



# 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: May 9, 2012

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF April 19, 2012.**

### OLD BUSINESS

1. Discussion regarding new recycling bins throughout the ROW on the beach

### ACTION

**The Committee recommended that demo bins from GoGreen Eco-Bin, Big Belly Solar, and a Coca-Cola wrapped bin be placed in the City by the end of April 2012, that if possible a representative be available to answer questions regarding the bins and that Staff research the cost of other bins including maintenance.**

Public Works Director Fred Beckmann presented the item.

Since 2009, the City installed 74 dual recycling bins and 74 silver urban style standalone recycling bins throughout the City's Right-of-Way (ROW), beach entrances, and in select parks. The bins were financed through negotiations with the City's franchise waste haulers. Currently, the City is still in discussions with Coca-Cola for the provision of ROW recycling bins as part of the Coca-Cola partnership agreement. As part of this agreement, Coca-Cola is already developing signage for existing recycling bins to improve recycling rates. All future recycling receptacles purchased by the City would also include this updated message to create a uniform design throughout the City.

A number of companies have presented dual trash and recycling receptacle products to the Sustainability Committee including GoGreen Eco-Bin and Big Belly Solar. The GoGreen Eco-Bin has patented a waste receptacle design that is made from stainless steel with solar powered LED panels that generate 4-6 hours of light for advertising. Additionally, Eco-Bin is responsible for maintaining, repairing, collecting and cleaning the bins. GoGreen Eco-Bin has proposed to install three (3) Eco-Bins for a 3 to 6 month test period either in Lummus Park or Lincoln Road. During this trial period, the City can choose the content on the front, back, and side display faces of the bins. GoGreen Eco-Bins will track the usage as it relates to both trash and recyclables. They will use their own crews to empty and clean the units during the pilot period. Big Belly Solar offers solar powered dual trash recycling compactors that are monitored wirelessly allowing for tailored pick-up service that the waste hauler would monitor using their software. Big

Belly Solar has proposed a pilot program that deploys 125 stations throughout Lincoln Road (38), Lummus Park (62) and Flamingo Park (25). Both of these companies' business models include an option to use advertising to offset the cost of providing these throughout public facilities.

Concerns that have been identified with selecting new recycling receptacles include size constraints in ROW, uniformity with current receptacles, and odor problems associated with the compacting models of decomposing organic waste in Miami Beach's hot, humid climate. Neither the GoGreen Eco-Bin nor the Big Belly Solar bin could be installed in the City's standard 5-foot wide sidewalks as they would not leave enough space to provide compliance with ADA standards. Also noted was that both the Eco-Bin and Big Belly Solar design would require a concrete slab foundation for installation adjacent to the beach. Chairperson Deede Weithorn asked if there was a location where the bins could be viewed. Robert Criste, Big Belly Solar, stated that there were approximately 30 bins installed in Delray Beach. Ramona Cornei, GoGreen Eco-Bins, stated that they have 9 bins installed in the City of Wilton Manors and offered to provide the City with one Eco-Bin as a demo. Mr. Criste stated that Big Belly Solar would provide one demo bin as well.

Based on the proposals submitted, the cost (per bin, over five years) for the City to own and operate the GoGreen Eco-Bin is approximately \$6,425, and the Big Belly Solar unit is approximately \$10,575. The per bin cost for the City to lease the bins and advertise/community messaging space over five years for the GoGreen Eco-Bin is approximately \$17,700, and approximately \$10,825 for the Big Belly Solar unit. Currently, it costs the City approximately \$400 per bin to operate over a five year period. The City negotiated with the franchise waste haulers to finance the bins and in-kind solid waste and recycling pick-up. Commissioner Michael Gongora stated that he feels that the problem with the bins the City is currently using is that they are not attractive, usable, and are not interesting or draw attention and therefore do not encourage use. City Manager Jorge Gonzalez suggested that Committee look at the other types of bins that are available and compare those to the Eco-Bin and Big Belly Solar Bin. The Committee recommended that demo bins from GoGreen Eco-Bin, Big Belly Solar, and a Coca-Cola wrapped bin be placed in the City by the end of April 2012, that if possible a representative be available to answer questions regarding the bins, and that Staff research the cost of other bins including maintenance.

