

C7 F A RESOLUTION OF THE MAYOR AND CITY COMMISSION ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE FROM 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:

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 FROM 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.

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)

C4 U REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO
DISCUSS THE STATUS OF THE BYRON CARLYLE PROJECT AND THE
STRUCTURE FOR THE CONTEMPLATED RFP(S).

Applicable Area:



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Tanya K. Bhatt
DATE: December 11, 2024
TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS THE STATUS OF THE BYRON CARLYLE PROJECT AND THE STRUCTURE FOR THE CONTEMPLATED RFP(S).

RECOMMENDATION

BACKGROUND/HISTORY

ANALYSIS

Please place on the December 11, 2024 City Commission agenda a referral to the January 2025 Finance and Economic Resiliency Committee ("FERC") to discuss the status of the Byron Carlyle Project and the Structure for the contemplated RFP(s).

The Byron Carlyle Theater complex, located at 500 71st Street in North Beach, has long been a focal point for arts and culture in the area. Originally opened in 1968 as Twin Cinemas, the City of Miami Beach acquired the theater in 2001, with the intention of revitalizing it as a cultural venue to support economic development and enhance the arts scene in North Beach. After a partial renovation, the City entered into a Management Agreement in 2014 with Living Arts Trust d/b/a O Cinema. However, due to the deteriorating condition of the building, the City closed the theater in October 2019.

Since its closure, several discussions have taken place regarding the future of the Byron Carlyle Theater. In September 2021, the City Commission referred the matter to FERC to explore options for the future of the theater. This led to the approval of \$400,000 in funding for conceptual designs and charettes for the redevelopment of the Byron Carlyle Theater as a multi-purpose cultural arts center, with the possibility of incorporating workforce housing. Furthermore, the voters of Miami Beach approved a \$159 million General Obligation Bond for Arts and Culture, which included \$30,570,000 earmarked for the redevelopment of the Byron Carlyle Theater.

Following discussions, including a May 2024 recommendation by FERC and the North Beach CRA Advisory Committee, the Commission approved the inclusion of workforce housing in the redevelopment project. The project is also poised to incorporate other cultural and community uses that align with the surrounding neighborhood.

As part of the next steps, AMS Planning and Research (AMS) and TheaterDreams are working with the City to develop an operational model for the center and structure the Request for Proposals (RFP) for the project. However, several important steps remain in the process, including finalizing the governance structure, confirming the programmatic design, and issuing the RFP for a workforce housing builder/developer.

DISCUSSION ITEMS:

I would like for the FERC to discuss the following points:

1. Project Overview and Status Update:

- Review the current status of the Byron Carlyle Project, including the inclusion of workforce housing and other potential uses, as well as the progress made in conceptual designs and planning.
- Discuss the timeline outlined by AMS for the completion of the remaining tasks, including the development of an operating model, creation of an operating pro forma, and the issuance of an RFP.

2. Contemplated RFP Structure:

- Review the structure and scope of the anticipated RFP(s) for the project, focusing on the selection process for the development/operating partner, as well as the procurement of a workforce housing developer/builder.
- Consider the governance structure for the new cultural arts space, including options such as a not-for-profit, city trust, or other appropriate models, and the potential impact of each on the procurement process.
- Discuss the desired qualifications for the workforce housing component, ensuring it aligns with the City's goals of providing affordable housing for cultural and artistic workers while maintaining compatibility with the surrounding neighborhood.

3. Potential Challenges and Opportunities:

- Identify any challenges in the current planning and procurement process, particularly regarding the integration of workforce housing and cultural spaces within the same project.
- Explore opportunities to streamline the timeline, including the possibility of utilizing a Public-Private Partnership (P3) to expedite the development process, as well as ways to align the project with broader city goals for arts and culture, workforce housing, and economic resilience.

4. Next Steps and Timeline:

- Discuss the next steps for the City in advancing the Byron Carlyle Project, including any further coordination required between AMS, the City administration, and potential developers or partners.
- Review the projected timeline for completing the planning, procurement, and construction phases of the project, and the potential for reducing delays through efficient planning and partnerships.

The Administration should be prepared to address the above discussion points at Committee.

FISCAL IMPACT STATEMENT

N/A

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/>

FINANCIAL INFORMATION

CONCLUSION

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? No

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

Department

City Attorney

Sponsor(s)

Commissioner Tanya K. Bhatt

Co-sponsor(s)

Condensed Title

Ref: FERC - Status of Byron Carlyle Project and Contemplated RFP Structure. (Bhatt)