

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: March 19, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE AT ITS JANUARY 24, 2025 MEETING TO USE BYRON CARLYLE BUILDING PROGRAM SCENARIO TWO FOR MODELING YEARLY OPERATING COSTS.

RECOMMENDATION

The City Administration (Administration) recommends that the Commission accept the recommendation of the Finance and Economic Resiliency Committee (FERC) at its January 24, 2025 meeting to use the Byron Carlyle building program titled "Scenario #2" for modeling a pro forma of the yearly operating cost.

BACKGROUND/HISTORY

The Byron Carlyle Theater complex is located at 500 71st Street, between Byron Avenue and Carlyle Avenue, where it opened in 1968 as Twin Cinemas hosting first-run movies. The City purchased the Byron Carlyle Theater (the Theater) from the WBC Broadcasting Corporation in 2001 and partially renovated it to spur economic development and bolster North Beach arts and culture. In 2014, the City executed a Management Agreement with Living Arts Trust d/b/a 0 Cinema, who occupied the Theater's western portion. The remaining eastern portion remained vacant and unutilized. The poor condition of the building required it to be permanently closed and has remained so since October 31, 2019.

At the March 13, 2024, City Commission meeting, the Mayor and City Commission approved at the request of Commissioner Bhatt, the referral of item (C4 D) to the FERC to discuss the programming for the new Byron Carlyle G.O. Bond project for a multi-purpose cultural arts space and possibly workforce housing and/or other uses that are compatible with a cultural arts center and the surrounding neighborhood and to consider the various options for financing construction and funding models for the project. Additionally, on April 3, 2024, the Mayor and City Commission approved a dual referral of item C4 H to FERC and the Land Use and Sustainability Committee (LUSC) to conduct a detailed review of the two (2) different models for the proposed Byron Carlyle cultural center.

This item was presented and discussed at the May 1, 2024, LUSC meeting. A motion was made to recommend moving forward with the Cultural Arts Center with some level of workforce housing. Two board members voted in favor of the motion and two against, citing they would like to have more information on the impact of the workforce housing. Some questions considered were how the Project could affect parking and traffic, as well as if there are ways to ensure residents of the building work in the area to avoid additional congestion. The item moves to the June 26, 2024, Commission meeting with an unfavorable recommendation from LUSC.

At the G.O. Bond Oversight Committee meeting held on May 9, 2024, the Committee moved with a 7/0 vote to include workforce housing, including artist housing, as part of the Byron Carlyle Theater Project, utilizing \$4 million of G.O. Bond funds available in Tranche 2 (for workforce

housing) (LTC# 184-2024).

Subsequently, the North Beach CRA Advisory Committee adopted at their May 14, 2024, meeting, a unanimous motion, supporting, in concept, the Byron Carlyle redevelopment incorporating the workforce housing component, prioritizing artistic and cultural workers, provided that there are no short-term rentals and/or micro-units (LTC # 199-2024). The Committee also discussed the CRA's requirement to use a minimum 10% of its budget toward the creation of workforce housing and identified the Byron Carlyle project as a way to do so without the added burden of purchasing additional land.

On May 24, 2024, the FERC discussed this item and recommended in favor of proceeding with the project incorporating workforce housing with no micro-units and no short-term rentals. It was also discussed that there should be further deliberation on the qualifications for those seeking to live in the workforce housing created. The FERC further recommended to return this item to Commission for discussion.

At the June 26, 2024, Commission meeting, the Mayor and City Commission unanimously approved the Byron Carlyle Project to proceed with the inclusion of workforce housing. Additionally, the body authorized the continued engagement of AMS Planning and Research for the additional amount of \$160,000.00, waiving by a 5/7ths vote the formal competitive bidding requirement, finding such waive to be in the City's best interest.

At the Commission meeting held on Dec 11, 2024, a Referral (C4 U) was made to FERC to discuss the status of the Byron Carlyle Project and the structure for the contemplated RFP.

At the January 24, 2025 FERC meeting, the Administration presented three (3) sample building programs of differing scales and costs, described in the Analysis below. The Committee unanimously recommends the option titled "Scenario #2" to be used by AMS for the financial modeling of a typical operating year.

ANALYSIS

To model the operating costs for the future Byron Carlyle Cultural Center, three sample building programs ("Scenarios") were developed by AMS. The Administration and AMS deliberated which of the Scenarios would most closely resemble the likely final project.

Two factors were considered; the needs of the arts organizations and the total cost of delivering the cultural center.

Scenario #1 would meet the expressed needs of the users in a facility with the exception of availability of dates. This version would only accommodate one event/user at a time, along with some limited ancillary activity. This is due to having a single dedicated performance space, a Studio Theater with a flexible seating capacity of 250. The programming for this facility would be sequential, needing to allow dark days between events to turn the space around.

-This project would have a gross square footage of 27,270 sq. ft. and an estimated total project cost of \$38.7M

Scenario #2 builds on Scenario 1 with the addition of a screening room and an increased maximum flexible capacity of 350 in the Studio Theater. The addition of the 75-seat screening room would allow the cultural center to present film, lectures, and other small presentations while they hold performances or turn over the studio theater.

-This scenario has a gross square footage of approximately 32,820 sq. ft. and a total project cost of \$45.6M

Scenario #3 delivers all the needs and wants requested by the arts organizations that were interviewed. The inclusion of a second flexible 150 seat studio theater and a second 150 seat screening room ensures availability of space to almost satisfy the anticipated future demand, as communicated by the arts organizations.

-This version of the project has a square footage of 54,435 sq. ft. and a total project cost of \$73.7M.

In deliberation, it was determined that Scenario #1 was unacceptable as it did not achieve the goals of the proposed cultural center.

Between Scenarios #2 and #3, it was reasoned by the Administration, and later affirmed by FERC, that Scenario #2 was the better choice as it achieved the goals of the cultural center at a cost that was more attainable. Additionally, it was discussed that there would be an opportunity to revisit the building program further into the design process.

FISCAL IMPACT STATEMENT

The 2022 G.O. Bond for Arts and Culture has appropriated \$30,570,000 (split over two tranches) for the redevelopment of the Byron Carlyle Theater: \$10,590,000 in tranche 1 and \$19,980,000 in tranche 2. This project also qualifies to receive part or all of an additional \$4,000,000 available for workforce housing through the 2022 G.O. Bond for Art and Culture.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

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

FINANCIAL INFORMATION

CONCLUSION

The City Administration (Administration) recommends that the Commission accept the recommendation of the Finance and Economic Resiliency Committee at its January 24, 2025 meeting to use the Byron Carlyle building program titled "Scenario #2" for modeling a pro forma of the yearly operating cost.

Applicable Area

North Beach

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?

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 Tanya K. Bhatt

Co-sponsor(s)

Commissioner Joseph Magazine
Commissioner David Suarez

Condensed Title

Accept Rec/Use Byron Carlyle Bldg Prog Scenario 2 for Modeling Yearly Operating Costs.
(TB/JM/DS) FF

Previous Action (For City Clerk Use Only)