

City of Coral Gables City Commission Meeting
Agenda Item G-3
February 23, 2021
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Pat Keon
Commissioner Michael Mena
Commissioner Jorge Fors

City Staff

City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Billy Urquia
Police Chief, Ed Hudak

Public Speaker(s)

Agenda Item G-3 [11:56 a.m.]

A discussion regarding the term of the Miracle Theater lease agreement between the City of Coral Gables and Actor's Playhouse Productions, Inc.
(Sponsored by Commissioner Jorge L. Fors, Jr.)

Mayor Valdes-Fauli: G-3, Commissioner Fors.

Commissioner Fors: Thank you, Mayor. I put this agenda item up for discussion, discussion regarding the term of the Miracle Theater lease agreement between the City and Actor's Playhouse Productions. The folks from Actor's Playhouse, probably the Executive Director Barbara Stein,

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has likely met with most of my colleagues at one point or another. I believe there was a discussion that they were having regarding requesting if the City give them an additional renewal term at the end of their lease. They explained that being able to show benefactors and grant organizations and the endowment, like the Florida State Endowment Program, that they have the right to be occupying that theater for a longer period of time into the future, allows them to continue to fund some of the excellent work that they do there. At the beginning of the conversation, probably when they met with all of you, they were talking about a 20- to 25-year extension. I think after discussions with the theater and with the City Manager, we're not talking about an extension like that anymore. What we'd be considering, and I'd be bringing for your consideration at the next meeting, would be a 10-year extension in addition to the one they currently have. I'm going to, between now and then, present additional information. I also want to take a look at the rest of the lease together with the City Manager to ensure that there's nothing else that should be updated in the lease now that we are going to consider this. If we were to pass it, I wanted to put it on your radar so you can start taking a look at it, thinking about it, so when I bring it back next time, you know, we can make a potentially a decision to...

Mayor Valdes-Fauli: That's a wonderful thing for you to put on the agenda for the next time. I was -- I feel that I was partly responsible, if not wholly responsible for bringing Actor's Playhouse to Coral Gables. Hurricane Andrew destroyed their prior facilities in the Kendall area, and they were looking to -- you know, for a new space. And at that time, the Miracle Theater, which is owned by Wometco, Wometco wanted to close it and they wanted to put there a second hand or a cheap ladies clothing store, and I basically convinced them to try to turn this over to the Miracle Theater, and they gracefully and graciously did. Art Hertz was very, very influential in this. And the Miracle Theater restored with our help, but restored the theater, invested hundreds of thousands, if not millions of dollars in there. And they have been in Miracle Mile, which is wonderful, a wonderful cultural resource for Coral Gables. I think that with our small size, we have more live theater than any other community in Miami-Dade County. And I think it's

wonderful. I think it's a wonderful thing to have. And I thank you for putting it on the agenda for next time.

Commissioner Fors: Thank you, Mayor. And let me add one more thing. People don't realize this, and I really wish the word would get out about it, but this is not a neighborhood theater. This is what's considered to be a regional professional theater, which technically speaking is only one notch down below Broadway. It's one of only 13 "cultural institutions" in Miami-Dade, and we're incredibly lucky to have one in a historic building on Miracle Mile, and we're very lucky to have it. And I always try to remind people, there is not a neighborhood theater like you might go see when you go on Christmas vacation, and you end up in Charleston and you stop in to see a rendition of Romeo and Juliet. I mean, these are professional actors, union actors, professional production. And it's really amazing that we have it here in the City. And one point, Mayor, I was aware that you were instrumental in...

Mayor Valdes-Fauli: Very much so.

Commissioner Fors: Putting the theater in there. In fact, when I started looking at this issue, I spoke to the sole Commissioner who voted against the lease and the arrangement. That was former Commissioner Chip Withers, and he told me that he would actually be in favor now if he still sat on this Commission of continuing to extend it.

Commissioner Mena: The only thing I would add, Commissioner Fors, and I already sort of indicated this to staff, but you know, if we're going to really consider a 10-year extension, and it's -- and by the way, it's not a 10-year extension from now, it's from...

Vice Mayor Lago: From the end of the lease.

Mayor Valdes-Fauli: The end of the lease, yes.

City Attorney Ramos: 2030.

Commissioner Mena: So, it's from 2030 forward.

Commissioner Keon: Right.

Commissioner Mena: Is that right?

Commissioner Keon: Yes. They have 19...

City Attorney Ramos: Yes.

Commissioner Keon: Already.