## **2. Discussion regarding amendments to the Recycling Ordinance**

### **ACTION**

**The Committee recommended approval of the recycling ordinance and referred the enforcement specifics to be discussed at a later date.**

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

The proposed new ordinance requires that every multifamily residence of nine (9) dwelling units or more provide a recycling program and use a single-stream recycling process to separate recyclables. Similar to the County, the new proposed ordinance provides that multifamily and commercial facilities can submit to the City's Public Works Director for approval of a modified recycling program. The Sustainability Committee recommended that the City focus on education and address enforcement efforts on a complaint driven basis. Beginning June 1, 2012 the proposed ordinance calls for a six (6) month education and community outreach effort, followed by a six (6) month warning

period before penalties would be issued. After a year of extensive education and outreach, the six (6) month warning period would take place, where only warning notices without monetary fines would be issued. It is the intent to have enforcement of the proposed ordinance conducted on a complaint driven basis by a Sustainability Officer whose focus will be to provide education and guidance rather than issuing of fines. The County ordinance states that a repeat violation which remains uncorrected beyond the time prescribed for the correction in the notice of the violation shall be treated as a continuing violation and assesses daily fines. The Sustainability Committee recommended that the penalties in the new proposed ordinance not accrue daily but rather be issued by violation as follows:

- First violation, a fine of \$350
- Second violation, a fine of \$500
- Third violation, a fine of \$1,000
- Fourth and subsequent violations, a fine of \$2,500.

The penalties for failing to use a single stream recycling process to separate recyclables from all other solid waste were proposed as follows:

- First violation, no fine
- Second or subsequent violations, a fine of \$100.

Legally, the City's Ordinance must reflect the separation requirements set forth by the County's Ordinance. Staff conducted nationwide research regarding the method in which other municipalities enforce separation requirements. Staff did not find any municipality that enforces separation or has objective criteria to determine if a facility is not separating. The Sustainability Committee has recommended that following an intensive educational period, enforcement efforts be focused on whether or not a recycling program is in place, rather than enforcement of separation requirements. The Committee was in favor of moving forward with the recycling ordinance without the separation requirement. Discussion regarding separation requirements ensued. The Committee recommended approval of the recycling ordinance and referred the enforcement specifics to be discussed at a later date.

## **NEW BUSINESS**

- 3. Discussion regarding advertising on Deco Bike stations, its economic impact to the City and the enhancement of the Deco Bike program**

### **ACTION**

**The Committee recommended limiting the rate increase to \$6 for an hour; adjusting the City's percent of revenue sharing; the 3% profit be subject to ordinary, normal, and customary charges and limit discretionary items; and that the Legal Department review the legal provisions.**

Assistant City Manager Jorge Gomez and Chief Financial Officer Patricia Walker presented the item.

The proposal to allow Deco Bike to advertise 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. Many people questioned whether it was premature to make this proposal since the bike sharing program had only been in operation for six (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.

The Committee was also advised that should they recommend that advertising be permitted on the kiosks, an ordinance amendment to section 82-414 of the City Code will be required.

Commissioner Jerry Libbin asked if after looking at DecoBike financials advertising would be needed to sustain the program. Ms. Walker stated that advertising is needed. Ms. Walker stated that she had met with Bonifacio Diaz, Chief Operating Officer, and Ricardo Pierdant, President DecoBike, LLC. to review the contract terms of the existing concession agreement in the context of current operations. Over the past few months, Ms. Walker 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 current agreement is for a five (5) year term with one five (5) year renewal option at the discretion of the City.) The results reflected an annual loss of between \$81,000 and \$125,000 and a cumulative loss over the ten year period of approximately \$1,000,000. Additionally, Ms. Walker stated that the original projections neither provided a return on invested capital nor a profit to the operator over the ten year term.

Ms. Walker then presented a sustainable financial model which provided a return to the City and a return of capital along with a modest profit to DecoBike over a ten year period. Commissioner Jerry Libbin asked if the rate to rent a bike would increase in the proposed model. Ms. Walker stated that the rate would increase from \$5 per hour to \$7 per hour, however all other rates would remain the same. Commissioner Libbin then asked how much the revenue the rate increase would generate. Ms. Walker stated that the increase would be approximately \$120,000 in year one. Commissioner Libbin then asked if there was a way to adjust the financial model to keep the rates the same. Ms. Walker stated that she would analyze a change in the City's percent of revenue sharing instead of a change in the rental rate.

