



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#15-0732

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: December 1, 2015

TITLE: Resolution Approving an Interlocal Agreement between Broward County
and the City of Fort Lauderdale for the Segment II Shore Protection
Project

Recommendation

It is recommended that the City Commission adopt a resolution approving an Interlocal Agreement (ILA) with Broward County for the Segment II Shore Protection Project, subject to a final determination regarding the language in Section 3.2 of the referenced ILA.

Background

The Segment II Shore Protection Project consists of nourishing approximately 4.94 miles of critically eroding shoreline between Hillsboro Inlet and Port Everglades. Approximately 3.54 miles is within the City of Fort Lauderdale (the City), specifically from Flamingo Avenue to Terramar Street. The project will consist of 750,000 cubic yards of sand being placed within Segment II and 550,000 cubic yards of that will be placed in the City portion.

Since the inception of the Beach Management Program in the late 1960s, the County has acted as the local sponsor for the U.S. Army Corps of Engineers (USACE) Shore Protection Program through ILAs with partnering cities. The United States, State of Florida, Broward County and the City of Fort Lauderdale intend to engage in a cooperative effort to renourish the beach within the City through a Shore Protection Project. Through this agreement, Broward County agrees to fund sixty-seven (67) percent of the project costs for the project scope within the City boundaries and the City agrees to fund thirty three percent (33%) of the project costs reduced by State and Federal contributions.

The County as of November 5, 2015 has received final approval of the Project Participation Agreement (PPA) from the USACE and on November 6, 2015 completed

the bid solicitation process for construction of the project. City and County staff met on November 12, 2015 to negotiate the final terms of the ILA which is before you at this time.

With regard to specific issues that were the subject of the recent meeting with the County:

Section 1.6 – The City raised the concern that it was not clear what the actual responsibility of the City was relating to the scope of the floodplain management plan. The County indicated that they received confirmation from the USACE that this requirement is met by placing the Project on the list of Local Hazard Mitigation Projects. The County has not yet provided the City with that confirmation.

Section 3.1 – This pertains to the portion of Federal reimbursement that the County will retain if, and when, the Federal government reimburses Project costs. The County has revised language by removing the word ‘minimum’ and it now read as a flat 10%.

Section 3.2 – This pertains to reimbursement for change orders to the County’s contract, and at the time of the drafting of this memorandum, the City Administration does not agree with the County’s proposed language. The County has included the following language in the ILA:

Any excessive costs, to be solely determined by COUNTY, resulting from onerous or impractical conditions placed on the PROJECT by CITY, will be the financial responsibility of CITY, and shall be reimbursed promptly following written notice of excessive cost by COUNTY. Excessive costs will be determined by COUNTY after reviewing the change of PROJECT construction at the direction of CITY. CITY would not bear financial responsibility necessitated by force majeure conditions or conditions beyond the control of CITY.

The City has proposed the following language as an alternative (striking costs being solely determined by the County and requiring that actual costs be mutually determined):

Any excessive costs resulting from onerous or impractical conditions placed on the PROJECT by CITY, will be the financial responsibility of CITY, and shall be reimbursed promptly following written notice of excessive cost by COUNTY. Excessive costs will be mutually determined by COUNTY and CITY after reviewing the change of PROJECT construction at the direction of CITY. CITY would not bear financial responsibility necessitated by force majeure conditions or conditions beyond the control of CITY.

Section 3.3 – As it relates to reimbursement for Hurricane Sandy work, the County has revised language and using a date of October 15, 2016 for reconciliation and payment.

Section 7.1 – The County has revised the language to indicate a reduced scope for the Ireland's Inn sand credit from 90,000 cubic yards to 3,000 to 4,000 cubic yards. [As an aside, FDEP has not approved use of the sand at this time].

Section 7.12 – The County has agreed to a most favored clause which will read as follows:

All of the benefits and terms granted CITY under this Agreement with respect to Article 3, Billing and Payment, are similar benefits and terms granted by COUNTY to any municipality within Broward County, Florida, regarding shore restoration projects located within Broward County. In the event, the COUNTY changes the cost share formula for Segment III the same formula will be applied to the CITY's Portion of Segment II.

Resource Impact

There is a no fiscal impact to the General Fund for FY16. Per the terms of the ILA, reimbursement will not commence until October 15, 2016. Based on the formula contained in the ILA, reimbursement costs spread over a three year payback period will range from approximately \$1.6 million (full Federal participation at 55%) to \$8.3 million (no Federal participation). The City will be required to front the Federal participation. If, and when, the County receives Federal funding for Segment II, the City will receive ninety percent (90%) of said funding.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Business Development Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- Objective 3: Advance beach resiliency and re-nourishment.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Ready*.

Attachment

Exhibit 1 – Segment II Shore Protection Interlocal Agreement

Exhibit 2 - Resolution

Prepared by: Todd Hiteshew, Environmental Services Manager

Department Director: Paul Berg, ICMA-CM, Acting Public Works Director