

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: September 20, 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 Mayor and City Commission (City Commission), approved a referral to the Finance and Economic Resiliency Committee (FERC) (Item C4 L), sponsored by Commissioner David Suarez, 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) sanitary sewer lift station ("Pump Station"). The Developer(s) of these properties decided to install a private pump station rather than provide the required upgrades to the public infrastructure in this neighborhood in order to service these buildings.

The Pump 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 Pump Station, the associations are requesting that the City take over the management responsibilities of the pump station, in exchange for a financial compensation to the City.

Sponsoring Commissioner Suárez would like to discuss the possibility of the City assuming control of the pump 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 Pump Station and is presenting the following for consideration:

This particular pump 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 station is on private property, the City would require legal instruments, nonrevocable 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 pumps station 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 Pump Station up to standards 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.

At its June 28, 2024 FERC meeting, Public Works provided their findings to Committee members. A motion was made to continue the discussion to the next FERC meeting, have the Administration research any development orders and/or other relevant documentation related to the Sunset Harbour Pump Station, and bring to the Committee for discussion.

**Relevant documentation found on City records:**

The signed and sealed set of as-built plans on record, dated 08/21/95 (PS95, attached), shows two buildings (The Sunset Harbour North Tower and Sunset Harbour South Tower) located on Purdy Avenue, as being connected. Two additional towers (Proposed Townhouse 1 and Proposed Townhouse 2), located on 20th Street, are proposed to be connected on a future date. The additional two townhouses, once built, would have required an additional plans submittal for review and approval by the City and Miami-Dade County Department of Environmental Resource Management, to ensure the station had adequate capacity.

**FISCAL IMPACT STATEMENT**

The estimated cost for bringing the Sunset Harbour Pump Station up to standards 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 direction.

**Applicable Area**

South Beach

<b><u>Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?</u></b>	<b><u>Is this item related to a G.O. Bond Project?</u></b>
Yes	No

Yes

No

**Department**

Public Works

**Sponsor(s)**

Commissioner David Suarez

**Condensed Title**

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