

**I
T
E
M**

Under Separate Cover

**T
H
R
E
E**



MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jorge M. Gonzalez, City Manager

DATE: April 19, 2012

**SUBJECT: DISCUSSION REGARDING ADVERTISING ON DECO BIKE STATIONS,
ITS ECONOMIC IMPACT TO THE CITY AND THE ENHANCEMENT OF THE
DECO BIKE PROGRAM**

BACKGROUND

At the July 13, 2011 Commission meeting a Discussion regarding DecoBike advertising was held. The item was referred to the Finance and Citywide Projects Committee to discuss a) determination of financial need to ensure program is successful; b) look at alternatives if advertising is not an option; c) bring back first reading ordinance at the September Commission Meeting; and d) conduct regional meetings.

ANALYSIS

Committee and Public Meetings

The proposal by Deco Bike to allow advertising on the kiosks was discussed at numerous committees and public meetings including the Miami Beach Visitor and Convention Authority (8/22/11), the Transportation and Parking Committee (9/12/11), the Ocean Drive Association (9/13/11), the Mayor's Blue Ribbon Bikeways Committee (9/22/11), and two specially advertised community workshops, one at City Hall on 9/7/11 and another at the North Shore Park Youth Center on 9/12/11.

The Planning Department showed each group large images of the three options for size and scale of advertising panels on the existing Deco Bike kiosks. They explained that if a policy decision is made to permit advertising on the kiosks, it could be limited to locations in commercial districts.

A majority of persons who spoke at these meetings were opposed to any type of advertising on the Deco Bike kiosks. The most common reasons stated were aesthetics and that it could open a Pandora's Box of advertising in other locations in Miami Beach. Many people questioned whether it was premature to make this proposal since the bike sharing program had only been in operation for 6 months. Some individuals stated that the matter should be reconsidered after one year of operation and after the City audits the books to verify whether advertising revenue is necessary to make the program financially viable.

Concession Agreement Review and Proposed Modifications

DecoBike, LLC, entered into a concession agreement with the City dated July 15, 2009 in response to RFP 44-07/08 for the delivery and operation of a self-service bicycle rental fleet for public use to be stationed in the public right of way. This agreement required the concessionaire to implement a program which would enable the public to self-rent bicycles from any of a number of locations and return them to another location on a 24 hour, 365 day a year basis.

DecoBike began operation March 14, 2011, with 30 stations and 300 bicycles. Approximately 53 stations and an additional 550 bicycles were added over the year, increasing the total number of stations to 83 and bicycles to 850. There are still 27 stations remaining to be implemented over the next 3 months.

In the first month of operation DecoBike enrolled 250 members and has steadily increased to a current total of 2,380 members. Monthly trips have steadily increased from 35,332 trips during March 2011 to over 125,000 trips during March of 2012.

The DecoBike program has had a tremendously positive impact on the community. It has logged in excess of 815,000 rides and their bike fleet journeyed more than 2,444,000 miles. By utilizing DecoBike instead of an automobile for local trips, their members and visitors burned over 89,000,000 calories and reduced the city's CO2 emissions footprint by 2,400,000 pounds.

During the initial period of operations from January 2011 through December 2011 financial statements provided by DecoBike and compiled by their accountant, Douglas N. Rice, CPA,PA, reflected an operating loss of approximately \$387,561. Their proposed operating budget for 2012 reflects increased ridership revenue and while the business still projects an operating loss it has been reduced to approximately \$76,500. Revenues and ridership continue to increase; however, to maintain the equipment and provide the services that the public has come to expect, the business has a very high ratio of expense to revenue.

It is clear that, without intervention by the City through contract term modification or an additional revenue source, this program will not achieve a return of capital or modest profit to the operator or to the City over the long term.

The Administration met with Mr. Bonifacio Diaz, Chief Operating Officer and Mr. Ricardo Pierdant, President DecoBike, LLC. to review the contract terms of the existing concession agreement in the context of current operations. The goal of this process was to achieve a balance between the high quality public services provided, which continue to be a great amenity to our residents and visitors, and financial sustainability over the longer term.

Over the past few months, the Administration has worked with Mr. Diaz to review a revised pro-forma using the terms of the current agreement over a prospective ten year term. (The agreement currently is for a five year term with one five year option at the discretion of the City.)

