



# 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 

DATE: December 8, 2010

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF November 3, 2010.**

### OLD BUSINESS

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

### ACTION

The Committee asked that a list of goals and measurables for the PAL is submitted to the City Manager and is submitted via Letter to Commission (LTC).

City Manager Jorge Gonzalez presented and gave a brief history of the item. Chief Carlos Noriega stated that the investigations that had been initiated have been closed out with no criminal charges. Chief Noriega then introduced Art Martineau, the new Executive Director of the Police Athletic League (PAL). Commissioner Jerry Libbin asked if the Committee would receive a memo regarding the changes that have been made. Discussion ensued. The Committee asked that a list of goals and measurables for the PAL is submitted to the City Manager and is submitted via Letter to Commission (LTC).

2. Discussion regarding parity for future sidewalk café fee increases

### ACTION

The Committee asked that this item be part of future budget discussions.

City Manager Jorge Gonzalez presented the item. Chairperson Deede Weithorn recounted the discussion regarding this item from the October 14, 2010 Finance & Citywide Projects Committee Meeting. The Committee asked that this item be part of future budget discussions.

### NEW BUSINESS

3. Discussion regarding a proposed lease agreement with Syanna, LLC, involving approximately 2,216 square feet of City-Owned Property located

**at 22 Washington Avenue, Miami Beach, Florida, for the purpose of accommodating an outdoor café associated with a restaurant operation located at 816 Commerce Street, which is directly adjacent to and west of the subject City property.**

### **ACTION**

**The Committee approved the proposed lease, recommended that the lease be brought to the full Commission, and asked the Administration to meet with the South of Fifth Neighborhood Association (SOFNA) before the item is brought to the full Commission.**

Assistant City Manager Hilda Fernandez presented the item.

The City has received an offer to lease a City-owned 2,216 square foot vacant parcel located at 22 Washington Avenue, which is adjacent and east of 816 Commerce Street, a privately owned two-story commercial building. The City-owned parcel is a remaining portion of an undeveloped platted lot which is the residual lot in connection with the expansion of Washington Avenue. Due to its limited size and shape, the property serves little more than to provide access to 816 Commerce Street.

In 2006, the City Commission approved the lease agreement with Manpriya, Inc. for use of the site, and the lease was fully executed; however, the project was never developed. In 2009, the City Commission approved a lease agreement with Moon Thai South Beach, Inc. for use of the site as an out-door café. The financial lease terms approved were substantially the same as a previous lease agreement, with an initial base rent of \$25 per square foot or 3% of sales. A list of operational conditions were recommended by the local neighborhood association and subsequently approved by the City Commission and incorporated into the lease.

Syanna, LLC has entered into a 10-year lease at 816 Commerce Street in April 2010, to establish a high-end eclectic restaurant specializing in international cuisine. Syanna is investing approximately \$800,000 to build out the interior space, which will only be able to accommodate 35 seats, and is proposing an additional \$80,000 investment to landscape and improve the City-owned parcel to accommodate outdoor seating for an additional 46 people. The proposed initial lease term for use of the City parcel is five (5) years with one renewal option of four (4) years 364 days. The Administration recommended an eight (8) month rent abatement period upon commencement of the proposed lease term, which will allow the Tenant time to develop the site, start up its operations, and establish cash flow in order to start remitting rent. The Committee asked if Administration had discussed the proposed lease with the South of Fifth Neighborhood Association (SOFNA) to address any concerns. Ms. Fernandez stated that email had been sent to SOFNA regarding the proposed lease and the ensuing questions had been answered. Copies of various emails from SOFNA representatives were distributed, as well as staff responses to the emails. The majority of the questions had to do with operational issues; it was clarified that the same operational conditions previously approved following extensive input from the neighborhood were included in this lease.

The Committee approved the proposed lease, recommended that the lease be brought to the full Commission, and asked the Administration to meet with the South of Fifth Neighborhood Association (SOFNA) before the item is brought to the full Commission.