Commissioner Jorge Exposito asked what percentage of ridership was comprised of membership holders. Mr. Pierdant stated that approximately 25% was held by memberships. Commissioner Exposito then asked if the rates for memberships were also being increased. Mr. Pierdant stated that they were not being increased. Ms. Walker added that membership rates were directed toward residents and hourly rates were directed toward visitors.

Chairperson Deede Weithorn was concerned that with the proposed model, that the financial information could be presented in a way where DecoBike never shows a profit and suggested that the 3% profit be subject to ordinary, normal, and customary charges and limit discretionary items. The Committee recommended limiting the rate increase to \$6 for an hour; adjusting the City's percent of revenue sharing; the 3% profit be subject to ordinary, normal, and customary charges and limit discretionary items; and that the Legal Department review the legal provisions.

- 4. Request for approval to issue a Request for Qualifications (RFQ) for a fourth solid waste franchise contractor to provide commercial waste collections and disposal services**

## **ACTION**

**The Committee recommended bringing the item to the full Commission with no recommendation.**

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

At the July 13, 2011 Commission Meeting, the City Administration requested approval to issue a Request for Qualifications (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. 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 January 19, 2012 F&CWP 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. The three solid waste franchise haulers were asked to present their best and final offer at the April 19, 2012 F&CWP meeting. Chairperson Deede Weithorn stated that she was concerned that the offers were not in writing. Commissioner Jerry Libbin suggested that the franchise haulers be heard but no action be taken. Chairperson Weithorn opened the floor to the franchise haulers. Alex Gonzalez of Waste Management of Dade County stated that more time was needed to analyze the counter offer made by the City. Commissioner Libbin asked what the offer was. Mr. Gonzalez stated that they offered to pay \$1 million in addition to the \$1.6 million, allocated by the haulers percentage of market share, plus in-kind services currently being paid. Furthermore, Mr. Gonzalez stated that the City asked for \$2 million in addition to the \$1.6 million plus the in-kind services and that the million dollar difference required more time to evaluate. Discussion ensued. Chairperson Weithorn then opened the floor to public comment which included support for issuance of the RFQ to solicit potential vendors to serve as the "fourth hauler" for the City of Miami Beach. The Committee recommended that the item be brought to the full Commission with no recommendation.

#### **5. Ordinance amending penalty charges for late Utility Bills**

##### **ACTION**

**The Committee recommended adopting a penalty of 1.5% per month on the outstanding balance.**

Chief Financial Officer Patricia Walker presented the item.

Presently, a one-time ten percent penalty is added to the current portion of all past due water, sewer and stormwater utility bills (utility bills). No additional interest or penalties are charged.

At the October 19, 2011 F&CWP meeting the Committee recommended removing the one-time 10% penalty on the current portion and instead adopted a recurring monthly charge of 1.5% on any portion of the account balance that is past due; which is consistent with other utility companies such as Florida Power & Light and TECO – People's Gas.

At the December 14, 2011 Commission meeting, the Commission unanimously voted to adopt a recurring monthly charge of 1.5% on any invoice that is past due, up to a cap of 10% per invoice.

After consulting with utility billing system software provider, Tyler Technologies, the City has been informed that the proposed methodology is not available; however, other methods are available.

The Administration recommended that a penalty of 1.5% per month on the outstanding balance be implemented. The Committee recommended adopting a penalty of 1.5% per month on the outstanding balance.

**6. Status Report and update on recent Building Department accomplishments and activities, including a status report on implementation of recommendations in the Watson Rice Study, the development review process Stakeholder Committee, and other recent initiatives and charges undertaken by the Building Department**

**ACTION**

**The Committee asked that the information regarding the hotline to report issues or concerns be given before the May 17, 2012 F&CWP meeting.**

Building Director Stephan Scott presented the item.

