

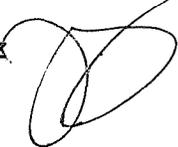


MIAMIBEACH

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

COMMITTEE MEMORANDUM

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

FROM: City Manager Jorge M. Gonzalez 

DATE: September 15, 2010

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF July 29, 2010.**

OLD BUSINESS

1. Discussion regarding Parking Revenue Bonds

ACTION

The Committee recommended the item.

Chief Financial Officer Patricia Walker presented and gave a brief history of the item. Chairperson Deede Weithorn asked Ms. Walker if she could breakdown the \$67 million. Ms. Walker discussed the following breakdown:

Sunset Harbor Garage	\$19.8M
Collins Park Garage	<u>\$21.9M</u>
	\$41.7M
System wide Meter Acquisition	\$1.3M
250 Pay Stations	\$0.2M
Pay on Foot Machines	<u>\$0.3M</u>
	\$1.8M
Surface Lot 19B at Collins & 53 rd	\$1.54M
Surface Lot at Collins & 84 th	\$0.72M
13 th St Parking Garage	\$0.09M
17 th St Parking Garage	\$0.13M
Cultural Campus Parking Garage	<u>\$0.02M</u>
	\$2.50M
Sub-Total	\$46.0M
Refunding Bonds	<u>\$20.9M</u>
Total	\$66.9M

Chairperson Weithorn asked what would happen to the Collins Park Garage portion of the issue should the parcel owned by AARE not be acquired. Ms. Walker stated that the project could always be taken out the deal which would reduce the size of the financing to approximately \$45 million. Chairperson Weithorn opened the floor to public comment

Agenda Item C6B

Date 9-15-10

which included concern about the City taking on additional debt. The Committee authorized the bond issuance.

NEW BUSINESS

2. Discussion regarding Paid Time Off for Living Wage

ACTION

The Committee recommended setting a minimum requirement of one (1) hour of PTO per 40 hours worked and a six (6) months plus one (1) day vesting period.

Staff is to analyze the potential cost of PTO, if any, to the City.

Chief Financial Officer Patricia Walker presented the item.

The City's current Living Wage Ordinance does not have a paid time off benefit provision for employees working on City service contracts; however 76.3% of employees working for such contractors receive an average of 15 days of Paid Time Off (PTO). Ms. Walker noted that an estimated 16 employees fall into Living Wage Contracts that are for the temporary hiring of event staff, subcontractors, and seasonal employees and these contracts do not offer PTO to covered employees. Chairperson Deede Weithorn suggested that in order to qualify for PTO, the employee must work a minimum of six (6) months within a year. Discussion ensued. Commissioner Jorge Exposito suggested that a minimum requirement for PTO be added to the Request for Proposal (RFP) process. City Manager Jorge Gonzalez stated that requiring PTO may increase the price per hour and as a result reduce the total amount of hours the City is able to purchase, which could potentially reduce the service level provided. Commissioner Jonah Wolfson asked what cost to the City would be, if any. Ms Walker stated that the existing vendors except for the security contract are already covering the minimum requirements of PTO. Conversation ensued. The Committee recommended setting a minimum requirement of one (1) hour of PTO per 40 hours worked and a six (6) months plus one (1) day vesting period and that the requirement would be only for contracts where contract employees worked full time in Miami Beach. The City Manager Jorge Gonzalez identified three types of contract employees where this would be applicable: security guards, parking cashiers / attendants and meter collections.

3. Discussion regarding the current vending machine service contract

ACTION

The Committee recommended retaining Brothers Vending on a month-to-month basis for up to twelve (12) months.

Director of Real Estate, Housing, Community Development Anna Parekh presented the item.

On July 27, 2005, the Mayor and City Commission authorized the Administration to negotiate and enter into a contract with Brothers Vending, Inc., for the operation of vending and snack machines at various locations on City-owned properties and facilities. The initial contract term was for two (2) years, commencing on November 1, 2005 and expiring on October 31, 2007, with three (3) additional one (1) year renewal options, all

