



# MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMITTEE MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: March 10, 2009

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for March 10, 2009, at 2:30 P.M. in the City Manager's Large Conference Room.

The agenda is as follows:

### OLD BUSINESS

- 1. Discussion regarding status, design and budget for the New World Symphony parking garage and park.**

Tim Hemstreet – Assistant City Manager

- 2. Discussion of Flamingo Park Draft Master Plan including alternatives for a new tennis center.**

Fred Beckmann – CIP Interim Director

### NEW BUSINESS

- 3. Discussion regarding the implementation of a Municipal Marketing (Corporate Sponsorship) program for the City.**

Hilda Fernandez – Assistant City Manager defer until March 10

- 4. Update on the RFP for the Management and Operation of the Byron Carlyle Theater.**

Max Sklar – Director of Tourism and Cultural Development

- 5. Little Stage Theater Complex Basis of Design Report**

Fred Beckmann – CIP Interim Director

6. a) Discussion regarding the City's overall plan for space occupied by City staff and a historical analysis of the space occupied, as requested.

b) Discuss the process for the future leasing of commercial ground floor retail space in the City owned building located at 1701 Meridian Avenue.

Hilda Fernandez – Assistant City Manager

7. Discussion regarding a concession agreement with One Washington Avenue, Corp. for an outdoor café in South Pointe Park as an auxiliary use to the Smith & Wollensky restaurant

Hilda Fernandez – Assistant City Manager

**Finance and Citywide Projects Committee Meetings for 2009:**

**March 10, 2009**

**April 7, 2009**

**May 5, 2009**

**June 18, 2009**

**July 21, 2009**

**August 13, 2009**

**September 24, 2009**

**October 29, 2009**

**November 17, 2009**

**December 15, 2009**

JMG/PDW/rs

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Cc. Mayor and Members of the City Commission  
Management Team

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# MIAMI BEACH

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## COMMISSION MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jorge M. Gonzalez, City Manager

DATE: March 10, 2009

SUBJECT: **A DISCUSSION PERTAINING TO THE REJECTION OF ALL PROPOSALS PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 39-07/08, FOR THE MANAGEMENT AND/OR DEVELOPMENT OF THE BYRON CARLYLE THEATER COMPLEX.**

### ANALYSIS

The Byron Carlyle Theater Complex (the "Theater"), located at 500 71<sup>st</sup> Street, between Byron Avenue and Carlyle Avenue, originally opened in December 1968 as twin cinemas hosting first-run movies in the heart of North Beach. A total of 994 seats were originally built, with the large auditorium having a capacity of 590 seats. In the mid-1970s, the Theater was re-developed into a multiplex cinema; the larger auditorium to the west was subdivided into five (5) smaller theaters. The Theater continued to operate until it was sold by its owner, Wometco Enterprises, when the City of Miami Beach purchased it in 2001, for \$1.7 million.

Phase I of the renovation of the Theater (\$1.7 million) was completed by the City's Property Management Division during approximately 16 months of design and construction for the Theater on the eastern portion of the complex. The total seating capacity for the renovated Theater is 304, with 158 seats in the orchestra level, and 138 seats in the mezzanine level, in addition to 8 ADA seats.

The western portion of the complex and certain back stage needs of the Theater were not incorporated into the renovation due to space limitations and the need to not exceed 50% of the value of the structure in renovation costs that would have required the whole structure to be brought up to current code standards. These standards include the need to elevate the floor to meet FEMA Flood Elevation requirements. Any new improvements done to the western portion of the complex would also require the structure to comply with the current Florida Building Code. Although it was initially intended to renovate the western portion of the building, as of yet, funding has not been available. That portion of the building remains closed and cannot be used per Code. In January 2006, C3TS (consultant) completed a feasibility study for the City's Capital Improvement Projects Department that looked into various adaptive re-use scenarios for the un-renovated western portion of the building. The options presented included a black box theater, dance studio, film and digital media programs, retail and commercial space, as well as other needs to support the existing theater on the eastern portion of the complex.

The Byron Carlyle Theater was extremely successful during its first year of operation during the 2004/05 fiscal year, which coincided with the Colony Theater being closed for renovations, exceeding its booking and income projections by 262%. However, bookings significantly

declined following the reopening of the more desirable Colony Theatre (the "Colony") in January 2006. The Colony continues to be heavily booked. Although the Byron Carlyle occasionally attracts a group unable to book the Colony, and the management company actively markets the venue, the theater sits empty most of the time. In FY 08, utilization was 29%. Current year utilization is projected at 15%.

In July 2007, the City Commission adopted a resolution that gave the Administration more flexibility to negotiate rates and encourage longer run productions, with the hope of increasing usage of the facility and providing additional programming. Two (2) independent Spanish language theater productions took advantage of the flexible rates during the summer and winter of 2007. They enjoyed some success with an extended run production. Unfortunately, very few organizations have availed themselves of this program and bookings in the current fiscal year have declined.

The last three fiscal years have yielded operating deficits for the Byron Carlyle, ranging from approximately \$195,000 in 2006, to a projected deficit of approximately \$170,000 in the current fiscal year.

As a result of the aforementioned decline and in an effort to maximize the potential of the Theater Complex, the City Commission directed the City Administration to research and propose alternatives for the privatization of the Byron Carlyle Theater during their retreat on May 2 & 3, 2008. Subsequently, at the July 9, 2008, Finance and Citywide Projects Committee meeting, the Committee directed staff to place this item on the next City Commission agenda.

The City has not predetermined a specific use for the theater complex and proposers were encouraged to submit proposals that meet the needs of the community and provide both daytime and nighttime uses. The City was open to proposals that considered the use of the current theater facility on the eastern portion of the complex, the unrenovated western portion of the facility or for the overall complex. Proposers had the ability to submit proposals for the use or development of the entire complex or only for one portion of the complex. Moreover, proposers were free to recommend alternative (non-theatrical) uses for each portion or all of the complex.

The proposer would be responsible for any renovation or alterations to the current facility; the maintenance of the building and equipment; the marketing of the facility; coordination of facility's utilization and scheduling; and any and all other responsibilities as may be required for their proposed use.

RFP No. 39-07/08 was issued on July 22, 2008 with an opening date of September 30, 2008. A pre-proposal conference to provide information to the proposers submitting a response was held on August 21, 2008.

BidNet issued bid notices to 71 prospective proposers, BidSync (Formerly known as RFP Depot) issued bid notices to 33 prospective proposers, and 87 proposers were notified via mail, e-mail, and fax circulation. These notices included all cultural groups who have applied for a grant with the City. Additionally, Miami-Dade County Department of Cultural Affairs also sent e-mails to their user group regarding the City's RFP. This resulted in the receipt of following two (2) proposals:

1. **KIJIK MULTIMEDIA**
2. **MIAMI HISPANIC BALLET**

#### Kijik Multimedia

Kijik Multimedia (Kijik) proposed to create the Byron Carlyle Multimedia Center, providing innovative theater performances, theater programs, film workshops, seminars, panels, concerts and film screenings. The proposal called for a renovation to the western portion, or un-renovated, portion of the facility to add soundstages, editing and computer graphics suites and ultimately live/work space. The proposal also included creating multimedia training, workshops and seminars, after school and summer programs at the facility. Kijik Multimedia also contemplated a food and beverage operation.

The redevelopment of the facility would occur in three (3) phases as follows:

- Phase 1: Improvements to current theater space to include small scene shop/storage space, lighting and electrical storage, prop room, equipment and costume storage, trash room, utilities room and rehearsal space (optional).
- Phase 2: Development of the western portion of the facility to include computer graphic and animation suites, a black box theater, office and/or live work space, and retail.
- Phase 3: Six story addition to the western portion of the facility with additional office and/or live work units. This would occur within the first six years of operation.

