

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: December 11, 2024

TITLE: DISCUSS/TAKE ACTION: COMMENT ON 72ND STREET COMMUNITY COMPLEX REDESIGN PHASE AND HOW TO OPTIMIZE THE PROJECT, INCLUDING IF OTHER RECREATIONAL COMMUNITY ACTIVITIES/OPTIONS WOULD BE PREFERABLE IN ORDER TO PRESERVE BOTH INTENT AND COST FEASIBILITY OF PROJECT.

RECOMMENDATION

The Administration is providing an update on the project to the Mayor and City Commission (City Commission).

BACKGROUND/HISTORY

On October 30, 2024, as part of a discussion item (R9AE) sponsored by Commissioner Magazine and co-sponsored by Commissioner Bhatt, the City Commission discussed potential redesign of the 72nd Street Community Complex (Project) particularly reconsidering the rooftop competition sized pool and reconsidering other recreational options, such as soccer field or pickleball courts, to reduce expenses. Ultimately, the City Commission directed Administration to provide a Project update at the next Commission meeting and deferred any major changes to the design until they can examine the project further.

During the November 20, 2024, meeting of the City Commission, Item R9 AA, was discussed and a brief presentation of the project, including plans and renderings of the 30% design submittal, was provided by City staff (Exhibit A). Direction and further discussion of the item was deferred to the next City Commission meeting.

On November 6, 2018, Miami Beach residents approved three separate ballot measures which authorized the issuance of a general obligation bond (G.O. Bond) for 57 quality of life projects throughout the city. All three passed by an overwhelming support of at least 69.4% for a grand total of \$439 million. All 57 projects had gone through a significant amount of vetting by an Advisory Committee consisting of residents and stakeholders from all 3 sectors of Miami Beach (North Beach, Middle Beach, and South Beach) and several heavily attended community presentations throughout the city prior to the referendum.

The 72nd Street Community Complex was the highest funded project in the bond given its importance to the future of the North Beach neighborhood. For this reason, the project became GO Project #1 and was allocated a funding amount of \$53.8 million. The scope of the project, detailed in the original GO Bond package material and attached as Exhibit B, explains the justification for its funding as it was considered the project with the biggest impact to a region providing the greatest amount of multi purpose amenities.

Currently, a total project budget of \$101,742,327 has been identified in order to provide the complete scope of work approved by the voters. The updated budget utilizes various funding

sources, including the \$53.8 million of G.O. bonds, for design, permitting, and construction. The current scope of the project includes a 500-space parking garage, civic/commercial space, a 5000 SF - 10000 SF public library/media center, 7,500 SF upscale fitness gym with running track, park space, a roof-top competition pool with warm-up pool and support facilities, and related site work. The scope also includes a resiliency component which could include stormwater retention and re-use, solar power, energy efficient lighting and green roof system.

On June 24, 2020, the City Commission authorized the issuance of Request for Proposals (RFP) 2020-180-ND for design/build services for the Project.

As a result of cost proposal received from the top ranked design/build proposer, which far exceeded the project budget, and in an effort to reconcile the difference in order to facilitate the completion of negotiations, on January 20, 2022, the City Commission approved a revised total project budget in the amount of \$101,742,327. The project budget is comprised of different funding sources as follows:

FUNDING SOURCE	AMOUNT
GO Bond	\$53,800,000
Parking Funding	\$16,441,931
Ocean Terrace Settlement	\$1,000,000
Future Parking Capital Not Bonds	\$17,738,089
North Beach Quality of Life	\$2,301,045
Pay As You Go	\$9,500,000
Old County Library Fund	\$961,262
TOTAL	\$101,742,327

After unsuccessful negotiations with the first and second-ranked firms, on October 26, 2022, the City Commission rejected all the proposals and terminated the RFP process. The City Commission also directed the Administration to prepare a new competitive solicitation for architectural design services for the project. An RFQ was also required for the selection of the Construction Manager-at-Risk (CMAR).

As a result, the Administration issued two Requests for Qualifications for the selection of a consultant to provide architectural design services and a CMAR to provide preconstruction services, and construction phase services via a Guaranteed Maximum Price (GMP).

On September 25, 2023, the City executed an agreement with Wannemacher Jensen Architects, Inc., (Consultant) for the Architectural Design Services for the 72nd Street Community Complex and on November 27, 2023, the City executed an agreement with Kaufman Lynn Construction Inc., the CMAR for the Project.

ANALYSIS

In February 2024, the Consultant submitted a design concept which exceeded the \$70M construction budget target. In accordance with the design agreement the consultant re-designed the concept to meet the construction budget. Certain value engineering (VE) strategies, representing cost savings, were identified for implementation, should they be needed. Confident that the project would be designed to budget, City staff authorized the Consultant to proceed to the 30% schematic design in June 2024. The scope of work included in the schematic design is listed in Exhibit C.

The Consultant has submitted the 30% schematic design including renderings, and the CMAR has submitted the corresponding construction cost estimate. Preliminary review shows that the estimate is approximately 14% over the \$70,000,000 construction budget. VE strategies,

previously identified, could resolve the budget concerns, but the construction cost estimate is still being verified. All proposed VE strategies ensure that program, scope and performance of the facility remain unimpacted. Ultimately, the goal of the VE is to provide a final project which meets the project budget while staying true to the program, scope and design. Examples of VE items which would be invisible to the user or visitor of the facility may include a change in construction or finish materials, implement tax savings through an owner direct purchase program, and simplify the shape and reduce the size of the warm-up pool.

Subsequent to the October 30, 2024, meeting of the City Commission, and following the receipt of the schematic design submittal and construction cost estimate, City staff commenced the public outreach and stakeholder engagement process. The schematic design was presented, and received favorable support, at the November 14, 2024, meeting of the General Obligation Oversight Committee, and the November 19, 2024 meetings of the Parks and Recreation Board, and the Committee for Quality Education in Miami Beach,

Continued outreach and presentations to the North Beach community stakeholders and other groups, including the North Beach CRA Advisory Committee, to garner input have been postponed pending discussion at the next meeting of the City Commission. The Administration will be requesting approval of the design from the City Commission prior to the presentation to the Design Review Board (DRB). Design completion is currently anticipated at the end of 2025, with construction commencing in the spring 2026.

FISCAL IMPACT STATEMENT

TBD

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

To date approximately \$4.85 million has been spent on the project of which \$3.7 million are G.O. Bond funds.

CONCLUSION

As requested at the October 30, 2024 City Commission meeting, the Administration is providing an update on the project.

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?

Yes

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Capital Improvement Projects

Sponsor(s)

Commissioner Joseph Magazine

Co-sponsor(s)

Commissioner Tanya K. Bhatt

Condensed Title

Discuss/Action, 72nd Street Community Complex. CIP