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# MIAMI BEACH

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

## FINANCE & CITYWIDE PROJECTS COMMITTEE MEMORANDUM

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

FROM: Jorge M. Gonzalez, City Manager

DATE: July 29, 2010

*Trish  
for JMG*

SUBJECT: 2010 Parking Bonds – Garage Pro-forma

In accordance with Chapter 2 of the Miami Beach City Code, entitled "Administration"; Article V entitled "Finance"; Sec. 2-278, entitled "Procedures governing the issuance of bonds" referenced below:

### **Sec. 2-278. Procedures governing the issuance of bonds.**

- (a) *Prior to the adoption by the city commission of the final resolution approving the issuance of any bonds by the city, the following requirements shall be complied with:*
- (1) *In order for the city commission and the public to be fully informed on all matters relating to the proposed issuance of bonds, the city manager shall prepare, or cause to be prepared, a fiscal analysis of the economic impact of the proposed bond issuance using the following criteria:*
    - a) *The estimated cost of the project or projects on account of which such bonds are to be issued;*
    - b) *The estimated annual revenues, if any, to be generated by such project or projects; and*
    - c) *The estimated annual cost of maintaining, repairing and operating such project or projects.*
  - (2) *Upon completion of the fiscal analysis in subsection (a)(1), the proposed issuance of bonds shall be first considered and reviewed by the city's finance and citywide projects committee.*
  - (3) *The city commission shall hold two public hearings, each advertised not less than 15 days prior to the hearing, in order to obtain citizen input into the proposed bond issuance.*

Attached please find the five (5) year pro-formas for the Collins Park Garage and the Purdy Avenue Garage. It is important to note that these pro-formas are based on assumptions that in part are outside the control of the City. The pro-formas are intended to project revenues and expenses over a five (5) year period based on current information. Please note that these projections may vary contingent upon the local, national, and international economy.

### Collins Park Garage

The Collins Park Neighborhood is generally referred to as the area in and around Collins Park, and is also generally referred to as the Cultural Campus and the CANDO districts. Although the specific boundaries of each of these three areas may differ slightly, the main core of the neighborhood is Collins Park. Since the mid-1990's, the City has made considerable

investments in cultural amenities in and around Collins Park. The initial investments include the Miami City Ballet building and the expansion of the Bass Museum of Art. This was later followed by the construction of the new Regional Library Building, and now the renovation of Collins Park itself. The next funded phase includes the City Center ROW Project, which will renovate the rights-of-way in this neighborhood. Private investment in this area has also been significant over the same period of time. Private development includes the Gansevoort Property, the W Hotel property, the Setai, and Arte City, to name just a few. There is also a well organized neighborhood association and the parking lot for Collins Park is one of the locations for Art Basel. Additional public parking has long been an identified need for this area. The City owns two surface parking lots along 23rd Street on either side of Liberty Avenue. The City has a contract to acquire the parcel owned by ARRE which is adjacent to the City owned surface lot behind the Miami City Ballet building. These two parcels combined will serve to construct a 350 space garage with approximately 20,000 square feet of ground floor retail.

### Purdy Avenue Garage

The Purdy Avenue Garage is a joint venture "project" with the Scott Robbins Company (SRC) to provide a 458 space parking garage and 31,000 square feet of ground floor retail. The Sunset Harbor neighborhood, bounded by Purdy Avenue on the west, Alton Road on the east, 20<sup>th</sup> Street on the north, and Dade Boulevard on the south is part of the Middle Beach commercial service area. The neighborhood has limited public parking inventory in the form of one surface lot on the west end and scattered on-street metered parking. While this neighborhood is in transition with a number of restaurants, bars, and clubs thriving as well as a Whole Foods Market currently under construction, it still demonstrates a deficiency in neighborhood retail. The City performed an initial economic development site analysis, which indicates that retail should do well in this neighborhood, primarily serving middle beach residents. These residents currently have to travel to other areas since there is insufficient retail in mid-beach to meet their needs. The proposed development could provide sustainable neighborhood retail, which would generate the need for approximately 135 parking spaces. The Parking Department has indicated that there are currently peak periods with a parking shortage in the area, such as evening hours and lunchtime. The estimated parking demand for these peak periods is 30 spaces.

