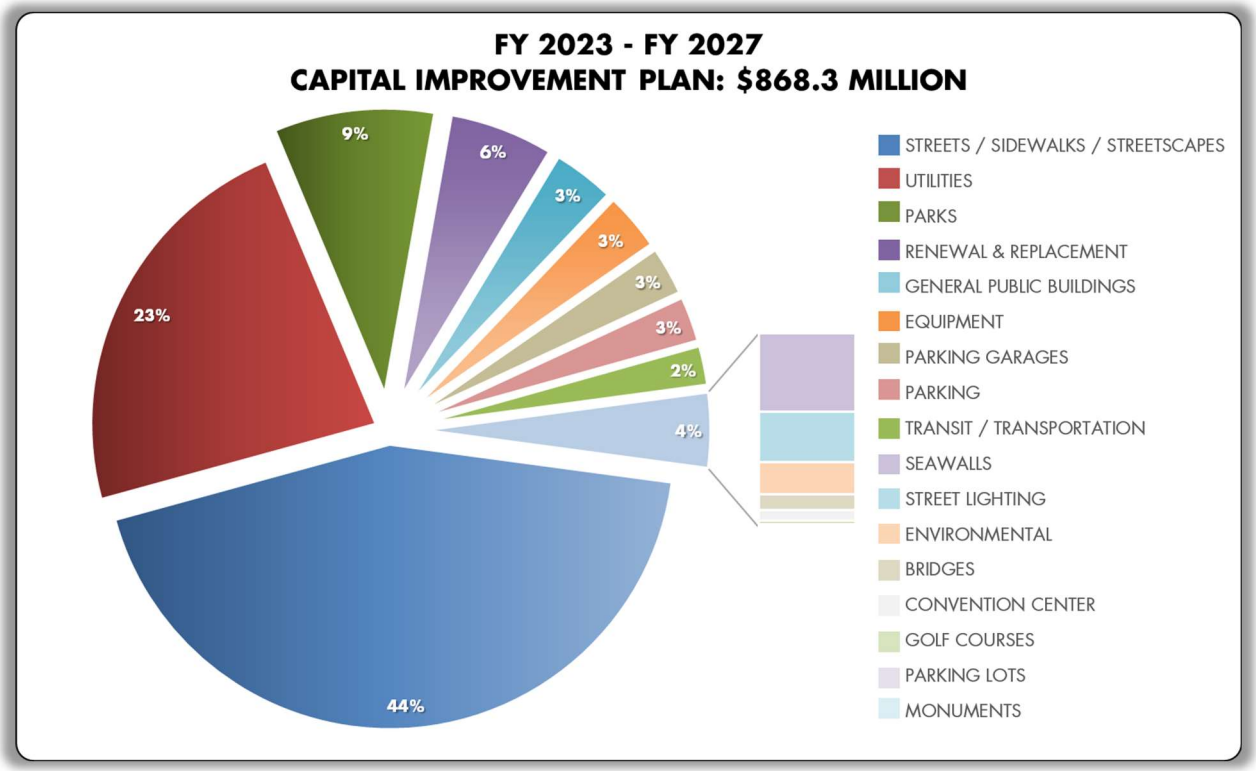
The plan also contains information on appropriations prior to FY 2023 for ongoing/active projects, as well as potential future appropriations beyond FY 2027. In conjunction with the development of the FY 2023 Capital Budget and FY 2023 – FY 2027 CIP, the City began to develop a list of

potential projects that may be funded in the future, including projects that have been approved as part of a plan, but not yet sequenced or approved for funding.

The following table shows a summary of the Five-Year CIP by program area, as well as prior year funding for ongoing projects and funding requirements for desired projects with no anticipated funding for the FY 2023 Capital Budget and the FY 2023 – FY 2027 CIP, and beyond.

