

MIAMIBEACH

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: Jimmy L. Morales, City Manager

DATE: January 22, 2016

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for January 22, 2016, at 2:30 P.M. in the Commission Chambers.

The agenda is as follows:

NEW BUSINESS

1. **Discussion Regarding The Renewal Of The Agreement Between The City Of Miami Beach, And Clear Channel Outdoor, Inc. (F.K.A. Clear Channel Adshel, Inc.) To Construct, Operate And Maintain Bus Shelter Structures And Other Street Furniture Throughout The City, Pursuant To City Of Miami Beach Request For Proposals No. 107-99/00**

Jose Gonzalez – Transportation Director

2. **Discussion Regarding Incentivizing Local Theater in Miami Beach**

Max Sklar – Tourism, Cultural and Economic Director

John Woodruff – Budget and Performance Improvement Director

3. **Discussion Regarding Time Capsule 2066**

Djordje Milekic – Mayor and Commission Brand Manager

Finance and Citywide Projects Committee Meetings for 2016:

February 19

March 18

April 22

May 20

June 17

July 22

September 23

October 28

November 18
December 16

AW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: January 22, 2016

SUBJECT: **DISCUSSION REGARDING THE RENEWAL OF THE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, AND CLEAR CHANNEL OUTDOOR, INC. (F.K.A. CLEAR CHANNEL ADSHEL, INC.) TO CONSTRUCT, OPERATE AND MAINTAIN BUS SHELTER STRUCTURES AND OTHER STREET FURNITURE THROUGHOUT THE CITY, PURSUANT TO CITY OF MIAMI BEACH REQUEST FOR PROPOSALS NO. 107-99/00.**

This item was referred by Commissioner Kristen Rosen-Gonzalez and Commissioner Joy Malakoff to the Finance and Citywide Projects Committee at the December 9, 2015 City Commission meeting (item C4E).

BACKGROUND

In October 2001, an agreement between the City and Clear Channel Adshel, Inc. (herein after referred to as Clear Channel) was executed for Clear Channel to construct, operate and maintain bus shelter structures and other street furniture (bus benches, trash cans and bicycle racks) on the public Right-of-Way (ROW) throughout the City. The Agreement had an initial term of ten (10) years with an option to renew for an additional five (5) year term. The Agreement provides for commercial advertising on the bus shelter and revenue sharing with the City receiving an annual escalating percentage (currently at 30%). The Agreement stipulates installation of a minimum of 107 bus shelters at locations mutually agreed to by the City and Clear Channel.

On September 28, 2011, the City executed Amendment No. 1 to the Agreement between the City and Clear Channel which exercised the five-year renewal term provided for in the Agreement and additionally provided for a subsequent five-year term renewal option beyond October 31, 2016 at the City's discretion. Additionally, the Amendment required that Clear Channel submit a proposal detailing plans to develop and/or convert at least ten (10) bus shelters to LCD (interactive digital advertisement) technology.

On November 6, 2012, Clear Channel submitted an application to the Design Review Board (DRB) for approval of the proposed plans titled "City of Miami Beach Digital Bus Shelter and Free Standing Display Presentation", which presented modifications to the design of the bus shelters to accommodate digital advertisement. DRB provided feedback and continued the application, in order to allow the Historic Preservation Board (HPB) to also review the application and provide comments.

On November 20, 2012, the HPB denied the application, and further passed a resolution strongly

opposing any form of digital advertising on bus shelters located within historic neighborhoods.

On February 5, 2013, the DRB denied Clear Channel's application based on the resolution from the HPB and additional inconsistencies of the proposal with the board's design criteria.

On December 9, 2015, the City Commission discussed the potential renewal of the bus shelter Agreement. A motion was made to refer the item for discussion. However, during the discussion, the City Commission recommended issuing a competitive solicitation for a bus shelter program that would incorporate features enhancing the transit experience of passengers, including innovative designs.

ANALYSIS

Currently, Clear Channel maintains a total of 107 bus shelters, 180 benches, 50 bicycle racks and over 200 trash cans citywide and has met their contractual obligations.

