



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

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: May 13, 2020

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 2020.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

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 2020 – 2024 Capital Improvement Plan and FY 2020 Capital Budget was adopted on September 25, 2019 by Resolution 2019-31007.

The First Amendment to the FY 2020 Capital Budget was approved on January 15, 2020 by Resolution 2020-31139.

The Second Amendment to the FY 2020 Capital Budget was approved on February 12, 2020 by Resolution 2020-31179.

The Third Amendment to the FY 2020 Capital Budget was approved on April 22, 2020 by Resolution 2020-31240.

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. The Administration recommends adopting the Resolution for the Third Amendment to the FY 2020 Capital Budget.

ANALYSIS

On March 1, 2020, the Governor issued an Executive Order directing the Surgeon General of the State of Florida to issue a public health emergency and in response to the pandemic outbreak of COVID-19, the Governor declared a State of Emergency on March 9, 2020. In direct response to the first confirmed case of COVID-19 in Miami-Dade County on March 11, 2020 the Miami-Dade County Mayor declared a State of Emergency for Miami-Dade County. The City Manager declared a State of Emergency in the City of Miami Beach on March 12, 2020. Subsequently, both the County and the City issued various Emergency Orders temporarily closing public and private facilities, including the temporary closure of all non-essential retail and commercial establishments and identifying essential retail and commercial businesses which may remain open. These actions have greatly limited the amount of economic activity taking place in the City of Miami Beach and continue to result in significant impacts to the City's finances.

The City of Miami Beach is highly dependent on the tourism and hospitality industry. Due to COVID-19, the City is experiencing dramatic impacts to its Resort Tax, Parking, Water & Sewer, and General Fund revenues. As a result, at the April 17 and April 24, 2020 Finance and Economic Resiliency Committee (FERC) meetings, the City Administration presented the potential financial impact of COVID-19 on the City's operations with three different scenarios (Optimistic, Likely, and Conservative), as well as a plan for balancing the City's major funding sources (Resort Tax, Parking, and General Fund) through the end of the fiscal year based on the "Likely" scenario which was projected with the expectation of three months of very low economic activity and three months of slow growth.

The proposed capital budget amendments, further detailed below, are in accordance with the proposed balancing plans that were presented to and accepted by the Finance and Economic Resiliency Committee, which require immediate City Commission action. Additional amendments to the Fiscal Year 2020 capital budgets, as part of the proposed balancing plans resulting from COVID-19, will be addressed at year-end as part of the overall year-end process, if necessary.

FOURTH AMENDMENT TO THE FY 2020 CAPITAL BUDGET

The Fourth Amendment to the FY 2020 Capital Budget totals an overall decrease of \$7,536,843.31 in order to reduce funding for, and/or to reallocate dollars between funds for the following Parking fund capital projects. The budget balancing plan presented to the FERC on April 17, 2020 included a reduction in parking capital projects in the amount of \$6,983,330. This budget amendment releases an additional \$553,513.31 in Parking funds.

- 1. Penrods at 1 Ocean Drive Parking Lot:** The scope of this project includes a new layout for the surface lot to provide additional parking spaces to the City-owned spaces. The renovation includes milling and resurfacing, new irrigated landscaped areas and improvements to the lighting and drainage systems. This project has been completed and the remaining funds will be de-appropriated and released to the Parking fund (480/490) fund balance, consistent with the Parking fund's balancing strategy that was approved by the FERC.

Prior Years' Appropriations	\$3,000,650.00
May 13, 2020 Budget Amendment	(46,537.31)
Proposed Total Appropriations	\$2,954,112.69

2. **Parking Garage at 1262 Collins Avenue:** The scope of this project includes the design of the new parking facility, including but not limited to structural, civil, electrical, mechanical and plumbing design, as well as the construction of the proposed parking garage structure. Project studies were being completed to implement workforce housing as part of the construction project. This budget amendment would partially de-appropriate funding for this project, consistent with the Parking fund's balancing strategy that was approved by the FERC.

