

R9 AI DISCUSS PRELIMINARY TIMEFRAME FOR THE BYRON CARLYLE CULTURAL CENTER PROJECT.

Applicable Area:



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Rickelle Williams, Interim City Manager

DATE: July 24, 2024

TITLE: **DISCUSS PRELIMINARY TIMEFRAME FOR THE BYRON CARLYLE CULTURAL CENTER PROJECT.**

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. Due to its poor condition, the City closed and ceased operations at the theater on October 31, 2019.

Since its closure there have been several discussions regarding the future of the Byron Carlyle Theater. On September 21, 2021, the Mayor and City Commission made a referral to the Finance and Economic Resiliency Committee ("FERC") to discuss the City's options for the Byron Carlyle Theater. On September 30, 2021, at the request of Commissioner Mark Samuelian, the Mayor and City Commission approved the allocation of \$400,000.00 to fund the development of conceptual designs and charettes for the Byron Carlyle Theater cultural center project (the "Project"). Additionally, on November 8, 2022, the City's voters approved a \$159 million General Obligation (G.O.) Bond for Arts and Culture that included \$30,570,000 for the redevelopment of the Byron Carlyle Theater.

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 moved 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

Project, utilizing \$4 million of G.O. Bond funds available in Tranche 2 (for workforce housing) (Letter to Commission (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 tax increment revenue toward the renovation, construction, or preservation of affordable or 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 ("AMS") for the additional amount of \$160,000.00, waiving by a 5/7ths vote the formal competitive bidding requirement, finding such waiver to be in the City's best interest.

At said meeting, the Commission requested the Administration present next steps in the process for the creation of a 501c3 development/operating partner, formulation of operating plan and financial proforma to inform the Request for Proposals (RFP) and issuing the RFP.

ANALYSIS

AMS has indicated needing a time allowance of five (5) to (6) months to execute the work outlined in their latest proposal (Exhibit A). At certain points in this process, the Administration will need to implement recommendations from AMS and bring items such as the operating partner Management Agreement, and Design Concepts to Commission, and possibly Committee(s), for discussion and approval. For this purpose, we are estimating an additional three (3) months, bringing the total anticipated time for this process to eight (8) to nine (9) months to complete the following tasks, as outlined in the AMS Proposal:

1. AMS & TheatreDreams would meet with project leadership to confirm the work plan and project timeframe.
2. Based on the data collected from interviews with local arts organizations for their February 2024 report, AMS and TheaterDreams will develop and recommend to the City, a strategy and structure for developing, managing, and operating the proposed facility. Models for consideration include existing not-for-profit, City trust, new entity, and others, as appropriate.
3. AMS will create activity profile for a base year of operation, informed by the February 2024 Report.
4. AMS will seek feedback on operating model to inform the Cultural Center building program and design.
5. In collaboration with the City, the operating partner and a selected theater planner, AMS will explore building program scenarios for the Cultural Center.
6. Up to three (3) building programs will be presented for evaluation and approval.

7. AMS, together with the operating partner, would prepare a pro forma operating forecast for the base year of operations and a timeline for implementation. The Forecast will include operating revenues and expenses, along with staffing levels and other occupancy costs. With the help of a professional cost estimator, an order of magnitude cost estimate will be created to inform the level of debt the project will be able to take on.

8. Based on the model created, AMS will support the City and Operating Partner in the preparation and issuance of an RFP, or most suitable procurement method, to seek and evaluate a workforce housing builder/developer to bring on for the project.

9. AMS and TheaterDreams will issue a final report outlining and elaborating on all of the associated deliverables.

The timeframe for the procurement and pre-construction periods may vary depending on the chosen governance structure of the operating partner, the terms of their development agreement with the City, and the level of the City's involvement in managing the project. These factors will be considered and better defined in the above outlined work (Steps 1 and 2) by AMS and TheaterDreams.

Typically, on a City managed project, the procurement process may take six (6) to eight (8) months, once the RFP is finalized. This includes the advertising of the RFP, 60-day post period, evaluation of submissions, selection of firm, vetting of negotiated agreement, and award of contract. The pre-construction period, which includes contract execution, design, and permitting, may take an additional 12 to 18 months before commencement of construction.

Using the Collins Park Workforce Housing Project construction schedule of 18 months as a model and adjusting the schedule to account for the technical complexity of building out the Cultural spaces, the construction time for this project could take four (4) to six (6) months longer.

In aggregate, the planning, procurement, design, and construction of this Cultural Center could take as long as 5 years, if the City built this on its own. The use of a Public Private Partnership could significantly shorten this time. This will be an area of focus for the next stages of work with AMS.

FISCAL IMPACT STATEMENT

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

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.

CONCLUSION

The Administration has calculated that this Byron Carlyle Cultural Center could reasonably take up to five years to plan, design, and build, if built by the City. This timeframe may be affected by the use of a public private partnership and by the model of governing structure the City chooses for the Operating Partner, and the terms of their operating agreement. The Administration will communicate the impact of these decisions as they are identified in the next phases of work with AMS Planning and Research.

Applicable Area

North 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 Tanya K. Bhatt

Co-sponsor(s)

Commissioner David Suarez
Commissioner Joe Magazine

Condensed Title

Discuss Preliminary Time Frame for the Cultural Center Located at the Site of the Byron Carlyle.

June 10, 2024 (revised July 2, 2024)

Daniel Alzuri, Assistant Director
Facilities and Fleet Management Department
City of Miami Beach
1833 Bay Road
Miami Beach, FL 33139
Email: DanielAlzuri@miamibeachfl.gov



Dear Mr. Alzuri,

AMS and TheatreDreams are delighted to share our revised proposal to continue supporting the City of Miami Beach with the reactivation of the Byron Carlyle Theater.