At the February 8, 2012 City Commission meeting, a referral was made to the Finance and Citywide Projects Committee of a status report and update on recent Building Department accomplishments and activities, as well as an update on the implementation of recommendations in the Watson Rice Study, the Development Review Process Stakeholder's Group, and other recent initiatives. Mr. Scott highlighted some of the initiatives and developments that have occurred or will occur in the near future.

- Organizational Changes - In March 2012, the Building Department hired its first Quality Assurance Coordinator (QAC) and filled its vacant Building Operations Manager position. Both the QAC and Operations Manager positions are critical in increasing the level of accountability throughout every level of department operations.
- Stakeholder/Community Workshops – Every four to six weeks, the Building Department holds meetings with stakeholders (open to the public) where they can learn about departmental initiatives and plans for improvements. Attendees provide their input on these plans, and discuss issues of importance to them regarding the challenges they face in dealing with the development review process.
- Community Outreach – The Building Department recently held a public forum for permitting novices entitled “The ABCs of Permitting”, which was designed specifically for those seeking simple permits who have traditionally been intimidated by the Department’s processes, and to explain how some of the most common permit types can be obtained. As the department continues to implement new initiatives and changes, public outreach events like this will be held.
- Customer Service Training – The entire Building Department recently held an all day retreat and training dedicated entirely to the need for improved customer service.

- Customer Exit Interviews/Surveys – On April 13 2012 the Building Department began conducting exit interview surveys with customers to gauge their level of satisfaction with the service they received while at the department.
- Turnaround Times for “Drop-off” Plan Reviews – Beginning in early to mid-May 2012, the Building Department will begin accepting certain permit types and revisions as five (5) drop-offs, with a guaranteed five (5) day turnaround time. Some permit types may need to be removed from the walk-thru process and moved to processes with longer turnaround times. After reviewing the workability of the five (5) day reviews given department resources, the department will then consider ten (10) day reviews for certain larger permit types.
- Private Providers – Florida law provides for a “private provider” system in which developers can hire and pay for their own plan review and inspection services through a private company even though the Building Official from each municipality must approve their use and ultimately sign off on the project at its conclusion. Through discussions with attendees at the Stakeholder Workshops, the Building Department has appointed the QAC as the Private Provider liaison.
- Accela Automation (New Permitting System) – The City of Miami Beach is in the process of converting to a modern and user friendly permitting system. This effort should result in significant process improvements for the Building Department by the time the system is implemented (approximately December 2012).
- Pre-Submittal Review Meetings with Design Professionals and Developers – Meeting are now being held with project design professionals (and others) representing major projects, along with a cross section of Building Department and Planning staff, to discuss critical issues before plans enter the system. This will help eliminate unnecessary delays, and foster better communication as projects work their way through the process.
- Cashiering Function – The Building Department is in the process of transferring its cashiering functions to the Finance Department. Additionally, two “ATM –like” payment kiosks (funded by the Building Department but controlled by the Finance Department) will be placed in the Building Department lobby in the summer of 2012, which will allow customers to pay by check or credit card.
- Policies and Procedures/Plan Review Guide/Checklists – The department has issued an updated Policies and Procedures Manual and is currently updating its Plan Review Guide with expected completion in June 2012. Checklists continue to be updated and revised by the department and once created.
- Building Task Force – The Building Task Force is comprised of the Building Director, Planning Director, Fire Marshall, Public Works Director, the Assistant City Manager and other key staff continues to meet on a monthly basis to discuss and resolve inter-departmental issues.
- Watson Rice Report – Of 24 primary recommendations contained in the report, all but four (4) have been implemented. Of those four (4), the Building Department has made significant progress on three (3) and their status will soon be changed from “on-going” to “implemented”. The only recommendation that has not been deemed implemented or on-going (researching the feasibility of outsourcing Permit Clerks) was put on temporary hold because the City agreed to not effect lay-offs during the 2009/2012 Collective Bargaining Agreement with the Communications Workers of America (CWA) union.

Commissioner Michael Gongora requested that a report similar to the one presented today be given to him more regularly on a one-on-one basis. Commissioner Gongora asked if in the future there would be a staff member that would help residents with the permitting process. Mr. Scott stated that the Building Department’s ombudsman is Barbara Hawayek, who works with both businesses and residents that need help.

