



City Commission Workshop

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
February 12, 2007

Mayor David Dermer Absent
Vice-Mayor Simon Cruz
Commissioner Matti Herrera Bower
Commissioner Michael Góngora
Commissioner Saul Gross
Commissioner Jerry Libbin
Commissioner Richard L. Steinberg

City Manager Jorge M. Gonzalez
City Attorney Jose Smith
City Clerk Robert E. Parcher

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ATTENTION ALL LOBBYISTS

Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's Office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.

Special note: In order to ensure adequate public consideration, if necessary, the Mayor and City Commission may move any agenda item to the alternate meeting date which will only be held if needed. In addition, the Mayor and City Commission may, at their discretion, adjourn the Commission Meeting without reaching all agenda items.

NEW WORLD SYMPHONY WORKSHOP

Meeting called to order at 6:27:55 p.m.

Jorge Gonzalez, City Manager, explained that this is a special workshop to discuss the New World Symphony (NWS) and the amendment to the development agreement which was entered in 2004. The purpose of the workshop is to work through some final issues as directed by the Finance and Citywide Projects Committee and the City Commission. On Friday, February 9, 2007, LTC 039-2007 was distributed which summarized where negotiations are at this time. He invited the NWS to give a presentation of the projects, their vision and accomplishments as of today. For the record, he explained that this item is advertised for second reading of the development agreement on Wednesday, February 14, 2007 Commission Meeting. The recommendation is to open and

continue the public hearing to a Special Commission Meeting which will be held on February 20, 2007.

Commissioner Libbin congratulated Michael Tilson Thomas, NWS Artistic Director, for receiving two Grammy Awards, and stated the City is fortunate to have the NWS in our community.

Howard Herring, NWS President and CEO, gave an overview of the NWS and added that the NWS is a national and international organization that is very much for this community. A PowerPoint presentation was shown.

Craig Webb, AIA, Gehry Partners, spoke about the vision of the project and its futuristic technical approach. He presented a PowerPoint show detailing the architectural design of the building, its garage, the use of the park and shade structures among other things.

Grant Stevens, Project Manager with Hines Company, spoke. He explained that the contractor and subcontractors are selected ahead of time to ensure there are no gaps in the drawings.

Mac McGaughan, General Contractor, Facchina-MacMaughan, gave some background about his company and their accomplishments.

Discussion held.

Michael Tilson Thomas, NWS Artistic Director, explained that an interest has risen with other organizations such as Art Basel and Carnegie Hall to work with them in cooperative projects. He added that Miami Beach has an identity as an entertainment center, and there is no question that this building will increase that development and sense of tourist destination. He is proud to say that this will also increase the ability for them to work with local students, something that is not possible at this time.

Howard Frank, Chairman, spoke regarding his fundraising efforts and introduced the NWS orchestra members in the audience. He reviewed the financial aspect, which include a gift of \$90 million, \$30 million from the County and \$15 million from the City, for a total of \$150 million.

Commissioner Gross asked for the status of money to be received from the County; how the election of a strong mayor affects that and how does it tie to the baseball park project.

Mr. Frank explained that the County implicitly agreed to give NWS \$30 million over a ten year period from tax revenue from county resort tax money. The first \$3 million has passed and will be funded this October. He met with the County Manager and asked for the current value of the \$30 million, which is under consideration. He is not in a position to comment on the funding ties to the baseball park but thinks the County wants to put everything in place at one time. There is an upcoming meeting with the strong Mayor and they believe everyone is on board with this project, but it is critical to avoid delays which are costly.

Discussion held.

Commissioner Steinberg informed that he had to leave the meeting at 7:30 p.m., he thanked the NWS for the presentation and stated he would review the video upon his return.

Jorge Gonzalez, City Manager, added that there are three issues the Finance and Citywide Projects Committee asked for discussion at this workshop: 1) The increase in the City's budget for the park, incorporating the east surface lots (Drexel to Washington), the public areas around the NWS building and the garage; as well as the entry feature to the TOPA and the 17th street side of Jackie Gleason Theater; this is budgeted at \$21 million which is included in the Capital Plan to be spent in Fiscal Year 2009. 2) Regarding the City garage being built west of the NWS structure, the current development agreement states that the NWS will build the garage at a fixed price of a little over \$13,000 per space, and the reality is that the estimates now for a 608 space garage with a retail component is closer to \$25,000 per space, which is essentially a \$15.2 million parking structure. The question for the Commission is: is there a desire by the Commission to increase the per space allocation for the garage by up to \$7 million?

Discussion continued.

Jorge Gonzalez, City Manager, explained that in the park and garage, the development agreement, prior to any amendment, established the guarantee-maximum-price cost overruns associated with the project to be the responsibility of the NWS; in this amendment, 1) any cost overruns for the garage and park are the responsibility of the City; 2) the design costs associated with the park and garage facility were to be borne by NWS and then paid for by the City once construction began. The proposed amended has the City bearing the cost of the designs for the park and garage. He added that if the NWS, based on its own decision, decided to terminate the project, those fees would essentially be reimbursed to the City of Miami Beach with the following conditions: 1) if the City imposes onerous requirements onto their project that makes the project economically unfeasible then they should not be made responsible for reimbursing the fee, and 2) if the City does not provide \$15 million grant-in-aid.