The pro-forma was based on current level of operation and revenues for walk-ups and memberships were projected to increase at a rate of 3.5% per year while expenditures were estimated to increase at a rate of 3% per year. The results reflected an annual loss between \$81,000 and \$125,000 and a cumulative loss over the ten year period of approximately \$1,000,000.

Additionally, the original projections did not provide sufficient funds for replacement and repair of bicycles. DecoBike has invested approximately \$3,715,000 into the operation and the projections neither provided a return of invested capital nor a profit to the operator over the ten year term.

We reviewed a number of alternatives, comprised of:

- Using various rates for the City concession revenues;
- Using various rates for the City share of advertising revenues;
- Using various number of kiosks for advertising and implementing different numbers of kiosks in different years;
- Exempting different revenues from the calculation of the City share of revenues, and
- Providing different replacement cycles for bicycles and equipment .

Following the review of these various alternatives, it was apparent that to achieve a sustainable financial model which provided a return to the City, and return of capital along with a modest profit to DecoBike over the ten year period the following terms are proposed.

Contract term	Begin a new ten year term retroactive to January 1, 2012. A ten year term will allow for the return of capital after a projected annual profit of 3%
Rate increase	A rate increase from \$5 an hour to \$7 an hour is included in the projection. All other rates remain the same.
City Revenue Share	Continue at 12% of Walk ups and Memberships gross revenues up to \$3,000,000 of Annual Gross Revenues net of sales tax and merchant fees. Continue at 15% of Walk ups and Memberships gross revenues over \$3,000,000 of Annual Gross Revenues net of sales tax and merchant fees. Increase the exemption from City share calculation from \$1,000,000 to \$1,500,000 during the first year of the new term. This exemption will decline at a rate of \$250,000 per year to \$0 in year seven of the revised term. This will allow the concessionaire to recoup approximately two thirds of his initial investment. Exempt merchant fees along with sales tax from the City share calculation.

Advertising	<p>In Year 2 of the revised term, it is proposed to allow 40 kiosks to display advertising.</p> <p>It is expected that 40 kiosks will generate annual net revenue of \$211,200 per to the concessionaire after deducting City's share, \$57,600 and a 50/50 split of the balance with the advertising company. The City's actual rate of return is 27% of the kiosk net advertising revenues.</p>
Operator's Return of Capital	<p>On an annual basis, the concessionaire will be permitted a 3% profit (on initial capital investment). Any additional net income will be considered a return of capital.</p> <p>Any additional investment of capital by the concessionaire will be subject to the approval of the City with capital recovery terms to be negotiated.</p>
Equipment Replacement	<p>Funds have been increased to provide for a 3-4 year replacement cycle</p>
Windfall Provision	<p>Should the actual results of operations provide a return of the initial capital investment to the concessionaire prior to year ten of the revised term, the City will receive a 50% share of annual net income in excess of the concessionaire's 3% profit each year until the end of the contract.</p> <p>This return to the City will be capped at the sum of all the revenues exempted from the City share calculation which include the sum of annual Merchant Fees and the exempted revenues beginning in year 1 of the revised term and declining at the rate of \$250,000 per year to \$0 in year 7; as well as the revenues exempted during the first year of operation under the existing contract.</p> <p>Additionally, added to the cap will be the cumulative difference between the foregone revenue of \$3500 per parking space per year (approximately 100 spaces) and the cumulative 12%/15% City revenue share on walk-ups and membership fees.</p>

Advertising Ordinance Change

Should the Finance Committee wish to recommend that advertising be permitted for the bicycle kiosks, the following represents the proposed language required to effectuate the change.

Sec. 82-414. - Permitted signs, shelters and advertising in public rights-of-way.

Notwithstanding any other prohibitions in this Code to the contrary, the city may place, or contract to place, directory signs and bus shelters in the public rights-of-way, or bicycles and bicycle kiosks as part of a city-sponsored bicycle rental and sharing program, with advertising

thereon. Such signs, shelters, bicycles and bicycles kiosks shall be subject to all applicable permitting requirements and design reviews as provided for in the Land Development Regulations.

(Ord. No. 2001-3318, § 1, 9-5-01; Ord. No. 2010-3674, § 1, 3-10-10)

Conceptually, 40 advertisements on kiosks could be acceptable if located in strictly commercial corridors, not facing any residential areas, with the advertising content subject to specific review and approval by the City Manager or his designee. DecoBike advises that their advertising company requires a minimum size of 22"x 48" to generate the revenue included in the projections.