There is also demand for valet parking storage in the area for commercial and residential uses. It is anticipated that commercial valet demand will be supported by the private sector as it will not be permitted at the Purdy Avenue Garage; however, incidental valet storage is contemplated for single-family residents in adjacent neighborhoods who have large events in their homes yet little to no parking inventory to service their needs. Residential valet use is for a one (1) day event and is limited to a few times a year. There have been discussions regarding a parking overlay district in this area that could serve as a catalyst for redevelopment of properties in the area, with the potential of expanding the neighborhood retail opportunities beyond that which would be included in the garage. However, if the overlay strict initiative is pursued, it would be crafted in such a manner as to preserve the tax exempt status of the bonds. The preliminary estimate for this demand is 150-175 spaces. This equates to an overall demand for approximately 390 parking spaces. The project contemplates a 458 space garage to build some additional capacity.

The Administration has prepared two pro-formas for the initial five years of operation. Both pro-formas take into account the initial start-up costs that will occur in the first year. Additionally, the pro-formas assume that the retail component of the facility will reach 90% occupancy at the end of year 1, with 100% occupancy during years 2-5.

The first pro-forma accounts for the spaces in the garage that will be utilized for City operations, and therefore, will not generate revenue. During the first five (5) years, the pro-forma indicates that the facility will operate at a loss.

Since the City's use of 120 spaces in the garage is a unique circumstance that supports additional benefits related to this project, the Administration prepared a second pro-forma to analyze the viability of this project as if it were a normal parking garage with ground floor retail. In this scenario, the "City spaces" were not accounted for, and therefore were included as revenue-generating spaces.

JMG/JGG/SF/RAR

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**CITY OF MIAMI BEACH**  
**PARKING DEPARTMENT**  
 Collins Park Garage  
 350 Spaces

REVENUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TRANSIENT 300 x Avg Ticket Price @ \$3.00 - Mon-Sun (8a to 6p)	\$ 327,600	\$ 327,600	\$ 327,600	\$ 327,600	\$ 327,600
TRANSIENT 150 x 156 days x \$15.00- Fri Sat & Sun (nights & weekends)	\$ 351,000	\$ 351,000	\$ 351,000	\$ 351,000	\$ 351,000
MONTHLY- 88 x \$74.90 x 12 months	\$ 79,094	\$ 79,094	\$ 79,094	\$ 79,094	\$ 79,094
SALES TAX	\$ (49,569)	\$ (49,569)	\$ (49,569)	\$ (49,569)	\$ (49,569)
<b>TOTAL NET REVENUE</b>	<b>\$ 708,126</b>				

