

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee
FROM: Jimmy L. Morales, City Manager
DATE: June 30, 2017
SUBJECT: MEETING OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE
ON FRIDAY, JUNE 30, 2017

A meeting of the Finance and Citywide Projects Committee has been scheduled for Friday, June 30, 2017 at 2:30 pm in the Commission Chambers, 3rd Floor of City Hall.

The agenda for the meeting is as follows:

OLD BUSINESS

1. Discussion Regarding The Maintenance Of Public Bathrooms Citywide

Commission Item C4N, February 8, 2017
(Sponsored by Commissioner Grieco)

John Rebar, Parks and Recreation Director
Adrian Morales, Property Management Director

Status: Discussion at committee.

2. Discuss Engaging In A Pilot Program With A Cost Reduction Consultant

Commission Item C4N, March 1, 2017
(Sponsored by Commissioner Arriola)

James Sutter, Internal Auditor
John Woodruff, Chief Financial Officer

Status: Item enclosed.

3. Discussion Regarding The Living Wage Rates For Fiscal Year 2017-2018, In Accordance With Chapter 2, Article VI, Division 6, Section 2-408, Of The City Code

Commission Item C4G, April 26, 2017
(Procurement)

Alex Denis, Procurement Director

Status: Item to be submitted as supplemental.

4. Update On Energov Permitting System

Commission Item C7M, April 26, 2017
(Information Technology)

Mark Taxis, Assistant City Manager
Ariel Sosa, Information Technology Director

Status: Discussion at committee.

5. Discussion To Explore A Lease To Bring The Wynwood Yard Concept To North Beach

Commission Item R9AG, April 26, 2017
(Sponsored by Commissioner Arriola)

Eva Silverstein, Tourism, Culture, and Economic Development Director

Status: Item to be submitted as supplemental.

6. Discussion Regarding The City Clerk Rafael E. Granado's Annual Performance Evaluation

Commission Item C4G, May 17, 2017
(Office of the City Clerk)

Rafael E. Granado, City Clerk

Status: Item enclosed.

7. Discussion Regarding The City Attorney Raul J. Aguila's Annual Performance Evaluation

Commission Item C4I, May 17, 2017
(Office of the City Attorney)

Raul Aguila J. Aguila, City Attorney

Status: Item enclosed.

8. Discussion Regarding Contingencies When The City Bids For Construction Contracts

Commission Item R7K, June 7, 2017
(Public Works)

Eric Carpenter, Assistant City Manager/Public Works Director

Status: Item enclosed.

NEW BUSINESS

- 9. Discussion Regarding The North Beach Town Center Redevelopment Proposal, Involving City-Owned Parking Lots, Made By North Beach Town Center Development, LLC, An Affiliate Of Pacific Start Capital, LLC**

Commission Item C4C, May 17, 2017

(Sponsored by Commissioner Malakoff and Co-sponsored by Commissioner Arriola)

Eva Silverstein, Tourism, Culture, and Economic Development Director

Kathie Brooks, Assistant City Manager

Status: Item enclosed.

- 10. Discussion Regarding A New Lease Agreement Between The City And Sobe Toscana LLC (New Tenant), Involving The Use Of Approximately 2,216 Square Feet Of City Owned Unimproved Land, Located At 22 Washington Avenue, Miami Beach, Florida, Previously Used As An Outdoor Seating Area; Said Lease Having An Initial Term Of Five (5) Years, With One (1) Renewal Term Of Four (4) Years And Nine (9) Months, At The City's Option, And To Run Concurrent With The Tenant's Lease/Use Of An Adjacent Existing Restaurant Located At 816 Commerce Street, Miami Beach, Florida**

(Tourism, Culture, and Economic Development)

Eva Silverstein, Tourism, Culture, and Economic Development Director

Status: Item enclosed.

