



MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: November 5, 2008

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF OCTOBER 21, 2008.**

NEW BUSINESS

1. Discussion of a Management Agreement with the Boys and Girls Club for a Youth Facility at Flamingo Park.

ACTION

The Committee recommended the referral of the Boys & Girls Club Agreement to the Commission on November 5, 2008.

Assistant City Manager Robert Middaugh presented the item regarding the management agreement with the Boys and Girls Club to build a new facility to house their programs offered at Flamingo Park.

Mr. Middaugh stated that the facility would be constructed at the current site and that it would be a two story building consisting of 10,000 square feet. He then introduced Alex Rodriguez, who was representing the Boys & Girls Club, to provide more information about the proposed programming.

Mr. Rodriguez explained that the Boys and Girls Club offers an out-of-school program and that programmed activities include homework assistance, culinary arts, computer training, music, arts, and a dedicated teen center. He then added that they are currently looking for potential partners to enhance the programs that will be offered.

Mr. Middaugh stated that the Administration is seeking the Committee's recommendation to approve the building location and the submission of the Management Agreement to Commission. He then presented the key terms of the draft agreement as follows:

- The City agrees to provide a parcel of property in Flamingo Park at approximately the site of the current Boys & Girls Club facility to serve as the site for a new structure.

- The Boys & Girls Club will construct a new facility at their sole expense which shall become the property of the City of Miami Beach and be operated pursuant to the Agreement by the Boys & Girls Club.
- The anticipated term of the Management Agreement is an initial term of thirty (30) years and two (2) ten (10) year renewals for a total of a fifty (50) year term.
- The Boys & Girls Club would be responsible for all maintenance and utilities associated with the operation of the new structure.
- The City will have the ability to make use of the facility at times agreed upon by both parties (typically when not in use for Boys & Girls Club programming) with the City responsible only for any direct expenses associated with use of the facility.

Chairman Gross inquired as to the architects that will be used for the project. Mr. Rodriguez stated that they will be using Royal Architects.

Chairman Gross then inquired as to whether the legal department had reviewed the Management Agreement and had concluded that it was not a lease of public land which would require a referendum. City Attorney Jose Smith stated that it's been reviewed by him and Deputy City Attorney Raul Aguila, and that it is comparable to the Unidad agreement which provides for classic management activities.

Commissioner Weithorn stated that while the conceptual agreement is good, there are revisions to be made and would like to see them resolved before it is presented to Commission in November. Mr. Aguila stated that the reason for bringing the item to Commission in November is to meet tight timelines that the Boys & Girls Club have to adhere to in order to secure funding for the project.

Chairman Gross stated that conceptually, the Committee supports the agreement and approves its referral to the Commission meeting scheduled for November 5, 2008.

2. Discussion Regarding Lease Space Availability in Historic Old City Hall.

ACTION

Bring back the item to the Committee and present the City's overall plan for space occupied by City staff and a historical analysis of the space occupied, as requested. In the meantime, start working on leasing the available space on the first floor, to be handled internally.

Assistant City Manager Hilda Fernandez presented the item regarding the Lease Space availability in Old City Hall.

As background, she explained that the building went through renovations which resulted in the relocation of various City departments, as well as County services. The project is currently in the process of final inspections. Upon receipt of the Temporary Certificate of Occupancy (TCO), various divisions of the City Police

Department will move back into the Fourth, Sixth, Seventh, and Eighth Floors. The Parking Department, which previously occupied a portion of the First Floor, and the City's IT Department which previously occupied the Third Floor, will be relocated to the new multi-purpose parking facility adjacent to City Hall on Meridian Avenue, and will not be returning to Old City Hall. The Miami Dade Clerk of the Courts will be relocating back to the building and will occupy the entire Second Floor.

As a result, there will also be leaseable spaces available by November 1, 2008 including:

- The 2,760 square foot southern portion of the first floor will be available as potential commercial space.
- An approximate 983 sq. ft. portion of the third floor will be available as leaseable office space.
- The entire 1,475 sq. ft. of the fifth floor will be available as leaseable office space.

Ms. Fernandez then stated that the purpose of bringing the item to the Commission is to get direction as to how to proceed with the leasing of available space. One option for consideration is for staff to manage the process internally. City staff can complete an analysis of the highest and best use of space, competitive rents, and terms, and negotiate leases which would be consequently approved by the City Commission with two public readings. Staff would market and advertise these spaces according to industry standards.

