



# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

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

FROM: City Manager Jorge M. Gonzalez

DATE: December 10, 2008

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF NOVEMBER 18, 2008.**

### **NEW BUSINESS**

1. **Proposed Project for Retail and Garage in the Sunset Harbor Neighborhood.**

### **ACTION**

**Motion made by Commissioner Weithorn and seconded by Chairman Gross to present the proposed project to the Commission, as it is currently contemplated in the draft agreement and subject to final negotiations, as follows:**

**Pay \$8.5 million for the Tremont Towing site where Scott Robins would own the ground floor and the City would own the air rights above; proceed with the design from the Arquitectonica contract; secure financing in 3 years; pay an additional \$4.5 million for the remainder of the air rights; bid the project out and build the garage; and if the City could not achieve the financing by the deadline, Scott Robins would provide the City with the fee for the Tremont Towing site, or conversely, provide the City with \$8.5 million and the project does not proceed. Additionally, the Committee requested a cash flow projection for a medium size garage to be circulated by LTC.**

Commissioner Ed Tobin recused himself and did not participate in the discussion of this item.

Assistant City Manager Tim Hemstreet presented the item regarding the proposed project for retail and garage in the Sunset Harbor Neighborhood. As background, he explained that the City and the Scott Robins Companies (SRC) have been in discussions regarding the purchase of certain real property in the Sunset Harbor Neighborhood for development of a public parking garage with ground level commercial and retail space.

Chairman Gross inquired as to the progress of the negotiations from the last time it was discussed at the Committee.

Assistant City Attorney, Raul Aguila, stated that the draft contract has been presented to SRC for comments.

Chairman Gross stated that due to the problem with the credit markets, the City does not have the ability to sell revenue bonds at the current time, which requires substantial restructuring of the agreement to keep it alive. As a result, the City would only advance a portion of what was initially discussed, then the City would go into a holding pattern until bonds could be sold to secure financing and build the garage.

Chairman Gross then stated that during the holding period, the City would move the maintenance facility from Flamingo Park to the Tremont Towing site and if financing for the project could not be secured at the end of the holding period, the City would still have the option of building a small structure.

City Manager Jorge Gonzalez stated that in the event that the City could not secure financing by the deadline, the option of keeping the land or getting the \$8.5 million back would be available.

Assistant City Attorney Raul Aguila clarified that if financing could be secured, the City does not have the option of not proceeding with the project.

Chairman Gross invited comments from the public. Miami Beach resident Nina Boniske stated that the Sunset Harbor Townhomes Association voted in favor of the project because the neighborhood needs the retail component. She also stated that it is very difficult to rent out retail spaces in the area due to the shortage of parking. Miami Beach resident Nancy Lieberman stated that moving the maintenance facility to the Tremont Towing site is not acceptable because the plan was to rid the neighborhood of Tremont Towing.

After the public comments Commissioner Libbin inquired as to how much it would cost to maintain and operate the garage and requested a cash flow analysis for a medium size garage. Chief Financial Officer Patricia Walker stated that the parking system would provide for debt service and that while some garages made a profit, others served the public.

Motion made by Commissioner Weithorn and seconded by Chairman Gross to present the proposed project to the Commission, as it is currently contemplated in the draft agreement and subject to final negotiation as follows:

Pay \$8.5 million for the Tremont Towing site where Scott Robins would own the ground floor and the City would own the air rights above; proceed with the design from the Arquitectonica contract; secure financing in 3 years; pay an additional \$4.5 million for the remainder of the air rights; bid the project out and build the garage; and if the City cannot achieve the financing by the deadline, Scott Robins would provide the City with the fee for the Tremont Towing site, or conversely, provide the City with \$8.5 million and the project does not proceed. Additionally, the Committee requested a cash flow projection for a medium size garage to be circulated by LTC.