Chairperson Deede Weithorn suggested outreach or advertisement be done to notify businesses and residents that there is someone there to help. Chairperson Weithorn then asked for the dates of implementation for the items in the Watson Rice Study. Chairperson Weithorn then opened the floor to public comment which included appreciation for implementation and the regular staff meetings that are taking place. Resident Debra Leibowitz requested a phone number or person to go to with any issues or concerns that occur with the Building Department. Assistant City Manager Jorge Gomez stated that the City is in the process of setting up a hotline to report any issues or concerns. The Committee asked that the information regarding the hotline to report issues or concerns be given before the May 17, 2012 F&CWP meeting.

- 7. Discussion regarding placing a referendum item on the next available ballot to increase the Miami Beach Resort Tax on hotel rooms by one additional penny to support the enhancement and expansion of the Miami Beach Convention Center**

#### **ACTION**

**The Committee recommended the item, further recommended that the proposed City Charter text be amended to provide that the additional one percent tax, if approved, will not be imposed until such time that the City enters into an agreement with a developer for the expansion, enlargement, renovation, and/or improvement of the Convention Center.**

Chief Deputy City Attorney Raul Aguila presented the item and gave a brief history. Mr. Aguila stated that this ballot question is very similar to the one presented in 1992 and, by request of the Mayor, was drafted to address funding capital improvements and not maintenance. Mr. Aguila then noted that if this question is to be placed on the August 14, 2012 County ballot, the deadline for submittal to the Supervisor of Elections is no later than May 25, 2012. Vice-Mayor Jerry Libbin asked for clarification on the capital improvements restriction. Mr. Aguila stated that the Mayor's intent is that the penny increase only be used for capital improvements to the Convention Center; which can include expanding, enlarging, renovating, and on-going improvements. Chairperson Deede Weithorn was concerned that the question is too specific in saying Miami Beach Convention Center, and would therefore not include a Convention Center garage or retail space in the Convention Center. Mr. Aguila stated that if it is part of the Miami Beach Convention Center expansion then it would qualify. Discussion ensued. Mr. Aguila suggested issuing a voter's guide to clarify any confusion. The Committee recommended the item, further recommended that the proposed City Charter text be amended to provide that the additional one percent tax, if approved, will not be imposed until such time that the City enters into an agreement with a developer for the expansion, enlargement, renovation, and/or improvement of the Convention Center.

- 8. Discussion regarding citywide janitorial services for an amendment to add the following locations: Historic City Hall; Police Substation; North End Ocean Rescue Headquarters; and Beachfront Restrooms; and increasing the contract, in the amount of \$17,473.74 per month**

#### **ACTION**

**The Committee recommended bringing the item to the full Commission and that Staff develop specific quality standards and amend the hours that the beachfront restrooms are open.**

Public Works Directed Fred Beckmann presented the item.

On July 13, 2011, the City Commission awarded contracts for Janitorial Services Citywide, pursuant to Invitation to Bid (ITB) No. 13-10/11, to the following contractors: ISS Facility Services, Inc., Omarcio Cleaning Services, Inc., Performance Cleaning Group, and Professional Building Services (PBS). These contracts are effective until September 30, 2013, and may be renewed by mutual agreement for three (3) additional years, on a year to year basis. After the execution of the contracts, it was noted that three locations, Historic City Hall, Police South Substation and North End Headquarters/Ocean Rescue, had been omitted from the ITB, and needed to be added via Amendment using the "Addition/Deletion of Facilities" clause of the contract. On November 7, 2011, Procurement issued a request for quotes, including the aforementioned locations and the beachfront restrooms, from all four vendors that were awarded contracts. Sealed quotes were received from Professional Building Services, Omarcio Cleaning Services, Inc., and ISS Facility Services. A Technical Review Panel convened on December 7, 2011 to interview the two lowest bidders, Professional Building Services (PBS), and ISS Facility Services, Inc. The Panel concluded that PBS had conducted a more thorough due diligence effort in assessing the maintenance requirements of the beachfront restrooms. This was reflected in their proposal that offered the most complete service coverage of all of the respondents, as well as a plan that compared favorably against the currently provided services in terms of level of service and cost. The Panel recommended the award of the additional janitorial work to PBS. PBS's plan offers a significantly higher level of service as well as a cost that is approximately 30% lower than by using City resources. PBS' plan divides the City into three zones: South Pointe, South Beach, and Mid-Beach/North Beach. The South Pointe area includes South Pointe Park and the 3<sup>rd</sup> Street beachfront restrooms; the South Beach Zone includes the beachfront restrooms from 6<sup>th</sup> street through 21<sup>st</sup> Street; and Mid-Beach/North Beach Zone includes the beachfront restrooms from 35<sup>th</sup> Street through 73<sup>rd</sup> Street. Each zone will be staffed by a man and woman team per shift, for a total staff of six per shift. This compares favorably with the current City staffing of two persons per shift; effectively tripling the current service coverage. This eliminates the need to temporarily close the women's restrooms when serviced by male employees, which negatively affects the convenience of the public, and results in service delays when the restrooms are occupied. Each of the shifts will have a supervisor available that can assist with additional cleaning if needed. The vendor will also provide pressure washing on a weekly-basis as presently provided by City staff.