PROGRAM	PRIOR YEARS	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FUTURE	TOTAL
ART IN PUBLIC PLACES	9,021,131	-	-	-	-	-	-	9,021,131
BRIDGES	11,086,204	3,000,000	-	-	-	-	8,800,000	22,886,204
COMMUNITY CENTER	2,500,000	-	-	-	-	-	-	2,500,000
CONVENTION CENTER	656,246,548	1,998,000	-	-	-	-	-	658,244,548
ENVIRONMENTAL	5,010,000	227,000	6,000,000	-	-	-	3,650,000	14,887,000
EQUIPMENT	36,128,785	7,454,893	8,448,000	5,579,000	5,446,000	1,358,000	1,037,000	65,451,678
GENERAL PUBLIC BUILDINGS	14,978,322	6,706,000	22,700,000	666,000	-	-	9,260,000	54,310,322
GOLF COURSES	11,477,190	211,000	360,000	162,000	-	-	6,316,000	18,526,190
MONUMENTS	701,245	-	-	-	-	-	1,618,000	2,319,245
PARKING	250,000	2,507,405	-	3,748,203	7,301,699	8,612,401	-	22,419,708
PARKING GARAGES	65,855,793	19,128,262	1,786,108	1,604,300	849,500	315,720	6,971,400	96,511,083
PARKING LOTS	5,040,142	150,000	150,000	150,000	-	-	-	5,490,142
PARKS	146,920,016	54,039	73,813,960	2,901,159	1,629,845	560,377	25,597,929	251,477,325
RENEWAL & REPLACEMENT	30,978,450	9,357,224	20,769,798	5,398,214	6,265,549	9,032,848	43,284,668	125,086,751
SEAWALLS	35,230,003	-	5,000,000	-	-	10,000,000	10,000,000	60,230,003
STREETS / SIDEWALKS / STREETSCAPES	468,045,727	2,947,488	84,542,613	64,934,865	78,832,252	147,460,000	669,057,684	1,515,820,629
STREET LIGHTING	8,224,604	-	7,529,000	800,000	903,233	296,767	50,000,000	67,753,604
TRANSIT / TRANSPORTATION	74,894,992	4,221,743	6,434,229	7,914,402	600,378	53,869	86,299,712	180,419,325
UTILITIES	165,654,782	10,751,766	84,807,367	55,908,911	26,610,049	21,371,087	278,780,107	643,884,069
GRAND TOTAL	**1,748,243,934**	**68,714,820**	**322,341,075**	**149,767,054**	**128,438,505**	**199,061,069**	**1,200,672,500**	**3,817,238,957**
							FY 2023-2027	**868,322,523**

The graph which follows shows the major project types with funding proposed and programmed in the FY 2023 – FY 2027 CIP. The largest proposed and programmed investments are in the street/sidewalks/streetscapes (44%), utilities (23%), and parks (9%).



OVERVIEW OF THE FY 2023 CAPITAL BUDGET (ONE-YEAR CAPITAL BUDGET)

At the July 15, 2022 Finance and Economic Resiliency Committee (FERC) Budget Briefing, the Mayor and City Commission were briefed regarding the preliminary list of unfunded projects, which were being requested, including projects that the Administration proposed for funding subject to the availability of funds. A summary of projects recommended for funding in the FY 2023 Capital Budget, based on direction given by the Finance and Economic Resiliency Committee on July 15, 2022, and July 22, 2022, is presented below (sorted by funding source):

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

The proposed dedicated millage of 0.0499 mills is comprised of the prior year's millage rate of 0.0235 mills, plus a 0.0264 mill increase, based on the realignment of a portion of the debt service millage reduction approved at the July 20, 2022 Commission meeting. The proposed millage rate is estimated to generate $1.9 million for the General Fund Capital Renewal and Replacement Fund based on a 11.2 percent increase in property values. This reflects a $1.1 million increase in CRR dollars available for capital projects over last year.

The proposed General Fund Renewal and Replacement projects for FY 2023 are listed below in priority order and are recommended by Staff for funding. The remaining project requests are lower priority or are beyond the funding capacity at this time:

- Scott Rakow Youth Center - Structural Repairs - $312,000
- North Shore Community Center Window & Door Replacement - (25% Grant Match) - $140,000
- Fire Station 3 - HVAC Renewal - $92,000
- MBFD Stations Security Upgrades - $126,000
- Boys & Girls Club Security Enclosure - $27,000
- Fire Station 2 - Elevator Control Panel Replacement - $57,000
- North End Sub Station (NESS) Fire Alarm Panel Renewal - $61,000
- Fire Station 4 - Fire Alarm Renewal - $98,000
- Historic City Hall Renovations - $1,000,000

Quality of Life Funds

Based on the projected FY 2023 Resort Tax revenues, it is estimated that the dollars available to each of these funds will increase over last year as outlined below.

