



TOWN OF SURFSIDE
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LETTER TO COMMISSION
No.: 244-2025

To: Mayor Charles W. Burkett, Vice Mayor Tina Paul, and
Members of the Town Commission

From: Mark Blumstein, Town Manager *MB*

Date: August 5, 2025

Subject: **Undergrounding of Utilities Project ("Project")**

The purpose of this Letter to Commission ("LTC") is to get direction from the Town Commission regarding the future of the Project and the ongoing work in support of same.

THE STATUS OF THE PROJECT

On July 28, 2025, at a Special Meeting of the Town Commission, the Town Commission considered Item 2.C. seeking Approval of a General Obligation Note for Undergrounding of Utilities for the Project within the amount approved by the Town electorate back in 2022 ("Item"). Upon consideration of the Item and following a discussion about the total Project cost for the entirety of the Town of nearly \$80M, the Town Commission voted to defer the Item pending a complete financial plan and another vote of the Town electorate.

Importantly, the Town Commission has yet to halt the Project. Currently, the Project is being managed by Kimley-Horn and Associates, Inc. ("KH"), pursuant to Town Resolution 2023-3216 in an amount not to exceed \$2,431,400, which was unanimously approved by the Town Commission (Commissioner Velasquez was absent). KH has completed its work for Area 3 North and that part of Town is shovel ready. Pursuant to Town Resolution 2024-3342, the Town Commission unanimously authorized me to contract with Whiting-Turner Contracting Company ("WT") to serve as the Town's Construction Manager At Risk ("CMAR") for Area 3 North of the Project. This direction still stands absent further direction from the Town Commission. WT is prepared to contract with the Town to perform CMAR services for Area 3 North of the Project at an estimated cost just under \$14M. This proposal remains valid through and including **September 23, 2025**.

HISTORY OF THE PROJECT

Prior to commencing work on the Project, the Town electorate voted in favor of the Project by a vote of **2,035** in favor and **755** opposed, which was unanimously adopted by the Town Commission pursuant to Town Resolution 2020-2742. The Town electorate thereafter approved borrowing \$40M for the Project by a vote of **747** in favor and **675** opposed, which was unanimously adopted pursuant to Town Resolution 2022-2864.

AMOUNT EXPENDED ON THE PROJECT

The initial work on the Project commenced pursuant to Town Resolutions 2020-2743 (unanimously approved), 2021-2752 (unanimously approved), and 2022-2879 (unanimously approved). The Town initially engaged HPF Associates, Inc. (Paul Abbott) as its consultant for the Project. The Town expended approximately **\$216K** pursuant to said Resolutions.

Thereafter, in 2023, pursuant to Town Resolution 2023-3216, the Town engaged KH, its present consultant, to design the Project. To date, the Town has expended nearly **\$1.5M** for work performed pursuant to said Resolution. KH continues to perform under its contract with the Town.

Further, the Town has procured binding cost estimates from FPL to convert our overhead lines to underground for the Project. To date, the Town has expended approximately **\$125K** for FPL's undergrounding design of the Project, which is non-refundable. This estimate remains valid and binding on FPL through **January 20, 2026**. The Town also requested binding cost estimates from the communication providers for the Project, including Breezeline, AT&T, Verizon, and Comcast/Xfinity. The invoices from these providers remain pending but are expected to be yet another cost to the Town for the Project and will likely also have an expiration date.

THE FUTURE OF THE PROJECT

KH has advised the Town that it cannot provide a better cost estimate for the Project without completing more work on the remaining areas of the Town, namely Area 2 Central and Area 1 South. Town Administration believes that the estimated \$80M cost for the Project may be funded with the voter approved debt of \$40M **and** either (1) another voter approved debt to cover the difference **or** (2) by using an existing revenue source as security for additional debt, which may impact the current millage rate of 4.0 mills, depending on changes to our tax base.

A Town Commission Workshop is scheduled to take place ahead of the next Regular Commission Meeting at **6:00 p.m. on Tuesday, August 12, 2025**. At that time, I expect to have representatives from KH as well as WT, FPL, and the communication providers to answer questions from the public and the Town Commission about the Project, following which the Town Commission, at its Regular Meeting, may direct Town Administration regarding the future of the Project.