

# Memorandum



**Date:** July 1, 2019

July 23, 2019  
Agenda Item No. 2B2

**To:** Honorable Chairwoman Audrey M. Edmonson  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor

**Subject:** Bi-Monthly Update on the Civil and Probate Courthouse Project, Response to Resolution No. R-553-18

On June 5, 2018, the Board of County Commissioners (Board) adopted Resolution No. R-553-18, which directed the County Mayor or County Mayor's designee to issue a hybrid P3 solicitation for the Civil and Probate Courthouse Project (Courthouse Project) and to provide a corresponding status report every 60 days until a contract award recommendation is made. This latest report provides information to the Board related to 1) the estimated Courthouse Project costs and identified funding sources, 2) the County's progress on the project timeline, 3) the preliminary results of environmental assessments on the Project Site, 4) the technical solution for maintaining service and pedestrian access to the Cultural Center, and 5) the project's potential use of NW 1 Avenue.

### **Project Cost Estimate**

As previously reported to the Board in December 2018, internal projections for the County's annual availability payment for the Courthouse Project are approximately \$38 million per year for 30 years subject to annual escalation. This amount excludes an annual lease payment that must be made to the Department of Transportation and Public Works for the use of the Project Site. The County's first availability payment is expected to be made in Fiscal Year 23-24. In total, it is estimated that the Courthouse Project will commit the County to a total of \$1.2 billion in payments over the 30-year term. While the value for money analysis performed by the County's P3 consultant demonstrates long-term cost savings to the County through the delivery of the Courthouse Project as a public-private partnership, the project's payment obligations represent a substantial, long-term funding commitment for the County. Certain project costs, such as environmental remediation, are still being evaluated by staff. Ongoing negotiations with the shortlisted developers yielded some savings to the County, and the final project cost will be reported to the Board as part of the award recommendation in November.

The availability payment for the Courthouse Project will be paid from the General Fund. While property tax revenue is not being proposed to fund availability payments, these obligations will significantly reduce the total revenue available in future budgets to support the operations of departments supported by the General Fund, such as the Police Department; the Department of Transportation and Public Works; the Cultural Affairs Department; the Parks, Recreation, and Open Spaces Department; the Community Action and Human Services Department; and the Animal Services Department. If revenues are not adjusted to support operations and the availability payment, service level adjustments may be necessary to fulfill the County's future financial obligations for the Courthouse Project.

### **Project Schedule**

The project timeline on the following page was originally distributed to the Board on June 15, 2018. The project remains on schedule. Relevant project updates have been included in this section to inform the Board of the progress towards achieving target completion dates for the Courthouse Project.

<b>Civil and Probate Courthouse Progress Update</b>		
<b>Activity</b>	<b>Target Date</b>	<b>Progress Update</b>
Release Draft RFP – Phase 1	July 2018	Completed on schedule on July 10, 2018.
Release Final RFP – Phase 1	August 2018	Completed on schedule on August 1, 2018.
Response Period, RFP – Phase 1	August – September 2018	Completed on schedule on September 27, 2018.
Evaluation Period, RFP – Phase 1	October – November 2018	Initial evaluations completed on schedule on November 16, 2018.
Release Draft RFP – Phase 2	December 2018	Completed on schedule on December 31, 2018.
Release Final RFP – Phase 2	May 2019	Completed on schedule on May 24, 2019.
Response Period, RFP – Phase 2	May - August 2019	<b>On schedule.</b> Proposals due in July 31, 2019.
Evaluation, RFP – Phase 2	August – September 2019	<b>On schedule.</b> The County is scheduling weekly evaluation committee meetings for the month of August.
BCC Approval of Comprehensive Agreement	April 2020	<b>On schedule.</b> Contract award is now anticipated in November 2019.
Construction Start	July 2020	<b>On schedule.</b> Contingent on ongoing environmental testing results.

**Environmental Assessment**

The County has received the Phase 2 Environmental Site Assessment Report from its consultant, Arcadis U.S., Inc., which documented the presence of both soil and groundwater contamination at the Project Site. Specifically, arsenic and other contaminants were identified in the soil and arsenic was detected in the groundwater. These contaminants were sampled at levels above County criteria and are related to the Project Site’s former use as a railway. Additional monitoring wells will be installed to further define the extent of groundwater contamination at the Project Site.

To address these environmental conditions, the County will require the Developer to take certain measures to protect public health and worker safety prior to, and during the course of, construction. Additional required actions may include: 1) further groundwater and soil assessments and 2) characterization and proper disposal of excavated soils that will not be reused on the Project Site. While the existence of contaminated soil and groundwater will not impact the County’s ability to move forward with construction of the Courthouse Project, the impact of these environmental conditions on project costs and schedule require further evaluation.

**Cultural Center Service Access**

The County, in coordination with the Department of Transportation and Public Works and the Cultural Center Stakeholders, has added technical requirements to the solicitation to require the Developer to relocate the existing service access road to the pedestrian path located under the Metrorail and Metromover guideway. This solution will minimize disruptions to the existing operations at the Cultural Center and will further mitigate construction costs by allowing service vehicles for the Cultural Center and the new civil courthouse to share a single service access point. Pedestrian access will be maintained through a smaller path connecting NW 1 Street to Flagler Street.

**NW 1 Avenue**

As requested at a public stakeholder meeting held on April 11, 2019, the Department of Transportation and Public Works evaluated the feasibility of closing the portion of NW 1 Avenue between Flagler Street and NW 1 Street to allow the County to create a pedestrian plaza between the old and new courthouse. A 2016 study prepared by Kimley-Horn and Associates shows the existing traffic conditions at several downtown intersections by level of service, ranging from “A” to



"F" with "A" representing the best traffic conditions (free flowing) and "F" representing the worst conditions (congested). The above-referenced study shows that the intersections adjacent to the proposed roadway closure on N. Miami Avenue and NW 2 Avenue are operating at an existing level of service of "F" in the morning and evening peak traffic hours. The County's acceptable level of service is "E." Therefore, these intersections are currently operating below the acceptable level of service.

The proposed roadway closure of NW 1 Avenue between Flagler Street and NW 1 Street would reduce the downtown roadway network connectivity and reroute traffic to those intersections which have no vehicular capacity for additional traffic. Additionally, there is no right-of-way available for significant capacity increases in these areas. As a result, the Department of Transportation and Public Works is unable to approve a street closure.

On May 21, 2019, the Board approved Resolution No. R-556-19, authorizing the County Mayor to accept an aerial easement from the City of Miami for the Courthouse Project. On May 23, 2019, the City of Miami Commission likewise approved a resolution authorizing the City Manager to grant the requested easement to the County. This easement will allow upper floors of the facility to overhang a few feet over the City-owned right of way alongside NW 1 Avenue. The County will work with the recommended Developer to incorporate the aerial easement into the final design prior to contract award.

This report will be placed on the next available Board agenda pursuant to Ordinance No. 14-65. Should you require additional information, please contact Tara C. Smith, Director of the Internal Services Department, at 305-375-5893, or me directly.

c: Honorable Bertila Soto, Chief Judge, Eleventh Judicial Circuit  
Harvey Ruvn, Clerk of the Courts  
Abigail Price-Williams, County Attorney  
Geri Bonzon-Keenan, First Assistant County Attorney  
Office of the Mayor Senior Staff  
Tara C. Smith, Director, Internal Services Department  
Jennifer Moon, Director, Office of Management and Budget  
Mary Cagle, Inspector General  
Yinka Majekodunmi, Commission Auditor  
Linda Cave, Director, Clerk of the Board Division  
Eugene Love, Agenda Coordinator