	FY 2022 * Budget	FY 2023 Budget	Variance	% Variance
North Beach Quality of Life	1,218,500	1,737,000	518,500	43%
Mid Beach Quality of Life	1,218,500	1,737,000	518,500	43%
South Beach Quality of Life	1,218,500	1,737,000	518,500	43%

**In light of the uncertainty surrounding the City's financial recovery from the COVID-19 pandemic, FY 2022 revenues were budgeted conservatively.*

For FY 2023, the proposed capital projects recommended for funding are listed below.

North Beach Quality of Life (Fund 307)

- Normandy Shores Golf Club-Clubhouse Roof - $184,000

Mid Beach Quality of Life (Fund 306)

- Indian Creek Landscape and Irrigation - $1,084,000

South Beach Quality of Life (Fund 305)

- Bass Museum Fire Alarm Replacement - $276,000
- Beach Showers at Lummus Park - $171,000
- Collins Park Workforce Housing - $2,414,551

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

PAYGO funds help ensure adequate on-going reinvestment in the City's capital plant and equipment assets. This funding can be used for any general government purpose and is the most flexible funding source in the Capital Budget. During the development of the FY 2019 budget, the Commission approved a dedicated millage rate for PAYGO funding. This dedicated millage allows for the growth of this fund over time, as property values increase. Last year, the millage rate of 0.0755 was estimated to generate $2,616,000. Funding levels have been as high as $7.5 million in the past.

The FY 2023 proposed dedicated millage of 0.1020 mills is comprised of the prior year's millage rate of 0.0755 mills, plus a 0.0265 mill increase, based on the realignment of a portion of the debt service millage reduction approved at the July 20, 2022 Commission meeting. The proposed millage rate is estimated to generate $4.0 million for the General Fund PAYGO Fund based on a 11.2 percent increase in property values. This reflects a $1.4 million increase in PAYGO dollars available for capital projects over last year.

In addition to the revenues generated by the dedicated millage for PAYGO projects, at its July 15, 2022 meeting, the FERC accepted the Administration's recommendation to transfer an additional $10,400,000 from the FY 2022 Resort Tax projected year-end surplus and $7.6 million from the General Fund projected year-end surplus to the PAYGO fund to help fund capital project gaps.

- MB Police Garage Concrete Spalling - $1,063,000
- MBPD Main Roof Repairs - $700,000
- Fire Station 3 - Roof Renewal - $228,000
- Greenspace Facility Renovation - $456,000
- Citywide Bridges - $3,000,000
- ADA Pool Lifts Citywide - $30,000
- Miami Beach Mooring Field - $227,000
- Marine Patrol Facility (Related to GO#54) - $3,400,000
- Historic City Hall - $1,000,000
- Collins Park Workforce Housing - $435,449

Transportation (Fund 106)

- Bicycle Lanes/Shared Use Path Improvements (Related to GO#43: Bike Lanes & Shared Use Path) (split-funded) - $700,000
- Indian Creek Dr Protected Bike Lane - $737,000

Resiliency (Fund 112)

- West Avenue Phase II - $(5,564,869) funding swap with no change to the total budget

7th Street Garage (Fund 142)

- 7th Street Garage-Stairwell Railing - $25,000
- 7th Street Garage-Traffic Coating - $150,000
- 7th Street Parking Garage Flood Panels Renewal - $160,000
- 7th Street Parking Garage Elevator Cabs & Controls - $336,000
- 7th Street Parking Garage Hose Bib Renewal - $43,000
- 7th Street Parking Garage Overhead Gate Renewal - $69,000
- 7th Street Parking Garage Joint Replacement Renewal - $171,000

Transportation Concurrency Mitigation (Fund 158)

- Orchard Park Traffic Calming - $1,474,000
- 10th Street Neighborhood Greenway - $233,000
- West Avenue Bicycle Lanes Phase II - $534,000
- South Pointe Drive Protected Bike Lanes - $161,000

RDA South Pointe Operations (Fund 167)

- South of Fifth Neighborhood Traffic Calming (split-funded) - $82,481

Local Option Gas Tax (Fund 171)

- Bicycle Lanes/Shared Use Path Improvements (Related to GO#43: Bike Lanes & Shared Use Path) (split-funded) - $845,000

People's Transportation Plan (Fund 187)

- Bicycle Lanes/Shared Use Path Improvements (Related to GO#43: Bike Lanes & Shared Use Path) (split-funded) - $90,000
- 51st Street Neighborhood Greenway -$160,000
- Meridian Avenue and Lincoln Lane North Pedestrian Flashing Beacons - $46,000
- Hawthorne Avenue Neighborhood Greenway - $157,000