of which have since been exercised. The third and final renewal term is set to expire on October 30, 2010, with no further renewals remaining. On January 13, 2010, the City approved an Agreement with the Superlative Group (Consultant) to proceed with Phase 2 of a citywide marketing/corporate sponsorship program to identify top products/sponsorship opportunities including, but not limited to, developing municipal marketing materials; developing competitive processes; negotiating packages; and presentation of prospective marketing partners for the City's consideration. One of the priorities for the Municipal Marketing Program is an "official beverage sponsor" partnership. This type of sponsorship will require the City to demonstrate that, in addition to our brand presence, there are sales volume opportunities. As such, it is important that all current beverage vending contracts in public places in the City be reviewed and considered in the context of the potential "official beverage" sponsorship opportunity. In consideration of these developments involving the corporate sponsorship program, the Administration is recommending to retain Brothers Vending on a month-to-month contract, until such time that the City develops and issues a competitive process for the broader sponsorship program for an "official beverage" sponsor. The Committee recommended retaining Brothers Vending on a month-to-month basis for up to twelve (12) months.

4. Discussion regarding lease with David L. Wrubel, CPA, PA

ACTION

The Committee approved the lease agreement with David L. Wrubel, CPA, PA.

Director of Real Estate, Housing, Community Development Anna Parekh presented the item.

On May 25, 2010, Koniver Stern Group, the City's contracted real estate broker, presented the City with a Letter of Intent (LOI) on behalf of David L. Wrubel, CPA, PA., a Miami Beach certified public accounting firm, who expressed interest in the 5th Floor that is currently vacant and available. Because the subject space, which is the sole remaining vacant space in the building, was never renovated by the City and requires extensive tenant improvements, the Tenant is also investing a minimum of \$35,370 in tenant improvements (in exchange for a rent credit). Property Management has estimated that it would cost the City approximately \$37,600 to build out the 5th Floor. Staff recommended that the build-out of the space be handled and permitted by the prospective tenant. The initial term for the proposed lease is three (3) years, with two (2) three (3) year renewal options, at the City's sole discretion. The Administration proceeded to negotiate a proposed lease agreement for City Commission approval and recommends that a lease agreement with David L. Wrubel, CPA, PA., for use of the 5th Floor be approved. The Committee approved the lease agreement with David L. Wrubel, CPA, PA.

5. Discussion regarding lease with Leonardo Salon, Inc.

ACTION

The Committee approved the lease agreement with Leonardo Salon, Inc.

Director of Real Estate, Housing, Community Development Anna Parekh presented the item.

On June 8, 2010, Koniver Stern Group, the City's contracted real estate broker, presented the City with a Letter of Intent (LOI) on behalf of Leonardo Salon, Inc., who expressed an interest in the ground floor retail space located at 1701 Meridian Avenue, Unit 1 (a/k/a 765 17th Street), formerly occupied by Steve's Hair Salon which is currently vacant and available. The Administration recommends that a lease agreement with Leonardo Salon, Inc. be approved. The Committee approved the lease agreement with Leonardo Salon, Inc.

6. Discussion regarding lease with Massage Partners, Inc. (a/k/a Jon Krutchik)

ACTION

The Committee approved the lease agreement with Massage Partners, Inc.

Director of Real Estate, Housing, Community Development Anna Parekh presented the item. On April 30, 2010, Koniver Stern Group, the City's contracted real estate broker, presented the City with the first of several Letters of Intent (LOI) on behalf of John Krutchik, a potential Massage Envy Spa franchisee, who expressed an interest in the ground floor retail space located at 1701 Meridian Avenue, Unit 2 (a/k/a 767 17th Street), formerly occupied by Permit Doctor which is currently vacant and available. The average PSF rate for ground floor retail in the building is \$42.00. The prospective tenant has offered to pay \$40.00 PSF, which the Administration and the City's Broker are recommending due to the fact that the prospective tenant will be undertaking significant renovations to upgrade the current condition of the retail space. The Administration recommends that a one (1) year rent abatement credit (\$72,115.60) be granted. The minimum projected hard construction costs are \$81,000.

Since approval on first reading, the City has been working with the proposed tenant to incorporate an escrow requirement or some other mechanism to ensure that funds to cover the minimum projected hard costs are secured in favor of the City. The tenant is agreeable to such a structure, contingent on the City considering a term that is concurrent with the current Franchise Agreement. The Franchise Agreement has a term of ten (10) years. The term proposed on first reading was four (4) years and 364 days with a five (5) year renewal at our sole option. As they have proposed, the lease term would now be no more than nine (9) years and 364 days (or the same expiration date as their Franchise Agreement); this is the same or less than the total term time previously approved on first reading, but does not provide for a renewal provision. The concept of a franchisee pursuing a lease term concurrent with their franchise term is common in the private sector. The Administration recommends that a lease agreement with Massage Partners, Inc., with the proposed terms, as delineated herein, including the proposed creation of an escrow, and the change to the lease term be approved. The Committee approved the lease agreement with Massage Partners, Inc.

