



MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: March 8, 2006

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE (COMMITTEE) MEETING OF FEBRUARY 16, 2006.**

OLD BUSINESS

- 1. Discussion regarding the capacity to issue additional Water and Sewer Revenue Bonds.**

ACTION

The Committee moved the item to the full Commission approving the refinancing of the outstanding Series 1995 Water and Sewer Revenue Bonds along with the issuance of \$23 Million in new money.

Chief Financial Officer Patricia D. Walker introduced the item. Ms. Walker advised that the City has the capacity to finance approximately \$67-69 million beyond the \$23 million currently being discussed without further increasing Water and Sewer rates.

Mr. Dick Montalbano, Managing Director of RBC Dain Rauscher, further explained the City's capacity for additional financing. He explained that to conservatively hedge against future rate increases, the calculation presented assumed both flat revenues as well as a 1.25 coverage requirement, which is greater than the required 1.10 coverage.

Following a discussion, it was agreed that further discussion on project sequencing and other related CIP issues will take place during the March 1st Commission Workshop.

The committee unanimously approved the refinancing of the outstanding Series 1995 Water and Sewer Revenue Bonds including the issuance of \$23 Million in new money.

- 2. Discussion regarding an effort to create workforce housing in Miami Beach.**

ACTION

The Committee recommended that the City lobbyist work with our state legislators to see if there are any strikeover provisions or bill slots available to submit Commissioner Libbin's portability bill proposal as an alternative to the other portability bills currently in the legislature.

Economic Development Division Director Kevin Crowder summarized the item which was referred from the January 19th, 2006 Finance and City Wide Projects Committee meeting for further discussion.

Commissioner Jerry Libbin recommended that the city create a bill which provides for funding of affordable workforce housing as a component of his portability proposal, and present it to Tallahassee. He stated that it is getting harder to find affordable workforce housing within the City; as a result, people have to commute further distances to get to work. This makes it more difficult to hire quality employees. He felt very strongly about this issue and suggested that the City should consider City owned land to build workforce housing.

The Committee then discussed at length several scenarios related to portability and workforce housing. Commissioner Jerry Libbin also gave specific examples on how to apply his proposal. Commissioner Bower expressed concern with the City recapturing the value of workforce housing when the property is sold.

Chairman Saul Gross stated that he sees workforce housing potentially as a rental property that would be owned by the City and rented at below the market rate. Commissioner Bower stated her concern about the income required to qualify for workforce housing. Mr. Crowder stated income levels for single and family units used to qualify for HUD housing. He further stated that the income level is \$33,000 to qualify for a one bedroom condo, but that it also depends on the industry workforce needs. Commissioner Libbin suggested that we consider an additional \$30,000 above the HUD income level.

Commissioner Jerry Libbin stated his proposal is to amend the State Constitution to provide for a transfer of tax basis on homesteaded properties and provide that any increase in property tax based on a new purchase be capped at no more than 25% of what the increase would have been otherwise. He further suggested that half of that additional amount be used to assist in the implementation of workforce affordable housing program which may assist individuals who meet certain criteria; the other half of the 25% increase would be kept by the taxing jurisdictions.

Chairman Saul Gross recommended that the bill for workforce housing and portability had a better chance of passing if presented in separate bills. Mr. Crowder stated that it is difficult to draft a bill to separate the issues when there is no definition for workforce housing currently in the legislature.

City Manager Jorge M. Gonzalez made a recommendation to the Committee to advise the City's lobbyist to work with our legislators to see if there were any strikeover provisions or bill slots available so that they can submit Commissioner Libbin's portability bill as an alternative to the other portability bills currently in the legislature.

NEW BUSINESS

3. Discussion regarding policy and criteria for the distribution of Pay-As-You-Go Capital Funds.

ACTION

The Committee moved the item to the full Commission approving the proposed distribution of Pay-As-You-Go Capital Funds.

Budget and Performance Improvement Director Kathie Brooks presented the proposed additional Pay-As-You-Go Capital Fund appropriations for FY 2005/06. The Pay-As-You-Go Capital Fund was approved with the FY 2005/06 Budget in support of structural changes including new areas of capital funding that will help ensure the long term fiscal health of the City and sustainability of City assets by continually reinvesting in these assets.

