



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: June 2, 2009

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF JUNE 2, 2009.**

OLD BUSINESS

NEW BUSINESS

1. Review and Discussion of the Ameresco preliminary report and list of energy savings projects.

ACTION

The Committee recommended the following projects:

- Energy Conservation Measure (ECM) 1 - Facility Lighting and Lighting Control Upgrades; ECM 2 - Street Lighting Upgrades; ECM 3 - Domestic Water Conservation; ECM 5 - HVAC Controls, ECM 7 - Geothermal Cooling – Police Station; ECM 8 - Ice Arena Cooling Savings; ECM 9 - Wall Insulation – Scott Rakow Center; ECM 10 - Power Transformer Replacement; ECM 12 - Renewable Energy – Scott Rakow Center.
- Add as an additive alternate ECM 4 - Irrigation Water Conservation: Scalping Plant and ECM 6 - Convention Center Upgrade and Expansion

The Committee further recommended that ECM 3 and ECM 7 be the projects designated for the Energy Block Grant program in the Federal Stimulus effort.

Assistant City Manager Robert Middaugh presented the item and gave a brief history. Mr. Middaugh then went on to introduce John Planck from Ameresco who is the consultant for the project.

The City received on April 8, 2009, the Preliminary Energy Engineering Assessment from Ameresco for the guaranteed energy savings performance based on program contract. The report included both those items reviewed and not found feasible, as well as those items reviewed and for which an energy savings performance contract might be feasible to execute.

Agenda Item CGD
 Date 7-15-09

Upon approval by the full City Commission of a list of energy conservation measured projects, Ameresco will complete their audit grade energy assessment within approximately a thirty day period so that the City may proceed to financing and implementation of the respective projects.

Mr. Planck presented a power point presentation of the conventional and unconventional Energy Conservation Measures (ECM). The Committee discussed which of the projects might be supported by anticipated Federal Stimulus Funds in the area of energy conservation. Two potential energy grant assistance projects are ECM 7, a geothermal cooling solution for the Police Station Building, and ECM 12, a renewable energy project for the Scott Rakow Youth Center. The size and scope of these two projects are such that the approximately \$839,000 of anticipated federal funds might be put to appropriate use. These two projects were identified as potential grant candidates as they are beneficial and green oriented projects, but the projected payback to the City is not sufficient to allow them to stand alone as viable projects. Projects with poor payback time periods also increase the overall payback for the project pool finally selected by the City Commission.

Commissioner Weithorn asked how much flexibility the City would have in choosing the projects and could projects be added or removed at a later time. Tracey Gallentine of Ameresco said changes could be made as an addendum to the contract.

Chairman Gross asked Ameresco to provide the actual costs of ECM 3 and ECM 7 and not to include the carrying cost of these projects.

The Committee recommended the following projects:

- Energy Conservation Measure (ECM) 1 - Facility Lighting and Lighting Control Upgrades; ECM 2 - Street Lighting Upgrades; ECM 3 - Domestic Water Conservation; ECM 5 - HVAC Controls, ECM 7 - Geothermal Cooling – Police Station; ECM 8 - Ice Arena Cooling Savings; ECM 9 - Wall Insulation – Scott Rakow Center; ECM 10 - Power Transformer Replacement; ECM 12 - Renewable Energy – Scott Rakow Center.
- Add as an additive alternate ECM 4 - Irrigation Water Conservation: Scalping Plant and ECM 6 - Convention Center Upgrade and Expansion

The Committee further recommended that ECM 3 and ECM 7 be the projects designated for the Energy Block Grant program in the Federal Stimulus effort.

2. Discussion regarding a self-service bicycle rental program.

ACTION

The Committee advised staff to bring the final contract to the July 15th Commission meeting.

Assistant City Manager Robert Middaugh presented the item and gave a brief synopsis of the memo.

On June 25, 2008, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) No. 44-07/08 for a Self-Service Bicycle Rental Program. The purpose of this RFP is to enter into a concession agreement with a qualified firm to deliver and operate a citywide self-service bicycle rental program for public use and

stationed in the public right-of-way (ROW).

The term of contract will be for five (5) years with a five (5) year renewal option, to be exercised at the City's sole discretion.

DecoBike, LLC will implement a program, which enables the public to self-rent bicycles from any location and return them to another. Services are provided by DecoBike, LLC on a 24-hour, 365-day-a-year (full time) basis with sufficient personnel to successfully operate the program.

At the January 28, 2009, City Commission meeting, while in support of the idea for a self-service bicycle rental program, several concerns were expressed in regards to the revenue sharing provisions, aesthetics of the bicycle and kiosk, and scalability of the program. As a result of the City's negotiation with DecoBike, LLC, each matter was addressed and concluded as follows:

- DecoBike, LLC, originally proposed a revenue sharing option whereby the City would receive 15% of gross revenues up to the first \$1million, 12% of gross revenues between \$1million and \$2 million, and 10% of gross revenues in addition to 25% in advertising revenues. After negotiations, the revenue sharing option was revised whereby the City would receive 12% of gross revenues up to \$3 million and 15% of gross revenues beyond that in addition to 25% of advertising revenues.
- Upgrades to the bicycles and kiosks include a smaller footprint for the bike rack to accommodate 8-16 bikes, concealing the solar panel, and ensuring all parts are rust-free and corrosion-free.
- DecoBike, LLC, outlined 100 potential citywide locations (subject to City approval) in anticipation of having 900 bicycles eventually in circulation. Initially 500 bikes will be launched in South Beach and then followed by an additional 400 bikes in Mid and North Beach.

DecoBike, LLC would offer monthly memberships at approximately \$9-\$12/month and short term rentals at approximately \$4/hr.

Commissioner Jerry Libbin didn't want to see parking spaces used to place the bike racks & kiosks. Commissioner Deede Weithorn agrees except on Lincoln road, where they should be placed in close proximity to avoid the bike stations being located on Lincoln Road.

Chairman Gross asked what the cost to the City would be for using parking spaces for the bike racks. Saul Francis, Parking Director, approximated the cost to be between \$75,000 and \$80,00 for 50 parking spaces. The Committee also discussed their concerns that the Performance bond was for \$10,000 and asked staff to consider increasing the amount to coincide with the City's capital outlay.

Colby Reese of DecoBike, LLC presented a power point presentation which contained pictures of the bike, and bike rack and kiosk.

Chairman Gross asked staff to talk to the Risk Manager to ensure that DecoBike, LLC has adequate insurance coverage.

Chairman Gross opened the floor to public comment which included concerns about the initial five year term, using parking spaces for the bike racks & kiosks, bike theft, and the impact on local bike shops.

Chairman Gross asked that the contract specify that DecoBike, LLC will not offer annual

memberships.

Chairman Gross also requested to see the "low" model of revenue projection, the City's potential out of pocket expense, how the City protects itself if the program doesn't succeed and what the exit strategy would be, that staff test the bike and equipment and to increase the rental fee per hour of use so tourist rentals are not competing with resident rentals.

The Committee advised staff to bring the final contract to the July 15th Commission meeting.

3. Discussion regarding a shared car program.

ACTION

Status Update

Assistant City Manager Robert Middaugh presented the item and gave a brief history and stated that the Administration is continuing negotiations with the Hertz Corporation and hopes to finalize the remaining outstanding terms of the agreement which include the financial return to the City. Upon completion of said negotiations, the Administration will present an Agreement to the Finance Committee for their review, input, and direction.