Capital Projects not Financed by Bonds (Fund 301)

- 72nd Street Community Complex (Ocean Terrace funding) - $1,000,000
- Batting Cages at North Shore Park - $(187,000) transferred from remaining funds, as project has been completed, to help fill funding gap for the Skate Park
- CMB Skatepark (Related to GO #30 Skate Park) (split-funded) - $187,000

2015A RDA Bond Fund (Fund 309)

- Convention Center Park (Screen Enclosures) - $1,197,000
- MBCC Cooling Tower Overhaul - $300,000
- MBCC Renovation Punch List Items - $501,000

1999 GO Bond Fund (Fire Safety) (Fund 378)

- Fire Station 3 - Security System Card Access System Renewal- $43,000

South Pointe RDA Fund (Fund 379)

- South of Fifth Neighborhood Traffic Calming (split-funded) - $979,112

2001 Gulf Breeze Loan (Fund 381)

- Normandy Sores Golf Club Kitchen Floor Replacement - $27,000

2003 GO Bond (Fire Safety) (Fund 382)

- Fire Station 2 Administration Building-Exit Signs & Emergency Lights Replacement - $34,033

2003 GO Bond (Parks & Beaches) (Fund 383)

- Beach Walk Ponding at Entrance of 53rd Street (split-funded) - $54,039

South Pointe Capital (Fund 389)

- South of Fifth Neighborhood Traffic Calming (split-funded) - $31,150

2019 GO Bond Fund (Public Safety) (Fund 392)
Per LTC 158-2022, the GO Bond Oversight Committee unanimously passed a motion to transfer savings totaling $1,073,272 from various projects, listed below, to GO Bond project #48 Police Headquarters Facility

- GO#47: License Plate Readers - $(374,326)
- GO#53: Security for Public Spaces - $(84)
- GO#52: LED Lighting in Parks - $(692,081)
- GO#56: Cameras-Beachwalk - $(6,781)

Water & Sewer Operating & Capital (Fund 418)

- Sewer Pump Station Odor Control - $850,000
- Water & Wastewater Mains and Rehab (split-funded) - $6,382,000
- DERM & EPA Consent Decree - $2,800,000
- Public Works Warehouse & Shops LED Lights Retrofit - $74,000
- Public Works Yard Warehouse LED Lights Retrofit - $90,000
- Public Works Yard Exterior Lights Renewal - $112,000
- Public Works Yard Restroom Exhaust System Renewal - $26,000

Water & Sewer Bond, Impact Fees and 2006 Gulf Breeze Bond (Funds 419, 420, 422, 423, 424)

- Wastewater Manhole Rehabilitation (split-funded) - $581,339

The 2000 Water & Sewer Bond, 2010 Water & Sewer Bond and 2021 Water & Sewer Refunding Bond Funds each have remaining available balances. In order to utilize the remaining dollars within these funds, which are not currently designated for any specific use, it is recommended that the Mayor and City Commission approve the use of all remaining and future funds for the City's water and sewer needs.

Storm Water Bonds (Funds 428, 429, 431, 434)

- West Avenue Phase II - $5,564,869 funding swap with no change to total budget

The 2000 Storm Water Bond, 2011 Storm Water Bond, 2015 Storm Water Bond and 2017 Storm Water Bond Funds each have remaining available balances. In order to utilize the remaining dollars within these funds, which are not currently designated for any specific use, it is recommended that the Mayor and City Commission approve the use of all remaining and future funds for the City's storm water needs.

Sanitation Operating & Capital (Fund 435)

- Electro Wave Roof Repairs (split-funded) - $17,000
- Fleet / Sanitation Roof Drain, Internal Gutters & Soffit Repairs (split-funded) - $143,000
- 17th Street Garage Expansion & Upgrade of the Sanitation Restrooms - $536,000

Convention Center Renewal & Replacement (Fund 443)

- Convention Center 40 Year Recertification Repairs - $1,586,000
- Convention Center Exhibit Halls Fire Strobe - $300,000
- Additional Fire Pump Installation - $250,000
- Convention Center Additional Security Cameras - $350,000
- Convention Center Exhibit Hall Lights - $60,000
- Convention Center Electrical Switch Gear and Bus Duct Testing - $300,000
- Convention Center Cooling Tower Roof Replacement - $250,000
- Convention Center Vibration Isolators - $100,000