EXPENSES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
000312 <b>TOTAL PROFESSIONAL SERVICE</b>	\$ 152,412	\$ 157,746.42	\$ 163,267.54	\$ 168,981.91	\$ 174,896.28
SUPERVISOR/ATTENDANT					
168 hrs x 52 wks @ \$17 per hr	\$ 148,512				
LANDSCAPING - \$150/WK X 26	\$ 3,900				
000314 SECURITY	\$ 3,000	\$ 3,105.00	\$ 3,213.68	\$ 3,326.15	\$ 3,442.57
000316 TELEPHONE (\$250/MO) + CABLE (\$100/MO)	\$ 4,200	\$ 4,347.00	\$ 4,499.15	\$ 4,656.62	\$ 4,819.60
000317 WATER \$2,000/MO	\$ 24,000	\$ 24,840.00	\$ 25,709.40	\$ 26,609.23	\$ 27,540.55
000318 SEWER	\$ 4,000	\$ 4,140.00	\$ 4,284.90	\$ 4,434.87	\$ 4,590.09
000319 SANITATION	\$ 3,500	\$ 3,622.50	\$ 3,749.29	\$ 3,880.51	\$ 4,016.33
000324 PRINTING/TICKETS ETC.	\$ 5,000	\$ 5,175.00	\$ 5,356.13	\$ 5,543.59	\$ 5,737.62
000325 <b>TOTAL MAINTENANCE CONTRACTS</b>	\$ 121,800	\$ 147,663.00	\$ 152,831.21	\$ 158,180.30	\$ 163,716.61
JANITORIAL \$9,900/MO	\$ 108,000				
ELEVATOR \$1,000/MO (1st year under warranty)*	\$ 12,000				
EXTERMINATING SERVICES \$250/MO	\$ 3,000				
FIRE EXTINGUISHERS \$150/MO	\$ 1,800				
FIRE ALARM MONITORING \$250/MO	\$ 3,000				
COURIER SERVICE \$500/MO	\$ 6,000				
REVENUE CONTROL EQUIPMENT -\$800/MO* (1st year under warranty)	\$ 9,600				
000341 OFFICE SUPPLIES	\$ 3,000	\$ 3,105.00	\$ 3,213.68	\$ 3,326.15	\$ 3,442.57
000342 <b>TOTAL REPAIRS &amp; MAINTENANCE</b>	\$ 21,000	\$ 21,735.00	\$ 22,495.73	\$ 23,283.08	\$ 24,097.98
R & M SUPPLIES	\$ 3,000				
REVENUE CONTROL R & M (NOT COVERED UNDER WARRANTY)	\$ 5,000				
ELEVATOR REPAIRS (NOT COVERED UNDER CONTRACT)	\$ 5,000				
PRESSURE CLEANING	\$ 8,000				
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 341,912</b>	<b>\$ 375,479</b>	<b>\$ 388,621</b>	<b>\$ 402,222</b>	<b>\$ 416,300</b>
<b>PROFIT/(LOSS)</b>	<b>\$ 366,214</b>	<b>\$ 332,647</b>	<b>\$ 319,505</b>	<b>\$ 305,903</b>	<b>\$ 291,825</b>

**CITY OF MIAMI BEACH**  
**PARKING DEPARTMENT**  
**PURDY AVENUE GARAGE - w/out Property Management Use of Spaces**  
**458 Spaces**

REVENUE		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	TRANSIENT - 300 x Avg Ticket Price @ \$3.00 - Mon-Fri	\$ 175,500	\$ 234,000	\$ 238,680	\$ 238,680	\$ 238,680
	TRANSIENT - 270 x 2 days x \$15.00-Sat & Sun (Conventions/Events)	315,900	421,200	429,624	429,624	429,624
	ACCESS CARDS					
	MONTHLY- 229 x \$74.90 x 12 months (BUSINESS/RESIDENTIAL)	205,825	205,825	205,825	205,825	205,825
	ODE (one day event) VALET 30 SPACES \$14.00 DAY TWICE A MONTH	10,080	10,080	10,080	10,080	10,080
	SALES TAX	(46,272)	(56,988)	(57,845)	(57,845)	(57,845)
	<b>TOTAL NET REVENUE</b>	<b>\$ 661,033</b>	<b>\$ 814,117</b>	<b>\$ 826,364</b>	<b>\$ 826,364</b>	<b>\$ 826,364</b>

