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COMMITTEE MEMORANDUM

TO: Commissioner Alex J. Fernandez, Chair and
Land Use and Sustainability Committee Members

FROM: Rickelle Williams, Interim City Manager DS
Ricardo J. Dopico, City Attorney DS

DATE: May 1, 2024

SUBJECT: **DISCUSS A PROPOSAL TO CONVERT THE CLEVELANDER TO A RESIDENTIAL PROJECT WITH NO OUTDOOR BAR/ENTERTAINMENT.**

BACKGROUND

On January 31, 2024, the City Commission referred the subject discussion item (C4 AF) to the Land Use and Sustainability Committee ("LUSC") at the request of the owner of the Clevelander Hotel at 1000 Ocean Drive (the "Clevelander") (see attached Exhibit A - Referral Memo). The referral authorized the LUSC to initiate non-binding discussions regarding a proposal to incentivize long-term, non-transient residential development on the property, if the Clevelander abandons its current 5:00 a.m. outdoor bar and entertainment operation. The Clevelander submitted a draft term sheet and massing study in support of its proposal (see attached Exhibits B and C). The term sheet contemplates increases to allowable height and floor area ratio ("FAR") for the Clevelander and Essex sites.

On March 19, 2024, the LUSC discussed the Clevelander's proposal and requested that City staff meet with the developer regarding the proposed term sheet and discuss the scale, massing and height of the new residential additions, as proposed by the Clevelander.

SUMMARY OF TERM SHEET AS PRESENTED TO LUSC ON MARCH 19, 2024

The Clevelander is proposing to memorialize the agreement as a Development Agreement pursuant to Chapter 163, Florida Statutes. The term sheet prepared by the Clevelander summarizes the basic terms—namely, the Clevelander has proposed abandoning its outdoor entertainment operation (while retaining its rights to its neighborhood impact establishment conditional use permit ("CUP")) and withdraw its Live Local Act application, if the City Commission adopts certain legislative amendments to the Land Development Regulations and Comprehensive Plan, and if a bridge or other physical connection between the Clevelander and Essex House is approved.

The purpose of the Code amendments is to allow the Clevelander to develop a mixed-use, residential, hotel, and restaurant project, including a new residential tower on the Clevelander property and another new residential tower on the Essex property. The contributing buildings on both properties would be preserved. The maximum height of the residential towers would be 12 stories and 150 feet. The non-contributing Clevelander annex would be demolished. The Clevelander is requesting a zoned FAR increase in excess of 3.5 FAR for the overall site. According to the term sheet, the proposed new FAR to be constructed is 3.5.

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The Clevelander and Essex residential towers would contain up to 150 dwelling units per acre, which is the maximum density in the City under the Code. The Clevelander and Essex historic structures will also contain up to 140 hotel rooms in the aggregate, which is equal to the current hotel room count. The Clevelander and Essex will each contain a ground floor restaurant, which may contain outdoor seating and background music.

ANALYSIS / UPDATE

On March 27, 2024, the City Attorney's Office and Planning Department met with the developer and the developer's attorney and architect to discuss the proposed redevelopment. In summary, Planning staff recommended that the overall height of the project be limited to a maximum of 75 feet. The developer indicated that the proposed height of 150 feet is the minimum necessary to achieve their economic objective and abandon the hotel's outdoor bar and entertainment uses.

The following is a summary of the recommendations provided to the Clevelander regarding the scale, height and massing of their proposal:

- The buildings located on Ocean Drive and Collins Avenue, from 5th to 15th Street, have been a major component of the City's brand and architectural heritage for more than 40 years. Over the last four (4) decades, extreme care has been taken with regard to the preservation of contributing buildings, as well as development regulations that affect the scale, height, massing and size of additions and new construction on Ocean Drive and Collins Avenue between 5th and 15th Streets. This historic context is important, in light of the sheer size and scale of the additions proposed by the Clevelander.

- The overall height proposed (12 stories and 150 feet) by the Clevelander (separate towers on the Clevelander and Essex sites) far exceeds what is currently permitted under the Code and is simply too tall for the established scale, character and context of the sites and the larger Ocean Drive and Collins Avenue area. The proposal, as presently configured, would have a profoundly negative impact on the existing sites and surrounding area.

- The overall height and massing of the Collins Avenue proposal (Essex site) should be substantially reduced and set back from Collins Avenue. In addition to preserving a more substantial portion of the existing Essex Annex building, any addition needs to fully respect the scale, design and siting of the highly significant Essex Hotel. The Essex Hotel, designed by noted period architect Henry Hohauser, is one of three (3) existing, and highly significant, corner hotels constructed along Collins Avenue in the Art-Deco and Streamline styles of architecture in the 1930s. The others, all designed by L. Murray Dixon, another highly noted period architect, are the Tudor Hotel at 11th Street and the Tiffany (now The Hotel) at 8th Street. The Senator, which was located at 12th Street, was demolished in 1988. The height of any addition to the Essex Annex should not overwhelm the more significant corner Essex Hotel.

- On the Ocean Drive property, the developer should substantially reduce the overall height proposed. A better approach to an addition to the Clevelander would be to follow the Victor Hotel model, which consists of an L-shaped addition. In this particular instance, since the addition will front a corner, there is an opportunity for the addition to take on a more geometric form.

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CONCLUSION

In light of the significant disparity between the Clevelander's proposal and Staff's detailed recommendations, further policy direction from the LUSC is needed. The Clevelander has advised in a letter dated April 23, 2024 (see Exhibit D), that it intends to present a revised proposal at the May 1, 2024 LUSC meeting.