The proposal estimates that it would cost Kijik approximately \$3.1 million to complete Phase 1 and 2 of their proposal. They partnered with North Shore Holdings, LLC to manage the redevelopment and financing of this project. During their presentation Kijik advised the Committee they would obtain financing and grants to fund the redevelopment of the theater. Their proforma shows gross revenue in the first year of operation after renovations of approximately \$1.1 million, with a 5% return to the City of \$57,709.

#### Miami Hispanic Ballet

Miami Hispanic Ballet proposed to create a Hispanic Cultural Art Center by consolidating three cultural organizations: Miami Hispanic Ballet, Creation Art Center, and Cuban Classical Ballet of Miami. The three organizations would establish an educational dance space, dance performances, Spanish speaking theater productions and workshops, and other cultural program.

The eastern portion would continue to house the current the 304 seat theater, dressing rooms, administrative offices, as well as lounge and loading dock space. The western portion would be renovated to provide two dance studios for rehearsals and classes, a lounge, office spaces and dressing rooms. The original proposal submitted estimated the cost of the improvements to be \$500,000, to be funded by a grant awarded to the Miami Hispanic Ballet from Miami-Dade County Building Better Communities Bond Program.

The proforma estimated gross revenue to be \$880,000 in their first full year of operation and did not include any return to the City. At the time of the presentation, they revised their proposal to include a return to the City of 0% in year 1, 2% commission of theater box office

revenue in years 2 and 3, and 5% commission of theater box office revenue beginning in year 4. Please note the Evaluation Committee was precluded from considering this information as it was submitted subsequent to the original proposal.

On December 11, 2008, Miami Hispanic Ballet submitted an unsolicited addendum to their proposal. Please note the Evaluation Committee met and made a recommendation on November 11, 2008. The addendum included a revised capital investment of \$1 million required to improve the facility. This would be funded by the aforementioned \$500,000 grant from Miami-Dade County and an additional \$500,000 from the Miami-Dade County Department of Cultural Affairs. Additionally, they revised their revenue proposal to the City and offered 40% of 3<sup>rd</sup> party theater rental revenue, plus 2% commission on box office revenue. They estimated this to be \$20,000 to the City in the first year of operation. Finally, the addendum included a revised budget for the first year of operation, which reflected revenues to be just over \$1 million (did not clarify whether gross or not).

#### Evaluation Committee

The City Manager, via Letter to Commission (LTC) No. 278-2008, appointed an Evaluation Committee ("the Committee") consisting of the following individuals:

- Ada Llerandi, Resident and former Chair of the Cultural Arts Council
- Alan Randolph, North Beach Resident
- David Phillips, CFO of the New World Symphony
- Eric Lawrence, North Beach Resident
- Joyce Meyers, Principal Planner, Planning Department
- Daniel Veitia, North Beach Resident
- Sol Genet, Vice-President of the Cultural Arts Council

On November 11, 2008, the Committee convened and a quorum was attained. The Committee unanimously nominated Mr. Sol Genet as Chair of the Committee.

Max Sklar, Director of the Tourism and Cultural Development Department, addressed the Committee and provided general information on the scope of services. The Committee members were also provided with Performance Evaluation Surveys and a presentation from both proposers.

The following Evaluation Criteria was used to evaluate the proposers:

- 1) Experience and qualifications of the proposer – **20 points**
- 2) Experience and qualifications of proposer's key staff - **15 points**
- 3) Organization philosophy and approach to include the demonstrated ability to achieve the goals and objectives of the City, including the quality, suitability and sustainability of the program/concept within the community – **20 points**
- 4) Term sheet to include proposed revenue to the City – **18 points**
- 5) Staffing, operating and transition plan – **12 points**
- 6) Preliminary five-year pro forma, including capital pro forma (if applicable) – **15 points**

The Committee discussed their individual perceptions of the proposer's qualifications, experience, and competence, and ranked the proposals accordingly. The Committee

unanimously recommended to reject both proposals received and request the re-issuance of the RFP for the Management and/or Development of the Byron Carlyle Theater Complex. The Committee recommended that the new RFP should have more specific goals and establish a greater emphasis on the financial viability of the proposals. Additionally, they recommended that the City create a true partnership with the successful proposer selected through any subsequent RFP.

The following are comments provided by the evaluation committee members relative to each the proposers:

#### Kijik Multimedia

- Phase I looks good but financial viability is a concern. I love the Cinema Draft House but they don't have much experience.
- Aggressive and ambitious opportunity. They will need to find a funding partner. Exciting idea but I question the demand.
- Solid estimate of capital and operating costs but revenue assumptions are not supported.
- Financial documentation needs to be further explored.
- Presenter underestimated cost to operate was the ongoing concern of concept of phase one completion. There was no assurance of how presenter will be able to financially complete phase III of project and sources of how they will complete phase I. I seriously doubt the organization's ability to develop this project based on their lacking development experience.
- Staff also identified that the proforma does not include any debt service costs likely required if financing is obtained for the redevelopment.

#### Miami Hispanic Ballet

- The objective is terrific and the city of Miami Beach would be hugely benefited by this project. However, serious concerns as to financial preparation for this proposal; financial viability is a concern.
- Unique idea, a need for the Miami-Dade Community. Appears risky financially for the City of Miami Beach. No future revenues for the City proposed.
- No term sheet was provided. Significantly underestimated capital and operating costs.
- Excellent cultural organization but not sufficient experience, in capital cost and operational cost of a building.
- No revenue was proposed to the City. It is also very low and based only on box office.
- Culturally, this presenter would be absolutely wonderful for the community but I have very little confidence in the organization's ability to develop facility to code or ability to sustain their funding levels from private/public sources. They have very little financial acumen (at least as evidenced by their presentation)

The highest score given to either proposer was 70. Each proposer was potentially able to receive a total of 700 points. Kijik received the most with 390 or 55% of all available points and Miami Hispanic Ballet received 371 or 53% of all available points. Kijik received 4 first place votes and 3 second place votes, and Miami Hispanic Ballet received 3 first place votes and 4 second place votes. A copy of the scores is attached for your reference.

**CONCLUSION**

The consideration to privatize the Byron Carlyle Theater Complex was the subject of much consideration by members of the City Commission. The evaluation committee failed to unanimously recommend a proposer, and the low scores for both proposals, and comments provided by the evaluators, support their recommendation to reject both proposals and re-issue an RFP. The Administration is seeking further direction from the Finance and Citywide Projects Committee on whether or not the City should re-issue another RFP for the management and development of the Byron Carlyle Theater.

<b>RFP# 39-07/08 MANAGEMENT AND/OR DEVELOPMENT OF THE BYRON CARLYLE THEATER COMPLEX</b>	Ada Llerandi	Alan Randolph	David Phillips	Eric Lawrence	Joyce Meyers	Daniel Veitia	Sol Genet	<b>TOTALS</b>	<u>LOW AGGREGATE TOTALS</u>
KIJIK MULTIMEDIA	63(1)	22(2)	70(1)	44(2)	69(1)	54(2)	68(1)	390	10
MIAMI HISPANIC BALLET	55(2)	48(1)	60(2)	57(1)	38(2)	55(1)	58(2)	371	11

<b>RFP No. 39-07-08</b>	(#s 1)	(#s 2)
KIJIK MULTIMEDIA	4	3
MIAMI HISPANIC BALLET	3	4

<b>RANKING ORDER</b>
KIJIK MULTIMEDIA
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## COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee  
FROM: Jorge M. Gonzalez, City Manager  
DATE: March 10, 2009  
SUBJECT: **Little Stage Theater Complex Basis of Design Report**

The Draft Basis of Design Report (BODR) for the Little Stage Theater Complex has been completed and is attached for your review and consideration.