**2. a) Discussion of Potential Garage in the Collins Park Neighborhood.**

**b) Discussion Regarding a Proposed Joint Venture for a Parking Garage Project in the Collins Park Neighborhood.**

**ACTION**

**Bring the item back to the Committee in February to provide an update on the negotiations and the overall cash flow analysis for the Parking System.**

Assistant City Manager, Tim Hemstreet presented the item regarding the potential garage in the Collins Park Neighborhood.

Mr. Hemstreet stated that the construction of a garage in the Collins Park Neighborhood is not a new idea and that there are three options that the City has been pursuing over the past few years. The options are as follows:

1. Joint venture with the ground lessee of the private parking lot located at the corner of Park Avenue and 23<sup>rd</sup> Street, Mr. Ron Bloomberg. This option involves the construction of a public parking garage on the land that he controls as well as the parking lot the City owns immediately behind the Miami City Ballet building. A structure at this location would provide for ground floor retail and about 400 parking spaces.
2. Construct a traditional garage on the two City owned surface lots along 23<sup>rd</sup> Street, behind the Miami City Ballet building and the Regional Library building, provided that the City is willing to vacate Liberty Avenue since the garage would need to cross this street.
3. Joint venture with Gansevoort. The Gansevoort Hotel owns a surface lot across Collins Avenue from its property. The City and the owners of the resort property have discussed a joint venture on this lot. The conceptual project would have ground floor retail owned and controlled by the Gansevoort, with a maximum 500-space garage above. The proposed concept would have the City purchasing up to 500 spaces. This project would assist the Gansevoort with meeting its parking needs and would also add public parking inventory to the neighborhood.

Chairman Gross inquired as to why the City should pursue a deal where the land needs to be purchased. The Manager explained that the Bloomberg Option 2 is appealing because it provides for the financing of the project development. He also explained that the structure would be developed as a ground lease (City would purchase the parcel controlled by Bloomberg) with two components, a garage component and a retail component. Both the retail and garage components would be owned and operated by Bloomberg as the Developer of the project, with the City receiving a share of the revenue stream.

Commissioner Libbin inquired as to the number of spaces that would be open to the public with the Bloomberg option. The Manager stated that out of the 400 spaces, approximately 300 would be available for public use.

Commissioner Libbin then inquired as to the key points of the Gansevoort proposal. The Manager explained that the Gansevoort project would be constructed on Gansevoort owned property. The project includes two components, ground lease retail that Gansevoort will own and operate with a parking garage above the ground floor with up to 500 spaces that the City would own and operate. Each space would cost \$25,000 and the return to the City would be realized through the revenue generated from those spaces.

Chairman Gross asked the Gansevoort project representative if they were planning on building spaces in excess of what the City wants to buy. The representative stated that they would not build excess spaces to satisfy their retail requirement and that in turn, they would like to rent 100 spaces for their valet operators as needed, at a rate set by the City.

City of Miami Beach resident, Ray Breslin stated that the neighborhood would only survive if parking is available and that the neighborhood's first choice is the Bloomberg project because it is the closest to the Cultural Campus, the second choice is the Gansevoort project, and the third choice is to block off Liberty Avenue.

Chairman Gross inquired as to the staff availability to negotiate both projects simultaneously. He added that there is no advantage of picking one over the other since both are fronting money for construction. The Manager stated that the staff that would be assigned to these projects would be the same staff assigned to negotiate the Scott Robins and the North Beach garages.

Chairman Gross then stated that although both projects are appealing because the City does not have to build either one, he would like to see the overall cash flow analysis for the Parking System, to better determine what the City can realistically afford.

ADD Inc. Principal, Jonathan Cardeno presented a conceptual design of the Bloomberg project.

The Committee directed the Administration to bring the item back to the Committee in February to provide an update on negotiations and the overall cash flow analysis for the Parking System.