The current agreement provides that the City reserves the right to impose such additional requirements for the installation and display of the Advertisements, at any time, at its sole option and discretion; provided that the City Manager or his designee shall provide the Concessionaire with written notice of such additional requirements. The permissible content of the advertisements shall not include firearms, alcohol or tobacco products, or be of a sexually offensive nature. Additionally, advertisements shall not promote unlawful or illegal goods, services or activities and shall not contain images or information that demean an individual or group of individuals on account of race, color, religion, national origin, ancestry, gender, age, disability or sexual orientation.

CONCLUSION

The Administration believes that adding a minimum number of advertisements on kiosks in selected commercial areas and modifying the terms of the existing concession agreement will allow DecoBike to become a financially sustainable program which will continue to provide a significant amenity to our residents and visitors.

JMG/PDW

Attachments

From: [Eileen de la Cuesta](#)
To: [Lorber, Richard](#)
Cc: [Roque, Grisetete](#)
Subject: DecoBike feedback - MBVCA
Date: Tuesday, August 30, 2011 1:36:02 PM

Dear Richard,

Below is a synopsis of the feedback from the MBVCA members from their Board meeting last Monday, August 22, 2011:

- Do not want to see extremely large ads
- Would like the City to be mindful of the location of the bike rack and if an ad is appropriate to the location
- Suggested increasing the bike rental price in order to increase revenue, rather than selling ad space
- Suggested reevaluating the locations, and if any unsuccessful spots were discovered, request that the City consider removing and restoring the parking..
- If ads are placed on Decobike stations, people might not look at the bikes anymore, because the ad is distracting.
- They felt the ad placement went against many things that can't be changed within the City.
- Ads are not art and do nothing to enhance or beautify the City.
- The station on Chase Ave and 41st Street takes parking away from a nearby school and synagogue and placing ads on the station might be inappropriate for the location. The problem is also that while rental may not be successful, they may want to keep the station because is a good place for ads.
- Felt it was a bit hypocritical that private business cannot place ads while the CMB can because they own the real estate.
- There is concern over the ads, because if advertising is successful, it will be permanent regardless of how successful the bike station is.
- They would prefer hotel guests to not have to look at an ad when looking out the window vs. palm trees, particularly for stations located in front of hotels
- Increasing rates should be better than placing advertising; however, they understand that ad placement is the easy way out.

If you have any questions, please feel free to contact us.

Kind regards,

Eileen de la Cuesta
Assistant Director
Miami Beach Visitor and Convention Authority (MBVCA)
Tel: 305.673.7050/Fax: 305.673.7282
www.miamibeachvca.com
[Join us on Facebook!](#)

City of Miami Beach
Mayor's Blue Ribbon Bikeways Committee
Wednesday, September 21, 2011

ATTENDEES

Members:
 Fred Sake, Chair
 Harvey Bernstein
 Jae Manzella
 Gabrielle Redfern

City of Miami Beach Staff:
 Darlene Fernandez, Transportation Coordinator
 Xavier Falconi, Planning & Zoning Department
 Officer Javier Castillo, Police Department

Guests:
 Ken Burskey, Bike Blogger
 Sanhita Lahiri, Atkins Eng.

