



**Joseph M. Centorino**, Inspector General

July 5, 2023

TO: Honorable Mayor and Members of the City Commission  
FROM: Joseph Centorino, Inspector General

RE: Inspector General G.O. Bond Quarterly Report  
OIG No. 23-12

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## **INTRODUCTION**

This report is written in compliance with Section 2-256(j) of the City of Miami Beach Code, which requires the Office of the Inspector General (OIG), on a quarterly basis, to prepare and submit to the City Commission a written report concerning the planning and execution of the General Obligation Bond Program, including, but not limited to, progress reports, financial analysis and potential risks. The review is based on official city records, OIG attendance at implementation and oversight committee meetings, interviews with staff and other department personnel as well as regular discussions with the Program Director. This report is intended to provide the Mayor, City Commission and the general public with useful information and periodic evaluations regarding the implementation of the G.O. Bond projects to date.

## **IMPLEMENTATION:**

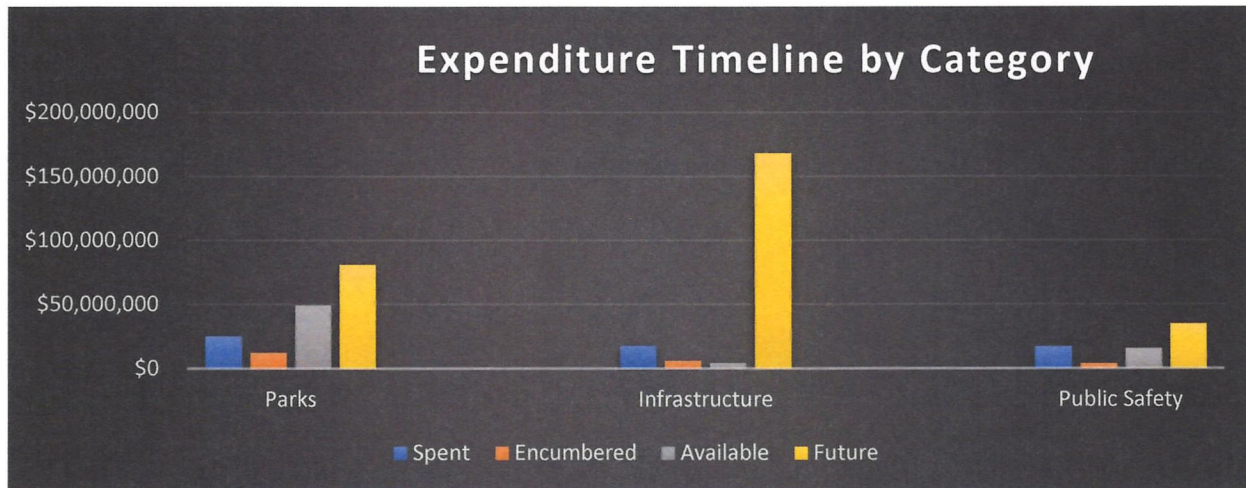
The most current implementation update on the 44 General Obligation Bond projects for the first tranche of funding in the amount of \$152,466,449, prepared by the administration, can be found at <https://docmgmt.miamibeachfl.gov/WebLink/DocView.aspx?id=289278&dbid=0&repo=CityClerk>.

The OIG has previously reported that one of the performance measures driving the progress of the program is the rate of spending. Twice a year, the Program Director presents an analysis of the rate of spending in each bond category to the Oversight Committee. The analysis identifies critical targets and specific milestones that must be met for the program to achieve the required 85% minimum spending threshold. Meeting this threshold facilitates the City's ability to return to the bond market for additional funds to begin Tranche 2 projects. In OIG Report No 21-35, it was documented that the cumulative expenditures had begun to slow.

