

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: September 11, 2024

TITLE: DISCUSS AND TAKE ACTION REGARDING THE POSSIBLE CONSTRUCTION OF A NEW THEATER OR RENOVATING THE EXISTING FILLMORE THEATER AT THE JACKIE GLEASON THEATER SITE.

Recommendation

Based on building conditions, resident feedback, and desired objectives, it is the Administration's recommendation that the City Commission consider moving forward with a limited renovation of the existing theater. The focus of the limited renovation would include the scope of work as defined in the MC Harry Conditions Assessment and funded by the G.O Bond for Art and Culture (GOBAC), along with additional work prioritizing upgrades to the artist areas. This would create a more efficient and hospitable venue for visiting performers and concert goers alike, while staying closer to the available budget. If the City Commission believes this direction would be in the City's best interest, the Administration would request permission to negotiate with Live Nation on the additional scope. As part of the negotiations, the Administration and Live Nation could discuss Operator contribution towards the cost of the backstage upgrades that are beyond what is funded in the G.O. Bond.

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 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 Tanya Bhatt and (at the time) Vice-Mayor Laura Dominguez from the Consent Agenda. Commissioner Bhatt made a motion to defer the item with direction 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 1951 as the Miami Beach Municipal Auditorium, designed by noted Miami Beach architects L. Murray Dixon, Henry Hohaus, and Russell T. Pancoast & Associates. It has hosted musical and dance performances, comedy, and occasionally boxing matches. Through the decades the Venue has gone through several renovations, as illustrated in Exhibit A.

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 B). 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, at the request of the City, Live Nation (the “Operator”) presented before the FERC 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 said 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 “gut-renovation” plan and updating the 2023 proposal for a new building. The gut-renovation plan would address the building’s and Operator’s foreseeable needs in a complete redesign of the interior. This concept would update the front of house spaces and accommodate the back of house requirements of 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 C) at \$57.7 million and the Gut-Renovation Concept (Exhibit D) at \$87.1 million. Both of these concepts present substantial funding gaps that exceed the GOBAC funding appropriation. A chart comparing some important details of the two (2) concepts and the original GOBAC renovation scope of work is attached hereto as Exhibit E.

With viable options for the renovation of the existing building and the construction of a new theater, the Administration conducted a virtual meeting on Thursday, August 22, 2024, to present to the residents the concepts being considered, answer their questions, and listen to their comments. Fifty-three (53) individuals attended the listening session. Of the residents who voiced their opinions, none supported either the gut-renovation (\$87.1M) nor the new building (\$57.7M) concepts. Some expressed the opinion that the existing Fillmore is already “a fantastic venue” to watch concerts and that only necessary repairs should be pursued with the existing funds. An open comment period of two (2) weeks, commencing on August 22, 2024, and ending on September 6, 2024, was allotted for further comments. Those comments will be compiled and submitted as a supplemental (Exhibit F) to the September 11, 2024, City Commission meeting.

Based on this feedback and direction from Commission, the Administration and Live Nation will 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. By way of this item, the Commission may discuss and provide direction on renovating the existing facility or reconstructing a new Fillmore at the Jackie Gleason Theater.

FISCAL IMPACT STATEMENT

ROM for Gut-Renovation as proposed by Live Nation: (88,590 SF w/o basement): \$87,100,000

ROM for Construction of New Building proposed by Live Nation: (54,193 SF): \$57,700,000

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

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-notice/57>

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 City Commission discuss and provide direction on the concept of partnering with Live Nation to renovate the existing Fillmore/Gleason theater, build a new theater, or proceed with only the scope approved in the GO Bond for Art and Culture.

The City Commission may also consider moving forward with a limited renovation of the existing building. The focus of the limited renovation would include the scope of work as defined in the MC Harry Conditions Assessment and funded by the GOBAC, along with additional work prioritizing upgrades to the artist areas. This would create a more efficient and hospitable venue for visiting performers and concert goers alike, while staying closer to the available budget. If the City Commission believes this direction would be in the City's best interest, the Administration would request permission to negotiate with Live Nation on the additional scope. As part of the negotiations, the Administration and Live Nation could discuss Operator contribution towards the cost of the backstage upgrades that are beyond what is funded in the G.O. Bond.

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
Commissioner Tanya K. Bhatt

Condensed Title

Discuss Live Nation Project to Build New Theater or Renovate Existing Venue. (JM/DS/TB) FF