Meeting Commenced at 2:05 pm

<u>ISSUES</u>	<u>DISCUSSIONS</u>
UPDATES	
ALTON RD., FROM 5 ST. TO MICHIGAN AV.	<p>GR: Reminded the group of recent MB Commission meeting controversy regarding inclusion of bike lanes. A couple of Commissioners are adamantly against them; and the project was sent the Neighborhood Review Committee (again) for further scrutiny.</p> <p>JM: Ms. Redfern took a bold stance for cyclists, as did the FDOT Project Mgr. Ultimately, it is his decision whether to include bike lanes. There is plenty of evidence to support them.</p> <p>GR: Noted that Commissioners were also upset by the amount of parking spaces being lost.</p> <p>JM: Many would be lost by newer design standards, with/without bike lanes. The sidewalks will be widened, so shop owners should be pleased. It should be considered a compromise.</p> <p>GR: Perhaps shifting the lanes towards the east and placing a two-directional bike path on the western side would please everyone. She suggested this to the FDOT District Secretary.</p> <p>JM: Besides being an engineering nightmare, that design is unconventional in the USA. There are far too many intersections (and driveways) to place a path along this corridor. It wouldn't be prudent to fight against a good design which the FDOT has already endorsed. Paths generally do not accommodate the transportation needs of cyclists.</p> <p>DF: The Parking Dept. is against bike lanes as well.</p>
BEACHWALK II	<p>DF: There has been no progress for several months.</p>
DECOBIKE RENTAL PROGRAM	<p>GR: The vendor is petitioning the Commission for more advertizing rights.</p> <p>JM: Questioned whether there is a threat against program sustainability, or is this a way to meet an inflated profit margin goal.</p> <p>FS: There will be an expansion of the contract, with reviews/audits as necessary.</p> <p>XF: This issue should be resolved by the end of the year.</p>
CIP LIST	<p>DF: Brought a new list of pending projects.</p> <p>Chair: None of the project listings have an estimated completion date.</p> <p>DF: The PW Dept. has taken out all bike lane designs in the Bayshore neighborhood, and replaced them with sharrows. This includes the proposed multi-use path along 28th St., adjacent to the Par3 golf course. It would not be compatible with the golf course.</p> <p>JM: Protested that the golf course has trees along the entire way to buffer a path.</p> <p>GR: The Bayshore Neighborhood group is opposed to taking swale to provide room for the proposed bike lanes. This serves as bad precedent, if the bike lanes are removed from the designs, other neighborhoods will attempt to do so.</p> <p>JM: Reiterated concerns to tear-up swale and add asphalt to include bike lanes along low-volume/low-speed roadways. The benefit does not justify the cost. Sharrows serve the same purpose in this circumstance. Alas, most of the group wants bike lanes everywhere.</p> <p>GR: Bike lanes provide large benefits; they are safer, promote cycling and awareness.</p> <p>JM: Unfortunately, many cyclists in this town ride on the sidewalks (even when bike lanes are present); which is dangerous at every intersection (and driveway).</p> <p>FS: CIP staff should provide an update to the Committee.</p>

DADE BLVD. BIKE PATH	<p>DF: There is no funding to provide a refuge island at Dade Blvd./Michigan Av. This island would serve as a connector of the planned facilities, as well as a deterrent for motorists from making historically dangerous turns.</p> <p>JM: This safety issue will ultimately be dealt with. An island would relieve many issues.</p> <p>GR: This issue goes before the Historic Preservation Board, which is not bike-friendly.</p>
AGN MASTER PLAN REVIEW AND UPDATE	<p>XF: Ms. Lahiri, an engineering consultant, will develop a scope for an update. Although the <i>Comprehensive Master Plan</i> has been approved, there are still details to resolve in the AGN. She recently designed the M-Path Connection.</p> <p>DF: Later, another consultant will do the planning.</p> <p>GR: This is because the AGN was approved prior to the 13-neighborhood district BODRs. It must be tweaked to comply with each of the BODR guidelines. Missing connectivity between planned facilities is crucial for a successful system.</p> <p>KB: There should be better signage before a bike facility ends to warn both motorists and cyclists. The Indian Creek bike lane is an example: although sharrows will be installed along Collins Av.; along the curve at 26th St. there is no bike facility. This is dangerous.</p> <p>JM: This goes back to his request for a review of the turning radius. It would be safer to use the standard geometric radius for vehicles, rather than the radius of the coastline. This redesign would allow for the bike lane to continue along the curve.</p> <p>GR: The FDOT wasn't even going to add this facility. She had to remind their staff to install a bike lane. (She was awarded a bit of applause by the group for her efforts.)</p> <p>DF: The FDOT placed the design/install burden on the City, so they wouldn't be liable.</p> <p>GR: All State roads should be included in the AGN update.</p> <p>JM: Hopes that the scope can consider widening outside lanes (along the City's multi-lane roads) to allow greater distance between motor vehicles and cyclists.</p>
BIKE MONTH	<p>Chair: Asked for any volunteers, again. (No one chose to, again.)</p>
NEW BUSINESS	
BIKE RACK POLICIES	<p>HB: He sent inquires to other cities regarding bike parking. Only 3 responded: Chicago; San Diego and Portland, OR. All 3 will accommodate requests for racks within public areas. None provide incentives for private parking, (although permit fees are ½ of what Miami Beach charges). Chicago is the most aggressive, with a goal of 500 new rack placements per year, (from a \$2 million Federal Congestion Mitigation Grant.)</p> <p>GR: Inquired if staff have applied to this grant.</p> <p>XF: There are so many grants the City has taken advantage of, they are difficult to handle.</p>
MISCEL- LANEOUS	<ul style="list-style-type: none"> ▪ Chair: Inquired why there a two different treatments along 44th St. GR: The old section includes valley-gutters, which clog with debris. ▪ DF: The proposed path along Washington Ct. will not be installed. Residents in the area have indicated privacy issues. GR: The new design calls for a swale on the waterside with a Jersey barrier. ▪ JM: Concerned with the lack of accommodations, once cyclists travel towards the western-most MacArthur Cswy. bridge. DF: That is considered "Limited Access". JM: This needs to be clarified, because he was informed only the ramps are Limited Access, which makes even less sense, since pedestrians can use them. XF: This issue is being considered by the BPAC. JM: The transition from the road to the sidewalk (along the western-most bridge) is daunting as well. ▪ GR: Inquired about the Tuttle Marina (greenway) proposal. XF: That project was presented to the Commission, then never reappeared.