### **ANALYSIS**

#### **Neighborhood**

The Little Stage Theater Complex (the Project) is part of the 21<sup>st</sup> Street Community Center. It is located west of Washington Avenue, east of Convention Center Drive, north of the Miami Beach Convention Center, south of Dade Boulevard on a tract of land along the Collins Canal. On the southeastern portion of the site, along Washington Avenue, is the Parks and Recreation Center, which houses the main offices of the Parks and Recreation Department. The Community Center site is zoned "CCC"- Convention Center District, and is part of the City Center Neighborhood.

#### **Project Description**

The anticipated improvements consist of the following:

- Renovation of existing Carl Fisher Clubhouse and Acorn (Little Stage) Theater
- Demolition of existing bandshell facility
- New Theater Pavilion
- New Theater Plaza
- New Central Plaza
- New Parks Facility Pavilion
- New Canal Promenade
- New Boat Dock
- New Cultural Skate Plaza
- New West Entrance Plaza
- New landscaping
- New irrigation
- New site lighting

### **BACKGROUND**

The Project is comprised of the Carl Fisher Clubhouse, the Little Acorn Theater, the bandshell (proposed to be demolished), and adjacent site areas, including a pedestrian path running east-west through the site, along the Collins Canal, that will eventually become part of the Miami Beach Atlantic Greenway Network (Greenway). The Greenway will provide a safe route for pedestrians and bicycles, and is seen as an opportunity to bring people to the site.

The Carl Fisher Clubhouse, designed by August (Gus) Geiger, is one of the oldest buildings still standing in the City. It was built in 1916 / 1917, as part of Carl Fisher's private executive golf course. In 1937, the Little Acorn Theater designed by Robert A. Taylor, was added to the site (often referred to as the "Little Stage"). The bandshell was later added to the site in the 1950s.

As per Resolution No. 83-17323, adopted on April 20, 1983, and City of Miami Beach Ordinance No. 84-2402, the 21<sup>st</sup> Street Community Center became a designated historic preservation site. The 21<sup>st</sup> Street Community Center includes all the above facilities as described in the background portion of this memorandum.

On June 8, 2005, Resolution No. 2005-25928, was approved, authorizing the issuance of Request for Qualifications (RFQ) for the historic preservation, restoration and/or rehabilitation of the Little Stage Theater and the Carl Fisher Clubhouse, demolition of the 21<sup>st</sup> Street bandshell, and potential recreational improvements adjacent to and/or part of the site. On June 27, 2005, RFQ No. 26-04/05 was issued. On October 19, 2005, the Mayor and the City Commission authorized the Administration to negotiate a professional services contract with Glavovic Studio Inc. (the Consultant), and on December 6, 2006, the City Commission authorized Resolution No. 2006-26387, approving and authorizing the Mayor and City Clerk to execute a professional services agreement in an amount not to exceed \$472,000, for architectural, engineering, and landscape architecture services for the master planning, design, bid and award, and construction administration services associated with the Project.

The Consultant's Notice to Proceed for the Planning Phase was issued on August 30, 2007, and the planning process has followed the standard project sequence, from Project Kickoff meeting to a Community Design Workshop (CDW) held on July 22, 2008. It is important to note that upon concluding the CDW no consensus was reached and the attendees expressed the desire to have the following items further addressed:

- Re-evaluate proposed multi-function characteristics of skate plaza component;
- Re-evaluate size of the proposed skate plaza;
- Consult skate boarding community and/or reputable skate boarding consultant during the design of the skate plaza component to ensure a successful layout;
- Street boarding is only one type of skate boarding activity appropriate for the proposed skate plaza component; however, consider alternate locations for a professional facility to serve all other forms of skate boarding;
- Consider noise factor from adjacent streets when designing spaces particularly activities along Washington Avenue; and
- Consider the need for policing activities when designing spaces

The draft BODR (see attached) proposes two (2) schemes; the following chart depicts the new and/or renovated proposed facilities:

	<b>Scheme No. 1</b>	<b>Scheme No. 2</b>	<b>Remark</b>
Renovation of Carl Fisher Clubhouse	x	x	
Renovation of Little Stage Theater	x	x	
Theater Pavilion	x	x	Smaller in Scheme No. 1
Theater Plaza	x	x	
Central Plaza	x	x	Smaller in Scheme No. 1
Parks Facility Pavilion	x		
Canal Promenade	x	x	
Boat Dock	x	x	
Cultural Skate Plaza	x	x	Smaller in Scheme No. 2
West Entrance Plaza	x	x	Smaller in Scheme No. 2

Scheme No. 1 adds approximately 25,000 square feet (SF) of land area to the original project site limits, shown in Scheme No. 2.

During the planning phase, it became evident that if the site's property limits were expanded slightly to include adjacent land area, currently underutilized and located along the south property line, it would expand the view corridors into the site, would provide for a better integration of the proposed improvements with its existing neighbors, and would enhance the potential programming and vitality of the site.

The additional land area includes:

- Existing Parks and Recreation Center's courtyard area
- Land area immediately west of the Parks and Recreation Center's existing courtyard (between courtyard and Miami Beach Convention Center's loading dock parking area). A new Parks Facility Pavilion is proposed to be located in this area
- A 30-foot land area along its south property line connecting proposed Central Plaza to proposed pathway along Collins Canal (east – west connection) abutting the Miami Beach Convention Center loading dock parking area
- An area at the property's west entrance from Convention Center Drive – allowing for a more visible entrance

### **Carl Fisher Clubhouse**

#### ***(Scheme No. 1 and No. 2)***

The Carl Fisher Clubhouse consists of the historical renovation of the existing facility including a clubhouse terrace area facing the Collins Canal (recreating the facility's historical connection with the canal).

On October 17, 2007, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) No. 03-07/08 for the Use of the Carl Fisher Club House for Cultural Programming for the Residents of the City of Miami Beach. Shortly after the recommendation to issue the RFP was made, it was determined that certain repairs would be necessary before the facility could be formally offered for use for new programming of an extended period of time. The City then decided to upgrade the existing Carl Fisher Clubhouse, remaining in operation, to meet minimum ADA and Life Safety code requirements, prior to the Project's full development. These limited improvements were funded from previously appropriated funds for this Project and were coordinated with the Consultant for compatibility with the Project's future development. Since the Project was only in the Planning Phase, only a limited amount of construction funds were previously appropriated; therefore, in order to fund these improvements, \$50,000 was transferred from the previously encumbered construction administration services of the professional services agreement. These are to be replaced once additional funding for construction becomes available for the Project, should the City Commission decide to proceed with the Project as proposed in the draft BODR.

To date, these Capital improvements have cost approximately \$141,000. Additionally, the contractor performing these improvements encountered field conditions outside the scope of the original work order that need to be added, resulting in additional costs, currently estimated at \$50,000. These include, but are not limited to, the size and location of existing plumbing lines affecting the point of connection to the new restrooms, existing floor wood framing conditions, and clearance space above the ceiling areas affecting distribution of the mechanical ductwork system and location of restroom new exhaust fans. Approximately \$35,000 is currently available from the Project's contingency to partially pay for these unforeseen conditions; however, additional funds may need to be transferred from the previously encumbered professional services agreement to be replaced once additional funding for construction becomes available for the Project.