The shelters consist of reinforced aluminum columns, glass panels on the rear and an origami style concrete roof. The shelters are exposed along the front and contain a double-sided Advertisement panel on one side. Ten (10) of these shelters were removed due to the Florida Department of Transportation reconstruction project between 5th Street and Lincoln Road. Clear Channel has indicated that all ten bus shelters should be back to original condition by end of March 2016.

During the initial term of the Agreement between the City and Clear Channel (Years October 2001-October 2011), Clear Channel provided approximately \$3,000,000 in revenue from advertising on bus shelters to the City. During the current term (September 2011 to date), Clear Channel has provided the City an average of \$600,000 in advertising revenue per year. This amount includes \$260,000 minimum annual guaranteed plus 30% net revenue sharing.

Clear Channel currently performs weekly maintenance of bus shelters, including removal of litter and weeds up to five feet around shelter, graffiti/sticker removal, and Flyer posting removal. It is important to note that the Transportation Department receives a minimal number of complaints regarding bus shelter maintenance and in the instances when complaints have been received, Clear Channel has acted promptly to address such complaints.

Although the Transportation Department has not received a significant number of complaints in regards to maintenance of bus shelters, significant feedback has been received regarding the inefficient design of the bus shelter design.

Based on feedback from the community and observations from staff, the following deficiencies regarding Clear Channel's bus shelter have been noted:

- Minimal protection from the elements – feedback has been gathered regarding the shelters not providing sufficient protection from sun and/or rain in particular.
- High cost of installation/removal – due to the current design (monolithic concrete roof structure and deep foundation), the installation or removal of the shelters becomes be very expensive, making it financially impractical for Clear Channel to promptly address requests for removal or installation of various shelters concurrently (as it was the case recently with Alton Road). The current cost of installation/removal for Clear Channel is nearly \$30,000 per shelter. For comparison purposes, Broward County pays nearly \$10,000 per shelter.
- No temporary shelter option during construction – currently, the Agreement does not provide an option to provide temporary facilities in the event a shelter is removed due to roadway

construction.

- Potential use of technologies for Intelligent Transportation Systems (ITS) and Transit – currently, the existing design does not incorporate any elements of real time/digital transit information that could be of substantial benefit to the general public and which are common in other parts of the Country. Although Clear Channel had previously submitted an application to the City’s Design Review Board (DRB) for modification to the current shelter design in order to incorporate digital displays for purposes of advertisement, the board denied the application based on the lack of benefit to the public. The DRB noted that the incorporation of real time and capabilities to display warning messages in case of emergencies would be recommended for future designs as to provide substantial benefit to the public.
- Insufficient number of facilities – the current number of transit facilities does not meet the transit demand of the City and further, does not encourage/promote the use of transit. It is recommended that more transit facilities (bus shelters) be installed throughout the City in order to support the City’s upcoming transit projects better.
- Right-of-Way constraints – the installation of bus shelters within the right-of-way is limited by the space available, existing facilities and amenities installed within public frontages, and accessibility requirements. The Agreement should incorporate flexibility in the design as to provide various options of shelters depending on footage available for installation depending on type of roadway (State, County, or Local).

At the December 9, 2015 City Commission meeting, the Commission discussed the need to modify the existing bus shelter design and the desire for bus shelters to include enhancements that could help promote transit. A conversation ensued regarding the desire to explore alternatives to the existing Agreement.

Per the Commission recommendation, the following would be the potential alternatives for the City to move forward with an innovative bus shelter program:

1. Issue a solicitation – The City could issue a new solicitation requesting proposals for a bus passenger shelter program consisting of innovative designs, technology enhancements and other features. The Administration believes that this would be the most effective way to promote transit while enhancing the “first mile” for transit users. By issuing its own solicitation, the City could potentially negotiate a revenue sharing Agreement in addition to the contract services.
2. Partner with Miami-Dade County on its pending solicitation – Miami-Dade County is currently preparing a request for proposals (RFP) for the construction, operation and maintenance of bus shelter structures within unincorporated Miami-Dade. In order to make it more appealing for potential bidders and obtain economies of scale, Miami-Dade County is reaching out to municipalities for support and buy-in on the RFP. Staff has reviewed the County’s RFP and highlighted the following key points:
 - RFP allows for various configurations of bus shelter including premium and standard shelters (similar to existing Clear Channel shelters).
 - Premium shelters shall incorporate the following features - Air Conditioning, Wi-Fi, pay station, phone chargers, interactive kiosk, security cameras, lighting, security system with panic button, solar powered or alternate power option and digital real time bus arrival signs.
 - Proposer will be responsible for all costs of installing, removing or updating bus shelter related equipment.