DEFERRED ITEMS

- 11. Discussion To Explore Placing Cameras On Every Corner Of The MXE (Mixed Used Entertainment) District And On The Beachwalk, And Installing Emergency Activation Boxes Along The Beachwalk**

Commission Item C4P, March 1, 2017

(Sponsored by Vice-Mayor Rosen Gonzalez)

Daniel Oates, Police Chief

Status: Item deferred pending direction from the Neighborhood and Community Affairs Committee.

- 12. Discussion Regarding The Fees Charged To Developers To Appear Before The City's Land Use Boards**

Commission Item C4F, April 26, 2017

(Sponsored by Commissioner Alemán)

Tom Mooney, Planning Director

Status: Deferred to the July 28, 2017 FCWPC meeting, pending formulation of a recommendation.

- 13. Discussion Regarding Washington Avenue Parking And Workforce Housing Options At 1234/1260 Washington Avenue**
Commission Item R9P, May 17, 2017
(Capital Improvement Projects)

Saul Frances, Parking Director
David Martinez, Capital Improvement Projects Director

Status: Deferred to the July 28, 2017 FCWPC meeting, pending further analysis.

- 14. Discussion Regarding An Economic Feasibility Analysis For The Proposed North Beach Neighborhood Conservation District**
Commission Item C4K, June 7, 2017
(Planning)

Tom Mooney, Planning Director

Status: Deferred to the July 28, 2017 FCWPC meeting, pending further analysis.

- 15. Discussion Regarding The Evaluation Of Costs Impacts Of Improving The Amenities At Soundscape Park**
Commission Item R7G, June 7, 2017
(Tourism, Culture, and Economic Development)

Eva Silverstein, Tourism, Culture, and Economic Development Director

Status: Deferred to the September 8, 2017 FCWPC meeting, pending evaluation of costs.

- 16. Discussion Regarding Sustainable Funding Sources For Educational Enhancements In Miami Beach Public Schools**
Commission Item R9F, March 1, 2017
(Sponsored by Commissioner Grieco)

Dr. Leslie Rosenfeld, Chief Learning Development Officer

Status: Deferred to the September 8, 2017/October 13, 2017 FCWPC meeting after school reconvenes and the Quality of Education Committee meets.

Finance and Citywide Projects Committee Meetings for 2017:

July 10 – Budget Briefing
July 21 – Budget Briefing
July 28
August Recess
September 8
October 13
November 3
December 8

Committee Members

Commissioner Ricky Arriola, Chair
Commissioner Joy Malakoff, Vice Chair
Commissioner John Alemán, Member
Commissioner Micky Steinberg, Alternate

JW/MTG

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Cc. Mayor and Members of the City Commission
Management Team

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DISCUSSION AT COMMITTEE MEETING

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COMMITTEE MEMORANDUM

TO: Finance and City Wide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: June 30, 2017

SUBJECT: **DISCUSS ENGAGING IN A PILOT PROGRAM WITH A COST REDUCTION CONSULTANT**

BACKGROUND

At the March 31, 2017 Finance and City Wide Committee meeting, a referral from the City Commission was (Item C4N) was discussed regarding the engagement of a Cost Reduction Consultant. In addition, it was discussed to repeat the revenue enhancement study of the City's Utilities department previous performed in 2009. Direction was given to identify other areas for cost reduction potential so that an RFQ can be issued for both the revenue enhancement and cost reduction review.

Cost reduction consultants perform audits of water, sewer, gas, electric, trash, telecom, and other service contracts' (air conditioning/elevators) invoices searching to find errors in billing and overcharges. Once these errors are identified, the consultant works to obtain refund checks, negotiates best rates and reduces monthly operational costs for their clients moving forward. This consultant does not charge any up-front fees or costs as they are compensated by receiving a percentage of refunds/savings.

There are other service providers which provide these services.

