

# STAFF REPORT REGULAR MEETING

**AGENDA DATE:** February 4, 2025

**DEPARTMENT:** City Manager

**TITLE:**

Long Term Maintenance Agreement (WMODA Arts Alley)

**SUMMARY:**

Proposed Long-Term Maintenance Agreement with Sunshine Lake Worth Development LLC for improvements and long term maintenance within the east-west public right-of-way between South L Street and South M Street.

**BACKGROUND AND JUSTIFICATION:**

On November 20, 2024, the City Commission approved a Development Agreement between the City of Lake Worth Beach, Lake Worth Beach CRA, and Sunshine Lake Worth Development, LLC (SLWD), on behalf of The Wiener Museum of Decorative Arts (WMODA). The Development Agreement outlines SLWD's proposed development of a mixed-use development with an art museum and residential components along with other additional components (WMODA Project). The proposed additional components of the WMODA Project include an Arts Alley and, depending on available funding, a potential Arts Alley Extension. The Arts Alley will be located within the east-west public right-of-way between South L Street and South M Street, which is proposed to be partially abandoned to SLWD as part of the WMODA Project Entitlements.

The proposed Long-Term Maintenance Agreement addresses the responsibilities of SLWD and the City with regards to the initial development and long term maintenance of the Arts Alley.

Pursuant to the proposed Agreement, SLWD will design and construct the Arts Alley and is responsible for daily maintenance before and after completion of the Arts Alley and keeping the same open for the public at all times. Prior to SLWD's construction of the Arts Alley, the City is responsible for electric utility service upgrades which include undergrounding the existing overhead electric utility facilities and creating future locations for decorative lighting. After construction is complete, the City will be responsible for installing the decorative lights and future capital replacement, repairs, and upgrades of the underground electric utility facilities. The City currently has budgeted \$650,000 for the electric utility facilities undergrounding, which includes the entire public right-of-way (alleys) adjacent to the WMODA Project and the K Street Parking Garage (i.e., for the Arts Alley, for the Arts Alley Extension, and for the additional alley between South K Street and South J Street), and for the decorative lighting.

The Arts Alley Extension is to be constructed in the east-west public right-of-way which lies between South L Street and South K Street. SLWD will design and construct the Arts Alley Extension on behalf of the City (subject to available funding). The design of the Arts Alley Extension will match the design of the Arts Alley. As a part of the cost of construction, the City agreed to contribute \$340,000 from the sale of the 501 Lake Avenue parcel to the CRA. If sufficient cost savings are realized from the K Street Parking Garage Component, those cost savings will be applied to the cost of construction of the Arts Alley Extension. If SWLD does not expend the full \$500,000 estimated costs to relocate the contributing structures (the companion item), SWLD's savings will also go towards the cost of the Arts Alley Extension construction. The extent of construction of the Arts Alley Extension will be limited to the amount of funding as stated herein and any additional agreed to by the City. The City will be responsible for all utility coordination and permitting associated with the construction of the Arts Alley Extension along with performing normal repair and maintenance obligations after construction is complete.

Within 180 days of SLWD obtaining all Governmental Approvals for the WMODA Project, the City and SLWD will enter an Arts Alley Extension Development Agreement to more clearly address each party's obligations (based on the then availability of funding).

The city agrees to underground the overhead electric utility facilities in the Arts Alley Extension and the next alley to the west from South K. Street to South J. Street. The city may include decorative lighting in the Arts Alley Extension and additional adjacent alley subject to the City's total budget of \$650,000 for all undergrounding and decorative lighting in the Arts Alley, Arts Alley Extension, and adjacent alley from South K. Street to South J. Street.

**MOTION:**

Move to approve/disapprove the Long-Term Maintenance Agreement between the City of Lake Worth Beach and Sunshine Real Estate Development LLC (WMODA Arts Alley).

**ATTACHMENT(S):**

Fiscal Impact Analysis  
 Long-Term Maintenance Agreement

**FISCAL IMPACT ANALYSIS**

Five Year Summary of Fiscal Impact:

| <b>Fiscal Years</b>   | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Inflows/Revenues</b>                                     |             |             |             |             |             |
| Appropriated (Budgeted)                                     | 0           | 0           | 0           | 0           | 0           |
| Income  | \$340,000   | 0           | 0           | 0           | 0           |
| Grants  | 0           | 0           | 0           | 0           | 0           |
| In Kind   | 0           | 0           | 0           | 0           | 0           |
| <b>Outflows/Expenditures</b>                                |             |             |             |             |             |
| Appropriated (Budgeted)                                     | 0           | 0           | 0           | 0           | 0           |
| Operating   | 0           | 0           | 0           | 0           | 0           |
| Capital   | \$340,000   | 0           | 0           | 0           | 0           |
| <b>Net Fiscal Impact</b><br><i>(If not budgeted)</i>        | 0           | 0           | 0           | 0           | 0           |
| <b>No. of Addn'l Full-Time</b><br><b>Employee Positions</b> | 0           | 0           | 0           | 0           | 0           |

| <b>New Appropriation (Not Budgeted) Fiscal Impact:</b> |                       |                                 |
|--|-----------------------|---------------------------------|
|  | <b>Revenue Source</b> | <b>Expenditure</b>              |
| <b>Department</b>                                      | Capital Project       | Capital Project                 |
| <b>Division</b>  | N/A                   | Community Development           |
| <b>GL Description</b>                                  | Sales                 | Improvement Other than Building |
| <b>GL Account Number</b>                               | 301-0000-364.00-00    | 301-9010-519.63-00              |
| <b>Project Number</b>                                  | N/A                   | TBD                             |
| <b>Requested Funds</b>                                 | \$340,0000            | \$340,000                       |
| <b>Remaining Balance</b>                               | N/A                   | N/A                             |