

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Rickelle Williams, Interim City Manager

DATE: July 26, 2024

TITLE: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE AT ITS MARCH 22, 2024 MEETING TO DIRECT THE ADMINISTRATION TO INITIATE NON-BINDING DISCUSSIONS WITH LIVE NATION WORLDWIDE, INC. REGARDING THE POSSIBLE CONSTRUCTION OF A NEW THEATER AT THE JACKIE GLEASON THEATER SITE; AND REFERRING THIS MATTER BACK TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE FOR FURTHER DISCUSSION.**

BACKGROUND/HISTORY

On January 31, 2024, at the request of Commissioner Joseph Magazine, the Mayor and City Commission approved the referral of item C4 AD to the Finance and Economic Resiliency Committee ("FERC" or "Committee") to discuss the Live Nation project to build a new theater.

At the March 22, 2024, FERC meeting, Live Nation Worldwide ("Live Nation") presented their concept for a new theater, previously presented at the May 24, 2023, FERC meeting. A motion was approved by acclamation, for this item to be heard by the City Commission with a favorable recommendation to direct staff to negotiate with Live Nation to build a new theater. This item was to be retained and return to FERC with the resulting proposals. Commissioner Alex Fernandez and Commissioner Tanya K. Bhatt requested to be added as co-sponsors.

Consequently, on April 3, 2024, the Mayor and City Commission discussed the Resolution sponsored by Commissioner Magazine, accepting the recommendation of the FERC at its March 22, 2024 meeting directing the Administration to initiate non-binding discussions with Live Nation regarding the possible construction of a new theater at the Jackie Gleason Theater site, and referring the matter back to the FERC. At the City Commission meeting, the item was separated by Commissioner Bhatt and Vice-Mayor Laura Dominguez from the Consent Agenda. Commissioner Bhatt made a motion to defer the item with direction to staff to explore the option for renovation, seeking input from the operator and the public. The Administration was given direction to return with a comparison of the two options, renovation of the existing building and the building of a new theater.

ANALYSIS

The Fillmore Miami Beach at the Jackie Gleason Theater (the "Fillmore" or "Venue") has been an iconic performance venue in the City. The Venue opened in 1950 and hosted musical and dance performances, comedy, and occasionally boxing matches. In the 1960's it served as the location for the filming of the Jackie Gleason show. Through the decades the Venue went through periods of renovation and many great artists have graced its stage.

In 2019, M.C. Harry & Associates conducted a Conditions Assessment and Recommendations report, outlining the conditions of the facility that may be compromising the quality of the programs offered at this venue. The report provided recommendations for improvements with associated conceptual cost data. At the time of the assessment, the total cost of remediating deficiencies,

upgrading major building systems, and upgrading theatrical systems was estimated at \$23,634,681 (Exhibit A). The report characterizes the condition of the structural systems to appear “generally serviceable”.

On November 8, 2022, the City’s voters approved a \$159 million General Obligation (G.O.) Bond for Arts and Culture (“GOBAC”) that included \$29,100,000 for the renovations of the Fillmore Miami Beach as recommended in the conditions assessment as well as other requests from Live Nation.

On May 24, 2023, Live Nation presented before the Finance and Economic Resiliency Committee a plan for the re-imagining of the Fillmore Miami Beach. Live Nation presented a design for a new state-of-the-art theater that will attract the highest caliber of performers and better serve the residents and visitors of the City of Miami Beach. At that time, a Rough Order of Magnitude (“ROM”) estimate of this new theater, well exceeded the \$29.1 million GOBAC appropriation.

During that meeting, a motion was made by Commissioner Richardson to discuss the item at City Commission and further, directed the Administration to explore the option of building a new facility. This discussion item was to return to the July 28, 2023, FERC meeting to address potential funding opportunities. However, the item was withdrawn by the sponsor, and no further discussion was had until the Commission approved the referral of this item, on January 31, 2024.

In April 2024, at the direction of the City Commission, the Administration engaged Live Nation in developing an alternate renovation plan and updating the 2023 proposal for a new building. The renovation plan would address all the operator’s foreseeable needs to bring the existing building up to current production standards and accommodate any artist that would normally be appropriate for a state-of-the-art venue of this nature. On July 8, 2024, Live Nation returned to the Administration two (2) concept designs and cost estimates for the New Building Concept (Exhibit B) and the Renovation Concept (Exhibit C). Representatives from Live Nation are available to present these concepts at the July 26, 2024, FERC meeting. A chart comparing some important details of the two (2) concepts and the original GOBAC scope of work is attached hereto as Exhibit D.

Now that viable options for the renovation of the existing building and the construction of a new building have both been developed, further discussion may be desired to gather additional stakeholder input, including resident feedback on both proposed options. The Administration, in collaboration with Live Nation, will then be able to refine the vision for the Fillmore and research funding models for a renewed venue, whose future will significantly impact the Convention Center Complex.

In both scenarios, there will be a substantial funding gap that exceeds the GOBAC funding appropriation. By way of this item, the Finance and Economic Resiliency Committee may discuss and provide direction on renovating the existing or reconstructing a new Fillmore at the Jackie Gleason Theater.

FISCAL IMPACT STATEMENT

Rough Order of Magnitude (ROM) for Renovation (88,590 SF w/o basement): \$87,100,000

ROM for Construction of a new building (54,193 SF): \$57,000,000

ROM for G.O. Bond Scope of Work (>88,590 SF with basement): \$29,100,000

FINANCIAL INFORMATION

The G.O. Bond for Art and Culture has \$29,100,000 budgeted for the renovation of the existing Fillmore/Gleason theater.

CONCLUSION

In consideration of the foregoing, the Administration recommends that the Finance and Economic Resiliency Committee discuss and provide direction on the concept of partnering with Live Nation to renovate the existing Fillmore/Gleason theater or build a new theater.

Applicable Area

South Beach

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

Yes

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

Yes

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

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

Department

Facilities and Fleet Management

Sponsor(s)

Commissioner Joseph Magazine

Co-sponsor(s)

Commissioner David Suarez

Condensed Title

Discuss the Live Nation Project to Build a New Theater or Renovate the Existing Venue.