The City has utilized the following consultants in the past:

- In 2007, the City selected through an RFP process, Research Enhancement Services to review the City's water, sewer, and storm water utility for unread, misread, and unmetered services. Their review completed in April of 2009, identified an estimated annual lost revenues of \$550,000.
- In 2010, the City executed an energy management contract with Ameresco. This consisted with a two year implementation period and then starting in 2013, the City has been receiving the benefit of nearly \$1.4 million in energy and water savings. The total capital recovery period is 13 years at the end of which the City will have recovered their costs and recognize the benefit of the retrofit.
- In 2015, Eric Ryan Corporation (ERC) was selected through an RFP process to perform an audit of the telecommunication services. This included telephone lines and network circuits. After an extensive audit, ERC made recommendations to discontinue many services. Their recommendations fell into

the following three distinct categories.

- The first category of recommendations was not feasible as there was a need for the services that ERC was not aware of.
- The second category of recommendations was implemented and upon disconnect, the true need for the services was discovered and they had to be restored.
- The third and final type of recommendations was the actual verified disconnects that did not interrupt any viable service. Of this third type of recommendation, there are already \$100,552 confirmed annual savings and \$778,241 pending disconnects to verify if valid.
- The City is currently engaging ERC to perform the audit on the FPL bills for utilities and on the AT&T, Verizon and Sprint bills for cellular services.

ANALYSIS

In reviewing those areas previously reviewed by the City, it is recommended to solicit:

- a revenue enhancement study of the City's Utilities department since the last study was performed in 2009
- a cost reduction consultant for the other areas not covered by previous reviews as follows:
 - Credit Card Processing Services
 - Insurance Policies
 - Security Services
 - Fedex, UPS shipping
 - Elevator Services

CONCLUSION

The Administration recommends that the Finance and City Wide Projects Committee approval the issuance of an RFQ for both the revenue enhancement and cost reduction evaluations.

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ITEM TO BE SUBMITTED AS SUPPLEMENTAL

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DISCUSSION AT COMMITTEE MEETING

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ITEM TO BE SUBMITTED AS SUPPLEMENTAL

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Rafael E. Granado, City Clerk



DATE: July 30, 2017

SUBJECT: **ANNUAL PERFORMANCE EVALUATION OF THE CITY CLERK**

Commissioner Ricky Arriola, as Chair of the City's Finance and Citywide Projects Committee, was charged with and has conducted City Clerk Rafael E. Granado's performance evaluation and salary benefits review.

In consideration and recognition of the City Clerk's performance for Contract Year April 30, 2016 through April 30, 2017, Commissioner Arriola recommended the following amendments to the City Clerk's Employment Agreement:

Term: A One-year extension of the Employment Agreement, with a new termination date of April 30, 2020.

Salary: A one-time 3% merit increase of \$5,930, effective May 1, 2017; for a new base salary of \$203,586.94.

457 Funding: An increase to the City's current contribution to the City Clerk's 457(b) Deferred Compensation Plan, from \$6,000 to \$24,000 a year. (This amount is equivalent to that received by the City Manager and City Attorney.)

Parking: Issuance of a designated parking spot at the City Hall Garage.

A copy of the City Clerk's accomplishments during Contract Year April 30, 2016 through April 30, 2017 is attached hereto.

CITY CLERK

Significant Prior Year Accomplishments:

- Elections: Successfully conducted Special Elections in March, August and November 2016. Due to the large number of voters, Early Voting at City Hall, during these three Special Elections, was held in the First Floor Conference Room, where for the first time a fully air conditioned tent was erected that extended the voting area to the Breezeway in order to accommodate over 100 voter privacy booths.
- Electronic Election Filing System: Implemented an electronic filing system for the Campaign Treasurer's Reports. Previously, the required Treasurer's Reports had to be submitted on paper in person or by mail to the Office of the City Clerk. Although the process worked well, it was time consuming for City Staffers and inconvenient to the candidates, PCs, and ECOs. The new electronic system, which took effect in January 2017, provides for: 1. Automatic auditing of campaign finance reports for completeness and timeliness; 2. Availability of all campaign finance forms required by Florida Statutes for filing; 3. Complete paperless reporting capability; 4. The use of e-mail notifications; 5. Direct data entry or capability of uploading data from third party vendor software; 6. Internet web-based search capability for the public, media, candidates, PCs, and ECOs regarding reported campaign finance data; 7. Electronic referrals to the Florida Elections Commission by filing officers; and 8. Migration of campaign finance data from prior years.
- Webpage: Significantly expanded the Office of the City Clerk's Election web presence, which now includes: State of Florida Political Committee Database; City of Miami Beach Political Committee and Electioneering Communication Organization Database; Most Commonly Used Forms; and Information relating to the current year's election.
- Public Records Requests: Responded to public record requests (PRRs). Ninety-three percent (93%) of the public records requests received for records maintained by the Office of the City Clerk were processed in 7 days or less. The Office coordinated and monitored all Citywide PRRs to ensure prompt response.
- City Commission Agenda Preparation: Produced City Commission agenda materials for 27 City Commission meetings and Workshops, oversaw the agenda preparation process, and updated the City's webpage.
- After-Actions: Produced 27 After-Action Reports for City Commission meetings and Workshops, generated Log Notes for Commission/Workshop meetings and burned CD's for archival purposes.
- Automated Agenda System: The Office of the Clerk implemented NovusAGENDA. This automated agenda process saves the City both time and money, and provides easy access to City government for the residents and visitors of Miami Beach. The Office of the City Clerk provides training in the NovusAGENDA to City departments as needed.
- Agenda Video Indexing: Implemented indexing of video content for each agenda item, which provides the public with 24-hour, 365-day access to meetings of the City Commission. This new feature allows the public to easily access and view videos of the item that is of interest to them, rather than stream through the entire meeting. The video indexing of the items is accomplished within one to three hours from the time the meeting ends.

- Ordinance and Resolution Registry: Maintained a web-based Ordinance and Resolution registry to provide an easy research tool for the public. Processed 72 Ordinances, 435 Resolutions and 546 contracts. The information is available at:

Ordinance:

<http://docmgmt.miamibeachfl.gov/weblink/0/edoc/147802/Ordinances%202016-present.pdf>

Resolutions:

<http://docmgmt.miamibeachfl.gov/weblink/0/edoc/147801/Resolutions%20Registry%202016-present.pdf>

- Personnel Board: Conducted employee election for the Personnel Board.
- LaserFiche/Scanning: Scanned, indexed, quality-controlled and published all LTCs, Lobbyists Affidavits, Board and Committees Applications, Financial Disclosure Forms, Ordinances and Resolutions into LaserFiche; giving the public web-based access to all these documents.
- City Code Updates: Transmitted Ordinances to Municipal Code Corporation for codification and updated in the City's Code Book (paper and electronic version). Supplement 66 is the current version.
- Historical Archives: The Office of the City Clerk, pursuant to City Commission direction, collaborated with the Florida International University (FIU) to digitize the City's historical photographic archives. A total of 24,348 historical photographs were digitized in 2016. The link to the FIU server is <http://dpanther.fiu.edu/dPanther/collections/mbda>. In addition, the project was continued in 2017, with the digitalization of historical Ordinances, from 1915 to the 1980's. A total of 3,950 pages have been scanned to date, along with 8,439 Kardvayer contents or index cards used prior to record keeping in electronic form.
- Centennial Photo Exhibit: A Centennial Photo Exhibit, comprising of photographs from each decade of the City's history, is now permanently displayed in the Fourth Floor City Hall Gallery, pursuant to City Commission approval. The photographs depicted in the Centennial Photo Exhibit were selected from the Office of the City Clerk's Historical Archives by City Clerk staff, City residents, local historians and City staff.
- Lobbyists: Processed 252 lobbyist registrations, 503 lobbying issues and maintained the lobbyists annual disclosure records.
- Boards and Committees: Maintained records for 32 Boards and Committees with 376 members. Processed 206 Board and Committee Applications and 132 appointments. Posted on the Office of the City Clerk's website a searchable database of all Boards and Committees on a weekly basis. Created and posted on the Office of the City Clerk's webpage a database of current Board and Committee openings, to assist residents wishing to become involved in City government. Produced the Board and Committees Quarterly Attendance Report and the Board and Committees Biannual Report. Authored the Board and Committee Minority Report.
- Board and Committee Ethics Training Workshop: The Office of the City Clerk and the Miami-Dade County Commission on Ethics and Public Trust hosted a 90 minutes presentation to an audience of 96 members of the City of Miami Beach Boards and Committees, as well as City of Miami Beach employees. The presentation was a comprehensive overview of the Public Records Act, Sunshine Laws, Miami-Dade County Code of Ethics, Financial Disclosures, and Gift Policy for Public Officers and employees.