Prior Years' Appropriations	\$14,267,000.00
May 13, 2020 Budget Amendment	(4,528,306.00)
Proposed Total Appropriations	\$9,738,694.00

3. **P14 6th Street & Collins Parking Lot:** The scope of this project includes surveying, drainage design, construction, milling, paving, and striping of the parking lot. This budget amendment would de-appropriate funding for this project, consistent with the Parking fund's balancing strategy that was approved by the FERC.

Prior Years' Appropriations	\$150,000.00
May 13, 2020 Budget Amendment	(112,000.00)
Proposed Total Appropriations	\$38,000.00

4. **Citywide Parking Lots Improvements:** This project provides general funding for improvements to parking lots citywide. This budget amendment would de-appropriate funding for this project, consistent with the Parking fund's balancing strategy that was approved by the FERC.

Prior Years' Appropriations	\$150,000.00
May 13, 2020 Budget Amendment	(150,000.00)
Proposed Total Appropriations	\$0.00

5. **Citywide Parking Lots-Seal Coating:** This project provides general funding for the seal coating of parking lots citywide. This budget amendment would de-appropriate funding for this project, consistent with the Parking fund's balancing strategy that was approved by the FERC.

Prior Years' Appropriations	\$100,000.00
May 13, 2020 Budget Amendment	(100,000.00)
Proposed Total Appropriations	\$0.00

- 6. 17th Street Parking Garage Coating:** This project includes the coating of the garage's roof and parking deck. The Property Management department anticipates completing this project with savings due to a reduction in the scope of work, in response to the drastic reduction in Parking revenues. The proposed de-appropriation of Parking Bond funds (Fund 486) would provide replacement funding for the projects outlined below which will be moved, completely or partially, from the Parking fund (480/490) to the Parking Bond fund (Fund 486).

Prior Years' Appropriations	\$4,000,000.00
May 13, 2020 Budget Amendment	(2,600,000.00)
Proposed Total Appropriations	\$1,400,000.00

- 7. Lot 9D P86-6976 Indian Creek Drive:** The scope of this project includes spot repairs to the sub-base, milling and resurfacing of the asphalt, LED lighting, sidewalk modifications, drainage improvements, striping, landscaping and irrigation upgrades. This budget amendment would de-appropriate \$191,000 from the Parking Capital fund (Fund 490) and appropriate the same amount to the Parking Bond fund (Fund 486).

Prior Years' Appropriations	\$659,000.00
May 13, 2020 Budget Amendment	0.00
Proposed Total Appropriations	\$659,000.00

- 8. 12th Street Garage Roof and Deck:** The scope of this project includes the application of traffic coating to all ramps and decks to protect the surface. This budget amendment would de-appropriate \$299,000 from the Parking Capital fund (Fund 490) and appropriate the same amount to the Parking Bond fund (Fund 486).

Prior Years' Appropriations	\$598,806.00
May 13, 2020 Budget Amendment	0.00
Proposed Total Appropriations	\$598,806.00

- 9. 1755 Meridian Garage Roof and Deck:** The scope of this project includes the coating of this garage's roof and parking deck. This budget amendment would de-appropriate \$1,400,000 from the Parking Capital fund (Fund 490) and appropriate the same amount to the Parking Bond fund (Fund 486).

Prior Years' Appropriations	\$1,900,000.00
May 13, 2020 Budget Amendment	0.00
Proposed Total Appropriations	\$1,900,000.00

- 10. 17th Street Garage 40Yr Recertification:** The scope of this project includes the correction of the structural deficiencies outlined by the 40-year recertification conducted by Douglas Wood & Associates, Inc. This budget amendment would de-appropriate \$484,832.56 from the Parking Capital fund (Fund 490) and appropriate the same amount to the Parking Bond fund (Fund 486).

Prior Years' Appropriations	\$755,427.00
May 13, 2020 Budget Amendment	0.00
Proposed Total Appropriations	\$755,427.00

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