## **Little Stage Theater (Little Acorn Theater)**

### ***(Scheme No. 1 and No. 2)***

The interior renovation provides for 80 new seats (net increase of five new seats). Interior improvements include sliding acoustical panels in front of the windows for light and acoustic control. The public restrooms are proposed to be located on the north side and the theater stage on the south side for a connection to a new proposed support facility (Theater Pavilion).

On December 10, 2008, in response to the community's interest to have the Little Stage Theater building in operation as a viable venue, also prior to the Project's full development, the City Commission adopted Resolution No. 2008-26945, approving and authorizing the Administration to proceed with limited upgrades to the existing facility, as a maintenance project through the City's Property Management Division, and further approved and authorized up to \$25,000 to fund for these upgrades from the previously appropriated professional services portion of the project, with funds previously appropriated from the City Center RDA Capital Fund No. 365, instead of appropriating additional funds. Since these funds are already encumbered for the Consultant for the Project, the Consultant's Blanket Purchase Order (BPO) will be reduced accordingly. Should the City Commission decide to proceed with the proposed Project, these funds may need to be replaced once additional funding for the Project becomes available for construction.

## **Theater Pavilion**

***(Smaller in Scheme No. 1; public restrooms may be located in proposed Parks Facility Pavilion, proposed in Scheme No. 1, instead of at the Theater Pavilion – reducing total square feet)***

The concept design proposes a new pavilion building to the south of the Little Stage Theater, where support and dressing rooms are to be located. The new theater pavilion building is proposed to be designed with movable exterior panels allowing for an outdoor theater space. The new theater pavilion provides an opportunity to reintroduce programs that may have been conducted in the existing bandshell slated to be demolished. Public restrooms are also included as part of the proposed facility; however, if the new proposed Parks Facility Pavilion in Scheme No. 1 is approved, these may be located in that facility, reducing the total square feet for proposed Theater Pavilion.

## **Theater Plaza**

***(Scheme No. 1 and No. 2)***

The Theater Plaza is a new active and passive space to re-energize the front of the Little Stage Theater creating a forecourt with possibilities of outdoor performance space and art installations. Contemplative gardens give prominence to the Little Stage Theater, and an arbor of evergreen trees provides a well landscaped view from Washington Avenue and a resting area in the urban landscape. The arbor of evergreen trees also substantially reduces sound in the area from adjacent streets and improves upon the concerns of global warming in urban areas.

## **Central Plaza**

***(Smaller in Scheme No. 2)***

The reconfigured plaza ties together all buildings. In Scheme No. 1, it includes a sloped amphitheater lawn area rising several feet above grade and the existing Parks and Recreation's courtyard.

## **Parks Facility Pavilion**

### ***(Scheme No. 1 only)***

A new support facility building located west of the existing Parks and Recreation courtyard. This building provides potential concession opportunities that could significantly enhance the site experience, and will also provide for a landscaped buffer between the courtyard and the Miami Beach Convention Center loading dock.

## **Canal Promenade**

### ***(Scheme No. 1 and No. 2)***

A new improved pedestrian path, proposed along Collins Canal, will provide a safe link to the surrounding community. The proposed design creates a series of unique spatial environments. A difference in site elevation allows for a separation between the buildings and pathways.

## **Boat Dock**

### ***(Scheme No. 1 and No. 2)***

This is an important north-south connection to the Central Plaza. It activates the space between the Carl Fisher Clubhouse and the Little Stage Theater. It also reemphasizes the historical connection between the site and the Collins Canal.

## **Cultural Skate Plaza**

### ***(Smaller in Scheme No. 2)***

A multi-purpose plaza where, depending upon the programming needs, an outdoor cultural performance, a theater troupe, or skate boarding activities could take place. The added land provided for in Scheme No. 1, allows for the cultural skate plaza to be located further away from the historical Carl Fisher Clubhouse, and for better plaza configuration enhancing programming possibilities. The proposed design has also taken into consideration design features that would help alleviate concerns with the adjacency of the skate plaza and the historic structures, such as landscaping and surface materials.

In response to inquiries from the skate boarding community, the City of Miami Beach commissioned Glavovic Studio, Inc., in April 2005, to perform planning services associated with a site feasibility study for a skate plaza to be located at the site. The study included a comprehensive site analysis that determined a program containing a skate plaza would be compatible with this site and its environment.

## **West Entrance Plaza**

### ***(Smaller in Scheme No. 2)***

The proposed concept provides for an improved entrance to the site from the west and an area for potential native plantings, providing a learning experience and potential connection to the neighboring Botanical Garden.

**COST / BUDGET INFORMATION**

The estimated construction budgets for the proposed schemes, at this conceptual level are shown in the table below. These include estimated design development and escalation factor to 2009, contractor's general condition, overhead and profit, and insurance / bond.

<b>Proposed Schemes</b>	<b>Estimated Construction Cost (\$)</b>
Scheme No. 1	6,004,075
Scheme No. 2	5,559,998

Based on the estimated construction budget above, the overall project budget is estimated to increase as indicated below. These budget increases are in addition to the previously appropriated funds and are currently unfunded. The additional costs for Art in Public Places (AiPP), Construction Management, Contingency, and Equipment are customarily added to Capital Improvement Projects budgets.

<b>Scheme No. 1</b>	<b>Estimated Project Costs (\$)</b>
Art in Public Places (1.5% of const.)	91,561
Construction Mgmt. (4.8% of total fund less AiPP)	380,635
Construction	6,004,075
Contingency (20% of const. for exist. facilities)	1,170,815
Design & Engineering	150,000
Equipment	125,000
<b>Estimated additional total</b>	<b>7,922,086</b>

<b>Scheme No. 2</b>	<b>Estimated Project Costs (\$)</b>
Art in Public Places (1.5% of const.)	84,900
Construction Mgmt. (4.8% of total fund less AiPP)	352,656
Construction	5,559,998
Contingency (20% of const. for exist. facilities)	1,082,000
Design & Engineering	100,000
Equipment	125,000
<b>Estimated additional total</b>	<b>7,304,553</b>

The following funds were previously appropriated in Fiscal Year 2006 / 2007 from the City Center RDA Capital Fund, Fund 365:

<b>Little Stage Theater Complex</b>	<b>Previously appropriated (\$)</b>
Art in Public Places	-
Construction Mgmt.	7,200
Construction	100,000
Contingency	50,000
Design & Engineering	472,672
Equipment	7,328
<b>Grand Total</b>	<b>637,200</b>

The following funds are proposed as future funding beyond Fiscal Year 2013 in the Capital Budget:

<b>Little Stage Theater Complex</b>	<b>Proposed Future Funding (\$)</b>
Art in Public Places	85,800
Construction Mgmt.	352,392
Construction	5,620,000
Contingency	1,117,000
Design & Engineering	-
Equipment	125,000
<b>Grand Total</b>	<b>7,300,192</b>

Once the draft BODR is approved by the Finance & Citywide Projects Committee (FCWPC), it will be then distributed to the appropriate City departments for their review. The department's comments will then be reviewed by the Consultant and incorporated, as applicable, into the final BODR. The final BODR will then be presented to the City Commission for official adoption.

#### **CONCLUSION AND/OR RECOMMENDATIONS**

The Administration seeks the Committee's approval on the draft BODR for the Little Stage Theater Complex Project and a recommendation on the additional required funding appropriation.

