



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 26, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND RESILIENCY COMMITTEE, AT ITS JANUARY 24, 2025 MEETING, TO CONSIDER FUNDING DURING THE FY 26 BUDGET PROCESS FOR A COMPREHENSIVE INFRASTRUCTURE STUDY FOR NORTH BEACH.

RECOMMENDATION

Taking the Fiscal Impact Statement in consideration, and approval from City Commission, the Administration recommends considering funding for the infrastructure study in North Beach as part of the FY 2026 budget process.

BACKGROUND/HISTORY

On November 20, 2024, at the request of Commissioner Tanya Bhatt, the Mayor and City Commission (City Commission) approved item C4H, a referral to the Finance and Resiliency Committee (FERC) to discuss funding for a comprehensive infrastructure study for North Beach.

The referral referenced a proposed comprehensive hydraulic infrastructure study targeting South Beach, which would be essential for assessing the City's water, sewer, and stormwater systems. This study would also help identify and address infrastructure deficiencies in that area. The sponsor would like to explore funding opportunities to conduct a study in North Beach, as it faces unique infrastructure challenges that have yet to be addressed in a comprehensive or holistic way. These challenges include, but are not limited to, the following:

- No-contact water advisory surrounding Park View Island since February 2020, due to elevated bacteria levels, affecting the health and safety of the area's residents and visitors
- A sinkhole caused by a raw sewage force main break, into which a truck fell in 2022, located just off of Indian Creek, highlighting vulnerabilities in the existing sewage infrastructure
- 13 new significant development projects in an eight by six block area in Town Center, all of which are impacting the local infrastructure and creating new demands on water, sewer, and stormwater systems
- Thousands of residential units under development in North Bay Village, contributing to increased strain on already stressed infrastructure systems
- A sports/community complex scheduled to be built on the site of the surface parking lot at 72 Street, an area that contains critical water and sewer pipes beneath the surface

On January 24, 2025, FERC members held a discussion about the need for an infrastructure study in North Beach as sponsored by Commissioner Bhatt. FERC members made a motion to proceed to the City Commission with a favorable recommendation to consider funding during the FY 26 budget process.

ANALYSIS

Should the City Commission opt to increase the FAR or density in North Beach, similarly to the Washington Avenue/Lincoln Road area, it will be essential to evaluate the current sanitary sewer and water systems to understand how the utilities will be impacted and determine any necessary improvements.

The Administration obtained a proposal from the City's Prime Water and Sewer Consultant to conduct a hydraulic evaluation in North Beach, considering potential FAR/density increases in the area. Attachment A depicts the proposal and outlines the North Beach basins proposed for inclusion in this analysis. The total cost of the evaluation is estimated at approximately \$450,000, which includes \$361,929 allocated for modeling and the remainder for surveying support. The hydraulic analysis is expected to take eight to ten months to complete, depending on the City's ability to develop and provide the water and sewer demand data for each area.

FISCAL IMPACT STATEMENT

The Administration recommends that while the City Commission evaluates funding for an infrastructure study in North Beach, it also carefully considers several critical factors that will significantly impact the General Fund budget, beginning in FY 2026:

1. The City's increasing unfunded capital improvement program
2. Long-term General Fund financial projections indicating a potential shortfall in upcoming fiscal years
3. The recent notification of a \$5 - \$6 Million annual budget impact on the General Fund due to the new 2% collection fee imposed by the Miami-Dade Tax Collector
4. The passage of Amendment 5 in November 2024, which increases the homestead exemption and further constrains the growth of taxable property values

These considerations are essential to ensure that decisions regarding the funding for an infrastructure study in North Beach align with the City's broader long-term financial stability and strategic priorities.

CONCLUSION

Taking the Fiscal Impact Statement in consideration, and approval from City Commission, the Administration recommends considering funding for the infrastructure study in North Beach as part of the FY 2026 budget process.

Applicable Area

North 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

Commissioner Tanya K. Bhatt

Condensed Title

Accept Recom/Funding for FY26, Comprehensive Infrastructure Study for North Beach. PW

Previous Action (For City Clerk Use Only)