

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE SETTLEMENT OF A CLAIM, IN THE AMOUNT OF \$150,000.00, TO BE PAID TO GOLDWATER REALTY II, INC, OWNER OF THE PROPERTY LOCATED AT 1741 ALTON ROAD (PRIVATE PROPERTY); AND FURTHER, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A SETTLEMENT AGREEMENT AND ANY OTHER DOCUMENTS RELATED TO THE SETTLEMENT, SAID SETTLEMENT AGREEMENT AUTHORIZING THE PRIVATE PROPERTY OWNER TO UTILIZE THE SETTLEMENT PROCEEDS TO REPLACE THE CITY'S SEAWALL AT LENOX COURT, LOCATED ALONG THE COLLINS CANAL AND ADJACENT TO THE PRIVATE PROPERTY.

WHEREAS, on March 30, 2025, the City received notification that a seawall, located at 1741 Alton Road, Miami Beach ("Private Property"), had collapsed into the adjoining waterbody, the Collins Canal, during a heavy rainfall event; and

WHEREAS, the Miami-Dade County Department of Environmental Resource Management ("DERM") inspected the site and an inspection notice and waste dumping violation were issued to the Private Property owner, Goldwater Realty II, Inc. ("Goldwater"); and

WHEREAS, based upon the City's investigation, it was determined that approximately 23 feet of the 194-foot segment of seawall corresponded to Lenox Court and are within City right-of-way, and the remaining 171 feet corresponded to the adjacent Private Property; and

WHEREAS, on or around May 15, 2025, Goldwater notified the City that it intended to make a claim against the City, alleging that the City-owned seawall along Lenox Court had not been repaired, and that during the March 30, 2025 "rain bomb," canal water may have entered upon the Private Property from that point in the seawall opening, causing the Private Property seawall to collapse; and

WHEREAS, on or around June 6, 2025, City staff met with Rabbi Zalman Fellig, a principal of Goldwater, where he formally presented his claim (the "Claim"); and

WHEREAS, the City denied any liability but requested that Goldwater provide an engineering report substantiating the Claim; and

WHEREAS, Goldwater engaged an engineering and construction company, to provide a report and quote for the permitting and replacement work of 181 feet of seawall, including the 23 feet owned by the City and the structural reinforcement of the remaining 13 feet, which quote came in at \$377,200.00; and

WHEREAS, Goldwater requested that the City pay 50% of the estimated cost based on its claim that the City's failure to repair the Lenox Court seawall had caused Goldwater's seawall to collapse; and

WHEREAS, the City Administration denies any liability on the City's part or that a 50% contribution is required; however, in order to avoid the cost and uncertainty of litigation, the City Administration believes it is in the City's best interest to reach an amicable resolution; and

WHEREAS, the City Administration has offered to settle all claims associated with the Claim for the sum of \$150,000, subject to approval by the Mayor and City Commission, and Goldwater has indicated its willingness to settle all claims related to the Claim for this amount; and

WHEREAS, the City-owned 23-foot Lenox Court seawall has undergone multiple procurement processes, beginning with an existing push button contract ITB 2020-125-AY, which used pre-priced line items for seawall construction, however the lowest priced contractor and all subsequent contractors rejected the project; and

WHEREAS, the lowest priced contractor rejected the project due to scope complexity and the wall's deteriorated condition, and further advised that pre-covid pricing would not be honored given increased construction and material costs; and

WHEREAS, in 2024 the City attempted competitive solicitation under ITB 2024-056-JP (the "2024 ITB"), which process resulted in a single bid of \$899,525.00 for Lenox Court's 23 linear feet of seawall, or approximately \$39,110.00 per linear foot; and

WHEREAS, the 2024 ITB bid was deemed excessive when compared to other seawall projects across the City, which have typically ranged between \$2,700.00 and \$5,900.00 per linear foot, and was therefore rejected; and

WHEREAS, following the 2024 ITB, the City solicited pricing at two different times through its Job Order Contracting (JOC) program and (1) the first solicitation, prior to the collapse of the seawall, resulted in only a single contractor submitting a quote of approximately \$1.3 Million Dollars, significantly higher than the 2024 ITB bid; and (2) after the seawall collapsed, the same contractor was contacted again to determine whether the altered site conditions might improve constructability and pricing; however, at that time, the contractor declined to proceed with construction under the existing permitted plans, further highlighting the elevated risk and complexity associated with the site constraints; and

WHEREAS, the site constraints include the following factors: (1) Lenox Court is situated within a narrow 20-foot-wide public right-of-way, bounded by two private properties and an adjoining seawall that was also identified as being in poor condition and at risk of collapse at the time of the original bid; (2) there is no viable access to the site from the water side due to existing bridges along the canal, that limit the ability to barge in equipment; (3) the adjacent private parcels preclude conventional land-side mobilization and staging; and (4) overhead FPL utility lines along Lenox Court, across the canal and near the seawall's end, introduce further safety and logistical complications; and

WHEREAS, these factors make standard construction methods infeasible, and contractors have indicated that if access remains restricted to the City's narrow right-of-way, work, if completed by the City, would need to be staged from Dade Boulevard, across the canal, dramatically increasing mobilization costs, equipment needs, and community impacts through closure of travel lanes; and

WHEREAS, given the foregoing site constraints, which are contributing to the increases in the cost to replace the Lenox Court seawall and creating a challenge to securing a contractor for the work; the fact that the replacement cost of the seawall to the City would be equal to or greater than the proposed settlement amount; and that this approach will result in immediate attention to the matter, which would otherwise be delayed if following the City's standard Procurement process, the City Administration finds it to be in the City's best interest to pay

\$150,000.00 (the "Settlement Amount") in settlement of all claims associated with the Claim, with the understanding that the City's contribution will be applied towards the full reconstruction of the Lenox Court seawall; and

WHEREAS, as a conditions to the City's contribution to the shared cost, the new seawall will include a structural separation joint at the right-of-way line to ensure structural independence between the City-owned and privately owned segments, allowing for separate maintenance responsibilities; and the City will require the inclusion of a "knock out" panel that is required for future drainage improvements in the area.

NOW, THEREFORE BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve the settlement of a claim, in the amount of \$150,000.00, to be paid to Goldwater Realty II, Inc, owner of the property located at 1741 Alton Road (Private Property); and further, authorize the City Manager to negotiate and execute a settlement agreement and any other documents related to the settlement, said settlement agreement authorizing the Private Property owner to utilize the settlement proceeds to replace the City's seawall at Lenox Court, located along the Collins canal and adjacent to the Private Property.

PASSED and ADOPTED this ____ day of _____ 2025.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

6/23/2025

Date