Another option to consider is to outsource the process for leasing the space through the issuance of a Request for Qualifications (RFQ) to secure a commercial real estate broker.

Chairman Gross inquired as to who would occupy the top floors. Ms. Fernandez responded by stating that the Special Investigations Unit will occupy the Eighth floor. Chairman Gross felt the City was occupying too much space and that an analysis should be done to see if more space could be rented for private business, both to generate revenue to the City and to bring more business to Washington Avenue.

He then inquired as to how rental fees would be determined and if a market survey has been done. Asset Manager Ana Cecilia Velasco stated that comparables have been done and that research indicates that the average office rental rate per sq. ft. is \$34 and that the average retail rental rate is approximately \$72 per sq. ft., triple net and noted parking is not allotted with the leasing of spaces because parking is available on a first-come, first-served basis. Mayor Matti Herrera Bower stated that parking should be studied closely and that more information should be presented to the Committee. Chairman Gross stated that \$72 per sq. ft. was way over market rate in that location on the west side of Washington Avenue and that \$45 ft. was closer to market.

Commissioner Steinberg requested to see a five (5) and ten (10) year historical analysis of City use of space.

Chairman Gross indicated that the overall plan should be brought back to the Committee together with the historical analysis that Commissioner Steinberg requested and that, in the meantime, staff should start working on leasing the space on the first floor which is to be handled internally. Gross also stated it would be difficult to rent office space without providing parking. Staff said the parking was leased to residential tenants in the neighborhood. Gross said it should be analyzed if commercial tenants could park during the day and residential tenants could park at night.

3. Discussion Referring the Matter of Selecting Holiday Decorations for a Not to Exceed Amount of \$125,000.

ACTION

Reduce the Tuttle Main Entry feature and change the color of the existing LED lighting to holiday colors; reduce external lighting at City Hall; decorate Washington and Collins Avenue in proportion to savings from the City Hall site; and change the color of tree well lights located on Lincoln Road.

Assistant City Manager Robert Middaugh presented the item regarding the selection of holiday decorations.

Mr. Middaugh explained that the recommended contractor Christmas Designers, Inc. had submitted a bid of \$213,212 annually to store, install, maintain and remove the City's owned holiday decorations and rental lighting as provided in past years. At this time there is a total of \$125,000 approved in the Fiscal Year 2008/09 General Fund Budget for the City's Holiday Decorations Program. Based on this funding, it was recommended that the contract be awarded and that the contractor work with the Administration and the Finance and Citywide Projects Committee to finalize the sites the holiday decorations would be installed. He then presented a list of suggested options for the Committee's consideration which included suggested sites, storage fees, and their corresponding funding versus a fully funded option.

Mayor Matti Herrera Bower stated that Miami Beach is a tourist location and should be seen as one, and that the current list does not address some areas that should be decorated.

Chairman Gross inquired as to the sites that were decorated last year to compare the current list of locations and identify the sites that are missing. He then suggested to change the color of the current LED lights on the palms located at the Julia Tuttle entry to red and green, eliminate the major display of gift boxes at the Tuttle Welcome sign and to allocate the budget assigned to this component of the program elsewhere.

Commissioner Steinberg inquired as to the amount of City owned equipment being used this year. Contractor Kevin Long stated that approximately 75% of equipment will be used.

Commissioner Weithorn inquired as to the amount of equipment that could be discarded and that is currently in storage. Mr. Long stated that all equipment has an approximate ten to fifteen-year useful life and all is being maintained in like-new condition.

Chairman Gross inquired as to how much it would cost to put out everything the City owns. Mr. Long stated that it would cost \$210,012 which is the fully funded option.

Mayor Matti Herrera Bower suggested changing the color of the tree well lights located on Lincoln Road.

It was the Committee's consensus to do the following: reduce the Tuttle Main Entry feature and change the color of the existing LED lighting to holiday colors; reduce the amount of decorations at City Hall; decorate Washington and Collins Avenue in proportion to savings from the City Hall site and Tuttle Welcome signs plus string lights on palms at 5th Street and Washington; and change the color of tree well lights on Lincoln Road.

JMG/PDW/rs/ns