EXPENSES		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
000312	<b>TOTAL PROFESSIONAL SERVICE</b>	<b>\$ 378,144</b>				
	SUPERVISOR / ATTENDANT-168 hrs x 52 wks @ \$17 per hr	297,024	297,024	297,024	297,024	297,024
	SECURITY-12 hrs per day x 7 days x 52 wks(7p-7a) @ \$15 per hr	65,520	65,520	65,520	65,520	65,520
	LANDSCAPING/LOT CLEANING - \$300 x 52	15,600	15,600	15,600	15,600	15,600
000314	UTILITIES/ELECTRICITY	40,000	41,200	42,436	43,709	45,020
000316	TELEPHONE + DSL	4,500	4,635	4,774	4,917	5,065
000317	WATER	2,000	2,060	2,122	2,185	2,251
000318	SEWER	4,000	4,120	4,244	4,371	4,502
000319	SANITATION	3,500	3,605	3,713	3,825	3,939
000324	PRINTING/TICKETS ETC.	5,000	5,150	5,305	5,464	5,628
000325	<b>TOTAL MAINTENANCE CONTRACTS</b>	<b>\$ 133,800</b>	<b>\$ 143,400</b>	<b>\$ 143,880</b>	<b>\$ 144,384</b>	<b>\$ 144,913</b>
	JANITORIAL - \$9,000 per Month	108,000	108,000	108,000	108,000	108,000
	ELEVATOR - \$1,000 per Month(Second Year)	12,000	12,000	12,000	12,000	12,000
	EXTERMINATING SERVICE - \$250 per Month	3,000	3,000	3,000	3,000	3,000
	FIRE EXTINGUISHERS - \$150 per Month	1,800	1,800	1,800	1,800	1,800
	FIRE ALARM MONITORING - \$250 per Month	3,000	3,000	3,000	3,000	3,000
	EMERGENCY GENERATOR - ( Property Mgmt)	-	-	-	-	-
	COURIER SERVICE - \$500 per Month (Brinks/Loomis)	6,000	6,000	6,000	6,000	6,000
	REVENUE CONTROL EQUIPMENT -\$800 per Month(second year)	-	9,600	10,080	10,584	11,113
000327	ADVERTISING/MARKETING	-	-	-	-	-
000329	STORM WATER	4,600	4,738	4,880	5,027	5,177
000341	OFFICE SUPPLIES	3,000	3,090	3,183	3,278	3,377
000342	<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<b>\$ 19,000</b>	<b>\$ 19,570</b>	<b>\$ 20,157</b>	<b>\$ 20,762</b>	<b>\$ 21,385</b>
	R & M SUPPLIES	3,000	3,090	3,183	3,278	3,377
	PRESSURE CLEANING	8,000	8,240	8,487	8,742	9,004
	REVENUE CONTROL R & M not covered under warranty	3,000	3,090	3,183	3,278	3,377
	ELEVATOR REPAIRS ( not covered under contract)	5,000	5,150	5,305	5,464	5,628
000343	<b>OTHER OPERATING EXPENSES</b>	<b>1,500</b>	<b>1,545</b>	<b>1,500</b>	<b>1,545</b>	<b>1,591</b>
000502	PROPERTY MGMT	30,000	30,900	31,827	32,782	33,765
000503	FLEET MGMT - \$250 Per Month	3,000	3,090	3,183	3,278	3,377
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 632,044</b>	<b>\$ 645,247</b>	<b>\$ 649,347</b>	<b>\$ 653,670</b>	<b>\$ 658,134</b>

	<b>PROFIT/(LOSS) - FIRST YEAR</b>	<b>\$ 28,989</b>	<b>\$ 168,870</b>	<b>\$ 177,017</b>	<b>\$ 172,693</b>	<b>\$ 168,230</b>
000674	REVENUE CONTROL EQUIPMENT PURCHASE	\$ 185,000	\$ -	\$ -	\$ -	\$ -
	<b>PROFIT</b>	<b>\$ (156,011)</b>	<b>\$ 168,870</b>	<b>\$ 177,017</b>	<b>\$ 172,693</b>	<b>\$ 168,230</b>

CITY OF MIAMI BEACH  
PARKING DEPARTMENT  
PURDY AVENUE GARAGE - Property Management Use of Spaces  
458 Spaces