The projects presented by Kathie Brooks met the policy and criteria previously agreed upon by the Commission during the budget development process:

- Address unfunded new projects recommended or approved in concept by the Commission;
- Address new or additional scope for previously funded projects;
- Address additional funding needs for previously approved capital projects, i.e. cost increases associated with approved Basis of Design Reports (BODRs) that are completed prior to going out for bid, many of which are due to the increased cost of construction (e.g., due to increases in the cost of concrete, high demand for construction services in the local area, etc.)

Kathie Brooks presented the following projects to be funded by the Pay-As-You-Go Capital Funds for FY 2005/06:

| <u>Recommended Project</u> | <u>Recommended Appropriation</u> |
|---|----------------------------------|
| Sidewalk and Street Restoration in North, Mid, and South Beach. | \$210,000 |
| Normandy Isle Neighborhood Improvement @ 90% Design | \$875,000 |
| Fire Station 2 FF&E | \$210,000 |
| Fire Station 4 FF&E | \$210,000 |
| Flamingo Park – Pool Deck Lighting | \$125,000 |
| Scott Rakow Youth Center Additional improvement | \$2,000,000 |
| Total | \$3,630,000 |

Public Works Director Mr. Fred Beckmann showed a map highlighting the areas where the sidewalk and street restoration work would be done on the particular projects.

Commissioner Libbin questioned if using the money so early in the year would be the best approach, in terms of completing necessary projects. Jorge M. Gonzalez City Manager assured him that projects funded by Pay-As-You-Go Capital funds are only for projects that do not have any other funding source. He further stated that the procedure for recommending future Pay-As-You-Go Capital Funding appropriations is being established by a capital task force.

Commissioner Bower asked that additional lighting at Flamingo Park outdoor courts be considered as a project for Pay-As-You-Go Capital Funds. Jorge M. Gonzalez City

Manager stated that he would address the issue during the Flamingo Park renovations.

The Committee moved to approve the proposed distribution of Pay-As-You-Go Capital Funds presented.

- 4. Discussion regarding the Collins Avenue and 13th Street Joint Venture Proposal in response to request for Proposals No. 20-97/98 Issued for the Development of Public/Private Parking Facilities in Miami Beach South of Dade Boulevard in 1997.**

ACTION

The Committee moved the item to the full Commission rejecting the bids for the fourth and fifth ranked firms of the Joint Venture Proposal No. 20-97/98 Issued for the Development of Public/Private Parking Facilities in Miami Beach South of Dade Boulevard in 1997.

Chairman Saul Gross presented the item. Attorney Mr. Jeff Berkow representing The Suchman Retail Group gave a brief history to the Committee. He maintained that, although they were the fifth ranked firm, the City recommended entering into negotiations with them as part of the Joint Venture Proposal No. 20-97/98 Issued for the Development of Public/Private Parking Facilities in Miami Beach South of Dade Boulevard in 1997. It was changed later in the same Commission meeting to only the first three ranking companies, leaving the Collins and 13th Street Joint Venture out of the ranking. Mr. Berkow stated that The Suchman Retail Group still has standing based on the original decision made by the Mayor and the Commission.

The Committee proposed that they reject the bids for the fourth and fifth ranked firms of the Joint Venture Proposal No. 20-97/98 Issued for the Development of Public/Private Parking Facilities in Miami Beach South of Dade Boulevard in 1997.

- 5. Discussion regarding Domestic Partner Benefit Coverage Termination – Miami Beach Fraternal Order of Police Health Trust/Fire Fighters Insurance Trust.**

ACTION

ITEM DEFERRED

- 6. Discussion regarding the issuance of a new Request For Proposal for The Management and Operation of 1) Green (Farmers) Market on Lincoln Road; 2) Street Market on Espanola Way; 3) Street Market in Normandy Village; and 4) Antique And Collectibles Market on Lincoln Road.**

ACTION

The Committee chose not to take any action at this time pending the meeting of the Neighborhoods / Community Affairs Committee on February 22, 2006.