7. Discussion on the possibility of expanding the Ameresco Lighting project to include all garages for reducing the energy of the lights.

ACTION

The Committee approved the item subject to Chase allowing a loan amendment.

Public Works Director Fred Beckmann presented and gave a brief history of the item. During the development of the Energy Conservation Measure for Facility Lighting and Lighting Control Upgrades (ECM 1) three existing parking garages were not evaluated.

On May 12, 2010 the City Commission asked Administration to explore the possibility of expanding ECM 1 to include all existing parking garages. The City received the proposal from Ameresco to install more efficient lighting systems with in the parking garage at 7th Street, 13th Street, and 42nd Street. The proposed capital cost for the additional scope of work is \$302,650, with guaranteed annual savings of \$36,792 within a ten (10) year term. As part of the City's due diligence, City staff has reviewed the cost backup sheets and the cash flow analysis. City staff considers the proposed cost and the ten (10) year guaranteed annual energy savings of \$36,792 to be fair and reasonable. The Administration recommends approval to add the lighting improvements. Chairperson Deede Weithorn was concerned that the cost of negotiating a new financing deal would exceed the savings of \$36,792 and asked if this would be added to the original financing or added as a separate financing piece. Chief Financial Officer Patricia Walker stated that the City would have to ask Chase if they would amend the loan agreement. The Committee approved the item subject to Chase allowing a loan amendment.

8. Discussion regarding visitor parking stickers available for residential areas

ACTION

The Committee approved the item on a trial basis and asked for a status report by Letter to Commission (LTC) in six (6) months.

Assistant Parking Director Charles Adams presented the item. Currently, daily scratch-off hang-tags may be purchased by residential parking zone participants at a cost of \$1.00 per day (plus sales tax). The Parking Department also offers a Caregiver Permit Program which allows residents receiving services from licensed agencies that have been authorized by a licensed physician to purchase a caregiver parking permit at a cost of \$25.00 (plus sales tax) for six (6) months. The resident may renew the permit thereafter upon resubmitting updated documentation to the Parking Department. The proposed enhancements to the Caregiver Parking Permit Program would also allow the resident to obtain the permit for family members/friends that assist in the care and/or support of the resident, not only an established caregiver agency. This would address special needs particularly for the elderly. The Committee approved the item on a trial basis and asked for a status report by Letter to Commission (LTC) in six (6) months.

9. Discussion of a Land Exchange and Development Agreement among Miami-Dade County, the City of Miami Beach, and South Beach Heights II; involving the properties at 615 Collins Avenue (P.E.T. Center), 710 Alton Road (Miami Beach Health Center) and 745 Alton Road.

ACTION

The Committee recommended the item be brought to the City Commission.

Assistant City Manager Jorge Gomez presented the item.

The County owns the property at 645 Collins Avenue which is currently leased to the County Health Department (P.E.T. Center property). The City of Miami Beach has reversionary interest in this property so that in the event of the P.E.T. Center property ceases to be used as a medical clinic, title to this property automatically reverts back to the City. The County also owns the property at 710 Alton Road (West Alton property) which is leased to the Miami Beach Community Health Center (formerly the Stanley C. Meyers Clinic).

Both the County and the City have been approached by Mr. Russell Galbut, representing South Beach Heights II (Developer), to exchange properties and develop a new health center on the vacant property owned by South Beach Heights II at 745 Alton Road (East Alton property). Should the City Commission be interested in such an exchange, the City, the County and the developer would have to enter into a Land Exchange and Development Agreement. The Committee recommended the item be brought to the City Commission.

- 10. Request for approval to issue a Request for Proposals (RFP) to provide parking cashiers/attendants and supervisors for the City's parking garages.**
 - a) criteria for evaluations**
 - b) add a labor peace clause**

ACTION

The Committee asked that the item be placed on the August 25, 2010 F&CWP meeting.

Chairperson Deede Weithorn asked staff to meet with her to review the RFP.

Assistant Parking Director Charles Adams presented the item. Chairperson Deede Weithorn asked staff to meet with her to review the RFP. The Committee asked that the item be placed on the August 25, 2010 F&CWP meeting.