- **GR:** After her bike was stolen, she saw someone riding a similar (atypical) model. After confronting this person and contacting the Police Dept., she is perturbed with the lack of ability to prove a bike theft. She was told: “Unless there is a photo of the bike being stolen” it is hard to validate a theft. Many people in the room agreed that this is not fair, since it is grand theft. Stolen motor vehicle owners don’t have to prove as much to get the attention of law enforcement.

ADJOURNMENT TO DATE CERTAIN OCTOBER 26, 2011

Meeting adjourned at 3:45 pm.

TYPES OF BICYCLE FACILITIES

- **Bike Lane:** A striped lane within a roadway, designated exclusively for bicycling.
- **Bike Path:** A paved surface for bicyclists to ride, having a physical separation from motorists; (e.g., landscaping or a swale); or, unrelated to any road, as in a park; and may be shared with pedestrians.
- **Bike Route:** A planned course for bicycle travel intended to connect destinations within an area.
- **Greenway:** A (typically) long path, located within a scenic area; (e.g., along a river or within natural areas), typically shared by bicyclists and pedestrians.
- **Paved Shoulders:** The outer paved areas of a striped road, which are not to be traveled on by motorists; but, may be used by bicyclists (and pedestrians, where no sidewalk exists).
- **Shared Road:** Although most roads are available for bicycle travel, these roads are typically part of a bicycle route system, where there is no space to better accommodate bicycling.
- **Sharrows:** Roadway markings, as visual reminders that the roadway lane is use for travel (shared) by both bicyclists and motorists.
- **Wide Curb-Lane:** The right-most lane of a curbed road that is wider than 12 feet (a City standard), allowing motorists and bicyclists to share and pass in the same lane.

ACRONYMS

AGN -	Atlantic Greenway Network	Miami Beach’s city-wide system of bikeways, planned to accommodate bicycle travel more safely.
BODR -	Basis of Design Review	A planning document detailing specific treatments and design guidelines for specific areas, such as neighborhoods.
BPAC -	Bicycle/Pedestrian Advisory Committee	A Miami-Dade County group that suggests, reviews and advocates bicycle and pedestrian accommodations.
CIP -	Capital Improvement Projects	Relatively short-term projects, reflecting funded items of a Comprehensive Plan; as well as the department responsible to design, develop and maintain them.
FDOT -	Florida Department of Transportation	The State agency that proposes, designs, develops and maintains several roadways within the City; as well as determines projects for State or Federal funding.
FHWA -	Federal Highway Administration	The Federal agency that regulates design and provides funding for transportation projects.
LAB -	League of American Bicyclists	One of the oldest US bicycle groups advocating education, encouragement and engineering towards bicycle mobility.
ROW -	Right-of-Way	Responsibility to maintain a land parcel or corridor.
TND -	Traditional Neighborhood Design	The practice of designing areas where residents live in close proximity (or access) to typical destinations, focusing on a reduced-need for automobile use.
TPC -	Transportation Planning Council	Miami-Dade County’s transportation board that proposes, reviews and approves projects and their funding.

**City of Miami Beach
Transportation & Parking Committee
Monday, September 12, 2011
Minutes**

****PLEASE NOTE: THE TIMES INCLUDED NEXT TO EACH ITEM IN PARENTHESIS, ARE PROVIDED AS AN INDEX TO INDICATE THE STARTING TIME OF EACH ITEM WHEN OBTAINING THE MP3 FILE OF THE MEETING****

I. Call to Order (00:12)

M. Weithorn, called meeting to order at 3:31 p.m.

II. Introduction of Committee Members (00:16)

Introduction of T & P Committee members and the public (sign-in sheet attached for reference).