Discussion continued.

Raul Aguila, First Assistant City Attorney, clarified the right to terminate provisions.

Jorge Gonzalez, City Manager, explained that the City plays two roles, 1) the owners or partners in this venture administratively, and 2) the City is the body to which the developers are going to come to seek permits and approvals from the Design Review Board, Planning Board, etc. The restriction on reimbursement has to do with the City as Administrators.

Raul Aguila, First Assistant City Attorney, clarified that there are two rights to terminate, one for the garage and one for the park. With regard to the garage, if the City Commission imposes a condition which is deemed onerous to the project

by the NWS, the project could be terminated. He gave an example.

Discussion continued.

Commissioner Góngora stated that the Legal Department should work out what the onerous example could be.

Commissioner Libbin talked about the money the RDA will be receiving over the next 16 years of its lifecycle.

Discussion continued.

Vice-Mayor Cruz stated that the three issues were the reimbursement, contingency, and the issue of required parking.

Jorge Gonzalez, City Manager, explained the required parking issue and possible solutions. He added that at the next Commission Meeting on Tuesday, February 20, the Administration will be requesting to proceed with the park, garage, to provide the design fees, and the \$15 million grant in aid.

Discussion continued.

Commissioner Bower expressed her concern regarding the issue of the required parking.

Commissioner Libbin stated that the City Manager has already identified three viable alternatives to address the issue of the required parking.

Jorge Gonzalez, City Manager, stated that the easiest way to address the required parking is to have the City Commission waive the parking requirements.

Vice-Mayor Cruz and Commissioner Libbin both stated that as a last alternative they would support a waiver.

Jorge Gonzalez, City Manager, explained the \$15 million grant in aid. He stated that the RDA funds have been reviewed and based on calculations on revenue projections and anticipated revenues, the City will grant the NWS the \$15 million under the conditions that 1) the money will not be available prior to October 1, 2009 and 2) the dollars do not become available until the project has evidence that \$135 million has been spent and demonstrate that the project is balanced. If the \$15 million is not required there is a way to share the savings.

Discussion continued.

Jorge Gonzalez, City Manager, explained that in order to demonstrate a public benefit, the NWS has agreed to give the City an option, at the City discretion, to purchase the Lincoln Theatre. The option expires December 2007. In addition, no sooner than October 1, 2009 the NWS needs to give the City a proforma and lastly the elements of public benefits which are included in the current Development Agreement, but for the additional funding and support the City is providing; this needs to be reviewed and updated. This is a community investment

project.

Commissioner Bower suggested presenting this project to the public.

Jorge Gonzalez, City Manager, explained that the development agreement has a clause about a change in law primarily regarding what is happening in Tallahassee with the desire to put caps on spending and revenue growth. There is still some flux as it relates to what is finally decided in Tallahassee. If the project goes forward, the RDA plan dollars are pre-programmed for the next four years. One project in particular is a concern, the parking garage structure in the Collins Park Cultural Campus area. There is a solution but it will require a vote of the City Commission. There are \$14 million programmed for the Collins Park garage, that project could be funded by the parking system. What is being proposed is to temporarily fund out of the parking system and when dollars become available, in 2012 or so, then RDA will refund parking system. The other project is the Bass Museum, project which is thought to be a project in the \$12 to \$15 million range.

Discussion continued.

Nancy Liebman, CANDO Chair, spoke.

Richard Wolfe spoke.

Don Worth spoke.

Ray Breslow spoke.

Kathie Leff spoke.

Ava Rado, Center for Emerging Art, Inc., spoke.

George Neary spoke.

Mariana Cruz spoke.

Nina Duval spoke.

Merle Weiss spoke.

Laura Levy spoke.

Vice-Mayor Cruz stated that no action will be taken today and announced that this item will be heard at 5:00 p.m., on Tuesday, February 20, 2007.

Jorge Gonzalez, City Manager, conveyed Commissioner Steinberg's concerns, which are: 1) the ability to issue debt and mortgage the property long term; and 2) design elements concerns related to the screen and the projection system proposed for the facility to be powered day and night, not just in the evening.

Michael Tilson Thomas, Artistic Director for the New World Symphony, spoke about the projection system and the project.

Meeting adjourned at 9:05:49 p.m.

Handout and Reference Materials:

1. Notice of City Commission Workshop in The Miami Herald; Ad # 419
2. See LTC 039-2007 (Update on New World Symphony Amendment to Development Agreement) which includes the amended First Addendum To Development Agreement and a report titled: "Comparison of Terms"
3. Memorandum 001-2007 – Request for Information – New World Symphony

addressed to Richard Steinberg, Commissioner, dated February 12, 2007. Attached to the document is the Development Agreement Timeline Projection – (As of February 1, 2007)

4. Memorandum titled Request for Information – City Center Redevelopment Agency from Jorge M. Gonzalez, City Manager, to Matti H. Bower, Commissioner, dated February 12, 2007. Attached to the document is a chart titled City Center Assessed Values February 2007

5. Letter from Nancy Liebman, CANDO Chair, dated February 12, 2007 to Mayor and Commissioners.