- 11. Discussion pertaining to the Request for Proposals (RFP) NO. 24-09/10, for management and/or development of The Byron Carlyle Theater Complex.**

ACTION

The Committee recommended negotiating a management agreement with Broward Stage Door Theatre Co, Inc. with benchmarks included.

City Manager Jorge Gonzalez presented the item and expressed concern with entering into a long-term agreement (initial term of five (5) years, with an option to renew for an additional five (5) year term) essentially rent free. The Scope of Services for this RFP sought proposals with cultural themed uses for the facility. The Administration believes that eliminating this restriction would yield additional proposals that might generate a greater economic impact for the neighborhood, which should be considered before entering into a long-term rent-free agreement.

Each fiscal year of the Byron Carlyle Theater's operation has yielded operating deficits, with the largest being \$195,000 in 2006. In 2009, the last full year of operation, the operating deficit was approximately \$40,000, and is projected that the Theater will have an operating loss of almost \$66,000 in the current fiscal year. In May of 2008, the City Commission directed the Administration to research and propose alternatives for the privatization of the Byron Carlyle Theater. The Administrations intent has been to eliminate the City's financial obligation, which could include the privatization of the Byron Carlyle.

On February 3, 2010, the Mayor and City Commission approved the issuance of a Request for Proposal (RFP), for Management and/or Development of the Byron Carlyle Theater Complex. The RFP was issued on February 18, 2010, with an opening date of April 19, 2010. A pre-proposal conference to provide information to the proposers

submitting a response was held on March 8, 2010. Additionally, four (4) site visits were offered to potential proposers on March 8, 2010, March 23, 2010, March 30, 2010 and April 8, 2010. The City was interested in proposals for use of the existing theater portion of the building as a theater or with some similar cultural use. It was anticipated that the successful proposer would negotiate with the City for a long-term contract with an initial term of five (5) years, with an option to renew for an additional five (5) year term, at the City's sole discretion.

BidNet issued bid notices to 151 prospective proposers, BidSync (formerly known as RFP Depot) issued bid notices to 44 prospective proposers, and 175 proposers were notified via mail, e-mail, and fax circulation, which resulted in the receipt of the following three (3) proposals:

- Bollywood/Hollywood Productions, Inc.
- Broward Stage Door Theater Co., Inc.
- New Theatre

Two (2) of the organizations are non-profits with current operations in South Florida, and the third proposer is a for-profit commercial film and movie company. The Evaluation Committee recommended the Administration initiate discussions with the two non-profits: Broward Stage Door Theater Co., Inc. and New Theatre. Both non-profits proposed operating the facilities rent-free, and requested long use terms.

Chairperson Deede Weithorn was concerned whether either of the two proposers would bring activity to North Beach. Commissioner Jerry Libbin asked what type of programming the proposers would be offering. Cultural Arts & Tourism Development Director Max Sklar stated that both offered theater productions. Mr. Sklar also stated that New Theatre included in their proposal that they would seek a subsidy or partnership from the City to help with day-to-day operations, whereas Broward Stage Door Theater Co., Inc. would handle day-to-day operations. Commissioner Libbin asked what the projections for ticket sales were for Broward Stage Door Theater Co., Inc. Mr. Sklar stated that this would be a new market for the company, which would need to be built up over a period of years. Commissioner Libbin suggested moving forward with negotiating a management agreement with Broward Stage Door Theater Co., Inc. and include benchmarks. Chairperson Weithorn opened the floor to public comment which included the desire to have cultural programming in the theater and moving forward with one of the two proposers. The Committee recommended negotiating a management agreement with Broward Stage Door Theatre Co, Inc. with benchmarks included.

OTHER BUSINESS

The Committee asked CIP to report the amount spent to date on 44th Street, Sunset 1 & 2, Sunset 3 & 4, Venetian Islands, and South Point 3,4,5, to be discussed at the August 25, 2010 Budget Briefing meeting.

Mr. William Goldsmith asked for the amount spent to date on the following projects: 44th Street, Sunset 1 & 2, Sunset 3 & 4, Venetian Islands, and South Point 3,4,5. Conversation ensued. The Committee asked CIP to report the amount spent to date on: 44th Street, Sunset 1 & 2, Sunset 3 & 4, Venetian Islands, and South Point 3,4,5, to be discussed at the August 25, 2010 Budget Briefing meeting.

THIS PAGE INTENTIONALLY LEFT BLANK