III. Minutes of July 11, 2011 Meeting (01:21)

Moved by JP Morgan, seconded by J. Asmundsson – all in favor, passed

IV. Port of Miami Tunnel Project Update (04:00)

Changes: Barging spoils off site – ran into environmental concerns and will need to truck off; maximizing off peak hours.

Contractor presented PowerPoint Presentation (handout provided to committee); Luz Weinberg, Director of Communications and Frank Guaymier, Project Engineer.

Tunnel Boring Machine (TBM) has been delivered, installed, and being assembled - will start boring at end of October.

Hauling operations: Trucks go from spoil management area through Parrot Jungle Trail, west on McArthur Causeway, 95 South, Rickenbacker Causeway, into Virginia Key.

Fully enclosed conveyor system that is connected to TBM, as it hauls out material, spoils are deposited into conveyor system all the way through, above McArthur to pedestrian walkway/crossway into spoil management area - concrete basin that lets material sit and holds 4000 cubic yards of material (few days of operations); materials then put onto trucks.

Spoils are lime rock – DERM reviewing everything coming out, reviewing if any additives; Virginia Key needs approval from DERM before allowing disposal.

No longer barging materials due to high risk involved; other cases, any minor spill, DERM would shut down and you can shut down barge, but not conveyor.

Main hauling will be done from 6p-7a (75%); minimal hauling 7a-6p (25%) – will minimize hauling based on special events.

Trucks: Averaging One (1) truck every ten (10) minutes.
Drilling will last 16 months.

V. Byron-Carlyle Parking for Employees & Valet (27:34)

M. Weithorn stated two (2) issues: Valet Parking (not that many people) and Employee/Actor parking.

Max Sklar, Tourism & Cultural Development Director, stated City's contract with Stage Door, gives City right to provide valet at venue. City tried through City's valet operator: First Class Parking. First Class stated they are not getting revenue and by contract, they do not have to provide the service; contract allows Stage Door to find their own valet operator.

Southern Parking was contacted and City agreed to allow them to use spaces at 72nd Street lot for valet storage.

S. Frances stated cost of rental for valet storage is ordained at \$14.00 per space/per day.

Valet companies are not contractually obligated to provide service if it is not feasible.

Suggestion: Stage Door should contact City National Bank (private lot) for usage of lot.

S. Frances suggested purchasing iPark device (in-car parking meter); feels this would be best option at \$1.00 per hour; only pay for time used.

VI. Deco Bike Advertising (51:54)

Richard Lorber, Acting Planning Director, presented several billboards – for demonstration purposes depicting size of advertising; Deco Bike presented proposal to City to add advertising to kiosks.

City's Planning Department was asked to bring proposition to various groups of neighbors/businesses; Planning Department does not support proposal for advertisement.

Within City of Miami Beach there is prohibition on general advertising – no billboards permitted; some exceptions: bus shelters, as means of financing construction by private company of bus shelter by city.

Deco Bike was approved for advertisement on bicycle baskets, not on kiosks; approval of ad in any other location would require ordinance change.

If plan goes forward, locations have been approved on limited stations by Planning Department.

Jorge Gomez, Assistant City Manager, stated there about fifty (50) stations that could potentially have ads; none near residential, schools or park areas.

Colby Reese, Deco Bike, stated advertisement is essential, as they are losing money for capital repayment; billboard is actually a sticker that goes on kiosk to help program; other option if no advertising, would be modifying/reducing revenue share to City.

Suggestion: Give program a year (only been running for 6 months).

Patricia Walker, City's Chief Finance Officer, will be reviewing financial books for Deco Bike; update to be provided to committee once this takes place.

VII. Memorial Day Weekend Update (01:45:50)

Hilda Fernandez, Assistant City Manager, participated in discussion via telephone conference.

M. Weithorn stated there were questions for legal department – legally what can be done to close down streets/divert traffic during any event causing a safety or other harmless circumstance.

Debora Turner, City Attorney, stated Administration has been working on chart of what can be done during these types of weekends; City Attorney's Office prepared memo that outlines the authorities that address what authority is under police power and identify major event periods (provide to committee).

Hilda Fernandez stated options have been presented to Commission – traffic management and parking; ideas developed by staff which may merit consideration (handout provided to committee).

Max Sklar added they are waiting for Commission to give direction on how to pursue; joint meeting to be scheduled.