- Annual Reports: Processed Outside Employment, Gift Disclosure, Financial Disclosures and Lobbyist Expenditure Forms, as required by the State, County and City.
- Public Notices: Published the following advertisements: 45 meeting notices; 186 public hearings; and 120 election information notices.
- Special Master: Processed 1,427 new Special Master Appeals, Building Cases, Code Cases and Fire Cases. Heard 299 Red Light Camera Appeals. Mailed 1,200 condominium common area violations courtesy notices on 53 cases. Processed the recording and release of 930 liens.
- Records Retention: Destroyed 867 cubic feet of records in FY 15/16. Implemented an electronic records system to simplify destroying records and tracking boxes once they are sent to GRM Offsite Records Storage. Presently, a software web based database for Records Retention is being custom designed by IT to track the retention schedule deadlines.

Assisted the Finance Department, Public Works Operations and Communications with records destruction.

Held a Records Management class hosted by the State of Florida Library Division of Records to educate City Hall employees.

- Staff: Continued supplementing staff by recruiting senior and student interns.

Central Services Division

- Mail Equipment: Implemented a package tracker that follows packages from the time they arrive at the Central Services Division, until they are delivered and signed for by the intended recipient, eliminating lost packages and wasted time searching for packages.
- Copier Equipment: Central Services Division operates high speed, high volume photocopiers and a digital color duplicator that reproduces professional results. These machines not only copy, but also collate and staple finished documents, achieving cost effective digital reproduction of printed materials.
- Printing Production: Central Services Division received approximately 1,450 print jobs in FY 2015/16, and produced approximately 3,581,000 impressions (Black and White/Color), at an average of 298,000 impressions per month. These jobs included: Commission Meeting Agenda Books, MB Line Magazines, Supplemental to City Code, After-Actions, Agenda Reviews, Commission Committees Meeting Agendas, Proposed and Final Capital Budget Books, Open Enrollment Books/Insurance Packages, Zoning Notifications, Proclamations, Posters, Flyers, Brochures, Maps, Business Cards, Courtesy Notices, Meeting Notices (Board of Adjustments, Planning Board, etc.), Permit Cards, Work Permits, Unsafe Stickers, Surveys, Vehicle Safety and Storage Receipts, Inspection Handouts, Daily Reports, Information Logs, Code Violation Forms, Employees Applications, Retiree Enrollment Applications, Door Hangers, Transportation Element, Residential Parking Permit Application, Residential Parking Permit Renewal, Players/Parents Code of Conduct, Release of Liability, Rules and Regulations, Warning Signs, Off-Duty Applications, Police Department Forms, Meter Parking Forms, etc.

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Raul J. Aguila, City Attorney 

DATE: July 30, 2017

SUBJECT: **ANNUAL PERFORMANCE EVALUATION OF THE CITY ATTORNEY**

Commissioner Ricky Arriola, as Chair of the City's Finance and Citywide Projects Committee, was charged with and has conducted the City Attorney Raul Aguila's performance evaluation and salary benefits review.

In consideration and recognition of the City Attorney's performance for Contract Year May 16, 2016 through May 16 2017, Commissioner Arriola recommends the following amendments to the City Attorney's Employment Agreement:

Salary: A 2% merit increase of \$5,486.12, effective May 16, 2017; for a new base salary of \$279,792.36.