As of today, the project financials are as follows:

	Parks	Infrastructure	Public Safety	Total	
Spent	\$25,082,780	\$17,545,487	\$17,055,770	\$59,684,037	
Encumbered	\$12,263,060	\$6,052,669	\$3,818,189	\$22,133,918	
Available	\$49,387,106	\$4,401,819	\$15,532,008	\$69,320,933	
Future	\$81,167,054	\$168,000,025	\$34,809,033	\$283,976,112	
Total	\$167,900,000	\$196,000,000	\$71,215,000	\$435,115,000	—

The chart below is an overview of spending trends.



In late 2021, the Program Director projected that the minimum spending thresholds would be met in Fall 2023 for the Parks Category, Spring 2023 for the Infrastructure Category and Summer 2023 for the Public Safety Category. This quarter, however, the rate of spending has continued to slow and the projections for achieving the 85% milestone have changed. Within the Parks Category, the new assumption is that the second tranche of money will not occur until April 2025. To get to that milestone, the City must spend approximately \$73.7 million and has currently spent \$25 million. The Infrastructure Category has been delayed until April 2024 and the Public Safety Category until March 2025. Overall, approximately \$59 million has been expended and another \$22.6 million is encumbered for a total of \$81.6 million out of the \$152 million of available Tranche 1 funds. The Program Director has advised the Oversight Committee that \$41 million worth of projects will begin in 2023.

According to the Program Director, these projections have been adjusted due to the impacts of rising inflation, construction cost escalation (50%-60% increases according to Assistant City Manager, Eric Carpenter), COVID-19 supply chain issues and shifting timelines for design and

construction. The Program Director is confident that once construction starts, spending will increase rapidly. Links to the Program Director's cash flow analysis are below:

[https://docmgmt.miamibeachfl.gov/WebLink/PdfViewer.aspx?file=edoc%2F289495%2F1-%20Agenda%20%20Handouts\\_5-24-23.pdf%3Fdbid%3D0%26repo%3DCityClerk%26pdfView%3Dtrue\\_-page=5](https://docmgmt.miamibeachfl.gov/WebLink/PdfViewer.aspx?file=edoc%2F289495%2F1-%20Agenda%20%20Handouts_5-24-23.pdf%3Fdbid%3D0%26repo%3DCityClerk%26pdfView%3Dtrue_-page=5)

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There were eleven previously identified projects that were to begin construction in 2023. Those projects were:

1. Maurice Gibb Park
2. Bollards
3. Bayshore Park
4. Bike Lane Project on 23<sup>rd</sup> Street
5. Flamingo Park, The Lodge and Softball Fields
6. Pedestrian Bridge
7. Police Headquarters
8. Traffic Calming/Bayshore and Palm View Neighborhoods
9. North Shore Playground
10. Soundscape Storage
11. Fire Station #1

Flamingo Park (Lodge and Softball Fields), Traffic Calming/Bayshore and Palm View Neighborhoods and Fire Station #1 have been removed from the list of projects expected to begin this year. The North Shore Playground will receive additional funds from the G.O. Bond for Arts and Culture for artistic playgrounds and is expected to begin construction at the end of this year.

The Program Director has advised that the bond may be extended beyond the 12 years due to delays in projects not just G.O. Bond related. Most notably are the neighborhood infrastructure projects. The Program Director has explained that the original intention was to utilize Tranche 3 funds to complete the above ground infrastructure projects after the utility work had been done. However, many of the utility projects have been delayed and it is unlikely the work can be completed in 12 years.

To date, there has been a total savings in Tranche 1 of \$3,683,181. A portion of the savings, \$2,273,272 has been transferred to other projects. Those projects were G.O. Bond Project #10, Maurice Gibb Park, in the amount of \$1.2 million and G.O. Bond Project #48, Police Headquarters Facility in the amount of \$1.1 million. There is currently \$1.4 million in savings available.

## **PROJECT UPDATES:**

The construction of protected bicycle lanes and shared-use paths for Chase Avenue from Alton Road to Praire Avenue on 34<sup>th</sup> Street, approved by the Commission, is 90% designed. The Commission action was based on the recommendation of the Neighborhood Community Affairs Committee which, in 2019, approved a conceptual plan consisting of a new 10 foot wide shared-use path. As proposed and accepted, the 10 foot wide shared use path narrows to 8 feet adjacent to a single family residence at 3186 Praire Avenue (See Resolution 2019-31036).