S. Wasserman stated options provided do not show ways to discourage people from coming.

Debora Turner stated as long as plan is objective and applies across board based upon criteria (levels of traffic, etc.).

Max Sklar added putting together triggers based on traffic volumes, occupancy, objective triggers, etc., measures will be implemented during peak times.

Follow-up to be provided in November.

VIII. Miami-Dade Transit (02:12:54)

Robert Pearsall introduced Ingrid Quallo – works at their facilities office and a Miami Beach resident.

Airport Flyer – grant money to start using in November; after getting input, looking at data, going ahead with extension (as in grant) to extend Airport Flyer to South Pointe Drive – Washington to South Pointe Drive.

Option: 2-way on Washington, but how to turn around on South Pointe Drive; option which would save couple of minutes is to use Commerce (entire route is 2 way); handout provided to committee.

Keep extension at 30 minutes; Miami Intermodal Center (MIC) will open in April (east of Airport) – all bus service will go to MIC (including Airport Flyer); will improve headway to 24-25 minutes.

D. Fruit stated everyone likes the set schedule of this route.

S. Diffenderfer asked for consideration in using West Avenue, serve residents instead of going up/down Washington which is slow.

APPROVED:
OCT 3RD, 2011 – TPC

D. Fruit stated you want to take care of everyone – Washington is more of a center spot (hotels, etc.).

MDT to attend January meeting to discuss spring line-up.

IX. West Avenue PD&E Project (02:37:31)

Darlene Fernandez, Transportation Coordinator/Public Works, informed project started April 2011, starting public involvement – ideas from public/comments.

Report ready in February; one (1) year to build bridge.

Schedule: Complete PD&E by May/June 2012; design by November – 2014 to start construction of West Avenue Bridge, but there is also a no-build option as an alternative to this project, based on impacts.

M. Weithorn asked Darlene Fernandez about projects that may be coming up in the next 12-24 months – present to committee.

Darlene Fernandez informed about I-395 project – just got 60% plans; to present during October meeting.

S. Wasserman communicated on email he received from FDOT regarding Alton Road Project – FDOT found 53 places to put motorcycle/scooter parking on Alton.

(See attached Letter to Commission #232-2011, submitted on September 14, 2011).

X. Other Business (02:52:30)

Darlene Fernandez informed that per the approval by the County Mayor, there will be 19 speed humps placed on Pine Tree/La Gorce from 51st through 63rd.

JP Morgan asked for SWOOP update to be provided during next meeting.

M. Weithorn stated report (financials) on Red Light Cameras will be on October agenda.

Alan Fishman (guest) advised MPO conducting study on ten (10) projects for the beach; one is to extend boardwalk from 47th to 71st.

XI. Adjournment (03:12:14)

Meeting was adjourned at 6:45 p.m.

DATE AND TIME FOR NEXT MEETING: Monday, October 3, 2011 – 3:30 P.M.
Disclaimer: If you should require the recording of this meeting, please send a request to obtain the MP3 file or CD.

CW

Option J	REVISED DECOBIKE PRO-FORMA			10 yrs							
	rate	0.12	DecoBike Profit	1,114,530	advertising kiosks	40	yr 2				
	advertising rate	0.12 (27% on net)	Return of Capital	3,745,315	rev-cs/2 + expense	0	yr3				
	rebate - \$1.5M declining to 0 in yr 7		DecoBike Total	4,859,845	Capital Return	10	yr10				
	increase 60 min to \$7 and use actual membership		City earnings	2,882,589	Bike repair/replace	3,439,164					