Anchor Garage (Fund 463)

- 16th Street Parking Garage Ventilation Fan Replacements in Mechanical Rooms - $52,000
- 16th Street Parking Garage Elevator Lobby Refurbishment - $37,000
- 16th Street Parking Garage Custodial & Storage Area Across from Office - $43,000
- 16th Street Garage Building Joint Replacement - $36,000
- 16th Street Garage Plumbing System Update - $75,000

Penn Garage Fund (Fund 467)

- Penn Garage-Fire Alarm System - $35,000
- Penn Garage-Fire Pump Replacement - $100,000
- Penn Garage-Fire Sprinkler Renewal - $300,000

Parking Bonds (Funds 481 and 486)

- 5th & Alton CCTV Upgrades (split-funded) - $54,405
- Sunset Harbour Garage Sprinkler (split-funded) - $172,234

The 1997 Parking Revenue Bond and 2010 Parking Revenue Bond Funds each have remaining available balances. In order to utilize the remaining dollars within these funds, which are not currently designated for any specific use, it is recommended that the Mayor and City Commission approve the use of all remaining and future funds for parking projects.

Parking Operating & Capital (Fund 490)

- 1755 Garage Fire Pump Replacement - $100,000
- Sunset Harbour Garage Fire Pump - $100,000
- Sunset Harbour Garage Sprinkler (split-funded) - $127,766
- 1755 Meridian Garage Fire Sprinkler - $300,000
- 12th Street Garage-Stairwell Door - $32,000
- 12th Street Garage-Stairwell Railing - $25,000
- 12th Street Overhead Gate Renewal - $62,000
- 17th Street Garage-Plumbing System Update - $75,000
- 42nd Street Garage-Plumbing System Update - $75,000
- Citywide Parking Lots Improvements - $150,000
- Sunset Harbour Garage-Traffic Coating - $303,000

- 5th & Alton Roof Deck Waterproofing - $920,000
- 5th & Alton CCTV Upgrades (split-funded) - $15,000
- 5th & Alton Elevator/Escalator Replacements - $207,000
- 12th Street Parking Garage Emergency Lighting Renewal - $51,000
- 12th Street Parking Garage 1st Floor Drainage Replacement - $55,000
- 12th Street Parking Garage Expansion Joint Replacement - $56,000
- 13th Street Parking Garage Art Deco Element Renewal - $43,000
- 13th Street Parking Garage Structural Review/Record Drawings - $33,000
- 17th Street Parking Garage Led Lighting Renewal - $342,000
- 42nd Street Parking Garage Remodel of Men's Bathroom - $69,000
- Sunset Harbor Parking Garage Trench Drain Renewal - $37,000
- Sunset Harbor Parking Garage Drainage Improvement - $37,000
- Convention Center Garage Structural Assessment - $30,000
- 17th Street Parking Garage Stairwell Coating & Tread Step Replacement - $303,000
- 17th Street Parking Garage Decorative Railing on Top Deck - $52,000
- 17th Street Parking Garage Entrance / Exit Gate Renewal - $28,000
- 1755 Meridian Ave Garage Elevator Floors Replacement - $47,000
- 42nd Street Parking Garage Renewal Parking Enforcement Storage Area - $43,000
- 12th Street Parking Garage Office Renewal - $51,000
- 42nd Street Parking Garage Gate Replacement - $34,000

Fleet Management (Fund 510)

- FY 2023 Vehicle/Equipment Replacement - $7,279,000
- Fleet Mechanical Shops Air Flow Circulation System Renewal - $153,000
- Fleet / Sanitation Roof Drain, Internal Gutters & Soffit Repairs (split-funded) - $143,000
- Electro Wave Roof Repairs (split-funded) - $17,000
- Fleet Warehouse Space Management & Shelving - $244,000

Facilities Management Fund

- Facility Management Chiller Renewal - $147,000
- Facility Management Exterior Waterproofing and Paint Renewal - $140,000

CAPITAL BUDGET REQUESTS SUBSEQUENT TO BUDGET BRIEFINGS

Over the summer recess, the Capital Improvement Projects Department requested the appropriation of the available additional dollars, approved at the January 20, 2022 Commission meeting through Resolution 2022-32022, to fund the budget gap related to the 72nd Street Community Complex project. The amounts listed below have been included in the FY 2023 Proposed Capital Budget.