**4. Discussion regarding request from Mystery Parks Arts Company, 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 May 31, 2009, the City Commission approved a letter agreement with SoBe Arts allowing it to utilize the Little Stage Theater to further its educational and programming needs, for an additional \$372 per month in rent to offset its proportionate share of operating expenses. It should be noted that SoBe Arts assisted the City in identifying certain repairs and improvements that were necessary in order to make the space usable, and worked closely with the Property Management Division as those repairs and improvements were made.

Since the repairs extended into its initial lease of the space, SoBe Arts couldn't use the space for approximately five months, but continued to remit the required rent during the period. SoBe Arts has requested a credit of rent paid for the Little Stage Theater during the renovation of the facility, which resulted in its inability to operate in the leased space during that time and generate the necessary revenue to cover their expenses.

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

**5. Discussion regarding \$94,000 – Sleepless Night**

**ACTION**

**The Committee asked that a status update on the 2011 Sleepless Night event be given at the January Finance & Citywide Projects Committee Meeting.**

Commissioner Jerry Libbin presented the item and gave a brief synopsis of the memo. Commissioner Libbin stated that he was concerned with the amount of money that the City Manager's Office may allocate without oversight from the Commission from the money allocated to the Greater Miami Convention and Visitors Bureau (GMCVB). Cultural Arts & Tourism Development Director Max Sklar clarified how funds are allocated. Commissioner Libbin asked that an update be given that outlines the 2011 event to determine if the funding should be committed. The Committee asked that a status update on the 2011 Sleepless Night event be given at the January Finance & Citywide Projects Committee Meeting. Chairperson Deede Weithorn opened the floor to public comment which showed support for the event and requests for continuation of the event and others like it.

The Committee asked that a status update on the 2011 Sleepless Night event be given at the January Finance & Citywide Projects Committee Meeting

**6. Discussion regarding the Miami Beach Visitors and Convention Authority (VCA) FY 2010/11 Budget**

**ACTION**

**The Committee asked that the MBVCA bring their suggestions for the use of the amounts in excess of their reserve level to the January Finance & Citywide Projects Committee Meeting.**

City Manager Jorge Gonzalez presented the item. The Committee discussed what the appropriate level of reserves that the Miami Beach Visitor and Convention Authority (MBVCA) should have and what to do with the excess. Chairperson Deede Weithorn suggested that one year worth of revenue would be the appropriate level of reserves and that the MBVCA could use the amount in excess of the reserve to create a visitor's center and City store. Commissioner Jerry Libbin agreed with Chairperson Weithorn on the level of reserves and suggested that the MBVCA research and come back to a future Finance & Citywide Projects Committee Meeting to discuss their suggestions for use of the excess. Conversation ensued. Commissioner Ed Tobin was concerned about tasking the MBVCA with things that may stray from their core mission. The Committee asked that the MBVCA bring their suggestions for the use of the amounts in excess of their reserve level to the January Finance & Citywide Projects Committee Meeting.

**7. Amend Ameresco agreement to include lighting improvements to three additional parking garages.**

**ACTION**

**The Committee asked staff to research companies who offer a model where the vendor would pay for the improvement.**

City Manager Jorge Gonzalez presented the item and stated the cost of the three additional parking garages, 7<sup>th</sup> Street, 13<sup>th</sup> Street, and 42<sup>nd</sup> Street, is under \$300,000. Chief Financial Officer Patricia Walker stated that the cost for the 7<sup>th</sup> Street garage is approximately \$95,000 but has a large number of private use agreements and because of the tax consequences recommended that it should be funded internally, possibly from the Parking Fund. Ms. Walker then stated that the cost for the 13<sup>th</sup> and 42<sup>nd</sup> Street garages is approximately \$200,000, which could be borrowed from Chase, who agreed to amend the loan, and the total energy savings would be approximately \$312,000 over 10 years.

Commissioner Libbin suggested that the City look for companies that offered a different model, where the vendor would pay for the improvement, the savings would begin right away, the City would receive a percentage of those savings, and after three years there is a one dollar buy out which the City could exercise. Discussion ensued. The Committee asked staff to research companies who offer a model where the vendor would pay for the improvement.