Commissioner Mena: So, you know, that's a long extension. And so the only thing I would say is, I -- let me be clear. I a hundred percent agree with what both of you just said, and we're lucky to have them and we want this to continue to be a tremendous theater and an asset -- and a cultural asset for our City. I do need to see if I'm going to give a 10-year extension from 2030 to 2040, I would like to see a lot of the numbers. And you know, as you talk about a 10-year lease, what's the current rent? I understand it's below market, which is not abnormal for a cultural institution like this, because you do have to have some leeway, but you know, what should it be in 2030? Typically, when you renew a lease, there's some sort of escalation. We'd have to know what their numbers look like, obviously a lot of that's based on fundraising and grants and things like that, so it's complicated. And so, I just want to make sure that we have a full sum...

Mayor Valdes-Fauli: We have the whole information, yeah.

Commissioner Mena: A full sum presentation on all the numbers so that we can really evaluate. We're all in agreement that we would love to have an extension, I think, but what does it actually look like and what are the terms of that extension.

Commissioner Fors: And...

Commissioner Mena: And that's what I don't -- I have no idea sitting here today.

Commissioner Fors: Right.

Commissioner Mena: And so, I think we need that information to discuss it.

Commissioner Fors: And by the way, that's precisely what I meant when I said that I was going to go through it...

Commissioner Mena: Yeah.

Commissioner Fors: The entire lease and how it could be affected, how it could change in the future, if anything should be updated. And I think the answer's probably going to be yes. Initially, I was not going to put this up on discussion so soon. I was going to do that first and bring it, you know, with...

Mayor Valdes-Fauli: Commissioner Fors...

Commissioner Fors: Discussion from staff.

Mayor Valdes-Fauli: The ball is in your court.

Commissioner Fors: Yeah. No, we're bringing this up...

Mayor Valdes-Fauli: Break a leg.

Commissioner Fors: For next meeting, and we will have it, precisely that comprehensive analysis...

Mayor Valdes-Fauli: Good.

Commissioner Fors: So all of us up here can actually make an informed decision and ensure the things that we would be concerned about, at that renewal point in the future...

Commissioner Mena: Right.

Commissioner Fors: Are addressed with contingencies in the lease.

Vice Mayor Lago: Commissioner Fors, may I just add...

Mayor Valdes-Fauli: Thank you.

Vice Mayor Lago: Just first off, I commend you for putting this on the agenda and I support you. I do have concerns obviously with the length, the extension of the lease, which I don't have an issue with it, as long as we bring up -- bring to light into certain issues that I have with regarding the current lease amounts, deferred maintenance, which I think is incredibly important in that building. Who's going to pay for that deferred maintenance? We have continued issues. We've had leaks in that issue -- excuse me, leaks in that building that have resulted in significant amount of renovations that have resulted in having to replace floors. You know, they've been trying to address a litany of issues in the building that, again, require the City to invest a lot of time, and I

want to see how we're going to address those issues. Also, is the tenant leasing the facility to other institutions? Are those institutions religious institutions? How does the City feel about that? This is a public building. Does the City -- is the City entitled to any compensation for that? So, do I think that they're doing an exceptional job? Yes. Do I think that they deserve an extension? I do, but I want to look over the books. I want staff to look over the books very cleanly. I want to talk about what will be the terms and how are we going to address the issue of deferred maintenance. This is not only a historic building, but it's a very old building, in a position which has issues with water that have been coming up for years. So, I'd like for the Manager and for the ACM to really look into that and give us their honest opinion on what does the deferred maintenance look like. What are we looking at in regards to the financial implications? Do we need to build a fund with maybe the proceeds of the lease that are coming in? Does that need to be directed outside of the general fund and maybe put into a fund directly into fixing -- kind of like what we did with the Biltmore because this is a City asset. So, I support you, Commissioner. I'm glad that you put this on the agenda. I think it's great, and I think it's about time that we address the building as a whole, because it would just keep up -- keep coming up and up and up.

Commissioner Fors: Agreed.

Mayor Valdes-Fauli: Okay. Thank you. Thank you, Commissioner.

Commissioner Keon: I think we have a professional asset manager in (INAUDIBLE) and in Economic Development with Julian that are...

Vice Mayor Lago: Guaranteed.

Commissioner Keon: Very, very capable of looking at whatever those leases are, and through COVID, you have seen problems with a variety of leases that you have the...

Mayor Valdes-Fauli: Thank you.

Commissioner Keon: The opportunity to work on, so we have a very good and incompetent staff that can do that. Thank you.

Mayor Valdes-Fauli: Thank you.