IRA Contribution: City's contribution to the City Attorney's IRA Account in the amount of \$6,700

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: June 30, 2017

SUBJECT: **Contingencies When The City Bids Construction Contracts**

BACKGROUND

At the City Commission meeting on June 6, 2017, during a discussion regarding Item R7K, a resolution authorizing a change order for a construction project along Washington Avenue, concern was raised that the original contract award did not have a contingency built in to the project. Subsequently, a motion was made to further discuss this issue at the Finance and Citywide Projects Committee.

ANALYSIS

The Department of Public Works is involved with many construction related projects throughout the City. Contracts are necessary for all aspects of these projects from engineering services including surveying, design, and construction oversight to the actual construction contractor. Prior to entering into these contracts, an estimate is performed to develop a budgetary number. Inevitably situations arise during the course of the execution of the contract that were not anticipated during the initial project cost development. As such, a contingency is added to the cost estimate. This is generally 10 to 15 percent based on the type of the project and the degree of uncertainty that the project cost is based upon. When a project is presented to the City Commission for approval, the budgetary cost estimate including the contingency is provided.

During the execution of the scope of the work, the unanticipated work or additional work required can be absorbed by the contingency. However, should the amount of additional work or an unforeseen circumstance arise that causes such cost to exceed the projected budgeted and approved amount, a change order is required and additional City Commission approval is required.

CONCLUSION

The following is presented to the members of the Finance and Citywide Projects Committee for discussion and further direction.

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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 Members

FROM: Jimmy L. Morales, City Manager 

DATE: June 30, 2017

SUBJECT: **A DISCUSSION REGARDING THE POTENTIAL EXCHANGE OF PROPERTIES BETWEEN THE CITY OF MIAMI BEACH (CITY) AND NORTH BEACH TOWN CENTER DEVELOPMENT, LLC (NBTCDC); SAID PROPERTIES LOCATED AT 6995 BYRON AVENUE AND 6960 HARDING AVENUE, MIAMI BEACH, FLORIDA, CONSISTING OF APPROXIMATELY 31,375 SQUARE FEET (CITY PROPERTIES), AND 6957 & 6965 BRYON AVENUE AND 6948, 6956 & 6964 ABBOTT AVENUE, MIAMI BEACH, FLORIDA, CONSISTING OF APPROXIMATELY 30,500 SQUARE FEET (NBTCDC PROPERTIES).**

BACKGROUND

At its November 18, 2008 meeting, the Finance and Citywide Projects Committee, authorized the Administration to approach City National Bank to explore a joint development agreement, or a land swap, for one of the preferred parking garage sites identified in the North Beach Town Center Plan (adopted July, 2007).

The Administration subsequently held numerous discussions with representatives from City National Bank. Discussions ended because City National was engaged in developing numerous new branch locations and was not ready to consider development proposals.

In March 2017, an entity controlled by North Beach Town Center Development, LLC ("NBTCDC") purchased all the sites owned by City National Bank. NBTCDC is interested in developing a mixed-use project within the North Beach Town Center, and has approached the City regarding exchanging various properties in the area to facilitate its development, and provide the City with municipal parking and (at City's option) workforce housing.

ANALYSIS

The City is the owner of two (2) properties located at: 1) 6995 Byron Avenue, Folio #: 02-3211-002-0950, consisting of 12,625 square feet (.29 acres), and currently utilized as Parking Lot P80, containing 30 parking spaces; and 2) 6960 Harding Avenue, Folio #: 02-3211-002-0910, consisting of 18,750 square feet (.43 acres), and currently utilized as Parking Lot P84, containing 53 parking spaces ("City Properties" or "Subject Sites 1 and 2") (collectively, the "City Properties"). The City Properties are outlined in red, and identified as Numbers 1 and 2 on Exhibit "A," attached hereto.

