



MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission
FROM: City Manager Jorge M. Gonzalez
DATE: February 13, 2008
SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE ON JANUARY 10, 2008.**

NEW BUSINESS

- 1. Discussion regarding the Professional Services Agreement for State Legislative Services.**

ACTION

Chairman Saul Gross requested this item be deferred.

- 2. Discussion to determine, within 30-days, if it is in the City's best interest to continue with the rehabilitation of the Normandy Shores Golf Course Clubhouse or construct a new facility.**

ACTION

Motion made by Commissioner Tobin, and seconded by Commissioner Weithorn to authorize the Architect, Architektnics, to present the item for review at the March 2008 Design Review Board (DRB) meeting and proceed on the path of building a new Clubhouse facility. An update will be provided to the Finance & Citywide Project Committee at the March 2008 meeting.

City Manager, Jorge Gonzalez, presented the item regarding the renovation of the Normandy Shores Golf Course Clubhouse. After partial demolition of portions of the Clubhouse, several unexpected conditions and deficiencies of the structure were discovered. These conditions and deficiencies were not apparent prior to the commencement of the contracts with Coastal Construction Company and Architektnics, Inc. After an inspection of the building it was determined that a majority of the existing structural elements didn't meet the requirements of the Florida Building Code.

The original cost for renovating the existing Clubhouse was \$2,300,000. With the introduction of these new conditions and deficiencies, the new cost for the project along with the contingency will be about \$3,100,000. In addition, soft costs, such

as Art in Public Places, design fees and pre-construction fees will bring the project to a total of \$3,700,000.

In contrast, if the existing Clubhouse is demolished, and rebuilt to the same floor plan and scope, the cost will be \$3,200,000.00. Additional soft costs are estimated to bring building a new facility to about \$4,000,000.00. The Manager noted that the new project would have to go before the Design Review Board (DRB) for approval and that impending scope changes implemented by public requests have the potential to increase costs and delay completion of the project.

Director of Capital Improvement Projects, Jorge Chartrand, advised he would consult with Architektnics, Inc. to determine if the existing foundation of the building could be used for the new construction. He advised that evaluation of the foundation would have to be conducted prior to determining the final price of the new construction.

Independent Structural Engineer, Haskel Mayer, noted that there should not be a significant delay of time in constructing a new facility versus renovating the existing facility. He added that the actual completion of the project would be contingent upon the public process and review by DRB. He suggested conducting a geotechnical survey for the inside of the building to determine the integrity of the building's foundation. He stated that it would be more straightforward to design a structure from a clean slate and that the new construction would increase the service life of the building.

Commissioner Jerry Libbin noted he would like to go forward with the project plans already in existence. Commissioner Ed Tobin noted that the residents had previously agreed upon the current design and felt they would approve a new replica of the existing design. Commissioner Deede Weithorn noted that she would like to confirm that the foundation is in good standing prior to going forward. Commissioner Richard Steinberg inquired as to the cost of utilizing new foundation verses determining the integrity of the existing foundation.

Fred Karlton, resident, stated that a new replica of the building would be best due to the possibility of discovering new deficiencies during the renovation process and spending more time on the project correcting them. He also stated that a new facility would provide forty to fifty years of use. He suggested the Committee consider building a new facility and, if possible move the item up on the DRB agenda.

Miami Beach Resident, Daniel Veitia, stated that time is an issue for the community and if the cost is the same, he would like to see a new building constructed. He also stated he would like for the City to produce a report on the soundness of the building's foundation. Gabrielle Redfern, with the Progressive Condo Association, expressed that it was important to have public input in the decision making process.

Commissioner Weithorn stated that new construction would allow for better use of funds on the residents behalf. Commissioner Tobin and the City Manager

thanked Mr. Mayer and his firm for volunteering their time and feedback on the item.

3. Discussion regarding the issuance of a Request for Proposals (RFP) for the management and operation of the Miami Beach Convention Center.

