

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: November 8, 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 proposed framework in support of 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 Miami Beach Architectural District, or 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 façades 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 some 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. Explore whether the North Beach Community Redevelopment Agency (North Beach CRA) Facade Improvement Program could provide funding for paint projects on eligible buildings in North Beach.

On April 3, 2024, the City Commission discussed the use of the pastel color palette on City buildings and voted unanimously to direct the Administration to repaint the Colony Theatre and Ocean Rescue Headquarters, in cooperation with Ms. Barbara Hulanicki, an undertaking currently being facilitated by the Facilities and Fleet Management Department.

On July 24, 2024, at the request of Commissioner Kristen Rosen Gonzalez, the Mayor and City Commission approved a referral (Item C4 G) to the FERC to discuss establishing a match funding program for building owners interested in the Hulanicki Art Deco pastel colors initiative.

At the September 20, 2024 FERC meeting, this item was not reached. The discussion item was ultimately heard at the October 18, 2024 FERC meeting. The Committee approved a motion to further develop the initiative and return to FERC, after reaching out to Barbara Hulanicki regarding a fee and developing a plan based on the approved Leonard Horowitz color palette using the North Beach CRA Facade Improvement Program model, including a 70% City match with a \$20,000 cap per project, for Art Deco buildings in the Art Deco District, with a focus on Washington Avenue, Collins Avenue and Ocean Drive from 5th to 15th Streets.

ANALYSIS

While the success of the 1980s facade improvement program at revitalization 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 and the concept of reviving the magical history of Miami Beach has potential benefits.

During the October 18, 2024 FERC meeting, the Economic Development Department provided four programmatic options for consideration:

- a. Incentive-based Program;
- b. Educational Campaign;
- c. Public-Private Partnerships; and
- d. City-led Model projects.

The Committee recommended utilizing Option 1, and rather than fully funding the entire cost associated with 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.

Two existing programs, the North Beach CRA's Commercial Facade Improvement Program and Residential Property Improvement Program, both created by the North Beach CRA Board and funded on an annual basis through the North Beach CRA's budget approval process, may present a model to support the Art Deco facade improvement initiative as both of the CRA's existing programs include exterior painting as an eligible expense for reimbursement.

Proposed Program Framework: Art Deco Painting Incentive Program

1. **Background/Purpose:** The Art Deco Painting Incentive Program ("Program") is a matching grant incentive Program designed to assist property owners of multifamily residential and mixed-use commercial buildings in covering the costs associated with painting and enhancing their building's exterior facade.

The neighborhood's distinctive architecture and historic color schemes contribute to the Art Deco architectural style and the area's historic character. This Program seeks to reinforce that character by supporting visual improvements that enhance the sense of place and visual appeal within the district. **Program awards are structured as matching grants, covering up to 70% of eligible project expenses, with a maximum grant of \$20,000 per application. Grants are awarded on a reimbursement basis, requiring that work be completed and expenses incurred before reimbursement.**

The Program's primary goals are to:

- Promote and highlight the Art Deco character of buildings within the Miami Beach Architectural District, fostering a welcoming and attractive environment for residents, visitors, shoppers, and merchants alike.
- Support and encourage property owners in the painting, improvement, repair, and preservation of historic buildings.
- Stimulate private investment and revitalization efforts within the district.

2. Budget Allocation: Total: \$220,000

- a. Incentive Funds: \$200,000 (Supporting at least 10 projects with up to \$20,000 per property, for costs associated with painting and preparation of the building to be painted.)
- b. Consulting Services: \$20,000 (Engagement of Barbara Hulanicki to advise on color selection and design for up to 10 properties, specifically, to provide recommendations to property owners on potential paint selection and design aesthetics, which would require pre-approval by the City and the property owner.)

Sample Reimbursement Award Scenarios				
	Cost of Improvements	Owner Contribution (30%)	City Contribution (70%)	City Contribution with Consulting Services *
1.	\$ 10,000	\$ 3,000	\$ 7,000	\$ 9,000
2.	\$ 15,000	\$ 4,500	\$ 10,500	\$ 12,500
3.	\$ 20,000	\$ 6,000	\$ 14,000	\$ 16,000
4.	\$ 30,000	\$ 10,000	\$ 20,000	\$ 22,000
* Recommended program funding allocation includes the payment of fees for Hulanicki consulting services with each application, at a cost of \$2,000 per project.				

3. Program Boundary: The Miami Beach Architectural District, as listed on the National Register of Historic Places, and specifically targeting Washington Avenue, Collins Avenue and/or Ocean Drive, between 5th to 15th Streets, including properties abutting adjacent side streets within this area.

Eligibility and Scope:

4. Eligibility Criteria: Any building owner or commercial tenant of a *contributing* building located within the Program Boundary is eligible to apply. **The Planning Department will confirm a property's contributing status within the historic district.** All applications submitted by building tenants require written consent of the building owner.
5. Exclusions: The following property types are ineligible:
 - a. Properties containing or operating prohibited or non-conforming uses.
 - b. Properties whose primary purpose is a place of worship.