Asset Manager Joe Damien introduced the item. He explained that there are four different markets 1) Green (Farmers) Market on Lincoln Road; 2) Street Market on Espanola Way; 3) Street Market on Normandy Village and 4) Antique & Collectibles Market on Lincoln Road and that their contracts will expire March 31, 2006 except for the Antiques & Collectibles Market, which expires on September 30, 2006. Mr. Damien stated if these markets should continue to operate and, if they were accomplishing what

was originally intended.

Mr. Damien further stated that although there are 4 different markets, the ones that really have issues are the Farmers Market and the Antique & Collectibles Markets both located on Lincoln Road.

Mr. Damien explained that one of the issues caused by the markets is the sidewalk café space available for outside tables which is greatly reduced by the markets and the other significant issue involves increased traffic in the road competing with existing retail locations.

Mr. Damien further explained that there are several factors to consider in reaching a decision as to continuing or discontinuing the Markets:

- Whether the original purpose for the Markets (commercial revitalization) is still valid, and if not, should the markets be continued?
- Are there alternate locations that should be considered for the Markets?
 - In the past there have been discussions about possibly initiating programs in the area of Collins Avenue and 72nd & 73rd Streets, Ocean Terrace, or other alternate locations.
 - Additionally, the City has identified the Collins park area as a neighborhood that is experiencing a significant lack of business providing neighborhood goods and services. An activity generator, such as a farmers market, can serve to increase consumer traffic to this type of area resulting in a better market position for the recruitment of permanent retail uses to serve the areas increasing resident and visitors population.
- What type of markets(s) and /or product mix (associated therewith) should there be? If it is determined that markets should be pursued via the issuance of a new RFP, then the following is recommended:
 - Market type and product mix should be clearly delineated with no miscellaneous categories, with the City retaining the right to approve changes to said product mix. The current agreement for Farmers Market on Lincoln Road and the Street markets on Espanola Way and Normandy provide for some limited flexibility regarding miscellaneous items associated with the respective market themes and category of items allowed to be offered for sale. There has been disagreement between the City and the respective market operator as to what should be permitted within these miscellaneous categories.
- What process should be used to manage and operate these markets? If it is determined that markets should be pursued, the following are recommended:
 - Have the local merchant associations assist with conflict resolutions.
 - Require that all and/or a significant number of adjacent Property owners approve the market programs and require that all of their respective tenants agree to same in writing.

- That month-to-month extensions should be authorized for those Concessions Agreements that are scheduled to expire, until such time as the applicable RFP(s) is/are awarded.

Commissioner Bower pointed out that the Markets were designed to bring traffic to these areas. The markets have accomplished the job, so is it necessary to continue to have the markets and what will be the impact of not having the markets. Commissioner Bower voiced concern that the markets might have outgrown their purpose.

Commissioner Libbin suggested that the Markets located on Espanola and Normandy should remain open and that they should find an appropriate location for the Lincoln Road Market.

There were a number of representatives from restaurants, markets and other business owners speaking in support of and against keeping the markets. Among them, Mr. Luis Stein whose business is located at 531 Lincoln Road who was against keeping the Antique & Collectible market on Lincoln Road. He placed emphasis on the quality of products offered and the people that this market is attracts to the area. He explained that these shoppers are looking for a bargain and over crowding their businesses.

A representative from the Antique & Collectibles market, Toni Angione, spoke as to the quality of the products offered at the markets. He made clear that the legitimacy of his vendors should not be questioned because 132 of his 160 vendors are the same vendors used by the City at the Antique & Collectible Shows held at the Convention Center. Nonetheless he was willing to reach a compromise so that his business can continue to operate on Lincoln Road. He suggested that if the Committee votes to move the market, he would like to maintain a presence on Lincoln Road or nearby so he can keep the name of the business, as Lincoln Road Antique & Collectibles Market.

Suggestions where exchanged as to possible locations to relocate the Antique & Collectibles Market. Chairman Gross suggested the Collins Park Area and others mentioned ocean front locations such as Ocean Terrace and the Beachwalk.

After further consideration, Vice-Chairman Steinberg made a motion that this item be addressed by the Neighborhoods/Community Affair Committee which is scheduled for February 22, 2006.

JMG/PDW/rs/ka