- Proposer will be responsible for maintenance all bus shelters.
- Proposer will be responsible for providing a call center for feedback and complaints regarding shelters.
- In order to mitigate the costs of the technology and features incorporated in the shelters, proposer is not required to share revenue.

Miami-Dade County has indicated that should the City decide to be included in this RFP, language would be incorporated so that proposer is required to take ownership of the existing Clear Channel shelters installed throughout the City. This would require an Amendment to the existing Agreement between the City and Clear Channel to include provisions for the City to keep the existing bus shelters, currently the Agreement requires Clear Channel to remove all shelters upon termination.

Regardless of the option selected by the City Commission, the Administration believes that under all scenarios, there are opportunities to obtain revenues. The Administration also believes that changes to the existing bus shelter design are highly recommended in order to improve transit service in the City and in order to have the infrastructure necessary in place to support the City's planned transit improvements identified in the Transportation Master Plan. Additionally, the Administration believes that revenues generated from transit shelters should be allocated towards further enhancing transit amenities. Currently revenues generated by the bus shelter program are allocated towards the City's general fund.

CONCLUSION

This item is presented to the Finance and Citywide Projects Committee for discussion and input.


JLM/KGB/JRG/JFG

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MIAMI BEACH

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects / Budget Committee

FROM: Jimmy L. Morales, City Manager

DATE: January 22, 2016

SUBJECT: **A DISCUSSION REGARDING INCENTIVIZING LOCAL THEATER IN MIAMI BEACH**

RECOMMENDATION

Refer discussion to Finance/Citywide Projects Committee as recommended by the Administration.

ANALYSIS

At the December 9, 2015 Commission meeting, Commissioners Steinberg and Malakoff referred a discussion of how to incentivize local theater in Miami Beach to both the Cultural Arts Council (CAC) and the Finance and Citywide Projects Committee. This discussion was prompted by the announcement of a major new professional theater company, Miami New Drama, under the direction of multiple-award winning director and playwright Moises Kauffman and Michel Hausmann, and the challenges faced by its month-long run of *The Golem of Havana*, which opened on January 16, 2016. The subject was discussed at length by the CAC at its meeting on January 7, 2016.

BACKGROUND

The CAC has long lamented the dearth of live drama in Miami Beach. The City is home to the region's major ballet company, orchestra, art fair and museum; live theater is the missing component of the well-rounded cultural personality that sets Miami Beach apart from the rest of the region. In 2014 the CAC proposed engaging the various small local theater groups by adding an additional twelve Community Benefit Fund rent waivers at the Gleason Room at the Fillmore specifically earmarked for live theater, and developed a marketing plan and accompanying grants program to insure the effort's success. The plan was subsequently approved by the Mayor and Commission per Resolution No. 2014-28732. It has not been realized, however, because the increase in the number of rent waivers must be approved as part of the new contract between the City and Live Nation.

The Community Benefit Fund at the Jackie Gleason Theater was established by Resolution No. 83-17447 to provide discounted show tickets to senior citizen and student residents. It is funded by a \$1.50 surcharge on each ticket sold. The fund's purpose was further defined by Resolution No. 92-20454 to "present and promote performances, programs, shows and entertainment at reduced prices or free admission for the residents of Miami Beach." Resolution No. 98-22762 created the Community Benefit Fund Rent Waiver program, which pays the operator for theater rental fee waivers for up to twelve non-profit organizations per calendar year. Management of the rent waiver program was transferred from the Convention Center Advisory Board to the Miami Beach Cultural Arts Council (CAC) in 2009. The CAC stipulates that rent waiver recipients be required to offer free or discounted tickets to Miami Beach residents.