ACTION

Motion made by Commissioner Tobin and seconded by Commissioner Weithorn to issue a Request for Proposal (RFP) for the management and operation of the Miami Beach Convention Center.

The City Manager presented the item. The City has a Management Agreement with Spectacor Management Group (SMG) for the management and operation of the Miami Beach Convention Center. This contract expires on September 30, 2008. The Manager noted that SMG has provided excellent service and continues to manage the Colony, Byron Carlyle, and Little Stage Theaters. The Manager stated that he supports placing the item up for RFP because it will allow for certain specifics and conditions to be placed in the RFP, and subsequent contract.

4. Discussion regarding the issuance of a Request for Proposals (RFP) for the Colony Theater Café, Inc.

ACTION

Motion made by Chairman Gross and seconded by Commissioner Tobin to recommend that a Request for Proposal (RFP) for the Colony Theater Café be forwarded to the Commission for consideration.

City Manager, Jorge Gonzalez, presented the item. In October of 1999 a sublease agreement was approved by the City Commission between the Concert Association of Florida Inc. and the Colony Café Inc. for the Colony Café. In April of 2005 an extension agreement was granted by the City. The Manager noted that the agreement is now up for renewal and would like to suggest issuing an RFP.

Mr. Mark Soyka, restaurant owner, and Mr. Graziano Sbroggio, of the Grasp Group, both expressed their desire to continue working with the City in managing the Colony Café.

Commissioner Libbin noted that due to the area being public property it would benefit the residents if the item was considered for an RFP.

The Manager noted that a new contract would consist of a straight forward lease and requested the Committee's input for any minimum criteria to be added to the RFP.

5. Internal Audit Division's audited areas for Fiscal Year 2006/2007

ACTION

Report item.

The annual report was given by Kathie Brooks, Director of the office of Budget and Performance Improvement. Ms. Brooks noted that approximately half of the positions within the City's Internal Audit division are dedicated to the resort tax audit. Approximately 1,800 businesses within Miami Beach report resort taxes to the City. The City is more concerned with those larger entities such as night clubs, hotels and restaurants. For the Fiscal Year 2006/07 resort tax generated \$36,674,571. The Division was able to complete two hundred forty three resort tax audits and identify an additional \$402,267 of tax assessments. Internal Auditor, Jim Sutter, advised that the total assessments represent 0.98% of the total resort taxes audited. For internal and non-for-profit audits, a total of thirteen internal audits were completed covering areas of inventories, Police checking accounts, citywide cashier functions, beachfront concession agreements, and parking contracts. Ten sanitation audits were completed resulting in the collection of \$32,213 in fees. An additional eighteen reviews of Parking operational areas were conducted during the year. The Division conducts a risk assessment with a schedule of frequencies showing the results of the last year. The audit plan for the following year is contingent upon the outcome of the risk assessment being high, medium or low. Additional time was taken for Hurricane FEMA grant support (\$2,674,230 recovered) and assistance to the Building Department for fees verification (\$144,415 recovered). Ms. Brooks also noted that she anticipates that in FY 2007-08 continued time will be spent on both the FEMA grant support and Building department assistance.

- 6. Discussion Item: Impact on the City of Miami Beach from the First Amendment to the Interlocal Agreement among Miami-Dade County, City of Miami, and the Omni Community Redevelopment Agency to provide financing for the Port Tunnel, Museum Park, and Performing Arts Center, as well as make available City of Miami Tourist Development Tax dollars, currently budgeted for the Performing Arts Center, for City projects, including the City's funding commitment for the Florida marlins Ballpark Project**

ACTION

Report item.

The City Manager provided the Committee with an update on the impact of the City of Miami Beach from the First Amendment to the Inter-local Agreement among Miami-Dade County, City of Miami, and the Omni Community Redevelopment Agency. Please see the attached LTC for a detailed report.