PBS' proposal also compares favorably with the City's current personnel budgeted cost of \$250,510 per year, and would generate Fiscal Year 2012/13 savings of \$73,146 (29% cost reduction from current budgeted cost) and recurring annual savings of \$80,019 (31% cost reduction) beginning in FY 2013/14. The savings include avoided fuel and repair expenses from two restroom cleaning service vans that would be removed from the Sanitation Division vehicle fleet, as well as avoided capital expenses from not having to replace one of the vans scheduled to be retired in FY 2012/13. As a result of the contract award for beachfront restrooms janitorial services, the disposition of City staff impacted by the privatization of the beachfront restrooms' maintenance will be handled in accordance with provisions of the Collective Bargaining Agreement governing those positions. The existing four City employees would be reassigned to other Sanitation crews.

Commissioner Jorge Exposito suggested establishing a level of service, specific parameters in terms of expectations. City Manager Jorge Gonzalez suggested adding the beachfront restrooms to the cleanliness assessment. Commissioner Exposito stated that he would also like to see specific standards established, such as waste bins cannot overflow; no paper can be on the floor, etc, to ensure the level of service desired is being

achieved. Commissioner Jerry Libbin asked what the hours of operation would be for the beachfront restrooms and stated that he would like to see the hours that the restrooms are open match the hours of operation of the businesses in the area. Commissioner Libbin also suggested using the savings to fund the extended hours for the beachfront restrooms. The Committee recommended bringing the item to the full Commission and that Staff develop specific quality standards and amend the hours that the beachfront restrooms are open.

**9. Discussion regarding a retail lease agreement with Mr. R Sports, Inc. involving Suites 1 through 4 in the Anchor Shops, located at 1550 Collins Avenue**

**ACTION**

**The Committee recommended approving the proposed lease offer by Mr. R Sports.**

Assistant City Manager Hilda Fernandez presented the item and gave a brief history of the item.

On March 3, 2012, the City was presented with a Letter of Intent (LOI) by Mr. R Sports to lease Suites 1 through 4 in the Anchor Shops. The previous tenant, Training Camp d/b/a/ Arrive Miami, went out of business and informed us this was due to the lack of pedestrian traffic on the 100 block of 16<sup>th</sup> Street. Mr. R Sports has been in business on Miami Beach since 1973, operating one of the largest independent retailers of athletic footwear and apparel in South Florida. Owner and long-time Miami Beach resident Jose Raij has been seeking a second location to compliment his flagship store, which is located on the corner of Lincoln Road and Washington Avenue. Opening this second location will not only allow Mr. R Sports to expand its business, but also allow it to cater to its highly popular and well-attended Nike South Beach Run Club events.