REVENUE		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	TRANSIENT - 180 x Avg Ticket Price @ \$3.00 - Mon-Fri	\$ 105,300	\$ 140,400	\$ 143,208	\$ 143,208	\$ 143,208
	TRANSIENT - 150 x 2 days x \$15.00-Sat & Sun (Conventions/Events)	175,500	234,000	238,680	238,680	238,680
	MONTHLY- 229 x \$74.90 x 12 months (BUSINESS/RESIDENTIAL)	205,825	205,825	205,825	205,825	205,825
	PROPERTY MANAGEMENT 120 VEHICLES NEST	-	-	-	-	-
	ODE (one day event) VALET 30 SPACES \$14.00 DAY TWICE A MONTH	10,080	10,080	10,080	10,080	10,080
	TOTAL ACCESS CARDS -100	-	-	-	-	-
	SALES TAX	(32,495)	(38,618)	(39,108)	(39,108)	(39,108)
	<b>TOTAL NET REVENUE</b>	<b>\$ 464,210</b>	<b>\$ 551,687</b>	<b>\$ 558,685</b>	<b>\$ 558,685</b>	<b>\$ 558,685</b>

EXPENSES		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
000312	<b>TOTAL PROFESSIONAL SERVICE</b>	<b>\$ 378,144</b>	<b>\$ 378,144</b>	<b>\$ 378,144</b>	<b>\$ 378,144</b>	<b>\$ 378,144</b>
	SUPERVISOR / ATTENDANT-168 hrs x 52 wks @ \$17 per hr	297,024	297,024	297,024	297,024	297,024
	SECURITY-12 hrs per day x 7 days x 52 wks(7p-7a) @ \$15 per hr	65,520	65,520	65,520	65,520	65,520
	LANDSCAPING/LOT CLEANING - \$300 x 52	15,600	15,600	15,600	15,600	15,600
000314	UTILITIES/ELECTRICITY	40,000	41,200	42,436	43,709	45,020
000316	TELEPHONE + DSL	4,500	4,635	4,774	4,917	5,065
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000325	<b>TOTAL MAINTENANCE CONTRACTS</b>	<b>\$ 133,800</b>	<b>\$ 143,400</b>	<b>\$ 143,880</b>	<b>\$ 144,384</b>	<b>\$ 144,913</b>
	JANITORIAL - \$9,000 per Month	108,000	108,000	108,000	108,000	108,000
	ELEVATOR - \$1,000 per Month(Second Year)	12,000	12,000	12,000	12,000	12,000
	EXTERMINATING SERVICE - \$250 per Month	3,000	3,000	3,000	3,000	3,000
	FIRE EXTINGUISHERS - \$150 per Month	1,800	1,800	1,800	1,800	1,800
	FIRE ALARM MONITORING - \$250 per Month	3,000	3,000	3,000	3,000	3,000
	EMERGENCY GENERATOR - ( Property Mgmt)	-	-	-	-	-
	COURIER SERVICE - \$500 per Month (Brinks/Loomis)	6,000	6,000	6,000	6,000	6,000
	REVENUE CONTROL EQUIPMENT -\$800 per Month(second year)	-	9,600	10,080	10,584	11,113
000327	ADVERTISING/MARKETING	-	-	-	-	-
000329	STORM WATER	4,600	4,738	4,880	5,027	5,177
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	ELEVATOR REPAIRS ( not covered under contract)	5,000	5,150	5,305	5,464	5,628
000343	<b>OTHER OPERATING EXPENSES</b>	<b>1,500</b>	<b>1,545</b>	<b>1,500</b>	<b>1,545</b>	<b>1,591</b>
000502	PROPERTY MGMT	30,000	30,900	31,827	32,782	33,765
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	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 632,044</b>	<b>\$ 645,247</b>	<b>\$ 649,347</b>	<b>\$ 653,670</b>	<b>\$ 658,134</b>
	<b>PROFIT/(LOSS) - FIRST YEAR</b>	<b>\$ (167,834)</b>	<b>\$ (93,560)</b>	<b>\$ (90,662)</b>	<b>\$ (94,985)</b>	<b>\$ (99,449)</b>
000674	REVENUE CONTROL EQUIPMENT PURCHASE	\$ 185,000	\$ -	\$ -	\$ -	\$ -
	<b>PROFIT</b>	<b>\$ (352,834)</b>	<b>\$ (93,560)</b>	<b>\$ (90,662)</b>	<b>\$ (94,985)</b>	<b>\$ (99,449)</b>