



"The Best Waterfront City in Which to Live, Work And Play."

CITY OF RIVIERA BEACH

TO: HON. MAYOR, CHAIRPERSON, AND CITY COUNCIL

FROM: JONATHAN EVANS, CITY MANAGER
JOHN CURD, FIRE CHIEF
RANDY SHERMAN, DIRECTOR OF FINANCE
TERRENCE N. BAILEY, P.E. CITY ENGINEER

SUBJECT: FIRE STATION 86 PRESENTATION

DATE: SEPTEMBER 15, 2021

CC: GENERAL PUBLIC

Background:

The purpose of this memorandum is to seek clarity and direction from the City Council related to cost and location for Fire Station 86 ("the Station"). The station was constructed in the early 1970s, and has seen significant modifications, renovations and improvements in attempts to modernize the facility and its functionality. However, because of the station's age and the demands related to fire rescue services, significant improvements are needed. Unfortunately, the existing station and its location are not optimal. To provide services in the 21st century, we must possess a facility that operates with the modern accoutrements necessary for our first responders. The existing site is impacted by rising sea levels, high tide, and king tide, which makes expanding the existing site quite complicated. Furthermore, with the apparatus growing in size, the existing bay is not suitable for some of the existing response units the City currently owns. Our staff has persevered for a generation waiting for a new facility on Singer Island, and it is imperative that we proceed with the construction of a new municipal fire station. The existing station has reached the end of its useful life and will likely need to be vacated within the next 18 to 24 months. City staff has explored and reviewed multiple options for consideration and believe that locations other than city-owned and operated sites makes constructability more challenging than anyone could have anticipated.

Community charrettes were conducted, and ideas were shared with members of the community. As a result of significant concerns expressed by property owners, our staff is looking at alternative locations that could improve response times and reduce impacts to property owners. As a result of the complaints, staff commissioned a real estate analysis that shows there would be no adverse impact associated with siting a municipal fire station adjacent to residential towers. Some of the owners are concerned that they would see

diminished property values with a fire station in close proximity to their residents. If a location is not identified within the next 2 to 3 months, this project will be delayed and will be the last station that is reconstructed. City Staff will begin efforts to construct Fire Station 87.

Alternate Site Analysis:

The City has identified several alternative sites that could be acquired/utilized. The attached alternative sites presentation identifies the pros and cons of the various locations that were considered. The sites have a variety of serious constraints, and include significant risk for additional project delays and considerable cost increases. The sites that are owned by private property owners will require the City to negotiate for purchase at costs estimated to be between 3.5-5 million dollars. Converting private property into a fire station will also eliminate the future development potential and associated jobs and tax revenue. A conservative estimate of the loss of future tax revenue on these sites is equal to \$675,000 over 20 years.

The alternate site locations on existing City or County Parking lots would require the replacement of surface parking with structured parking. This adds an approximate cost of 2-2.5 million dollars to replace existing surface spaces with structured parking, as well as potentially increasing the cost of the proposed station. The south end of the Ocean Walk parking lot provides significant access and pedestrian safety issues, as well as legal issues described in a separate memo. The County site would require approval by the Board of County Commissioners which would be a significant delay for a process that may not be successful.

City staff seeks direction from the City Council on how they wish to proceed.

Citywide Goal:

This item facilitates Goals #1 and 2

Goal #1 Achieve a Prosperous, Resilient, and Sustainable Economy

Goal #2. Create aesthetic improvements with focus on most vulnerable communities

Budget/Fiscal Impact:

The Finance Department has secured construction financing for Fire Stations 86 and 88. A dedicated investment account holds \$36.3 Million appropriated exclusively for the two fire stations.

To provide funding, the City issued Public Improvement Revenues Bonds, Series 2021 through a competitive process. The City accepted bids on August 26, 2021. The City received twelve competitive bids, with the lowest True Interest Cost being the bid offered by KeyBanc Capital Markets at 1.994069%. The bond structure defers the first debt service payment until FY2024 and include the provision of capitalizing interest during the construction period. Annual debt service will be just shy of \$2.3 Million beginning in FY2024 and continuing through FY2042.

Security for the bonds consists of all non-ad valorem revenue received by the City's General Fund. Most municipalities raise property taxes to fund capital projects, however, the City did not take that path. The City is using zero property taxes for the construction of the two fire stations.

The City believes, and continues to pursue, what it finds to be a more equitable methodology to fund the Fire Department's capital needs. The City has been studying the implementation of a Fire Assessment Fee since 2011. The Fire Assessment Fee provides that all properties of a like or similar nature pay the same rate, and property value is not a determining factor in determining the annual rate. Previous presentation to the City Council aside, the official process will begin in the first or second quarter of 2022.

The funding is not site specific, but it is project specific. Expenditure of the bond proceeds must occur within a three-year window. If Station 86 cannot be constructed within that time-frame, the funds will have to be moved to the construction of Station 87.

Recommendation(s):

City staff seeks direction from the City Council on how they wish to proceed.

Attachments:

Memorandum from City Attorney Wynn

Fire Station 86 Rendering and Response Time

Fire Station 86 Market Study

Citizen Emails