### **3. Discussion of Potential Garage Project as Part of the North Beach Town Center Plan.**

#### **ACTION**

**The Committee authorized the Administration to approach City National Bank and to issue a Request for Letters of Interest for the construction of the potential garage project. The boundaries for the RFLI are 72<sup>nd</sup> Street, Collins Avenue, 63<sup>rd</sup> Street, Indian Creek and Dickens Avenue.**

Planning Director, Jorge Gomez presented the item regarding the potential garage project as part of the North Beach Town Center Plan.

As background, Mr. Gomez stated that the purpose of the Town Center Plan is to stimulate reinvestment and guide future development to create a commercial center serving the entire North Beach community and that one of the key strategies of the plan is to develop a centralized public parking garage that will act as an incentive to attract private sector redevelopment.

Mr. Gomez then stated that previous parking studies for the area projected a shortage of 1,300 public parking spaces by the year 2013 and that City National Bank owns some of the sites considered for the construction of the garage. He then noted that the Administration held discussions in the past with City National Bank to explore a joint development agreement or land swap and that those discussions were suspended. The Administration is now seeking guidance on approaching City National Bank again directly.

Commissioner Weithorn stated that it would be a good idea to hold conversations with City National Bank.

The Manager stated that an RFP had been contemplated to have developers bring in the land because the City is not interested in buying land. The Manager then suggested that a softer and faster approach would be to issue a Request for Letters of Interest and that the item could be presented at the December 10<sup>th</sup> Commission Meeting.

The Committee authorized the Administration to approach City National Bank and to issue a Request for Letters of Interest for the construction of the potential garage project. The boundaries for the RFLI are 72<sup>nd</sup> Street, Collins Avenue, 63<sup>rd</sup> Street, Indian Creek and Dickens Avenue.

#### **4. Discussion Regarding Acorn Lights Located in Normandy Isle, Normandy Sud ROW Project.**

#### **ACTION**

**Motion made by Commissioner Tobin and seconded by Chairman Gross to approve additional improvements in Normandy Isle which includes the installation of approximately 32 acorn lights, uprights in the median at Trouville Esplanade, and pavers on crosswalks at two intersections, as requested by the Normandy Isle North Homeowners Association and as part of the ongoing Normandy Isle Right-of-Way Improvements Program.**

CIP Director, Jorge Chartrand presented the item regarding acorn lights located in Normandy Isle, Normandy Sud ROW Project. As background, he explained that the Normandy Isle North Homeowners Association (HOA) requested additional improvements as part of the ongoing Normandy Isle Right-of-Way Improvements program. Specifically, the HOA requested pedestrian lighting and brick paver crosswalks on Marseille Drive, Calais Drive, Rue Bordeaux, Rue Granville, and Trouville Esplanade along with uplighting of landscaping in the

median on Trouville Esplanade.

Mr. Chartrand stated that an analysis was conducted to determine the number of lights needed to improve the lighting around the Marseille Drive area and that the result was approximately 32. He then noted that the cost of the additional work is estimated to be \$250,000. It includes a design and photometric study for the pedestrian lights. The funds will come from the previously appropriated Pay as You Go Fund for the Normandy Isle/Normandy Sud Project.

Chairman Gross inquired as to the reason for the lighting study. Mr. Chartrand indicated that the study is needed to be certain that the spacing and placement of the lights is appropriate.

Chairman Gross then asked about the status of the complaints received regarding light glare in the Orchard Park area of the Nautilus ROW project. Mr. Chartrand stated that light shields were installed and that no other complaints have been received.

Motion moved by Commissioner Ed Tobin and seconded by Chairman Gross to approve additional improvements in Normandy Isle which includes the installation of approximately 32 acorn lights, uplights in the median at Trouville Esplanade, and pavers on crosswalks at two intersections, as requested by the Normandy Isle North Homeowners Association and as part of the ongoing Normandy Isle Right-of-Way Improvements Program.

