

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Rickelle Williams, Interim City Manager

DATE: June 28, 2024

TITLE: DISCUSS THE POSSIBILITY OF THE CITY ASSUMING CONTROL AND MANAGING THE SUNSET HARBOUR LIFT STATION.

BACKGROUND/HISTORY

At its April 3, 2024 meeting, the City Commission, at the request of Commissioner David Suarez, approved a referral (Item C4 L) to the Finance and Economic Resiliency Committee (FERC) to discuss the possibility of having the City assume control and management of the Sunset Harbour lift station.

The Sunset Harbour North Tower, Sunset Harbour South Tower, Townhomes in Sunset Harbour, and Yacht Club (collectively, the "Properties") within the Sunset Harbour neighborhood are all serviced by one (1) lift station ("Lift Station"). The Developer(s) of these properties decided to install a private lift station rather than provide the required upgrades to the public infrastructure in this neighborhood in order to service these buildings.

The Lift Station, which provides critical waste infrastructure for the Properties, is presently privately owned, operated, and maintained by the associations that represent these properties. However, due to recurring issues surrounding the permitting, operation and maintenance of the lift station, the associations are requesting that the City take over the management responsibilities of the Lift Station, in exchange for a financial compensation to the City.

Sponsoring Commissioner David Suárez would like to discuss the possibility of the City assuming control of the Lift Station in Sunset Harbour, as well as staff feedback, along with any recommendations, concerns, and the financial impact to the City of potentially taking on this initiative.

ANALYSIS

The Public Works Department has completed its assessment of the Sunset Harbour lift station and is presenting the following for consideration:

This particular pump/lift station has been undergoing upgrades which as of yet are not completed. It is recommended that the upgrades be completed and approved before considering any transfer of ownership. The transfer will also require regulatory approval.

Since the pump/lift station is on private property, the City would require legal instruments, non-revocable permanent easements or deeding of title to the land occupied by the station and the associated piping so that Public Works can operate and maintain the assets.

There are numerous private pump/lift stations throughout the City, including at the New World Symphony, Loews and Fontainebleau hotels as well as other locations. Should the City decide to take over the Sunset Harbour pump station, similar requests from other properties owners may potentially follow.

The estimated cost for bringing the Sunset Harbour lift station up to standard including design, construction, legal costs, permitting, operation and maintenance will be approximately \$1 million - \$1.5 million for the first year. The annual O&M (operations and maintenance) costs for the City to maintain the station will be approximately \$60,000.

FISCAL IMPACT STATEMENT

The estimated cost for bringing the Sunset Harbour lift station up to standard including design, construction, legal costs, permitting, operation and maintenance will be approximately \$1 million - \$1.5 million for the first year. The annual O&M costs for the City to maintain the station will be approximately \$60,000.

CONCLUSION

The Administration recommends against the transfer of ownership of this lift station to the City, however, the information above is presented to the members of the Finance and Economic Resiliency Committee for discussion and recommendation.

Applicable Area

South Beach

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Department

Public Works

Sponsor(s)

Commissioner David Suarez