Attachment:

1. Glavovic Studio, Inc., Little Stage Theater Complex Basis of Design Report dated 9/05/08 draft

  
JMG/TH/FHB/JCC/MGP/NM

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# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

## COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Jorge M. Gonzalez, City Manager

DATE: March 10, 2009

SUBJECT: **REPORT OF CURRENT SPACE UTILIZATION BY, AND PROPOSED SPACE ALLOCATION PLANS FOR, CITY DEPARTMENTS WITHIN CITY-OWNED FACILITIES**

### BACKGROUND

The Finance and Citywide Projects Committee (F&CPC), during its November 5, 2008 meeting, requested that the Administration report back with the City's overall plan for space occupied by City staff and a historical analysis of space used.

While data, documentation and/or institutional history quantifying past space usage was limited, the Administration has incorporated whatever information was available where relevant. Therefore, the primary focus of this memorandum is to delineate the current and future programmed/proposed space allocation/relocation plans for various City-owned facilities and their occupants. The following analysis shall serve to summarize current and proposed space utilization, and highlight those facilities and space plans that require F&CPC action. Specifically, the analysis includes a summary of the building's characteristics, a chart depicting floor-by-floor assignments, and detailed explanations of planned space allocation changes. In addition, when direction from the Committee is requested/required, it is also noted. It is important to point out that space allocations are impacted by the costs associated with the move. As such, some programmed changes may be delayed pending the identification of funds to facilitate the move.

This memorandum does not include office spaces in City facilities, such as parks offices, storage yards, etc., where no changes are currently foreseen. Those spaces are typically not spaces accessible to the general public. A copy of all City-owned buildings can be provided, if requested.

### ANALYSIS

#### City Hall – 1700 Convention Center Drive

The City Hall Building is a 4 story structure totaling 73,084 square feet (SF) of usable office space. The following is a floor by floor summary of current space allocations and future space needs:

1st Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
City Clerk	3,387	3,387	3,387
Central Services	1,255	1,255	1,255
Finance-Cashier	201	201	201
Answer Center	386		
Community Services		386	
Miami Beach Historical Archive *			386
Finance- Licensing	605	605	

Community Services			573
Building - Service Counter			32
Employee Lounge	507	507	507
County Commissioner	287	287	287
Pension	1,351	1,351	1,351
I.T. - Large Conference Room	1,966	1,966	
Large Conference Room			1,966
<b>FLOOR TOTALS</b>	<b>9,945</b>	<b>9,945</b>	<b>9,945</b>

2nd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Planning & Zoning - Adm.	1,205	1,205	1,205
Planning & Zoning - Staff	4,642	4,642	4,642
Tel., Elec. & Equip. Room	328	328	328
Building Department	10,575	10,575	10,575
City Clerk File Room	241	241	241
<b>FLOOR TOTALS</b>	<b>16,991</b>	<b>16,991</b>	<b>16,991</b>

3rd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Finance	5,995	5,995	5,995
OBPI	3,408	3,408	3,408
Human Resources Dept.	2,711	2,711	2,711
HR Conference Room	555	555	555
Procurement	1,536	1,536	1,536
Real Estate, Housing & Comm. Dev.	1,127		
Building	0	1,127	1,127
Building Dept.	2,384	2,384	2,384
Commission Chamber	2,313	2,313	2,313
<b>FLOOR TOTALS</b>	<b>20,029</b>	<b>20,029</b>	<b>20,029</b>

4th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
City Manager Offices	6,523	6,523	6,523
Public Works	6,218	6,098	6,098
Tel., Elec. & Equip. Room	468	468	468
Vacant - Labor Relations	428		
Community Services		428	
Vacant / TBD			428
Community Outreach	116	236	236
City Attorney's Offices	6,606	6,606	6,606
Mayor & Commission Offices	5,760	5,760	5,760
<b>FLOOR TOTALS</b>	<b>26,119</b>	<b>26,119</b>	<b>26,119</b>

\* Requested

The Administration is implementing the following changes in space allocation for the City Hall building:

1<sup>st</sup> Floor: Temporary relocation of half of the Community Services function from the 555 Building to the old Answer Center space (386 SF) on the ground floor,

and the remaining half of the staff to the space previously occupied by Labor Relations (428 SF) on the 4<sup>th</sup> floor. The Elderly Services Coordinator would be placed at the ground floor to assist seniors.

The Finance Department's License function will relocate to the ground floor of the MPPF in March 2010. The counter space (approximately 32 SF) vacated by Licensing will be utilized by the Building Department, while the remaining 573 SF will be used to relocate and consolidate Community Services from the temporary Answer Center and Labor Relations spaces. Future programmed use of the Answer Center after vacation by Community Services has not been decided, but use by the Miami Beach Historical Archive has been discussed (build-out at the expense of the Association).

The 1<sup>st</sup> floor conference room is currently being used by I.T. staff that was relocated during the rehabilitation of Historic City Hall. This staff is programmed to move to the new MPPF, making the space again available for meetings and, most importantly, for Elections. As you are aware, this space was used frequently for committee and community meetings.

2<sup>nd</sup> Floor: The majority of space re-allocation over the past several years has mostly been limited to the 2<sup>nd</sup> floor of the City Hall building. Previous changes have included the redesign and redistribution of space utilized by the Building and Planning & Zoning (P&Z) Departments, in order to comply with City Commission directives and to better satisfy consumer service needs. There are no plans affecting P&Z.

3<sup>rd</sup> Floor: The Building Department requires space on the 2<sup>nd</sup> floor to accommodate its "electronic plans review" stations that utilize two 30" computer screens, as well as drafting tables for reviewing large plans. Building is programmed to relocate 24 inspectors and 5 administrative support staff to the 3<sup>rd</sup> floor space previously occupied by Housing & Community Development. Additionally, the Building Department is also programmed to relocate to the adjacent offices currently occupied by the functions formerly known as RDA and Asset Management (now part of Real Estate, Housing & Community Development) upon relocation of those functions to the 555 Building.

4<sup>th</sup> Floor: Use of available space on this floor has been addressed in the 1<sup>st</sup> floor space plan above. In addition to that plan, one Community Outreach employee will be relocated to an adjacent space currently occupied by a Community Outreach staff member. The space that will become vacant by the relocation of Community Services to the 1<sup>st</sup> floor has been requested by the City Attorney's office, and Public Works.

**Action Required:** The Administration is requesting that the Committee provide direction and authorization to pursue negotiations with the Miami Beach Historical Archive for use of the 1<sup>st</sup> floor Answer Center space in the event the space becomes available in the future, with all build-out costs to be funded by the Association.

777 Building – 1701 Meridian Avenue:

The 777 Building is a 5 story structure with 5,655 SF of ground floor commercial retail space and 15,988 SF of office space totaling 21,643 SF of usable space. On January 30, 2002, the City Commission adopted Resolution No. 2002-24734 approving the acquisition of the property located at 1701 Meridian Avenue (777 Building). The purchase allowed the City to secure the final lot on the City controlled block and gain an asset, instead of paying ongoing

rent for additional office space. It was anticipated that there would be a gradual transition to City office use, with the tenants providing sufficient revenues to cover acquisition and operating costs.