#### **5. Discussion on Additional Pedestrian Lighting for the Nautilus West ROW Neighborhood.**

#### **ACTION**

**Relocate the available 15 cobra heads from Orchard Park and look for more cobra heads available in other neighborhoods and in Public Works. Bring the item back to the Committee in January or February and provide a Contingency Analysis, which will determine the funding sources and the available balance. Other locations will be addressed on a spot basis depending on funding availability after the Contingency is analyzed.**

CIP Director, Jorge Chartrand, presented the item regarding additional pedestrian lighting for the Nautilus West ROW Neighborhood.

Mr. Chartrand stated that the homeowners from the Nautilus West area have requested pedestrian lighting as part of the Nautilus Right-of-Way Improvements project and that as a result, fifteen existing cobra heads are being relocated from Orchard Park to Nautilus West to minimize the need for pedestrian lighting.

Chairman Gross inquired as to the cost of relocating a cobra light compared to putting in a new acorn light. Mr. Chartrand stated that, per the contractor, the cost of relocating a cobra light is approximately \$1,000 and added that they will be installed on Florida Power & Light (FPL) poles; therefore there will be no

electrical service cost to the City.

Nautilus Home Owners Association President, Paul Kress stated that aesthetically, they would like to have acorn lights and because Orchard Park is getting acorn lights, Nautilus West should get them too.

Commissioner Weithorn stated that the fifteen cobras should be relocated to make the neighborhood safe in a cost effective manner.

Mr. Chartrand stated that he recommends having a photometric study that would cost approximately \$25,000 to determine how many fixtures are needed and where to place them.

City of Miami Beach resident, R. Mercer stated that she has safety concerns for her neighborhood and that she would like to know how the problem is going to be resolved. Chairman Gross responded by saying that fifteen cobras will be relocated to the neighborhood.

Chairman Gross inquired as to the status of the contingency fund for the project. Mr. Chartrand stated that the project is approximately 50% complete and that the balance in the contingency is approximately \$700,000. He then asked how the location of the fifteen cobras was determined. Mr. Chartrand indicated that the designer in the design-build team decided the locations based on a photometric study.

Relocate the available 15 cobra heads from Orchard Park and look for more cobra heads available in other neighborhoods and in Public Works. Bring the item back to the Committee in January or February and provide a Contingency Analysis, which will determine the funding sources and the available balance. Other locations will be addressed on a spot basis depending on funding availability after the Contingency is analyzed.

## **6. Discussion Regarding the Wing Art Work at the End of Lincoln Road and Washington Avenue.**

### **ACTION**

**It was the Committee's consensus to approve \$5,000 for the budget component of the proposal, which will also include a cost analysis of the Morris Lapidus design, as well as the maintenance for each proposal presented.**

Chairman Gross introduced the item regarding the Wing Art Work at the End of Lincoln Road and Washington Avenue, and introduced Robert Wennett and Landscape Architect Amanda Cox who offered to present suggestions for the improvement of the Wing.

Public Works Director Fred Beckmann presented pictures of the current Wing and stated that the main problem with the Art Work is vandalism and

maintenance of the glass pieces and waterfall structures.

Ms. Cox presented the following proposals and diagrams for landscaping improvements for the Wing and provided a brief background on the preexisting Morris Lapidus design. The first proposal focused on minor interventions making the vegetation more robust, removing the glass pieces for transparency and turning the fountain into a lily pond. The second proposal included a more programmed space that incorporated a seat wall next to the lily pond with larger plants. The third proposal added a green vegetated wall. The final proposal included the green vegetated wall, painted the shade canopy in white, and added two big shade trees.

Mr. Wennett stated that a shade structure could accommodate a booth for programmed activities. He also added that the plant walls are very popular around the world and that it would do very well in this area given its climate.

Chairman Gross inquired as to the cost of the project. Ms. Cox stated that the cost is unknown at this time.

Commissioner Libbin expressed concerns about the green vegetated wall being too high and therefore prone to crime. Ms. Cox stated that all components can be modified.