According to David Martinez, the 90% design documents have been approved by FDOT and the permitting process is nearly complete. Based on the specific design of the shared use path, the City is receiving a \$495,075.00 grant from FDOT. FDOT utilized the Bicycle Facilities Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and highways (Florida Greenbook) which, for this project, requires a width of 10 feet for the path. This is inconsistent with Resolution 2019-31036.

The project has a budget of \$830,000 and \$296,386 has been spent. At the May 23<sup>rd</sup> Public Safety and Neighborhood Quality of Life Committee meeting, Committee members stated that they received a complaint from a resident regarding the 10-foot width of the proposed path. Committee members asked staff to consider redesigning a portion of the path, bifurcating the pedestrian path from the bike path, to accommodate the resident. Staff is considering other options; however, this is dependent on FDOT agreeing with what the administration presents, as the agency has jurisdiction over the final design. The Committee has asked for a report at its July meeting. It was anticipated that the selection of a contractor would begin in June 2023. The project is now delayed. The Oversight Committee at its June 22<sup>nd</sup> meeting discussed this project at length and passed a unanimous motion to support the staff's ultimate recommendation and move the project forward as expeditiously as possible.

The Program Director has identified Fire Station #1 as a critical project to commence if spending targets are to be met. Commencement of the project has been contingent on finding a location for the day care center currently housed in the South Shore Community Center, the proposed site for the new fire station. On June 13<sup>th</sup>, the Historic Preservation Board reviewed the application for the day care center to be constructed in Flamingo Park. The application was approved by the Board. David Martinez advised the Oversight Committee that once the contract for the construction manager at risk is awarded by the Commission in September, the day care center will be ready for occupancy by the end of this year. Subsequent to that, the South Shore Community Center will be demolished and construction can proceed. The project has been 90% designed and the plans have been shared with all City Departments to review.

The Pedestrian Bridge has also been identified as one of the projects that must start construction if spending goals will be met. An independent peer review of the structural components of the bridge was conducted. Currently, however, the structure as designed, was found to be in conflict with utilities in the area. The developer's design team is sorting through those utility conflicts that are in close proximity to the foundations and columns associated with the bridge itself. Those utilities include water and sewer lines that are close to the structure and which would be difficult to maintain under the current design. The developer's team has met with the CIP Director and Public Works Director, both of whom have provided feedback. There is a potential that the

conflicts cannot be resolved and the pedestrian bridge would have to be redesigned causing a significant delay.

At the June 20<sup>th</sup> meeting of the Land Use and Sustainability Committee, members stated their expectation that the pedestrian bridge would be done in conjunction with the Baywalk links, which has been prioritized and expedited by the City Commission pursuant to Resolution 2021-31630. Committee members questioned CIP Director David Martinez regarding a potential funding gap as well as the status of the agreements with the South Bay Club, Bay Garden Manor and Bayview Terrace condominiums, which are required for the project to be completed. Mr. Martinez advised the Committee that the potential funding gap will need to be addressed in 2025. There is currently no agreement with Bay Garden Manor. The City has expanded the role of its consultant to include finalizing the South Bay Club agreement. The project will be heard again at the July meeting for an update on the pedestrian bridge and the status of the agreements.

On June 6<sup>th</sup>, the City entered into an agreement with Calvin, Giordano and Associates, Inc. for architectural design services for the Ocean Drive Corridor Improvement and Lummus Park Enhancement Project. At the G.O. Bond Oversight Committee meeting on April 20<sup>th</sup>, CIP Director, David Martinez, advised that prior to completing the design for Ocean Drive and Lummus Park, the City must perform a myriad of traffic studies in the area in order to make recommendations for the ultimate design of Ocean Drive. Once the traffic studies are complete, conceptual plans and a master plan for Ocean Drive will be prepared.