Since the proposed combined term of the lease is for a period of almost ten years, and considering the uncertainty of future market conditions, staff recommended that at the time the prospective tenant exercises its renewal options, to review and adjust the rent to reflect prevailing market conditions accordingly, but that in no event would the minimum rent in any year be less than the minimum rent paid during the immediate prior year. However, it was noted that Mr. Raij has objected to this condition on the grounds that the rent already contains an automatic three (3) percent annual escalator throughout the term of the lease. Furthermore, the prospective tenant feels that given the historically challenging conditions of this retail corridor, even during good economic times, he anticipates operating the store at a loss initially until such time as he can generate enough retail traffic to break even. Mr. R Sports, which has been doing business on Miami Beach from its current location since 1973, has proffered an offer of \$31 per square foot, plus tax, to lease the space for an initial term of three (3) years plus two (2) renewal terms, of three (3) years and three (3) years and 364 days, respectively, at the City's sole and absolute discretion. The Committee recommended approving the proposed lease offered by Mr. R Sports.

**10. Discussion regarding a City Code amendment to establish the position of Condominium Ombudsman in the City of Miami Beach**

**ACTION**

**The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.**

On April 11, 2012, the Mayor and Commission, via Agenda Item No. C4F referred, an item proffered by Commissioner Jerry Libbin, a discussion regarding the creation of the position of a Condominium Ombudsman. The main function of the position would be to assist condominium and or co-op owners to navigate through the City's permitting process; facilitate resolution of other condominium related issues with outside agencies; act as a liaison between condominium or co-op owners, management firms and the City; and prepare quarterly reports to the City Manager, for distribution to the City Commission, regarding issues and opportunities. The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.

### **Budgetary Impact**

#### **11. Discussion of the current management and operations of the City of Miami Beach golf courses, clubhouses and related facilities and options/direction for the future management agreement**

### **ACTION**

**The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed and extend the contract on a month to month if necessary.**

Professional Course Management II, Ltd. (PCM) has managed and operated the City's golf courses and clubhouses since October 1, 2001, when they entered into an interim management agreement for the Normandy Shores Golf Courses and the Par 3 Golf Course. The current management agreement with PCM for the management and operations of the City's Miami Beach Golf Club (including the Par 3 golf course) and the Normandy Shores Golf Club was approved by the City of Miami Beach Commission at the September 5, 2007 meeting, and will expire on September 30, 2012. For the term of the management agreements, PCM has managed the City's golf clubs at a high service levels, and has received positive comments from our residents, tourists and day guests. PCM has also done a notable job in managing the annual budget allocated to the golf courses, covering all expenses and debt service at the Miami Beach Golf Club, while exceeding revenue projections and managing expenses at or below the appropriated budget on three (3) occasions during their current term, and on six (6) occasions since the inception of agreements. Additionally, PCM has managed the Normandy Shores Golf Club budget by reducing the projected deficits, while maintaining the Golf Course and Clubhouse in excellent condition. The options available are to either direct the Administration to prepare a Request for Proposals (RFP) to be issued as soon as possible with the intent of having a new agreement in effect on October 1, 2012 or shortly thereafter; or direct the Administration to prepare a Commission Item waiving the competitive bidding process and enter into negotiations with Professional Course Management for the continued management and operations of the City's Golf Course, Clubhouses and Related Facilities, with the intention of having an agreement in effect on October 1, 2012. Commissioner Jerry Libbin and Chairperson Deede Weithorn were in favor of sending the item out to bid. The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed and extend the contract on a month to month if necessary.

## **12. Discussion regarding assigning funds for placement of a fence around South Pointe Park Tot Lot area**

### **ACTION**

**The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.**

In November of 2011, South Pointe Park had a new playground, shade system and safety surface installed. This playground replaced the original playground installed during the construction of South Pointe Park; that playground was removed due to problems with quality and safety. At the time when the South Pointe Park design was being developed, a fence around the children's playground area was never requested or discussed by the City, the designers, the community or the Design Review Board. The South Pointe Park Basis of Design Report (BODR) makes no mention of fencing requirements. The common theme of the South Pointe Park reconstruction focused on the openness of the park. During the 2010 community meetings that were held with residents to discuss the proposed playground replacement options, several parents requested that a fence be installed when the new playground was constructed. No funding had been identified at that time for a fence, and in an effort to replace the playground equipment as expeditiously as possible (since the inclusion of a fence would require at minimum, Design Review Board approval, which would have created a delay), and the fact that a fenced-in tot lot is currently located at Marjory Stoneman Douglas Park on Ocean Drive and 3<sup>rd</sup> Street, the project proceeded without a fence. Following the December 16, 2010 community meeting, the City received a letter from south of fifth residents indicated their support for the placement of a fence around the playground; sixty (60) signatures were attached. Because of the playground's location and its proximity and use of the sidewalk by bicyclists, Segway riders, rollerblade skaters, joggers, pedestrians walking dogs, etc., parents have expressed safety concerns. A preliminary estimate of the cost of fencing to meet the design standards, which would be expected to be reflective and compliment the other similar design elements in the park, is between \$185,000 and \$190,000. The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.