- c. Properties encumbered by judgement liens, delinquent mortgage and tax obligations, and/or building or code violations.
 - d. Vacant, unimproved land.
6. Eligible Improvements: Painting and related improvements shall only be eligible for reimbursement if located on the building exterior and visible from the public right-of-way. Examples of eligible improvements include:
- a. Painting (only colors approved administratively by the City, in consultation with Barbara Hulanicki, based on the Leonard Horowitz color palette);
 - b. Waterproofing and other building preparation required for painting; and
 - c. Stucco and/or clapboard restoration.
7. Ineligible Improvements:
- a. Improvements inconsistent with the direction of the Program or application guidelines;
 - b. Improvements performed prior to execution of final agreement with the City;
 - c. Interior renovations and new construction;
 - d. Exterior/façade improvements not explicitly listed above as Eligible Improvements;
 - e. Removal of architecturally significant features; and
 - f. Payments for the applicant's own labor or other in-kind costs.

Program Execution:

8. Application Requirements: An application will be considered, where preliminary approval of the following requirements has been satisfied. The City reserves the discretion to accept, reject or request modification of any application.
- a. Online submission of completed application form
 - b. Color photographs of current façade from sidewalk or street
 - c. Conceptual design and specific scope of work
 - d. Proof of fire and extended insurance for property
 - e. Proof of insurance and necessary business licenses for selected contractor/painter
 - f. Three (3) project cost estimates/quotes for the proposed work
 - g. Property owner consent
 - h. Documentation or verification of good standing: subject property is current on City of Miami Beach and Miami-Dade County property taxes and the property has an active and valid City of Miami Beach Business Tax Receipt (BTR)
9. Verification of Eligibility Determination: City staff shall verify all information as necessary. Once City staff has determined an application has met eligibility requirements, an initial site inspection will evaluate suitability and determine existence of code violations or life and safety issues requiring remediation. Applicants will be notified in writing regarding eligibility status, including explanation of application denial, if applicable.
10. Award Approval: Grant awards are only authorized following recommendation by the City Manager (or designee) and approval by the City Commission.
11. Proposed Application Timeline:
- Applications accepted on a rolling basis and evaluated on a first-come, first-qualified, first-served basis.
 - Complete applications will be evaluated and recommended within 3-4 weeks. If an application is not recommended for award, the applicant will be notified.
 - Staff will meet with applicant to ensure clear understanding of the Program's guidelines, and the parties' obligations and responsibilities.
 - Recommendations will be based on funding availability and eligibility criteria. Each recommendation for award must be approved by Resolution of the City Commission.
 - Following City Commission approval, the grant recipient will execute a grant agreement outlining program details.

- Grant recipients will have six (6) months from date of executed agreement to begin project, and twelve (12) months to complete the scope of work following execution of the agreement. The award letter and application agreement will specify the deadline for when the work needs to be completed.
- All improvements must comply with Miami Beach City Code and Florida Building Code.
- Reimbursement of the grant recipient's own labor or other in-kind costs are NOT eligible.
- Grant recipient must provide monthly updates to City staff throughout the project execution. Additional documents may be required by City staff as requested.
- Grant recipient must provide the following for review, prior to reimbursement of expenses: copies of receipts and/or paid invoices, proof of payment (copy of checks or bank statements), contractor license documentation (as necessary), and photos of completed work.

12. Incentive Award Process:

- a) The maximum incentive available per applicant or property is \$20,000.
- b) The Program will match, on a reimbursement basis, up to seventy percent (70%) of the total project costs, in an amount not to exceed \$20,000 per project.
- c) Fifty percent (50%) of the grant is eligible to be disbursed upon satisfactory completion of fifty percent (50%) of the approved improvements, or at 100% project completion.
- d) Project costs incurred before application approval are ineligible for reimbursement.
- e) Property owners may only participate in the program once per year and are subject to a one (1)-year waiting period before new applications for another property are eligible for submission.
- f) Amendments to these guidelines may be incorporated from time at the City's discretion. The City Manager or designee shall be authorized to approve minor waiver or amendment of Program guidelines. Any major amendment or deviation of guidelines shall require approval of the City Commission.

13. **Marketing and Outreach:** The City will launch a marketing campaign targeting property owners and tenants to raise awareness and encourage participation. This will include direct outreach, social media engagement, and promotional events.

FISCAL IMPACT STATEMENT

As proposed herein, the pilot Program proposes a \$220,000 budget, with this amount distributed between project incentives, of up to \$20,000 per property, and consulting services, via Barbara Hulanicki at \$2,000 per property. This recommendation would enable the participation of at least ten (10) property applications during the pilot period. If successful, the Program could be scaled up in future fiscal years, subject to budget approvals.

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

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CONCLUSION

Reintroducing the Leonard Horowitz color palette offers an opportunity to preserve the unique identity of the Art Deco District. The proposed Art Deco Painting Incentive Program can encourage property owners to embrace this aesthetic, revitalizing the district and reinforcing Miami Beach's status as a premier tourist destination.

The FERC's guidance on funding and program development will be crucial for moving forward, with consideration by the City Commission for budget inclusion in FY 2026 or a potential budget amendment in FY 2025 depending on the goals and priorities of the City Commission. Alternatively, the City Commission may consider identifying alternative funding sources such as private sector sponsorships as additional support.

Applicable Area

South Beach

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

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? No

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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