Finally, the conceptual design of the Marine Patrol Station was approved on June 6<sup>th</sup> by the Design Review Board. It is expected that the procurement will begin in the middle of 2024.

There are three projects in Tranche 1 that are pending and have not started. The first is Project #13, the North Shore Path and Fields. The Program Director has advised that this project will not begin until Tranche 2. The project was originally scheduled to begin in January 2020 and now has no anticipated start date. Carolina Jones, a member of the resident parks board, advised that the board will revisit the project and work with the Parks Department to finalize design and scope for the project.

The second project that has not started is Project #18, the Scott Rakow Ice Rink floor. The project is the last subproject at the Scott Rakow Center, which had 10 subprojects. At the most recent internal meeting with staff to discuss the status of the G.O. Bond projects, it was reported that this project has not begun because there are other projects at the youth center, not funded by the G.O. Bond, which will require the ice rink floor to be demolished. To avoid having to build the floor twice, the Parks Department has elected to wait on constructing the ice rink. The Scott Rakow project has savings available that could be used to fund other projects, but these cannot be utilized until this final sub-project is completed.

Also, Project #52, LED Lighting for Parks, has a subproject that has not started. That project is in Flamingo Park at the softball and baseball fields and will be done concurrently with the softball and baseball field projects.

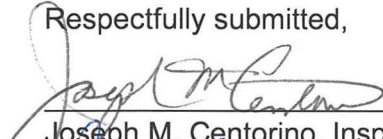
Finally, Project #9, Marjory Stoneman Douglas Park Lighting is in the design phase but will not advance until a priority lighting project for the Parks Department, the South Point Park lighting project, is reviewed by the Florida Fish and Wildlife Commission. Until that process is complete, the pending subproject for Marjory Stoneman Douglas Park will not begin. Construction is currently expected to begin in August 2024.

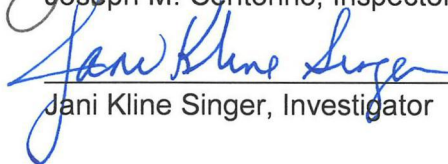
## CONCLUSION

The G.O. Bond Oversight Committee continues to thoroughly assess the work being done on the Tranche 1 projects and to raise issues regarding the implementation. Although not detailed above, one Committee member did request an updated timeline for project implementation. At the May 24<sup>th</sup> Oversight Committee meeting, the Program Director opined that the projects in Tranches 1&2 can likely be completed within the 12 years of the bond. However, because of the cost of neighborhood projects and the consequent delay in starting them, the Tranche 3 projects, most of which are above ground infrastructure, will be delayed.

Assistant City Manager Eric Carpenter attended the May 24th meeting and provided the Committee with his assessment of the current situation. He explained that the above ground portion of the infrastructure projects is between 5 and 10% of the overall cost of the projects. Due to construction cost escalation over the past 3 to 5 years, there has been a 50 to 60% cost increase, and, according to Mr. Carpenter, the City is reworking its capital budget projections on all of its large scale capital projects, not just the ones in the G.O. Bond. While there have been gaps in some of the G.O. Bond projects that have been filled, those same issues exist with respect to the utility projects in the City. Mr. Carpenter has cautioned the Oversight Committee that, until the City can identify the process by which it is going to cover the utilities funding gaps, it is not going to be in a position to say definitively that the City can move forward with all of the projects. As the implementation of the G.O. Bond continues to face obstacles, some projects may be reduced in scope or eliminated altogether. Staff has been transparent with the Oversight Committee regarding this possibility and continues to be responsive to all requests for additional information.

Respectfully submitted,

  
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Joseph M. Centorino, Inspector General

  
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Jani Kline Singer, Investigator

07/05/2023  
Date

07/05/2023  
Date

cc: Alina T. Hudak, City Manager  
Maria Hernandez, G.O. Bond Program Director  
Karen Rivo, Chair Person of G.O. Bond Oversight Committee

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