## **13. Discussion on the Normandy Shores Park at its existing area next to the tennis courts to include a Vita Course Equipment, trees, benches and an open area for children to run and play and people to sit and enjoy the view**

### **ACTION**

**The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.**

The Normandy Shores Park is located adjacent to the Tennis Courts, and across from the Normandy Shores Golf Course and Clubhouse. The Park currently includes a small building with restrooms, and a playground area. The approved FY 2009/10 Capital Budget included funding in the amount of \$135,500 to replace the existing playground that was beyond repair at the Normandy Shores Park. The project includes the complete replacement of the playground, safety surface, new fencing and furniture, fixtures & equipment. As that project was in development, Parks & Recreation staff worked internally to develop a potential second phase of the park's revitalization. The concept being developed would include a new recreation building/activity

pavilion/restroom with storage space, similar to the one built in Fairway Park, and a water access/fishing dock. In January 2012 Parks & Recreation staff met with Commissioner Jorge Exposito and Normandy Shores HOA New Projects Committee Chair Mark Wojak to discuss the community's interest and suggestions for that area. At that time, staff shared the second phase concept under development with Mr. Wojak, who agreed to take the concept to the Normandy Shores HOA board for their comments, as well as further input on options for the park. On February 14, 2012, Mr. Wojak sent correspondence to the City stating that the residents on Normandy Shores would prefer a more open green space park, which would include the demolition of the existing storage building/restroom that is in very poor condition; a Vita Course/fitness circuit similar to the one installed in Lummus Park; park furnishings such as benches, trash receptacles, etc.; and new fencing, sod and trees. The letter indicated that they are not interested in a playground at this location, as there is currently a playground with a shade structure at Fairway Park. In addition, the HOA did not recommend a fishing pier/dock. At this time it is unknown whether the previously approved capital allocation of \$135,500 for the proposed playground renovation at the Normandy Shores Park may be sufficient to accomplish the HOA's requested project. The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.

**14. Discussion regarding a renewal of the current management agreement between the City of Miami Beach and the Miami Beach Garden Conservancy for the management and operation of the Botanical Garden; as well as a proposal to increase the rental rates for use of the facility**

**ACTION**

**The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.**

On January 17, 2007, the Mayor and City Commission approved a Management Agreement with the Miami Beach Garden Conservancy (the Conservancy) for the operation of the Botanical Garden, with an initial term of five (5) years, commencing on July 1, 2007 and ending on June 30, 2012, with an option, at the City's sole discretion, to renew and extend the Agreement for an additional five (5) year term. Since taking over the operations of the Botanical Garden in July 1999, the Conservancy has initiated extensive public outreach initiatives and educational programming, and has played an important role in working with the City to plan and implement the recently completed renovation of the Botanical Garden. In addition, and in order to offset costs associated with future phases of the Master Plan that was approved by the Management Agreement on June 1, 2011, to allow the Conservancy to award naming rights to the interior portions of the Garden, in exchange for monetary contributions from private donors to fund the improvements. In order to see the Master Plan through to completion and to continue its mission of providing quality horticultural, educational and volunteer-based programming initiatives, the Conservancy is asking to exercise its renewal option for an additional five years. Also, in light of the recent improvements to the premises, and in order to be more competitive with comparable venues in South Florida, the Conservancy is proposing to increase the rental rates at the Botanical Garden, which also requires the City's approval. Additionally, the Conservancy is asking the City to consider amending the Management Agreement to provide for an additional renewal option for an additional five (5) years, at the City's sole and absolute discretion. It was noted that this is separate and in addition to the one renewal option provided for and authorized in the current Management Agreement. The Committee recommended that the item be reviewed at the time when the FY 2012/13 budget is discussed.

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