North Beach Town Center Development, LLC ("NBTCD") is the owner of five (5) properties located at: 1) 6957 Byron Avenue, Folio #: 02-3211-002-0990, consisting of 6,250 square feet (.14 acres); 2) 6965 Byron Avenue, Folio #: 02-3211-002-0970 (south half only), consisting of 6,250 square feet (.14 acres); 3) 6948 Abbott Avenue, Folio #: 02-3211-002-1010, consisting of 6,000 square feet (.14 acres); 4) 6956 Abbott Avenue, Folio #: 02-3211-002-1020, consisting of 6,000 square feet (.14 acres); and 5) 6964 Abbott Avenue, Folio #: 02-3211-002-1030, consisting of 6,000 square feet (.14 acres) (collectively, the "NBTCD Properties"). Said properties are outlined in blue, and identified as Number 3, on Exhibit "A," attached hereto.

The City received a term sheet from NBTCD, attached hereto as Exhibit "B" ("Term Sheet"), for the exchange of the above referenced properties. The Administration met with representatives from NBTCD on June 1, 2017, to discuss the proposed terms.

NBTCD is proposing a mixed-use development including retail, office, residential and parking, between Byron and Harding Avenues. NBTCD will construct and convey to the City a public parking garage with at least 270 spaces. Additionally, NBTCD and the City will explore building up to three (3) floors of workforce housing above the parking garage.

As further described in Section B of Exhibit "B" (Term Sheet), attached hereto, the fee ownership of the properties between Byron and Abbott Avenues will be divided into Parcels A and B. Parcel A and Parcel B will be joined together via a Covenant in Lieu of Unity of Title CIL. Parcel A will be owned entirely by NBTCD. Parcel B will have ground floor retail owned by NBTCD. The City will own the parking garage ramp that starts at the ground floor and the parking garage situated above the ground floor on Parcel B. The parking garage ramp will also serve as access to NBTCD's parking garage located on Parcel A. NBTCD will pay its proportionate share of maintaining the ramp and any other commonly used facilities such as elevators and stairways, etc. An Easement and Operating Agreement will identify the commonly used facilities and will provide for easements and cost sharing.

The proposed conveyance of the City Properties is subject to compliance with:

- (1) Section 1.03(b)(4) of the City Charter, which requires approval by 4/7th vote of the Planning Board, and 6/7th vote of the City Commission; and
- (2) Sections 82.36 through 82-40 of the City Code ("Sale or Lease of Public Property").

NBTCD proposes the exchange as an "even swap", with no monetary consideration trading hands. The Administration has ordered, at NBTCD's expense, an appraisal of the respective City and NBTCD Properties to assist in analyzing the proposed transaction. Appraisal of the City Properties is required pursuant to Section 82-39(b) of the City Code, unless waived by 5/7th vote of the City Commission (finding that the public interest would be served by such waiver).

The proposed exchange cannot be predetermined to have no monetary consideration until the market values of the properties are determined in the context of the proposed development. The proposed transaction would be subject to, amongst other things, the results of the appraisal and the City receiving fair market value for the exchange of the properties which, likely, would include additional compensation to the City since the combining of the properties would allow for more intense development. The appraisers have been instructed to consider the current and

future zoning districts (TC-1 and TC-3 for the Subject Sites), including implications such as maximum FAR, maximum height and main permitted uses. The appraisal should be finalized by the end of this month.

As further described in Section C(5) of the Term Sheet, NBTCD has proposed that the parking spaces in the City garage be metered but allow for two (2) free hours of parking. At this time, the Administration is generally receptive to this concept, so long as there is a contribution from the developer and/or tenants towards the garage revenues. While there is a similar parking arrangement at the 5th & Alton Municipal Garage (G8) regarding the first two (2) hours of parking; additional research needs to be performed to determine the best policy for this location.

Additionally, in the event the demand for parking decreases in the future, and/or the parking spaces are not fully utilized, the City would reserve the right to convert the parking area to alternative uses.

CONCLUSION

The Administration is seeking a preliminary recommendation from the Finance and Citywide Projects Committee regarding the potential exchange of the properties.

