



MIAMI BEACH

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 *JMG* for JMG

DATE: November 17, 2010

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF October 14, 2010.**

OLD BUSINESS

1. Discussion regarding an amendment to a resolution regarding assignment of a police officer to the Police Athletic League (PAL)

ACTION

Item Deferred

2. 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 recommended:

- not adding a labor peace clause to the RFP
- staff to define "corporate responsibility" and bring it back to the November 3, 2010 Finance & Citywide Projects Committee meeting
- changing the weight of the evaluation criteria
- the revised RFP be brought to the November 17, 2010 Commission meeting

Parking Director Saul Frances presented the item and gave a brief synopsis of the memo.

Commissioner Jonah Wolfson asked what was meant by peace agreement. Mr. Frances stated that SEIU had been seeking a labor peace agreement with the current contractor and asked if there was a position that the City wished to take on it or whether a contractor should agree to a peace agreement. Commissioner Wolfson expressed his opposition to adding a labor peace clause in the RFP. Raul Aguila, Deputy City Attorney, recommended that if the Committee wanted to include a labor peace clause, it be made a requirement in the RFP so that the proposer has to reach an agreement with its employees ahead of time. Discussion ensued. The Committee recommended not adding a labor peace clause to the RFP.

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Chairperson Weithorn was concerned about the weighting scale for the evaluation criteria. Commissioner Wolfson asked when the Impark contract ends. Mr. Frances stated that the first three (3) year term ends on August 2011 and that there are two (2) one (1) year renewal options. Chairperson Weithorn suggested moving forward with the RFP, going out to bid before the Impark contract ends, and awarding the contract to a new vendor to start after the Impark contract ends. Commissioner Wolfson asked Mr. Frances to explain the differences between the previous RFP and the one currently presented. Mr. Frances stated the current RFP states what the structure will be for cashiers and attendants, how many hours the City will use, how much will be paid for those hours, which includes the Living Wage, it asks what the cost to the vendor would be to provide supervisors that would also receive the Living Wage, and a cost plus portion. Commissioner Wolfson asked Chief Financial Officer Patricia Walker if she felt that the current RFP was better than the previous one. Ms. Walker stated that the current RFP was better because it solidifies the cost to the City.

The evaluation criteria were discussed the Committee was concerned with having price weighted at sixty (60) points out of one hundred (100) points. City Manager Jorge Gonzalez suggested reducing the amount of points given for price and including a new criterion to give points for "corporate responsibility" that addresses issues such as labor, time off and employee benefits.

Evaluation Criteria:	Weight
o Experience and Qualifications of the Proposer	15 pts
o Experience and Qualifications of Management Team	15 pts
o Annual Contract Cost for Guaranteed Hours and Hourly Billing Rates for Additional Hours	40 pts
o Corporate Responsibility	10 pts
o Methodology and Approach	10 pts
o Past Performance (due diligence)	<u>10 pts</u>
	100 pts

The Committee recommended:

- not adding a labor peace clause to the RFP
- staff to define "corporate responsibility" and bring it back to the November 3, 2010 Finance & Citywide Projects Committee meeting
- changing the weight of the evaluation criteria
- the revised RFP be brought to the November 17, 2010 Commission meeting

NEW BUSINESS

3. Discussion regarding a proposed lease agreement with Miami Police Federal Credit Union, for use of 196 square feet of office space within the Miami Beach Police Department building.

ACTION

The Committee approved the proposed lease and recommended that the lease be brought to the full Commission.

Assistant City Manager Hilda Fernandez presented the item.

On December 8, 2004, the Mayor and City Commission adopted Resolution No. 2004-25762, approving a lease agreement between the City of Miami Beach and the Miami Police Federal Credit Union (MPFCU) for use of approximately 196 square feet of

ground floor office space within the Miami Beach Police Department Building, located at 1100 Washington Avenue, Rooms 110 and 111. This lease provides both the tenant and the tenant's customers (employee members of the MPFCU) with a location that offers convenient access to their services.