72nd Street Community Complex

- 7th Street Garage Fund – unrestricted excess fund balance - $3,800,000
- Pay-As-You-Go Fund – projected FY 2022 year-end operating surplus - $9,400,000
- Construction of Library Fund – Unrestricted excess fund balance - $961,262

Subsequently, over the Summer recess, the Office of Capital Improvement Projects received a memorandum from The Haskell Company (the design builder the City is currently negotiating with), disclosing that construction costs have increased from $85 million to between $101 million

and $126 million (including future inflation). These updated numbers would increase this project's funding gap by between $16 million and $41 million. The Administration will be making a recommendation regarding next steps for this project.

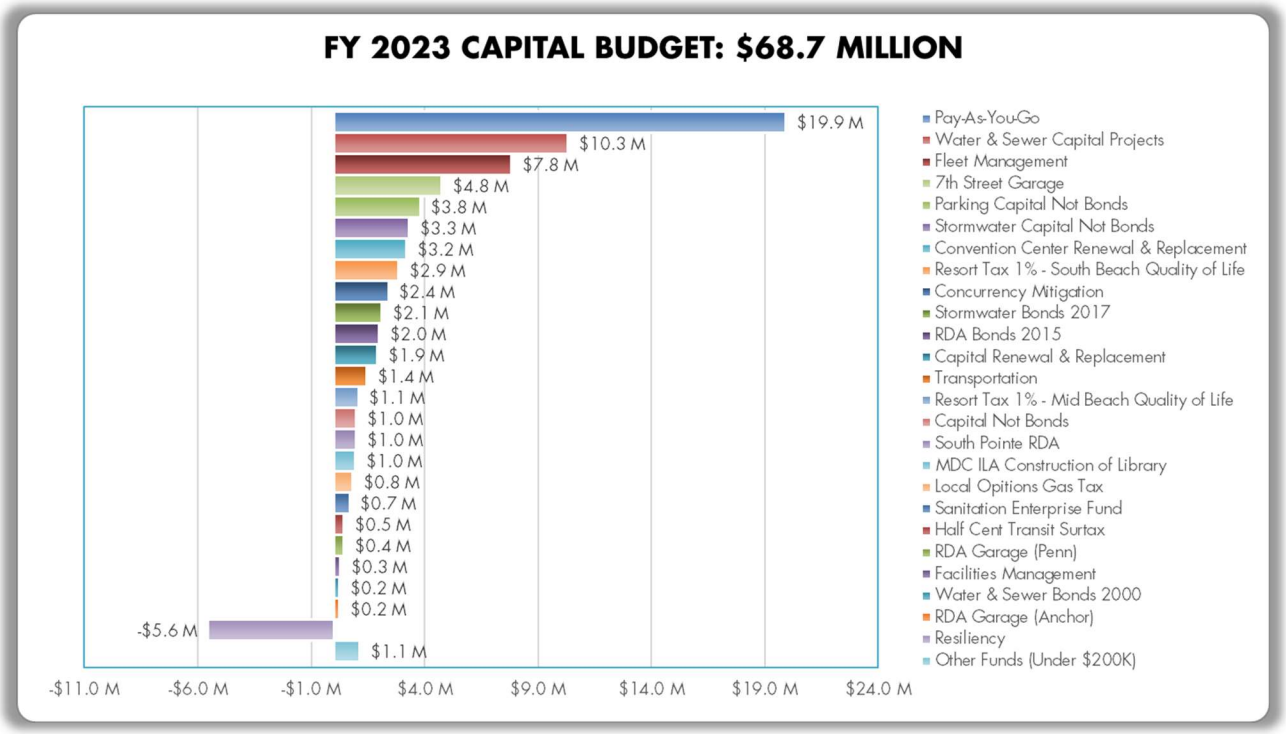
In addition, the Public Works Department submitted a request to transfer of $144,428 from the North Shore Neighborhood Improvement Project to the Water & Wastewater Mains and Rehab Project. This swap was made possible due to the $10 million grant allocation for North Shore (aka Town Center), which will be used first. This funding swap has been included in the FY 2023 Proposed Capital Budget.