At this writing the balance in the Community Benefit Fund is \$816,261. Funds are currently used only for the discount ticket program and to pay the operator for the twelve rent waivers available each calendar year. The fund nets between \$38,000 and \$108,000 annually after the rent waiver and discount ticket program costs are deducted. The CAC is proposing utilizing the fund for greater community benefit by making drama-specific rent waivers available for the Colony Theatre. Rent waivers at the Fillmore currently cover up to four consecutive days' rental fees per organization per year. To stimulate longer-run professional shows, the CAC proposes extending the waiver to cover four days per week of an extended run production, and to allow organizations to apply more than once a year. The CAC would continue to review each application and make recommendations designed to stimulate the creation of a robust and loyal theater audience.

Fiscal Year	Opening Balance	Surcharge Revenue	Interest Earned	Grants Paid	Ending Balance
FY 07/08	\$188,666	\$107,558	\$8,373	(\$7,799.00)	\$296,797
FY 08/09	\$296,797	\$50,879	\$9,621	(\$13,002.50)	\$344,295
FY 09/10	\$344,295	\$95,264	\$6,899	(\$28,400.00)	\$418,057
FY 10/11	\$418,057	\$88,757	\$5,427	(\$26,200.00)	\$486,042
FY 11/12	\$486,042	\$125,276	\$4,793	(\$23,400.00)	\$592,710
FY 12/13	\$592,710	\$102,409	\$4,195	(\$40,400.00)	\$658,914
FY 13/14	\$658,914	\$108,988	\$2,121	(\$23,200.00)	\$746,822
FY 14/15 Projected	\$746,822	\$97,018	\$5,919	(\$72,000.00)	\$777,759
FY 15/16 Projected	\$777,759	\$97,018	\$5,919	(\$72,000.00)	\$808,696

An alternative funding source for the Colony rent waiver program could be the idle CAC Endowment Fund. The original CAC created an endowment fund in 1998 with the thought that it would eventually grow large enough to provide enough income to fund the annual cultural grants program. From 1998 through 2001 the CAC contributed \$200,000 annually. In 2002 \$160,000 was contributed. The following year, due to decreased revenues from resort tax, no contribution was made. \$50,000 was contributed in 2004, and \$100,000 in both 2005 and 2006. Since that time no further contributions have been made, despite a significant increase in Resort Tax Quality of Life funding, since the CAC and the Administration agreed that greater public benefit would result from utilizing all available funds for grants and other cultural programming. The current balance of the endowment fund is \$1,608,883. CAC feels that it is highly unlikely that this fund could ever grow large enough to provide a useful source of income, and proposes liquidating the endowment over time to cover increased programmatic cultural expenses.

Either the Community Benefit Fund or the CAC endowment funds could be used to launch the Colony rent waiver program. Eventually a per-ticket surcharge at the Colony, similar to the Fillmore program, could augment the costs of the rent waivers.

The CAC also strongly recommended that the management of the Colony be transferred to a professional resident theater company that would present a specific number of its own extended-run productions each year, while still making the theater available and affordable to its current stable of non-profit users. Given time to cultivate an audience, the Colony's resident company could become the leading regional theater of the area, filling the gap in our current cultural landscape. South Florida has not had a nationally-respected regional theater since the closing of the Coconut Grove Playhouse many years ago.

CONCLUSION

The CAC is requesting that the Community Benefit Fund rent waiver program, currently restricted to the Fillmore, be expanded to include live theater productions at the Colony Theatre; or, conversely, to create a rent waiver program funded from CAC endowment funds specifically for live theater at the Colony. More importantly, the CAC strongly believes that management of the Colony should be transferred to a resident professional theater company that would produce its own shows while continuing to make the theater available to its nonprofit users, benefitting our residents and visitors while also promoting Miami Beach as an international cultural destination.

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Discussion Item

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F&CWP Pending Items - Commission Referrals