The initial term of the lease was for a period of thirty-five (35) months, from November 1, 2004 through September 30, 2007. The lease agreement also provided for one additional three (3) year renewal term; this renewal term was exercised and the renewal period commenced on October 1, 2007. The lease, which expired on September 30, 2010, also provided for a rent of one dollar (\$1.00) per year and additional rent of two hundred forty-five dollars (\$245.00) per month.

In February 2006, the Miami Police Federal Credit Union changed its name to the United Police Credit Union (Credit Union).

The Credit Union has expressed its desire to remain at its current location and enter into a new lease agreement with an initial term of three (3) years, with one (1) additional three (3) year renewal option, at the City's sole discretion. The Administration deems that the proposed lease agreement with the Credit Union is in both the City's and its employees' best interest. Based on the aforementioned, the Administration recommends that the proposed lease agreement be approved.

The Committee approved the proposed lease and recommended that the lease be brought to the full Commission.

4. Discussion of a request from ECOMB, Inc., for an amendment to its Lease

ACTION

The Committee approved the proposed lease amendment and recommended that the lease be brought to the full Commission.

Assistant City Manager Hilda Fernandez presented the item.

On December 9, 2009, the Mayor and City Commission adopted Resolution No. 2009-27283, approving the lease agreement between the City of Miami Beach and ECOMB, Inc. for use of approximately 1,251 square feet (comprised of 209 SF of office space and 1041 SF of exterior covered space) of City-owned property, located at 210 Second Street, Miami Beach, Florida. The approved lease agreement was for an initial term of three (3) years and sixteen (16) days, commencing on December 15, 2009, with one additional three (3) year renewal term at the City's sole discretion.

The current lease agreement requires ECOMB to pay Rent, in the amount of \$1.20 annually, as well as requires ECOMB to reimburse the City a flat fee for water and sewer costs, in the amount of \$200.00 per month. Additionally, ECOMB is solely responsible for the payment of electricity costs and any other utility service charges provided to the demised premises.

ECOMB requested an amendment to its current lease agreement to address the flat fee for water and sewer. On September 15, 2010, the Mayor and City Commission referred ECOMB's request to the Finance & Citywide Projects Committee for discussion.

The flat fee for water and sewer was calculated at the time of the lease negotiation, and was agreed to by ECOMB. Because the demised premises was vacant at the time, and

the Water and Sewer service for the space to be leased by ECOMB was tied to the service for the adjacent dog park, this flat fee was developed as a proportionate cost.

ECOMB recently informed the City that it believed it was paying more than its proportionate share of costs for water and sewer, and requested that City staff look into the matter. In response to ECOMB's request, staff has again reviewed ECOMB's water and sewer costs and determined that ECOMB's consumption appears to be less than the costs previously estimated for lease negotiation purposes.

Due to the fact that no dedicated water meter exists for the demised premises, for this new analysis City staff utilized a national consumption average of 25 gallons per person per day (as determined separately by the EPA and John Hopkins University) for waster consumption calculations. ECOMB presently has three employees. Utilizing that average resulted in calculations that ECOMB's operations consume an estimated 2, 281 gallons monthly. The City bills a minimum monthly water service charge of \$47.96 for any consumption up to 11,000 gallons. Additionally, the City charges a sewer rate of \$6.04 per every 1,000 gallons consumed, but does not have a minimum charge for sewer service. Therefore, utilizing the estimated average monthly consumption of 2,281 gallons, at the City's rate of \$6.04 per every 1,000 gallons consumed, the monthly cost for sewer service would be \$13.78.

The \$47.96 minimum charge for water combined with the \$13.78 for sewer service based on average use calculations results in a monthly estimated cost of \$61.74. This would represent a \$138.26 monthly reduction in ECOMB's reimbursement costs to the City.