- North Shore Neighborhood Improvement – ($144,428)
- Water & Wastewater Mains and Rehab - $144,428

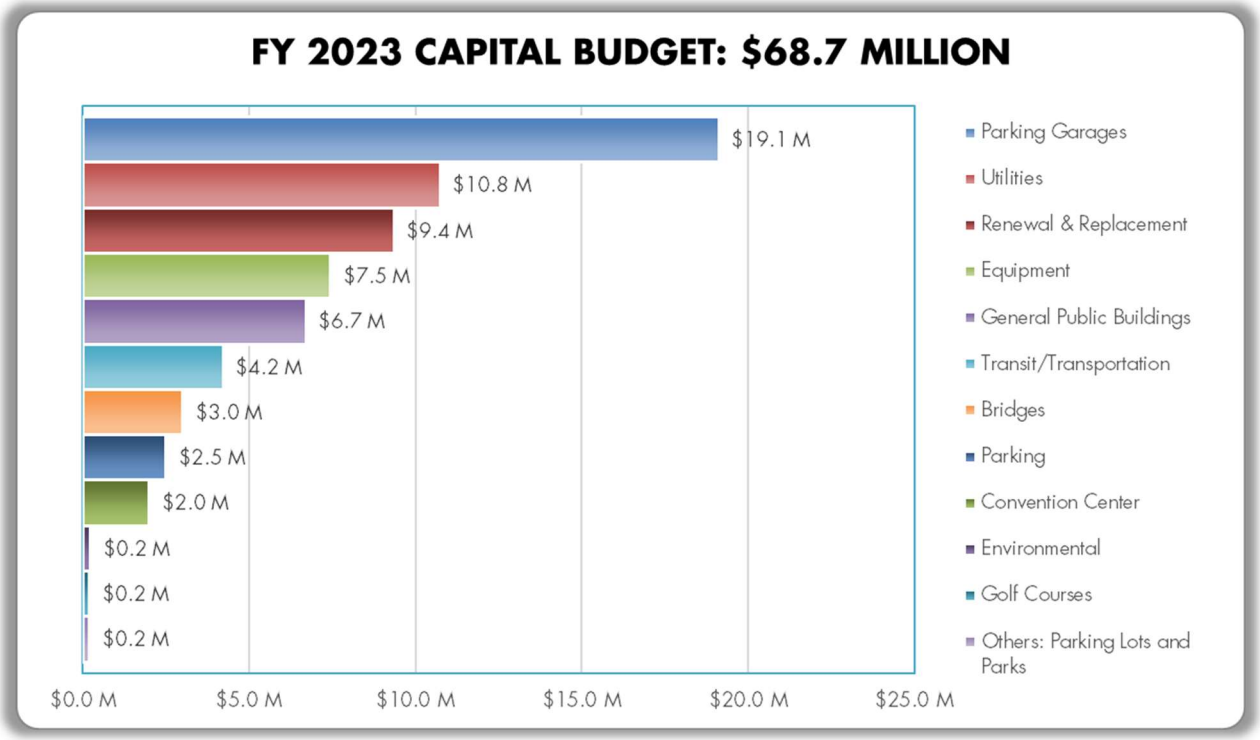
FUNDING SOURCE	FY 2023
Pay-As-You-Go	19,939,449
Water & Sewer Capital Projects	10,334,000
Fleet Management	7,836,000
7th Street Garage	4,754,000
Parking Capital Not Bonds	3,802,766
Stormwater Capital Not Bonds	3,326,397
Convention Center Renewal & Replacement	3,196,000
Resort Tax 1% - South Beach Quality of Life	2,861,551
Concurrency Mitigation	2,402,000
Stormwater Bonds 2017	2,107,610
RDA Bonds 2015	1,998,000
Capital Renewal & Replacement	1,913,000
Transportation	1,437,000
Resort Tax 1% - Mid Beach Quality of Life	1,084,000
Capital Not Bonds	1,000,000
South Pointe RDA	979,112
MDC ILA Construction of Library	961,262
Local Opitions Gas Tax	845,000
Sanitation Enterprise Fund	696,000
Half Cent Transit Surtax	453,000
RDA Garage (Penn)	435,000
Facilities Management	287,000
Water & Sewer Bonds 2000	244,230
RDA Garage (Anchor)	243,000
Resort Tax 1% - North Beach Quality of Life	184,000
Parking Bonds 2010	172,234
Water & Sewer Impact Fees	126,316
Gulf Breeze Loan 2006	111,736
Stormwater Bonds 2011	107,809
Water & Sewer Bonds 2017	88,559
RDA South Pointe Operations	82,481
Parking Bonds 1997	54,405
GO Bonds 2003 (Parks & Beaches)	54,039
GO Bonds 1999 (Fire Safety)	43,000
GO Bonds 2003 (Fire Safety)	34,033
South Pointe Capital	31,150
Gulf Breeze Loan	27,000
Stormwater Bonds 2000	23,053
Water & Sewer Bonds 2010	4,497
Resiliency	(5,564,869)
Total Appropriations as of 10/1/2022	**$ 68,714,820**