As part of the purchase, the City assumed responsibility over various leases. Currently five commercial tenants occupy space in the 777 Building. The following is a floor by floor summary of current space allocations and future space needs:

1st Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Credit Union	1,234	1,234	1,234
UNI K Wax Salon	1,297	1,297	1,297
Permit Doctor	1,754	1,754	1,754
Steve's Beauty Salon	1,370	1,370	1,370
<b>FLOOR TOTALS</b>	<b>5,655</b>	<b>5,655</b>	<b>5,655</b>

2nd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Vacant (former CIP space)	5,106		0
Fire Dept. - Prevention			4,381
Employee Wellness Center	0	725	725
<b>FLOOR TOTALS</b>	<b>5,106</b>	<b>725</b>	<b>5,106</b>

3rd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
CIP		5,943	5,943
<b>FLOOR TOTALS</b>		<b>5,943</b>	<b>5,943</b>

4th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Legislative Liaison Office	149	149	149
VCA	541	541	541
Doctor's Office	2,851	2,851	1,900
Fire Dept. - Rescue			951
SIU	2,183	2,183	
Fire Dept. - Administration			2,183
<b>FLOOR TOTALS</b>	<b>5,724</b>	<b>5,724</b>	<b>5,724</b>

5th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Communications	2,349	2,349	2,349
<b>FLOOR TOTALS</b>	<b>2,349</b>	<b>2,349</b>	<b>2,349</b>

The Administration is recommending specific action with regard to three leases in this building, and is implementing the following changes in space allocation for the 777 Building:

1<sup>st</sup> Floor: All space is leased commercially. Rents range from \$24.75 to \$32.55 PSF.

Roma Waxing, Inc. d/b/a Uni-K Wax Center

Roma Waxing has been a ground floor retail tenant at the 777 Building since October 1999. The most recent lease expired on November 30, 2008, and the Tenant remains on a month-to-month basis while the City developed its space plan. The Administration is proposing to enter into a new lease

agreement with Roma Waxing. Lease terms include an initial three years with one additional three-year renewal term. The new annual base rent would be \$27.48 PSF which represents a 3% increase over the current base rent of \$26.68. Retail leases for the 1701 Meridian building (1<sup>st</sup> Floor) are triple-net, Tenants are responsible for operating expenses, property taxes and insurance.

Damien J. Gallo & Associates, Inc. d/b/a Permit Doctor

On September 6, 2006, the City Commission approved Resolution No. 2006-26282 approving the assignment of a lease from Vidal Tan Soon, Inc. to the current Tenant. This ground floor lease is scheduled to terminate on April 14, 2009. The Administration is proposing to enter into a new lease agreement with Damien J. Gallo & Associates. Lease terms include an initial three years with one additional three-year renewal term. The new annual base rent would be \$25.49 PSF which represents a 3% increase over the current base rent of \$24.75. Retail leases for the 1701 Meridian building (1<sup>st</sup> Floor) are triple-net, Tenants are responsible for operating expenses, property taxes and insurance.

The other two ground floor commercial leases with Dade County Federal Credit Union (DCFCU) and Vanexa Enterprises Corp. d/b/a Steve's Hair Salon are not scheduled to expire until January 31, 2011 and July 31, 2011, respectively. However, DCFCU has approached the City inquiring about a possible reduction of its rent and operating expenses, and/or an early termination of its lease. Discussions between the City and DCFCU are still ongoing and not yet finalized. At the appropriate time, the Administration will report back to the Committee with its recommendations for the Committee's input.

It is the Administration's recommendation that the four ground floor commercial spaces remain as such in order to preserve and maintain the pedestrian character of the linkage between Lincoln Road Mall and the Civic/Convention Center area.

2<sup>nd</sup> Floor: There is approximately 5,106 SF of space available previously occupied by the CIP Office prior to its relocation to the entire 3<sup>rd</sup> floor of the 777 Building.

On October 11, 2006, the City Commission adopted Resolution No. 2006-26344, approving a lease agreement between the City, as Tenant, and Meridian Center, LLC, as Landlord, of approximately 8,300 SF in the building located at 1680 Meridian Avenue, for use as administrative offices by the Miami Beach Fire Department pending the completion of the Fire Administration offices at Station 2. It is anticipated that rehabilitation of Station 2 will not be completed until late 2011. The three year lease costs the City approximately \$257,300 annually and is scheduled to expire on January 31, 2010. In anticipation of the expiration, the City is proposing to temporarily relocate the Fire Department's administrative offices and Fire Prevention Unit to the 777 Building. The entire Fire Prevention Unit would be relocated to approximately 4,381 SF of the available space on the 2<sup>nd</sup> floor, with the remaining 725 SF converted into an employee wellness center with appropriate facilities. The balance of Fire administrative staff would be relocated on the 4<sup>th</sup> floor.

As the 2<sup>nd</sup> floor space was recently occupied, it is estimated that only basic

refurbishment work is needed to make the 2<sup>nd</sup> floor offices habitable for the Fire Department. Taking into account any refurbishment and moving costs associated with this proposed relocation, the City still anticipates a savings of more than \$185,000 in the first year alone when compared to the continued rental of private office space. The City has explored the possibility of an early termination of the existing lease agreement, but the landlord has rejected the request citing cost of improvements. Additional space needs for the Fire Department are reflected in the 4<sup>th</sup> floor summary.

3<sup>rd</sup> Floor: No changes proposed. Currently occupied by C.I.P.

4<sup>th</sup> Floor: Raben, Feldman & Associates d/b/a Lawrence Feldman, M.D., P.A.  
Dr. Feldman has been a Tenant on the 4<sup>th</sup> floor of the 777 Building since 1994. His lease for the use of 2,851 SF of office space expired on February 28, 2009; a month-to-month extension is in place pending the Finance Committee's meeting. The Tenant is desirous of remaining in the Building but is requesting to reduce the leasable square footage (by a yet to be determined amount), while agreeing to pay a market rate of \$35.00 PSF (which includes rent and operating expenses) comparable to other commercial properties in the area (the Tenant currently pays well below market rate). The Administration and Tenant are currently discussing renewing the lease subject to negotiation of the previous terms. Staff proposes utilizing the space vacated by the doctor for the temporary relocation of a portion of the Fire Department from its current location at 1680 Meridian Avenue.

In addition to the office space proposed to be vacated by Dr. Feldman, approximately 2,183 SF of office space is currently occupied by Miami Beach Police SIU Division. SIU was relocated to the 777 Building from Historic City Hall to accommodate Historic City Hall's renovations. SIU is programmed to be relocated to the former South Shore Library building once the current occupant, the offices of the Miami Dade County Clerk of the Courts, relocates back to its newly renovated leased space on the 2<sup>nd</sup> floor of Historic City Hall. This new location will better accommodate the unique operational needs of SIU, while bringing a Police presence south of fifth. Funding to accommodate that move is being identified and as such this may not occur until next fiscal year. Fire Rescue and Administration staff relocated from 1680 Meridian Avenue will move into this vacated space.

The Administration recommends that any future commercial leases (including renewals and/or extensions) for use of space at the 777 Building be handled as it is in the private sector and not through a competitive bid process. The Administration would market available space and would ensure that market rates are negotiated and operating expenses included. All resulting leases would require City Commission approval. Additionally, it is recommended that space vacated by Fire on the 2<sup>nd</sup> and 4<sup>th</sup> floors once they move in late 2011 be made available for market leasing.

**Action Required:** The Administration is requesting that the Committee approve the noted proposals and recommendations relating to the leasing of the three commercial spaces with expiring lease terms on the 1<sup>st</sup> and 4<sup>th</sup> floors of the 777 Building.

#### Multi Purpose Parking Facility (MPPF)

The MPPF is a parking structure with a five story office component currently under construction west of the City Hall Building. The Administration anticipates that the build-out

of the office portion of the facility will be completed and ready for occupancy between March and April 2010. The following is a floor by floor summary of the programmed functions and/or users:

1st Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Parking - Coin Room			2,000
Finance - Cashier			3,000
Finance - Licensing			1,232
I.T. - Storage			410
<b>FLOOR TOTALS</b>			<b>6,642</b>

2nd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Parking - Administration			5,846
<b>FLOOR TOTALS</b>			<b>5,846</b>

3rd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Confer. Rooms / I.T. Training Rm.			5,846
<b>FLOOR TOTALS</b>			<b>5,846</b>

4th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
I.T.			5,815
<b>FLOOR TOTALS</b>			<b>5,815</b>

5th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
I.T.			2,925
Tourism & Cultural Development			2,925
<b>FLOOR TOTALS</b>			<b>5,850</b>

**1<sup>st</sup> Floor:** The first floor is intended to serve as a central point for customers to address various financial transactions with the City. Primary cashier functions will be located here, allowing for a "one-stop" approach for payment of utility bills, parking tickets, business tax receipts and resort tax.

