

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: September 20, 2024

TITLE: DISCUSS ESTABLISHING A MATCH FUNDING PROGRAM TO INCENTIVIZE BUILDING OWNER PARTICIPATION IN THE HULANICKI ART DECO PASTEL COLORS INITIATIVE

### **RECOMMENDATION**

The Administration recommends that the Finance and Economic Resiliency Committee (“FERC” or “Committee”) evaluate the potential funding sources and legal considerations for supporting a program to reintroduce the Leonard Horowitz Art Deco color palette and provide guidance on incorporating this initiative into future budget discussions.

### **BACKGROUND/HISTORY**

On January 31, 2024, at the request of Commissioner Kristen Rosen Gonzalez, the City Commission referred to the Land Use and Sustainability Committee (LUSC) a discussion about the history of exterior paint colors in the Art Deco district, including the palette introduced by Leonard Horowitz in the early 1980s. The sponsor requested an exploration of strategies to encourage property owners to incorporate color in exterior paint for Art Deco buildings and potential identification of a City--owned building that could be painted in a manner that highlights its architectural features.

In the early 1980s, designer Leonard Horowitz developed a vibrant color palette consisting of approximately 40 pastel shades. This initiative, led in collaboration with Barbara Capitman, aimed to rejuvenate the faded and aging Art Deco buildings of Miami Beach. With financial support from the Miami-Dade County Office of Community and Economic Development, under the leadership of Ernest Martin, the facades of over 50 properties in the district were painted in these colors, contributing significantly to the revitalization of the area. This project was spearheaded by the Miami Beach Community Development Corporation (MBCDC) and was made possible through county-provided grant funding, allowing property owners to benefit from the improvements at no personal expense.

The program’s success demonstrated the transformative power of targeted aesthetic interventions in heritage districts. However, over time, some property owners have moved away from the intricate painting schemes introduced during the 1980s, while others, such as the Park Central, Imperial, Marlin, Crescent, and Cavalier hotels, have retained the original multi-color paint patterns, preserving the distinct character of their facades.

On February 26, 2024, the LUSC unanimously passed a motion to move the item to the City Commission with the following recommendations:

- a. Re-paint the Colony Theater and Beach Patrol Headquarters in a color scheme that utilizes the Leonard Horowitz color palette and highlights architectural features, including consulting with Ms. Barbara Hulanicki on the color scheme.
- b. Perform outreach to paint companies for sponsorship of painting additional buildings in the City, utilizing the Horowitz color palette.

- c. Conduct a media campaign to promote the Horowitz color palette.
- d. Exploring whether the North Beach CRA Façade Improvement Program could provide funding for paint projects on eligible buildings in North Beach.

On April 3, 2024, the City Commission discussed an item calling for action on the use of the pastel color palette on City buildings. The City Commission voted unanimously to direct the Administration to repaint the Colony Theatre and the Ocean Rescue Headquarters in cooperation with Ms. Barbara Hulanicki.

## **ANALYSIS**

While the success of the 1980s facade improvement program is well-documented, replicating such a grant-funded initiative today with City funds may have some challenges. That being said the Horowitz color palette has in many ways become synonymous with the Art Deco architecture of Miami Beach. Although a facade improvement program relying entirely on public funding may not align with current budgetary priorities or the broader strategic goals of the City the concept of reviving the magical history of Miami Beach has potential benefits.

## **Potential Program Framework**

Should the Committee recommend that the City Commission choose to pursue a new facade improvement initiative, several programmatic options could be considered:

1. *Incentive-based program*: Rather than fully funding facade improvements, the City could consider an incentive-based model where property owners receive partial grants to cover the costs of repainting their buildings in line with the Leonard Horowitz color palette. Such a program could be tiered to offer greater support to buildings that are more historically significant or that require more extensive renovations.
2. *Educational campaign*: The City could invest in creating educational and promotional materials that emphasize the cultural and architectural significance of the Horowitz palette, encouraging voluntary adoption by property owners. This could include promotional collateral, a social media and marketing campaign, walking tours, or online platforms that highlight buildings that have successfully preserved the original color schemes.
3. *Public-Private Partnerships (P3s)*: The City could explore partnerships with private entities, such as Miami Design Preservation League (MDPL) or Florida International University (FIU), for example, or even commercial sponsors, to co-fund the initiative and promote broader engagement.
4. *City-led model projects*: To inspire further participation, the City Commission has identified two high-profile, City-owned buildings to serve as a demonstration project. Painting the buildings in the Horowitz palette could serve as a visual reminder of the area's cultural heritage and spark interest in facade improvements among private property owners. As noted, the Colony Theater on Lincoln Road and Ocean Rescue headquarters have been identified as candidates due to their Art Deco architectural features, but the success of such a project on a larger scale would be contingent on securing funding.