Period	1	2	3	4	5	6	7	8	9	10	
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Revenue											
Walk-ups	1,821,313	1,885,059	1,951,036	2,019,322	2,089,999	2,163,149	2,238,859	2,317,219	2,398,321	2,482,263	
Memberships	489,144	506,264	523,983	542,323	561,304	580,950	601,283	622,328	644,109	666,653	
Advertising	60,000	541,800	558,054	574,796	592,039	609,801	628,095	646,938	666,346	686,336	5,564,204
Gross Revenue	2,370,457	2,933,123	3,033,073	3,136,441	3,243,342	3,353,899	3,468,236	3,586,484	3,708,776	3,835,252	
					14,716,436						
Top Line Expenses											
Merchant Fees	115,523	119,566	123,751	128,082	132,565	137,205	142,007	146,977	152,122	157,446	1,355,244
FL Sales Tax	165,932	205,319	212,315	219,551	227,034	234,773	242,777	251,054	259,614	268,468	
City Revenue Share	70,680	162,989	203,641	244,657	286,049	327,831	372,518	388,268	404,556	421,401	2,882,589
Total Top Line	352,135	487,873	539,707	592,290	645,648	699,808	757,302	786,299	816,292	847,314	
Bottom Line expenses											
Labor	1,010,520	1,040,836	1,072,061	1,104,222	1,137,349	1,171,470	1,206,614	1,242,812	1,280,097	1,318,499	
Leases	70,022	72,122	74,286	76,515	78,810	81,174	83,610	86,118	88,701	91,362	
Utilities	22,800	23,484	24,189	24,914	25,662	26,431	27,224	28,041	28,882	29,749	
Office Expenses	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	
Supplies	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	
Advertising	61,200	274,236	282,463	290,937	299,665	308,655	317,915	327,452	337,276	347,394	
Freight	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	
Communication	39,564	40,751	41,973	43,233	44,530	45,866	47,241	48,659	50,118	51,622	
Insurance	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	
Sub-contractors	38,400	39,552	40,739	41,961	43,220	44,516	45,852	47,227	48,644	50,103	
Vehicles	45,996	47,376	48,797	50,261	51,769	53,322	54,922	56,569	58,266	60,014	
Bike	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432	3,439,164
Total Bottom Line expenses	1,669,502	1,930,787	1,988,710	2,048,372	2,109,823	2,173,117	2,238,311	2,305,460	2,374,624	2,445,863	
Total Expenses	2,021,637	2,418,660	2,528,417	2,640,662	2,755,471	2,872,926	2,995,613	3,091,759	3,190,916	3,293,177	
Total Net Income	348,820	514,463	504,656	495,779	487,871	480,973	472,624	494,725	517,860	542,075	4,859,845
3% profit	111,453	111,453	111,453	111,453	111,453	111,453	111,453	111,453	111,453	111,453	1,114,530
return of capital	237,367	403,010	393,203	384,326	376,418	369,520	361,171	383,272	406,407	430,622	
		640,377	1,033,580	1,417,906	1,794,324	2,163,844	2,525,015	2,908,286	3,314,694	3,745,315	

**I
T
E
M**

Under Separate Cover

**F
O
U
R**



MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee
FROM: Jorge M. Gonzalez, City Manager *JMG*
DATE: April 19, 2012

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR QUALIFICATIONS (RFQ) FOR A FOURTH SOLID WASTE FRANCHISE CONTRACTOR TO PROVIDE COMMERCIAL WASTE COLLECTION AND DISPOSAL SERVICES.**

BACKGROUND

At the July 13, 2011 Commission Meeting, the City Administration requested approval to issue a RFQ for a fourth solid waste franchise contractor, to provide commercial solid waste collection and disposal services in Miami Beach. This request was made after one of the four solid waste franchise contractors, General Hauling Services, Inc., had been acquired by Waste Services, Inc., leaving the City with only three solid waste franchise contractors. After the item was separated for discussion by Commissioners Libbin and Weithorn, and remarks made by the solid waste franchise contractor representatives, the City Commission referred the item to the Finance and Citywide Projects Committee (F&CWPC).

At the January 19, 2012 F&CWPC meeting, the item to issue the RFQ was considered by the Committee, who concluded that the request to issue a RFQ for a fourth solid waste franchise contractor, and the Recycling Ordinance be brought back together to the F&CWPC.

The three remaining haulers have requested not to issue the RFQ, and to keep the commercial solid waste collection and disposal services in Miami Beach, limited to three contractors. Since the F&CWPC January 19, 2012 meeting, the City Administration has met with Waste Management of Dade County, Waste Services, Inc., and Choice Environmental Services of Miami, to discuss potential additional benefits and/or contributions to the City, in exchange for allowing only three solid waste franchise haulers to service commercial accounts instead of four.

Negotiations with the three solid waste franchise haulers have not yet been completed. We expect them to present their best and final offer at the April 19th F&CWPC meeting.

CONCLUSION

The City Administration recommends that the Committee evaluate the additional benefits and/or contributions proposed by the remaining three haulers and determine whether it is acceptable.

Alternatively, the Committee may wish to issue an RFQ to solicit potential vendors to serve as the "Fourth Hauler" for the City of Miami Beach.

JMG
JGG/FHB/RWS