PROGRAM	FY 2023
Parking Garages	19,128,262
Utilities	10,751,766
Renewal & Replacement	9,357,224
Equipment	7,454,893
General Public Buildings	6,706,000
Transit/Transportation	4,221,743
Bridges	3,000,000
Streets/Sidewalks/Streetscapes	2,947,488
Parking	2,507,405
Convention Center	1,998,000
Environmental	227,000
Golf Courses	211,000
Parking Lots	150,000
Parks	54,039
Total Appropriations as of 10/1/2022	**$ 68,714,820**

The FY 2023-2027 Capital Improvement Plan by Funding Summary sorts the projects in the FY 2023-2027 CIP and FY 2023 Capital Budget by funding source (revenue). As seen in the following graph, the PAYGO fund brings in the largest portion (29%) of revenue for FY 2023 capital projects followed by Water and Sewer funds for capital projects at 15%.



The FY 2023-2027 Capital Improvement Plan by Program sorts the projects in the FY 2023-2027 CIP and FY 2023 Capital Budget by program (expenditure). The largest investments in FY 2022 are in parking garages (28%), primarily due to the 72nd Street Community Complex project, followed by utilities at 16%.



GENERAL OBLIGATION BOND PROJECTS

On November 6, 2018, the citizens of the City of Miami Beach voted in favor of issuing $439 million in General Obligation bonds ("G.O. Bonds") to:

- Improve the City's police, fire, and public safety facilities, in addition to equipment, technology, and lighting to improve security throughout the City
- Improve the City's parks, recreational and cultural facilities, inclusive of playgrounds, baywalks, beachwalks, waterways, landscaping, equipment, lighting, security, and parking related to such facilities
- Improve the City's neighborhoods and infrastructure, including storm water and flooding mitigation projects, sidewalk and street renovation and repairs, protected bicycle lanes, pedestrian paths, landscaping, and lighting

At the March 4, 2019 G.O. Bond workshop, the City Commission reviewed the proposed G.O. Bond Implementation Plan, which outlines the sequencing of the 57 approved projects. At the March 13, 2019 Commission Meeting, the City Commission approved the G.O. Bond execution plan for the first tranche and authorized the issuance of General Obligation Bonds, Series 2019, for the funding of these projects. The fourth amendment to the FY 2019 Capital Budget, which was approved at this meeting, allowed for the expedited funding of seven of these approved first tranche projects in the amount of $19,760,000.

At the April 10, 2019 Commission Meeting, the City Commission approved the funding of the remaining $131,379,000 of tranche 1 projects, for a total of $151,139,000, as summarized below and detailed in attachment A.

- 19 Parks projects totaling $86,733,000
- 11 Public Safety projects totaling $36,406,000
- 8 Neighborhood/Infrastructure projects totaling $28,000,000

During FY 2021, interest rates were at historic lows, which provided a unique opportunity for the City to revise the implementation plan of moving 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 was about 1.7%. The revised G.O. Bond implementation plan was 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. At the April 21, 2021 Commission Meeting, the City Commission approved a revised G.O. Bond Implementation Plan that, in summary, proposed the following:

- Consolidating the number of tranches to take advantage of lower borrowing costs than originally projected (3 four-year tranches instead of 4 three-year tranches)
- Reprioritizing projects, allowing the advancement of certain projects that were proposed to commence in future tranches
- Realignment of 14 tranche 1 projects based on cashflow Projections

It is important to note that the total original budget for each project category will remain the same over the life of the G.O. Bond program. This revised plan only adjusted the timing of funding for the affected projects. For more information, go to https://www.gombinfo.com/.

CONCLUSION

The Administration recommends adopting the tentative Capital Improvement Plan for FY 2023 - 2027 and adopting the City of Miami Beach's tentative Capital Budget for FY 2023.

Attachment A – FY 2023 - 2027 Capital Improvement Plan Funding Summary
Attachment B – FY 2023 - 2027 Capital Improvement Plan by Program

ATH/JW/TOS