First floor space includes the relocation of the Parking Department coin room from its current leased location on the 1<sup>st</sup> floor of the Palm Court building, as first floor access is essential for this function.

The Finance Department is relocating its business tax receipt functions from its current location on the 1<sup>st</sup> floor of City Hall, in addition to a new cashier's office.

**2<sup>nd</sup> Floor:** This floor will house the Parking Department's administrative and staff offices relocated from their current leased location on the 2<sup>nd</sup> floor of the Palm Court building. As you are aware, the City Administration recommended, and the City Commission approved, a lease extension for the office space currently used by the Parking Department. This extension included no-penalty early termination provisions to allow for the Parking Department to move to the MPPF as the space is completed. As you may recall, due to the build-out required to accommodate Parking at their current leased location (coin

room), and the costs associated with a move, a temporary relocation pending completion of the MPPF was not recommended.

3<sup>rd</sup> Floor: This floor is currently programmed for conference rooms and the relocation of the I.T. training room from Historic City Hall. The conference room space will address recurring issues with large meeting space availability for the myriad of City advisory boards and other groups. The I.T. training room is currently programmed at Historic City Hall pending completion of this space.

4<sup>th</sup> Floor: Relocation of the I.T. Department's operation from its current location on the 4th floor of the Police Department building.

5<sup>th</sup> Floor: Relocation of the I.T. support staff from its current location in the 1<sup>st</sup> floor conference room of City Hall.

Relocation of Tourism and Cultural Development function from its current location in the 555 Building, placing this department closer to the cashier for payment of special event, film and sampling permit fees.

**Action Required:** None.

555 Building – 555 17<sup>th</sup> Street

The 555 Building is a one story structure totaling 9,490 SF of usable office space. The following is a summary of current space allocations and future space needs:

1st Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Code Compliance	4,294	4,294	4,971
Community Outreach		677	
Community Services	677		
Homeless Outreach Prog.	676	676	
Real Estate, Housing and Community Development	2,023	2,023	2,699
Tourism & Cultural Dev.	1,820	1,820	
Real Estate, Housing and Community Development			1,820
<b>FLOOR TOTALS</b>	<b>9,490</b>	<b>9,490</b>	<b>9,490</b>

Community Services currently shares space with the Homeless Outreach Program as well as in space in the Real Estate, Housing and Community Development area (REH&CD). Staff for Elderly Services, Truancy Prevention and Success University (including interns) will be relocated as previously delineated in the City Hall section of this memo. Upon relocation of Community Services, Real Estate, Housing & Community Development (REH&CD) will temporarily relocate its remaining functions from the 3<sup>rd</sup> floor of the City Hall building to the space vacated by Community Outreach to facilitate the Building Department's space needs. Upon relocation of Tourism and Cultural Development (TCD) to the MPPF in March 2010, REH&CD is programmed to expand into TCD's vacated space and absorb the Homeless Outreach Program into its space, as well as accommodate the required filing and storage needs resulting from the federal and state funded programs. This would provide Code Enforcement room to expand and better accommodate its staff and equipment needs, which exceed the space they currently occupy.

**Action Required:** None.

Police Department – 1100 Washington Avenue

The Police Department headquarters building is a four story structure totaling 100,000 SF of usable office space. The following is a summary of current space allocations and future space needs:

1st Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Police	23,185	23,185	23,185
Credit Union / ATM	198	198	198
Community Mtg. Room	1,617	1,617	1,617
<b>FLOOR TOTALS</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

2nd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Police	25,000	25,000	25,000
<b>FLOOR TOTALS</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

3rd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Police	25,000	25,000	25,000
<b>FLOOR TOTALS</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

4th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Police	18,800	18,800	18,800
Police - Internal Affairs	0	0	1,462
IT - Administration	4,750	4,750	3,288
IT - Server Staff	1,450	1,450	1,450
<b>FLOOR TOTALS</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

1<sup>st</sup> – 3<sup>rd</sup> Floors: No changes proposed.

4<sup>th</sup> Floor: The I.T. Department's administrative staff will be relocated to the fourth floor of the MPPF building in March 2010. Upon vacation of approximately 1,462 SF of office space, the Police Department's Internal Affairs Division (IA) will relocate from its current location in the N.E.S.S. Building located at 6840 Indian Creek Drive. Other police functions remain at that location. A request for use of vacant space was made by the State Representative and could be accommodated at this location once IA moves.

Miami Beach Police (RDA) Community Sub-station – 210 2<sup>nd</sup> Street

This building is a one story structure totaling 224 SF of usable office space located within a portion of Washington Park. The current function is anticipated to relocate in March of 2010 or 2011 as space becomes available at either Police headquarters of the 777 Building. At this time no future proposed use has been determined. However, the Environmental Coalition of Miami Beach (ECOMB), a not-for-profit entity, has expressed interest in occupying the space should it become available.

**Action Required:** The Administration is requesting that the Committee approve the recommendation relating to the leasing of commercial space to not-for-profit entities.

Historic City Hall – 1130 Washington Avenue

Historic City Hall is an eight story structure with 5,423 SF of first floor commercial retail space and 16,042 SF of office space totaling 21,465 square feet (SF) of leasable space that

has recently undergone a \$7.2 million renovation. The following is a floor by floor summary of current space allocations and future uses:

1st Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
MDPL	2,663	2,663	0
Vacant	2,760	2,760	5,423
<b>FLOOR TOTALS</b>	<b>5,423</b>	<b>5,423</b>	<b>5,423</b>

2nd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Clerk of Courts	2,660	2,660	2,660
Dade County Court	3,577	3,577	3,577
<b>FLOOR TOTALS</b>	<b>6,237</b>	<b>6,237</b>	<b>6,237</b>

3rd Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
IT Training Room	716	716	
Vacant	933	933	1,649
<b>FLOOR TOTALS</b>	<b>1,649</b>	<b>1,649</b>	<b>1,649</b>

4th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Vacant	1,658	1,658	1,658
<b>FLOOR TOTALS</b>	<b>1,658</b>	<b>1,658</b>	<b>1,658</b>

5th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Vacant	1,658	1,658	1,658
<b>FLOOR TOTALS</b>	<b>1,658</b>	<b>1,658</b>	<b>1,658</b>

6th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Vacant	1,658	1,658	1,658
<b>FLOOR TOTALS</b>	<b>1,658</b>	<b>1,658</b>	<b>1,658</b>

7th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Vacant	1,658	1,658	1,658
<b>FLOOR TOTALS</b>	<b>1,658</b>	<b>1,658</b>	<b>1,658</b>

8th Floor Occupant	Space Usage as of 10/01/08	Estimated Space Needs in 07/01/09	Estimated Space Needs in 03/01/10
Vacant	1,524	1,524	1,524
<b>FLOOR TOTALS</b>	<b>1,524</b>	<b>1,524</b>	<b>1,524</b>

1<sup>st</sup> Floor: Miami Design Preservation League (MDPL) occupies the entire north side (2,663 SF) of the building's ground floor pursuant to a lease agreement. MDPL moved into this space to allow for the renovation of the 10<sup>th</sup> Street Auditorium, which they partially occupied. On December 12, 2007, the City Commission adopted Resolution No. 2007-26727, approving the lease on second and final reading, with a term (including renewal options) to expire on February 28, 2011. The Administration anticipates that upon completion of the 10<sup>th</sup> Street Auditorium renovation project in October of this year, MDPL

will request an early termination of their lease and request a new agreement(s) for use of the 10<sup>th</sup> Street location.