In consideration of this information, the Administration asked for a recommendation on whether to amend the lease agreement to reflect a reduced fee relating to the water and sewer costs for the leased premises. The Committee approved the proposed lease amendment and recommended that the lease be brought to the full Commission.

5. Discussion of a request from Miami Beach Film Society, Inc., for an amendment to its lease agreement

ACTION

The Committee approved the proposed lease amendment and recommended that the lease be brought to the full Commission.

Assistant City Manager Hilda Fernandez presented the item.

On September 3, 2009, the Finance and Citywide Projects Committee considered, approved, and forwarded to the full Commission for consideration a proposed lease agreement between the City of Miami Beach and the Miami Beach Film Society, Inc., d/b/a Miami Beach Cinematheque (Cinematheque), for use of approximately 2,523 square feet of City-owned property, located at 1130 Washington Avenue, 1st Floor South, Miami Beach, Florida. The Committee recommended a \$20 per square foot rent, an amount lower than market rents, but recommended because of the non-profit nature of the organization, as well as the type of activation to the space and area this business will provide. The Cinematheque's proposed use requires significant build-out to meet their operational needs.

After much discussion regarding the lease, the Committee members recommended a lease commencement date of March 1, 2010 to allow the Cinematheque sufficient time

to prepare build-out plans to submit for permitting (at least five (5) months from the date of lease approval at Committee). Recognizing that the Cinematheque would then require build-out time, it was also recommended by staff that two-month rent abatement be provided. However, the Committee recommended an additional month of tenant improvement credit in lieu of the City assuming the costs and responsibility of certain demolition in the space; the Cinematheque was agreeable with assuming demolition in exchange for the additional month tenant improvement credit. As such, the proposed rent commencement was June 1, 2010. At that time the Cinematheque's estimated construction costs were \$150,000.

On December 9, 2009, the Mayor and City Commission adopted Resolution No. 2009-27282, approving the lease agreement between the City and the Cinematheque. As per the Commission's approval of the lease, the Cinematheque provided half of the required security deposit subsequent to lease execution and the second half on June 1, 2010. This second half was to be applied toward rent after the completion of the tenant improvements, with the expectation that those improvements would be completed by the rent commencement date of June 1st – or nine (9) months from Committee approval (six months from lease approval).

The Cinematheque has been paying its monthly rent (\$4,205) since June 1, 2010 as required pursuant to their lease (June, July, August, September, and October). However, the Cinematheque has not completed its build-out as originally anticipated and the Cinematheque has advised staff that the projected build-out costs (interior demolition and reconstruction of the demised premises) have doubled to approximately \$300,000. The permit plans and application were submitted to the City's Building Department on April 23, 2010 and the Cinematheque advised the City that due to unforeseen permitting delays, a building permit was not obtained until August 17, 2010. In light of the delay in completing the build-out, the estimated costs of the build-out and the inability to operate in the leased space to generate revenue, the Cinematheque approached City staff about the possibility of obtaining an additional rent abatement or tenant improvement credit equivalent to five (5) months rent, as well as a credit of half of the security deposit. The total value of the Cinematheque's request for an additional five (5) month rent abatement and credit of half of the security deposit paid (equivalent to one month's rent) is \$21,025 for the additional rent abatement, and a credit of \$4,205 to be applied to the first rent payment (total of \$25,230); this is in addition to the value of the three month rent abatement of \$12,615 already provided for in the lease. If the additional rent abatement was approved, commencing in November 2010 and including the application of the credit of one month's rent; the Cinematheque would not recommence paying rent until May 2011.

The Committee approved the proposed lease amendment and recommended that the lease be brought to the full Commission.

6. Discussion regarding the Miami Beach Festival of the Arts and potentially contracting with a professional art festival company to produce the Festival for the City

ACTION

The Committee recommended not issuing a Request for Proposal (RFP), moving forward with Howard Alan Events for the 2011 Festival of the Arts, and that a report on the Festival be brought back to the May 2011 Finance & Citywide Projects Committee.

Cultural Arts & Tourism Development Director Max Sklar presented the item.

