



MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC NO. 256-2010

LETTER TO COMMISSION

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: September 24, 2010

SUBJECT: CIP Savings

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2010 SEP 27 AM 10:03
CITY CLERK'S OFFICE

Planning for capital improvements is an ongoing process; as needs change within the City, capital programs and priorities must be adjusted. The Capital Improvement Plan ("CIP") serves as the primary planning tool for systematically identifying, prioritizing and assigning funds to critical City capital development, improvements and associated needs. The City's annual capital budget represents the first year of that Capital Improvement Plan.

The City's Capital Improvement Plan encompasses a planning horizon of five (5) years and outlines anticipated annual capital budget needs on a year by year basis during this five (5) year planning horizon. The adopted FY 2009/10 Capital Budget identified \$168,754,362 in capital needs.

A component of the Neighborhood Improvement Program is to enhance drainage infrastructure in various neighborhoods throughout the City of Miami Beach. In order to perform drainage infrastructure improvements, capital projects need to be designed and permitted by the local, state and federal regulatory agencies. These regulatory agency reviews require permit application review fees as well as permit issuance or permit fees. The latter are typically identified as the agency is nearing completion of its review and are requested to be paid prior to permit issuance.

The City is currently actively permitting various projects on a parallel path. Some of these neighborhood improvement projects are approaching the final stages of the permitting phase and will require the payment of permit fees. These fees are based upon the value of proposed storm water infrastructure construction costs as follows:

Table 1
M-DDERM Storm Water Permit Fee Requirements

Estimated Cost of Construction	Permit Fee
\$0-\$1,000	\$330
\$1,001-\$50,000	\$355 plus \$55 per \$1,000 of estimated cost in excess of \$1,000
Over \$50,000	\$2,500 plus \$35 per \$1,000 of estimated cost in excess of \$50,000

The Office of Capital Improvement Projects researched the permit fee requirement in further detail and identified that the County has the ability to waive the permit fees as per Miami-Dade County Ordinance 24-48.8 which states:

"The Department may waive the permit fee for all work covered under this article and performed by a federal, State, municipal or other local governmental agency, whether this work is performed by employees of said agency or by a private firm or corporation under contract with the agency."

A request was made on August 9, 2010 (Attachment A) to waive the fee for the Bayshore Bid Package 8A - Central Bayshore project. This request was not responded to by the County and the Office of Capital Improvement projects requested a meeting with the appropriate County personnel to discuss the City's request.

County officials advised that they will not waive the fee but also recognized that the County fee requirement for large scale infrastructure projects such as those to be undertaken by the City of Miami Beach are prohibitive. Therefore, the County was amenable to stipulating a maximum permit fee of \$28,750 per project as delineated in their electronic correspondence dated August 17, 2010 (Attachment B).

The efforts of the Office of Capital Improvement Projects yielded the program a savings approximating \$425,000, as follows:

**Table 2
 M-DDERM Storm Water Permit Fee Savings**

Project	M-DDERM Permit Fee	Final M-DDERM Permit Fee	Realized Savings
Bayshore BP8A – Central Bayshore	\$184,252	\$28,750	\$155,502
Bayshore BP8B–Lower North Bay Rd	\$59,029	\$28,750	\$30,279
Bayshore BP8C – Lake Pancoast	\$29,369	\$28,750	\$619
Bayshore BP8D – Sunset Islands 3 & 4	\$87,810	\$28,750	\$59,060
Bayshore BP8E – Sunset Islands 1 & 2	\$57,442	\$28,750	\$28,692
La Gorce Bid Package 5	\$109,949	\$28,750	\$81,199
Flamingo Lummis Bid Package 10F	\$53,250	\$28,750	\$24,500
Venetian Islands Bid Package 13C	\$70,588	\$28,750	\$41,838
Totals	\$651,689	\$230,000	\$421,689

The Administration will continue to look for opportunities to decrease our capital costs as we move projects forward and will consider other approaches to project implementation in an effort to increase project accountability while decreasing expenditures.

Attachment A – City of Miami Beach Correspondence dated August 9, 2010
 Attachment B – Electronic Correspondence from M-DERM dated August 17, 2010

JMG/JGG/COC



MIAMI BEACH

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

OFFICE OF CAPITAL IMPROVEMENT PROJECTS
Tel: 305.673.7071, Fax: 305.673.7073

August 9, 2010

Mr. Matthew Davis
Chief
Department of Environmental
Resources Management
701 NW 1st Court, 6th Floor
Miami, Fl. 33136

**City of Miami Beach
Right-of-Way Infrastructure
Improvement Program
Bayshore BP 8A - Central
DERM #0000-CLII-PER-0007
Waiver of DERM Class II Permit Fees**

Dear Mr. Davis:

Please accept this correspondence as the City's request to the Miami-Dade Department of Environmental Resources Management (DERM) to waive the permit fee for the referenced Class II permit as per Miami-Dade County Ordinance Section 24-48.8.

Thank you for your assistance and cooperation concerning this matter. Should you have any questions please do not hesitate to contact this office.

Sincerely,

Charles Carreño, P.E.
Director

cc: J. Gomez
G. Escalante
J. Cano
C. Fossler
Job File

ATTACHMENT A

From: Hall, Marie (DERM) [mailto:HallM@miamidade.gov]

Sent: Tuesday, August 17, 2010 5:23 PM

To: Fossler, Charles

Subject: RE: Bayshore Neighborhood A permit # 2010-CLII-PER-0007; Neighborhood B permit # 2010-CLII-PER-0006; La Gorce BP 5 permit # 2009-CLII-PER-00051

Charles,

I am confirming as of August 10, 2010 DERM has capped the class II permit fee for the above reference projects at \$28,750.00 per project as we discussed.

Marie K. Hall

Engineer II

Water Control Section - Natural Resources Regulation and Restoration Division

**Miami-Dade County Department of
Environmental Resources Management**

701 NW 1 Ct -- Suite 600

Miami, Florida 33136

Phone: 305-372-6438 - Fax: 305-372-6489

hallm@miamidade.gov

www.miamidade.gov

From: Fossler, Charles [mailto:CharlesFossler@miamibeachfl.gov]

Sent: Tuesday, August 17, 2010 5:10 PM

To: Hall, Marie (DERM)

Cc: Dixon, Carla; Cano, Jorge

Subject: Bayshore Neighborhood A permit # 2010-CLII-PER-0007; Neighborhood B permit # 2010-CLII-PER-0006; La Gorce BP 5 permit # 2009-CLII-PER-00051

Marie,

We are going to commission for funding for the DERM permits for the CL II permits for the above projects. Please confirm that DERM is capping the permit fees for these projects at \$ 28,750.00 per project as we discussed.

Thanks,

MIAMIBEACH

Charles Fossler

Senior Capital Projects Coordinator

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We are committed to providing excellent public service and safety to all who live, work and play in our vibrant, tropical, historic community.

ATTACHMENT B