Exhibits:

- A Subject Sites
- B Term Sheet


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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager 

DATE: June 30, 2017

SUBJECT: **A DISCUSSION REGARDING A NEW LEASE AGREEMENT BETWEEN THE CITY AND SOBE TOSCANA LLC (NEW TENANT), INVOLVING THE USE OF APPROXIMATELY 2,216 SQUARE FEET OF CITY OWNED UNIMPROVED LAND, LOCATED AT 22 WASHINGTON AVENUE, MIAMI BEACH, FLORIDA, PREVIOUSLY USED AS AN OUTDOOR SEATING AREA; SAID LEASE HAVING AN INITIAL TERM OF FIVE (5) YEARS, WITH ONE (1) RENEWAL TERM OF FOUR (4) YEARS AND NINE (9) MONTHS, AT THE CITY'S OPTION, AND TO RUN CONCURRENT WITH THE TENANT'S LEASE/USE OF AN ADJACENT EXISTING RESTAURANT LOCATED AT 816 COMMERCE STREET, MIAMI BEACH, FLORIDA.**

BACKGROUND

On November 9, 2016, the City Commission adopted Resolution No. 2016-29638 approving and authorizing a new lease agreement with Florida Food District Inc., involving the use of approximately 2,216 square feet of City owned unimproved land, located at 22 Washington Avenue, Miami Beach, Florida (Property). The Property is adjacent to an existing restaurant space located at 816 Commerce Street, Miami Beach, Florida (Restaurant), and was used as an outdoor seating area. The Restaurant accommodates approximately 60 seats and the Property accommodates outdoor seating for approximately 65 seats. On May 16, 2017, Florida Foods District Inc. requested the assignment of their lease agreement to Sobe Toscana, LLC (New Tenant). The City Attorney's Office recommends that a new lease agreement be executed with the New Tenant since Florida Food District Inc. has ceased operations and vacated the Property.

ANALYSIS

The principal of Sobe Toscana, Catherine Arrighi Guitera, has extensive experience operating restaurants in Miami Beach, including Ocean's 10, located at 960 Ocean Drive, for over fifteen (15) years. The new restaurant at 816 Commerce Street will be operated as an Italian pizzeria.

The basic terms and conditions of the proposed lease agreement are generally consistent with the previous lease, with the continuation of the base rent schedule and annual rent increases, as follows:

Premises: 22 Washington Avenue

Size: Approximately 2,216 square feet

Initial Term: Five (5) years, commencing August 1, 2017 and ending July 31, 2022

Base Rental Rate: \$22.51 per rentable square foot (\$49,882.20 annually, \$4,156.85 monthly), plus applicable sales tax.

Increases: The Base Rental Rate shall be increased by three percent (3%) annually.

Renewal Option: Tenant shall have one (1) renewal option, at the City Manager's sole discretion, for a period of four (4) years and nine (9) months. Subject to the City's approval of the renewal term, the City has the right to re-negotiate the Base Rent amount based upon a percentage of gross receipts or may continue to be assessed as a fixed annual rent, based upon the fair market rent at the time, to be escalated annually by three percent (3%); however, at no time will the Base Rent during the renewal term be less than the rent for the previous lease year plus the three percent (3%) escalation.

Security Deposit: \$12,470.55 (three (3) month's rent)

Personal Guaranty: A rolling six (6) month personal guaranty shall be provided by Tenant's principal, Catherine Arrighi Guitera.

Improvement Allowance: Tenant shall accept the Premises in "as-is" condition.

CONCLUSION

Due to its limited size and shape, the Property serves little more than to provide access to 816 Commerce Street. It is unlikely the City would generate any other revenue from the Property other than as an outdoor seating area for the Restaurant at 816 Commerce Street.

The Administration recommends in favor of executing a new lease agreement with Sobe Toscana LLC in accordance with the above stipulated terms and conditions. The Administration is seeking a recommendation from the Finance and Citywide Projects Committee.


JLM/KGB/ES/MMM/GA