## **Implementation Considerations**

To implement a successful program, several steps should be considered:

- *Stakeholder engagement*: The City would need to engage key stakeholders, including property owners, MDPL and cultural arts partners within the broader community, to build consensus around the program's goals and ensure alignment with historic preservation efforts.
- *Funding source identification*: Funding will be a critical component, and options such as matching grants, bond issuance, or the inclusion of program costs in the FY 2025 budget

should be explored. Additionally, grant opportunities from federal, state, or local preservation bodies may be available to offset costs.

- *Phased approach:* The City may consider a phased approach, starting with one or two demonstration projects and gradually expanding the program based on feedback and available resources.

### **Program Considerations**

Key challenges that the City could face in establishing a new facade improvement funding program include:

- *Budgetary constraints:* Based upon the timing of this discussion, it may be difficult to secure the necessary funds for a grant-based program that offers full subsidies to property owners in FY025. Any such initiative would require detailed financial planning and potentially the reallocation of resources or the identification of new revenue streams.
- *Ownership buy-in:* In the absence of full subsidies, property owners may be hesitant to participate in a program that requires personal financial contributions, especially if they do not perceive an immediate return on investment from adopting more elaborate paint schemes.
- *Administrative overhead:* A new program, even one that is partially funded or incentive-based, would require significant administrative resources to manage applications, approvals, compliance with design standards, and coordination with property owners and contractors.

### **Collaboration with the North Beach CRA**

The North Beach Community Redevelopment Agency's (North Beach CRA) Commercial Facade Improvement Program and Residential Property Improvement Program, two existing programs created by the North Beach CRA Board in 2023 and funded on an annual basis through the North Beach CRA's budget approval process, may present an opportunity to support the Art Deco facade improvement initiative. However, it is important to note that the North Beach CRA operates under a separate budget process, with funds specifically allocated to projects that align with the CRA's redevelopment objectives for the North Beach area. It should be noted that use of CRA funds is restricted to activities that directly benefit the CRA district and advance its mission of addressing blight, economic development, and housing opportunities.

### **FISCAL IMPACT STATEMENT**

The potential fiscal impact of implementing a program to encourage the use of the Leonard Horowitz Art Deco color palette on building facades will vary depending on the approach adopted by the City Commission. Should the City pursue a painting project for City-owned buildings, the funding requirements would need to be incorporated into the Annual Budget. The estimated costs for such a project would include not only painting and materials but also labor, maintenance, and potential architectural consultations to ensure historical accuracy. According to Facilities and Fleet Management Department's estimates, included in the agenda materials supporting the April 3, 2024 City Commission item, the cost to re-paint the Ocean Rescue headquarters and Colony Theater structures in pastel colors is approximately \$62,810: approximately \$56,030 for the Colony Theater (\$34,250 for waterproofing and \$21,780 for painting) and \$6,780 for Ocean Rescue HQ (since the facility was re-painted approximately two (2) years ago, presently, it does not require waterproofing).

Additionally, while the North Beach CRA's Commercial Facade Improvement Program and Residential Property Improvement Program could be considered for funding support, the use of North Beach CRA funds would require analysis to ensure compliance with the Agency's mission and budgetary restrictions. Allocation of North Beach CRA funds would also be contingent on

approval by the North Beach CRA Board, and any such diversion of funds would need to be balanced against the CRA's other existing priorities and obligations. Note that both of the CRA's existing programs include exterior painting as an eligible expense for reimbursement.

Should the City opt for educational and promotional strategies instead of direct financial support for facade improvements, the fiscal impact would be more limited to the production and distribution of materials. The costs associated with this approach would be more modest but would still require allocation of resources from the City's General Fund or a designated departmental budget. Any such expenditures would need to be approved and incorporated into the budget planning process.

Overall, the fiscal impact of the initiative will depend on the scope and nature of the program as determined by the City Commission and the availability of external funding or supplementary grant opportunities to mitigate costs.

### **Does this Ordinance require a Business Impact Estimate?**

(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

### **FINANCIAL INFORMATION**

### **CONCLUSION**

In summary, while replicating the 1980s facade improvement program may have some challenges due to current financial and operational realities, several alternative strategies exist to encourage property owners to adopt the Horowitz color palette. A thoughtfully designed program—whether incentive-based, educational, or centered around a City-led model project—could help preserve the unique character of the Art Deco District and ensure that its historic charm continues to contribute to Miami Beach's identity as a world-class destination. If the FERC recommends moving forward with a funding initiative, the City Commission should carefully consider incorporating the program into the Fiscal Year 2026 budget, although depending on the timelines of the program, a budget amendment at a later date may be more appropriate. Alternatively, the City Commission may consider identifying alternative funding sources.

### **Applicable Area**

Citywide

**Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying?**

If so, specify the name of lobbyist(s) and principal(s):

### **Department**

Economic Development

**Sponsor(s)**

Commissioner Kristen Rosen Gonzalez

**Co-sponsor(s)**

**Condensed Title**

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