2<sup>nd</sup> Floor: Miami Dade County Clerk of the Courts uses the entire 2<sup>nd</sup> floor of the building pursuant to their March 19, 1991 lease. This lease does not have an expiration date. The Clerk's Office has begun vacating its temporary location in the old South Shore Library building and is expected to be completely relocated to their leased location in Historic City Hall by the end of March 2009. As previously explained, it is anticipated that the old South Shore Library property will be refurbished to accommodate the relocation of SIU from the 4<sup>th</sup> floor of the 777 Building, making space available to accommodate Fire Administration and avoid private lease expenses.

3<sup>rd</sup> Floor: Approximately 716 SF is programmed for use by I.T. for a training room until such time as they relocate to the MPPF building. This space was used as an I.T. training room prior to the Historic City Hall renovation and is wired for such. The balance of the floor remains vacant.

4<sup>th</sup> – 8<sup>th</sup> Floors: These floors are currently vacant.

As part of the City's space plan, the Administration has determined that, at this time, Historic City Hall is not needed for City office use and is recommending that the City proceed with the leasing of all available spaces (south side of the ground floor, east portion of the 3<sup>rd</sup> floor and all of floors 4 through 8). Upon vacation by MDPL of the ground floor space and relocation of the I.T. training room, currently in the west portion of the 3<sup>rd</sup> floor, to the MPPF in March 2010, the Administration recommends that those spaces also be leased for commercial use.

At the October 21, 2008 meeting of the Finance and Citywide Projects Committee, the Administration was given direction to proceed with advertising and marketing leasable space in Historic City Hall pending further discussion by the Committee on the City's overall space plan. The retail office market is soft at this time due to the current economy. Staff has used the following, traditional methods to market the availability of the space:

- LEASE sign on the building per code – two signs have been placed on the building on both street sides.
- E-flyer sent to the Business Listserv and posted on the City Website.
- Listing posted on Craigslist.
- Posted on LinkedIn.
- Posted on Loopnet.
- Listed on Property BBS.com - Commercial Property Listings for Sale & Lease by Owners or Realtors.
- Miami Beach Chamber of Commerce e-currents which reach 2,000 people and posted on their website.
- Miami Beach Bar Association e-flyer to all their members.
- Ad in the MB Magazine.

Additionally, our Economic Development staff is in the process of updating the City's Neighborhood Retail Gap Analysis to identify the best potential retail sectors and further identify specific companies within those sectors to target-market the space. Economic Development staff is also researching local businesses which may be close to outgrowing their existing spaces and may be recruited for the City's available space.

There is greater interest in the upper floor office space, with thirteen serious inquiries

resulting in two letters of interest.

There have been two parties interested in the first floor space, however, not for commercial/retail. A cultural institute currently in Coral Gables viewed the site but would not require the space for at least another year. The institute would need to grow into the north portion of the first floor when vacated by MDPL. Although this could be a long term tenant for the building and contribute to a cultural emphasis in the neighborhood, the space would remain vacant for at least a year and there is no guarantee the institute would receive the approvals from their authorizing body for this lease. Their current expiring lease term is well below retail lease rates. A video production company initially inquired about the first floor space, but followed up that their final plans did not match the space available. Most recently there was a phone inquiry by an agent representing a New York language school for the first floor space, also with the intent of phasing into the north portion after MDPL vacates the space. A follow up with the agent found that the space did not meet the needs of the school.

Based on our conversation with most potential tenants they have a need to secure space and move forward with tenant improvements in order to move from current month-to-month leases or impending termination of lease terms. If the City Commission waives competitive bidding and appraisals based on market rents (currently \$24-\$28 PSF) and assessments of comparables by staff, the earliest a tenant could occupy the space would be June, after a first and second reading by the City Commission.

Parking availability is an essential component to the ability for leasing space in the City of Miami Beach and in particular this area of South Beach. Initially, upon review of market listings, staff coordinated with the Parking Department the availability of one space per 1,000 SF. With each floor approximately 1,600 SF, the allowance for parking would be 1.5. This was a critical point for most potential tenants viewing the property. At the October 21, 2008 meeting of the F&CPC, staff was given direction to study the parking issue. It was determined that, based on Section 130.32 of the City Code, the office spaces would allow for one space per every 400 SF as would be required for a new building. The City would provide the availability of monthly passes at cost to the Tenant. This would result in approximately four spaces per floor (floors three to eight), and no loss of parking revenues.

The Administration recommends that the process of developing lease agreements based on supply and demand be utilized for the occupancy of these spaces for an initial term of three years with two (2) renewal options for three (3) years. The City would reserve the right to re-negotiate the Base Rent amount concurrent with the exercise of any renewal term, and lease terms would incorporate appropriate escalators. The Administration further recommends that any future commercial leases (including renewals and/or extensions) for use of space at Historic City Hall be handled as it is in the private sector and not through a competitive bid process. The Administration would ensure that market rates are negotiated and operating expenses included. All leases would require City Commission approval.

**Action Required:** The Administration is requesting that the Committee approve the above noted recommendation relating to the leasing of commercial space at Historic City Hall. Direction is requested on whether negotiated leases should be referred to the Finance and Citywide Projects Committee prior to placement on the Commission Agenda, as this process will result in at least one additional month of delay.

#### Other Buildings

City staff is located throughout the City in City-owned property. Minor adjustments to allocations occur as the need arises. For example, a portion of Ocean Rescue was temporarily relocated from South Pointe Park. They will be relocating back to South Pointe Park once that space is completed. As previously noted, office space in the buildings that

house the vast majority of government operations has been included; staff is also housed in locations or facilities where either public access is not possible (e.g. storage yards), or the space is used for direct services (fire stations, parks). A full report of all facilities is available and can be provided.

#### Space for Non-Profit organizations

The Administration is seeking policy direction as it relates to the future leasing of City-owned property to not-for-profit entities. The City has leased space to not-for-profits for various terms, ranging from the rental amount of one (\$1.00) dollar annually with no additional payments to the City for operating expenses, to \$1.00 annual rent plus Common Area Maintenance (CAM). Examples include MDPL, SoBe Music and Sunrise Community/Log Cabin Enterprises. The Administration is proposing that, at a minimum, not-for-profit entities be required to pay their proportionate share of operating expenses, including utilities. Currently, there is no readily identifiable vacant and usable space that can accommodate a non-profit that is not currently programmed for a City function or for market rate leasing or otherwise available in "move-in" condition. As referenced throughout the memo, there are space allocations currently planned for areas that have been requested by non-profits. There are also spaces currently programmed that may become available within the next 18-24 months. Direction would also be needed on whether to take office space available for market rate leases out of inventory for non-profits and, if in those circumstances, the not-for-profits should be charged below market, but reasonable rents.

#### CONCLUSION

The planned relocations are intended to address current space needs and future space requirements, minimize third party lease expenses for the City, and generate revenue whenever possible for the City. Our review indicates that by the end of 2011, most space requirements will be met and opportunities for market leases of additional City office space will exist.

#### RECOMMENDATION

The Administration recommends that the F&CPC review and approve the actions required as requested by the Administration.

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