The Music and Fine Arts Board was originally created in 1962 to encourage and develop cultural programs with the objective of making our Community a recognized leader in the State of Florida in the field of fine arts. Subsequently, in 1974 the resolution was amended renaming the board the Fine Arts Board. This board's new mission was to "promote the work of contemporary visual and cultural artists, to enhance the appreciation for the arts in the community at large, and to provide economic stimulation to underserved neighborhoods." The annual Miami Beach Festival of the Arts was created to fulfill this task and was produced by the City of Miami Beach from 1975 through 2002.

Taking over production of the Festival from the Parks and Recreation Department in 1999, the Office of Arts, Cultural and Entertainment relocated the Festival in 2000 to Ocean Terrace in North Beach. In seeking a partnership with the North Beach Development Corporation (NBDC) for promotion and marketing, a Quality of Life grant in the amount of \$15,000 was awarded in 2000 for the 2001 event. This grant was increased to \$45,000 for the 2002 event. Fiduciary responsibility and production of the Festival of the Arts was transferred to the NBDC in 2004. NBDC produced the Festival of the Arts for four (4) years with the help of an annual allocation from the City of \$75,000. During this time, the Fine Arts Board continued to jury the Festival with regard to the poster artist selection, the exhibiting artist applications, the local artist program, the children's art display and the City's portable collection.

In 2008 the City once again assumed all production responsibilities for the Festival of the Arts. The Tourism and Cultural Development Department (formerly Arts, Culture and Entertainment), which staffs the Fine Arts Board, managed a professional services agreement with an event coordinator for assistance in coordinating the production of the Festival of the Arts since 2004. In 2009, City funding for the Festival of the Arts was reduced to \$55,000 annually. This appropriation was offset by any revenue generated from the event. Since 2008, the offset has ranged from a high of \$39,026 in 2010, to a low of \$10,500 in 2009.

Over the years the Festival's quality, prestige, attendance and artist participation has steadily dwindled. Since 2008, the Fine Arts Board has spent countless hours looking at alternative ideas and formats to raise the caliber of the Festival of the Arts. Additionally, the Board has also spent much time tweaking the entertainment, children's area and other aspects of the event. Recently, the Administration met with Mr. Howard Alan, whose company, Howard Alan Events, produces art festivals all across the county including the Las Olas festivals and the Key Biscayne festival. Based on the current economic market, the festival industry and the performance of our event, it was his professional recommendation that we reposition the festival to include crafts, food, flowers and some art, but not necessarily high-end art. He also suggested moving the date to mid-April when it fits more into the calendar for arts and crafts events.

The Fine Arts Board discussed this at their July and August 2010 meetings and unanimously recommended in favor of these changes. Additionally, they recommended that the City contract with an experienced art festival producer to produce the Festival for the City. Mr. Sklar stated that in speaking with Mr. Alan about the concept of the City contracting with an entity such as his to produce this event, he indicated that his company, like others, would require complete control of the event and would assume all risk, responsibility and reward. Mr. Sklar then noted that if the City were to decide to hire an outside producer who assumes all risk in producing the event, the City would no longer have to appropriate \$55,000 annually for the Festival of the Arts.

The Committee recommended not issuing a Request for Proposal (RFP), moving forward with Howard Alan Events for the 2011 Festival of the Arts, and that a report on the Festival be brought back to the May 2011 Finance & Citywide Projects Committee.

7. Discussion regarding parity for future sidewalk café fee increases

ACTION

The Committee recommended the Administration continue to do research and that the item be brought back to the Finance & Citywide Projects Committee.

Public Works Director Fred Beckmann presented and gave a brief history of the item.

The Administration requested guidance on what was meant by parity. City Manager Jorge Gonzalez stated that he understood that Commissioner Ed Tobin was suggesting that in the future the sidewalk café fee would be on equivalent with the price per square foot for interior space and that by establishing a date for the increases of the sidewalk café fee, tenants would be able to better negotiate their rental agreement with landlords. The Committee recommended the Administration continue to do research and that the item be brought back to the Finance & Citywide Projects Committee.