Item #	Title	Referred By	Date Referred	Handled By	Date Expiring per Reso # 2013-28147	Note
194	Discussion Regarding whether or not to pursue food and beverage concessions for Soundscape Park, Collins Park, and the Miami Beach Botanical Garden	Tourism, Culture and Economic Development	May 21, 2014 Commission Item C4C	Max Sklar	1/1/2016	6/20/14 The Committee recommended pursuing food and beverage concessions through the pop up concept or food trucks for Soundscape Park, Collins Park and the Miami Beach Botanical Garden to begin in October. 1/7/15 The Committee recommended moving forward with the Soundscape Park term sheet presented. The Committee also determined that Collins Park will go out as a Request for Letter of Interest for a pop up or a temporary food concession concept and the results are to be brought back to the Finance Committee. In reference to the Botanical Gardens the Committee is waiting for staff to bring back additional concepts. 7/1/15 The Committee recommended staff continue to work on the negotiations and bring this item back to the Finance and Citywide Projects Committee when ready
208	Discussion Regarding Parking Demand Analysis/Walker Parking Consultants	Parking	July 23, 2014 Commission Item C4I	Saul Frances	1/1/2016	12/12/14 The Committee took no action, but encouraged the Administration to return when potential solutions are identified. 7/1/15 The Committee recommended staff continue to work on completion of the Walker Parking Supplemental Report addressing the parking demand analysis for South Beach, North Beach and Middle Beach. Staff will issue the report via Letter to Commission (LTC) and discuss it at the next Finance and Citywide Projects Committee meeting.
238	Discussion Regarding A Public Private Partnership For A Two-Story Parking Structure To Be Erected Over Both City Parking Lot P62 And A Private Parking Lot, On 42nd Street, Between Jefferson Street And Meridian Avenue.	Deede Weithorn	November 19, 2014 Commission Item C4K	Saul Frances	10/8/2015	12/12/14 Item deferred to January. 1/7/15 Item deferred to February 2/2/15 Item deferred. 4/8/15 The Committee recommended staff meet with LSM Partners to put together an analysis that would demonstrate if a parking structure should be erected at the Parking Lot P62 and the Private Parking Lot on 42nd Street between Jefferson Street and Meridian.
263	Discussion Regarding The Construction Of A Parking Garage At The 27th Street And Collins Avenue Parking Lot	Parking	February 11, 2015 Commission item C4C	Saul Frances	1/1/2016	3/2/15 The Committee recommended staff involve the Walker Parking Consultants that conducted the study to provide the numbers again, check for accuracy of the study and to bring those results back to the Finance Committee. Mr. Max Sklar was asked to further investigate the valet parking in Municipal Parking Lot No. P55. 7/1/15 The Committee recommended staff continue to work on completion of the Walker Parking Supplemental Report addressing the parking demand analysis for South Beach, North Beach and Middle Beach. Staff will issue the report via Letter to Commission (LTC) and discuss it at the next Finance and Citywide Projects Committee meeting.
277	Discussion Regarding A Potential Public-Private Partnership With 1234 Partners, LTD. For A Parking Garage On The 1200 Block Of Washington Avenue	Parking	June 10, 2015 Commission Item C4B	Saul Frances	1/1/2016	7/1/15 The Committee took no action as staff provided an update. Staff is scheduled to meet with the developer 1234 Partners, LTD and will report back to the Finance and Citywide Projects Committee the results of the meeting.
286	Discussion Regarding The Renewal Of The Agreement Between The City Of Miami Beach, And Clear Channel Outdoor, Inc. (F.K.A. Clear Channel Adshel, Inc.) To Construct, Operate And Maintain Bus Shelter Structures And Other Street Furniture Throughout The City, Pursuant To City Of Miami Beach Request For Proposals No. 107-99/00	Kristen Gonzalez Joy Malakoff	December 9, 2015 Commission Item C4E	Jose Gonzalez	6/9/2016	
287	Discussion Regarding Incentivizing Local Theater in Miami Beach	Micky Steinberg Joy Malakoff	December 9, 2015 Commission Item C4I	Max Sklar John Woodruff	6/9/2016	
288	Referral To The Neighborhood/Community Affairs Committee To Discuss Proposed Site Options For New Fire Station No. 1	Capital Improvement Projects	January 13, 2016 Commission Item C4A	David Martinez Virgilio Ferandez	7/13/2016	
289	Discussion Regarding Nonpayment Of Stormwater Fees By Miami Dade County Public Schools	Public Works	January 13, 2016 Commission Item C4B	Eric Carpenter City Attorney	7/13/2016	
290	Discussion Seeking Citywide WiFi Solutions And CMB Becoming Its Own Internet Service Provider	Michael Grieco	January 13, 2016 Commission Item C4I	Ariel Sosa	7/13/2016	
291	Discussion Regarding Time Capsule 2066	Mayor Philip Levine	December 16, 2015 Commission Item R9C	Djordje Milekic	6/16/2016	