In this proposal we focus on refining the vision for the facility, determining an organizational model, identifying a not-for-profit partner, and building out the building program, order of magnitude capital costs and an operating forecast.

Our February 2024 report substantiated the opportunity to reimagine the Byron Carlyle Theater as a cultural hub for North Beach. It was recommended that the City of Miami Beach next undertake a feasibility study for the facility in coordination with a study of a proposed workforce housing component. In this regard we will support the City and its partner in developing an RFP to select a development partner.

The attached scope of work illustrates our proposed work plan to achieve the above goals. Please do not hesitate to be in touch with any questions.

Best regards.

AMS Planning & Research

A handwritten signature in black ink, appearing to read "Steven Wolff".

Steven Wolff

TheatreDreams

A handwritten signature in black ink, appearing to read "Lawrence Wilker".

Lawrence Wilker



Scope of Services

Phase 1 – Refine the Vision

1.1 Project Kick-Off

AMS & TheatreDreams would meet with project leadership to confirm the work plan and project timeframe.

1.2 Management & Operating Strategy

AMS & TheatreDreams would partner with project leadership to develop a recommended strategy and structure for developing, managing and operating the proposed facility based on our February 2024 report. Models for consideration include existing not-for-profit, City trust, new entity, and others, as appropriate.

Drawing on work completed in the first stage, AMS & TheatreDreams would solicit business approaches from potential partners and make a recommendation to the City. We would assist the City in defining business terms and support partnership discussions.

1.3 Activity Profile

AMS & TheatreDreams, in partnership with a designated operator, would refine an activity profile for a base year of operations under the preferred operating model. Activity from potential anchor tenants will be informed by the February 2024 report. Up to 10 additional stakeholder interviews will be completed to explore the opportunity for community, educational, event, and civic use.

1.4 Community Input (As Requested)

AMS & TheatreDreams, together with the operating partner, would conduct two open focus groups of culturally active individuals. We would test the proposed activity profile and explore programming interests, entertainment habits and preferences, and other factors, and make any recommended edits to the activity profile based on community input. The resulting feedback would inform planning by the team's theater planning partners in phase 2 as well as support the development of an operating pro forma.

1.5 Scenario Development

AMS and TheatreDreams, together with the operating partner and joined by a theater planner (to be selected collectively), would explore a series of building program scenarios (up to 3) that encompass multiple options regarding spaces and programming scenarios.



1.6 Scenario Workshop

The project team, together with the designated operator, would meet with the City to review and evaluate the scenarios. A preferred / recommended scenario would be identified and inform the basis for continued planning in phase 2 (and phase 3 if authorized).

Phase 2 – Financial Analysis

2.1-Pro Forma Operating Model & Capital Cost Estimate

AMS & TheatreDreams, together with the operating partner, would prepare a pro forma operating forecast for the base year of operations and as well as a timeline for implementation. The forecast would include projected income from operations including program fees, rentals, leases, concessions, and contributed revenue (as applicable). Operating expenses would be forecast including staffing level with associated salaries and wages, occupancy costs, administrative and marketing costs, presentation costs, and an analysis of net gain/loss.

AMS together with a specialist performing arts facility cost estimator would provide an order of magnitude cost estimate for the proposed concept.

2.2 Development Partner Selection

Supporting the operating partner, AMS & Theater Dreams would assist in the preparation and issuance of an RFP for a workforce housing developer. AMS & TheatreDreams would identify possible respondents and also advise the City with regard to the need for additional specialists and advisors.

AMS & Theater Dreams would participate in the review of workforce housing proposals to assure compatibility in site utilization, building program and operations.

2.3 Interim Report

To conclude phase 2, the project team would prepare a detailed development recommendation to include an executive summary with analysis of scenarios and presentation of programming and financial estimates and forecasts for the arts center.

2.4 Community Input (Optional – if requested)

To test the project concept with key stakeholders, AMS & TheatreDreams would assist the operating partner in conducting presentations to City leadership, potential donors, programming partners, culturally active community members, and/or other influential stakeholders to gain feedback and suggest adjustments prior to completing this phase of the project.



Timeline and Cost Proposal

Based on the scope of the above, we anticipate five to six months (dependent on start date) to complete the work described in Phases 1 and 2. Our fees, inclusive of a theater consultant and cost estimator to be selected with project leadership, are based on scope and project duration. For phases 1 and 2 of this project, we propose a basic services fee of \$142,000, plus a \$10,000 expense allocation. The effort is approximately distributed by phase as described below.

Phase 1 – Refine the Vision	\$63,000
Phase 2 – Operating Pro Forma	\$42,000
Theater Planner	\$20,000
Cost Estimate	\$17,000
AMS & TheatreDreams Expense Allocation	\$10,000
If Requested – Community Input	\$10,200

In addition to professional fees, AMS & TheatreDreams would bill direct expenses incurred in the execution of the project. These expenses include travel and accommodation for consultants, any advertising or listing expenses, data processing, communications costs (e.g., telephone, couriers, and printing), and other expenses typically incurred by AMS & TheatreDreams in the delivery of these services. Expenses are billed at cost. Based on up to 6 site visits by no more than two team members¹. Additional site visits would be 'Additional Services' at the rate of \$2,200 per person per day.

This proposal and quote are valid for thirty days from the date of this letter.

We are excited to continue to assist the City of Miami Beach. Provided this letter correctly reflects our agreed scope, we are happy for it to be append to a professional services agreement as authorization to proceed.

¹ Allowances for travel and accommodation are based on the City of Miami Beach travel policy.