8. Discussion regarding recent billing of Parking Impact Fees and the possibility of a moratorium due to present economic market conditions

ACTION

The Committee asked the Administration to work on the following and recommended that the item be brought back to the Finance & Citywide Projects Committee meeting on December 16, or when ready:

- **amending the map for parking districts**
- **provide suggestions for lowering the percentage paid per year**
- **review the full fee of \$35,000**
- **analyze applying a credit toward the fee for providing valet parking service**
- **what the revenue from the fee is used for**
- **balances of customer accounts**

Assistant City Manager Jorge Gomez presented the item and gave a brief synopsis of the memo.

Chairperson Deede Weithorn asked what the economic impact of the fee was and stated that more information would be needed to make a decision on the fee. Commissioner Jonah Wolfson asked for a moratorium of the fee until more research could be done to determine the appropriateness of it or reducing the full fee of \$35,000. Conversation ensued. Discussion moved to lowering the fee, changing the calculation of the yearly fee and full fee, and reviewing the boundaries of the current parking districts. Chairperson Weithorn opened the floor to public comment which included requests for credit for businesses who offer valet parking services and reducing the fee. The Committee asked the Administration to work on the following and recommended that the item be brought back to the Finance & Citywide Projects Committee meeting on December 16, or when ready:

- **amending the map for parking districts**
- **provide suggestions for lowering the percentage paid per year**

- review the full fee of \$35,000
- analyze applying a credit toward the fee for providing valet parking service
- what the revenue from the fee is used for
- balances of customer accounts

9. Discussion of Lincoln Road/Washington Collins Median

ACTION

The Committee recommended that the item be presented at the next Beautification Committee Meeting and a report be brought back to a future Finance & Citywide Projects Committee meeting.

Assistant City Manager Jorge Gomez presented the item.

On February 16, 2010, the Neighborhood Committee discussed the City Center Neighborhood improvements, including the proposal for a new, raised median from Collins to Washington Avenue. The Basis of Design Report (BODR) for the City Center Neighborhood identified two design options for this portion of Lincoln Road and a number of meetings were held. Consensus was reached during these community design workshops for a design option 2, which included a landscaped median between Collins and Washington Avenues.

Although the project has no General Obligation (GO) Bond funding, the Administration presented the project draft BODR as an informational item during the September 12, 2005 General Obligation Bond Oversight Committee Meeting. The BODR was also presented to the Historic Preservation Board (HPB) on October 11, 2005. The City Commission during its October 19, 2005 meeting adopted Resolution No. 2005-26035, approving the final BODR. The project received final approval from the HPB on January 9, 2007. On February 3, 2010 the City Commission discussed the feasibility of removing the landscaped median from the scope of work. In order for the project to be modified in such a manner, the City Code required the review and approval of the HPB. The City Commission directed the Administration to make application to the HPB for a Certificate of Appropriateness for right-of-way improvements, including the removal of the median.

On June 8, 2010, the HPB denied the request to remove the medians, and re-approved the project, inclusive of the medians. The City Commission discussed the HPB's action on July 14, 2010, and directed the Administration to proceed with the project inclusive of the median. On September 20, 2010, during the adoption of the Capital Budget and Capital Improvement Plan for fiscal year 2010/11, the City Commission referred the issue to the F&CWP Committee. Bids for this project were opened on September 28, 2010. On October 7, 2010 the Technical Review Panel shortlisted the proposals down to five (5) firms. Interviews were scheduled for late October 2010, where a final selection will be made.

The Committee discussed the item and heard public comment which expressed opposition to including a landscaped median. The Committee recommended that the item be presented at the next Mayor's Blue Ribbon Task Force on Tourism and the Lincoln Road Beautification Sub-Committee Meeting and a report be brought back to a future Finance & Citywide Projects Committee meeting.