Chairman Gross stated that the Historic Preservation Board suggested considering the Morris Lapidus design because it was there before the Wing. Mayor Matti Herrera Bower agreed that the Morris Lapidus design should be considered in order to bring the place back to what it once was.

Mr. Wennett asked the Committee to provide \$5,000 to compensate Ms. Cox for the next phase, which includes the budget component of the project.

It was the Committee's consensus to approve \$5,000 for the budget component of the proposal, which will also include the cost of the Morris Lapidus design, as well as the maintenance for each proposal presented.

## **7. Discussion Regarding Limited Improvements to the Little Stage Theater.**

### **ACTION**

**Motion made by Commissioner Weithorn and all were in favor to approve up to \$25,000 for a maintenance project consisting of interior upgrades only. Funding to be appropriated from the A&E portion of the comprehensive master plan renovation project, which was previously appropriated.**

CIP Director, Jorge Chartrand presented the item regarding the improvements to the Little Stage.

As background, he stated that three options had been explored and that in an effort to keep costs to a minimum, one of the options was re-evaluated to proceed as a maintenance project through the City's Property Management Division. He then added that as a maintenance project, the scope of work and construction timeframe could potentially be reduced, the permitting process accelerated, and that the cost would be approximately \$25,000.

Chairman Gross inquired as to the electric component. Mr. Chartrand stated that the electrical work needed is minimal because heavy stage lighting will not be used to operate the stage. Chairman Gross then inquired as to the air conditioner units needed. Mr. Chartrand stated that Property Management Division Staff recommended buying two condensing units.

Chairman Gross then noted that the seats will be removed because they do not meet handicapped code. Miami Beach resident Ray Breslin stated that he does not believe the seats need to be removed because the top row could be assigned as handicapped space. Mr. Chartrand noted that approaching the repairs, as a maintenance project will not trigger certain ADA compliance issues.

Mayor Matti Herrera Bower stated that the Fillmore is replacing their chairs and that those chairs should be considered for use in the Little Stage.

Commissioner Weithorn inquired as to the City's need for this facility. Chairman Gross responded by saying that SOBE Music has been asking for an additional facility to perform in, that would be complementary to what they are doing, and also believes that it would be a good venue for children programming.

Mayor Matti Herrera Bower stated that the facility should be controlled by the City and available to the community in general, not just SOBE Music.

Motion made by Commissioner Weithorn, and all in favor, to approve up to \$25,000 for the maintenance project consisting of interior upgrades only. Funding to be appropriated from the A&E portion of the comprehensive master plan renovation project, which was previously appropriated.

#### **8. Discussion Regarding Implementation of the Affordable Housing Ad Valorem Tax Deferral Approved by the 2007 Florida Legislature.**

#### **ACTION**

**The Committee decided that the ordinance should go for its first reading on Dec. 10th at Commission, and to bring the item back to F&CW on December 16th, along with a fiscal analysis to determine the economic impact this will have on the City.**

Chairman Gross opened the discussion regarding the Affordable Housing Ad Valorem Tax Deferral Approved by the 2007 Florida Legislature by stating that the matter at hand is whether to pass an ordinance rebating real estate taxes on the increment in value to people who are providing affordable housing.

Commissioner Weithorn stated that she would like to see a fiscal impact study before the ordinance is passed.

City Manager Jorge M. Gonzalez stated that previous projections will be analyzed and made available to the Committee.

Mayor Matti Herrera Bower stated that the item should come back to the Committee before referring it to Commission.

Economic Development Division Director, Kevin Crowder stated two readings are needed and suggested that the first reading be done at the Commission Meeting of December 10<sup>th</sup>, then to bring the item back to the Committee on December 16<sup>th</sup>, in order to be able to pass the Ordinance by January 2009.

The Committee decided that the ordinance should go for its first reading on December 10th at Commission, and to bring the item back to the Committee on December 16th, along with a fiscal analysis to determine the economic impact this will have on the City.

JMG/PDW/rs/ns