

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA ACCEPTING THE RECOMMENDATIONS OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AT ITS APRIL 17, 2020 AND APRIL 24, 2020 MEETINGS, AND APPROVING THE USE OF CULTURAL ARTS COUNCIL (“CAC”) FUND BALANCE AND CAC ENDOWMENT FUNDS (WHICH INCLUDE A COMBINED FUND BALANCE OF \$4,048,873), FOR THE PURPOSE OF (1) COVERING THE FY2020 RESORT TAX CONTRIBUTION OF \$1,473,000 TO THE CAC, TO THEREBY PERMIT AVAILABLE RESORT TAX FUNDS TO BE REALLOCATED FOR OTHER RESORT TAX PURPOSES; AND (2) ESTABLISHING A “CULTURAL ARTS EMERGENCY FUND”, IN THE AMOUNT OF \$1,000,000, TO PROVIDE FINANCIAL ASSISTANCE TO MIAMI BEACH-BASED CULTURAL ORGANIZATIONS EXPERIENCING REVENUE LOSSES DUE TO THE COVID-19 CRISIS; FURTHER, AUTHORIZING THE ADMINISTRATION AND THE CAC TO DEVELOP THE CRITERIA AND PROCEDURES FOR THE CULTURAL ARTS EMERGENCY FUND GRANT PROGRAM, AND TO REVIEW GRANT APPLICATIONS AND MAKE ADVISORY RECOMMENDATIONS TO THE CITY COMMISSION, WITH THE FINAL GRANT AWARDS SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION.

WHEREAS, the Miami Beach Cultural Arts Grant Program, created in 1998, is an essential component of the mission of the Miami Beach Cultural Arts Council and is charged to develop, coordinate, and promote arts and culture in Miami Beach community; and

WHEREAS, in 2001, the City sets aside 1% of the Resort Tax for a Cultural Arts Reserve Fund and the Quality of Life Fund; and

WHEREAS, currently, the 1% Resort Tax set aside is distributed as follows: 10% to CAC, 30% to Quality of Life, and 60% to Transportation/Trolley operation; and

WHEREAS, the Resort Tax funding to cultural arts grants and programs is divided into two restricted funds: the Cultural Arts Council Fund Balance and the Cultural Arts Council Endowment, both managed by the Cultural Arts Council (“CAC”), which reviews and makes recommendation for the City Commission’s approval; and

WHEREAS, on September 10, 2014, the Mayor and City Commission, based on the recommendation of the CAC, adopted Resolution No. 2014-28732, which established a Cultural Arts Council Fund Balance (“Fund Balance”) in the amount of \$2,467,000, which is capped and provides for an annual increase for inflation; and

WHEREAS, the purpose of the Fund Balance is to set aside funds that will ensure the cultural affairs program operation and grants continue for a period of two (2) years, in the event of an emergency, unforeseen difficulties, trouble, or need; and

WHEREAS, all funds remaining in the Fund Balance at the end of each fiscal year are rolled over to the following fiscal year; and

WHEREAS, the Cultural Arts Council Endowment (“Endowment”) was recommended by the CAC and created by the City Commission in 1998 in an attempt to make cultural arts programming and operation self-sufficient by using the fund; and

WHEREAS, the Endowment is capped at \$1,581,873, and is to be used for the purpose of enhancing Miami Beach art institutions, collections and operations; and

WHEREAS, due to the novel COVID-19 pandemic, Miami Beach arts organizations are facing unprecedented revenue losses; and

WHEREAS, to date, Miami Beach based cultural organizations are collectively reporting over \$3,700,000 in lost revenue, reflective of the first few weeks after closures; and

WHEREAS, during its April 24, 2020 meeting, the Finance and Economic Resiliency Committee (“FERC”) recommended that in order to support the cultural arts programs, the City should utilize the Fund Balance and Endowment, for a combined balance of \$4,048,873, for the purpose of covering the FY2020 Resort Tax Contribution of \$1,473,000 to the Cultural Arts Council, thereby permitting available Resort Tax funds to be reallocated for other Resort Tax purposes: and

WHEREAS, FERC also recommended for the City to establish a “Cultural Arts Emergency Fund” in the amount of \$1,000,000, to provide financial assistance to Miami Beach based cultural organizations experiencing revenue losses due to the COVID-19 crisis; and

WHEREAS, FERC further recommended for the City and the Cultural Arts Council to develop the criteria and procedures for the Cultural Arts Emergency Fund Grant Program in order to review grant applications and make advisory recommendation to the City Commission, with the final grant awards subject to prior approval of the City Commission.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the Finance and Economic Resiliency Committee, at its April 17, 2020 and April 24, 2020 meetings, and approve the use of Cultural Arts Council (“CAC”) Fund Balance and CAC Endowment Funds (which include a combined fund balance of \$4,048,873), for the purpose of (1) covering the FY2020 Resort Tax Contribution of \$1,473,000 to the CAC, to thereby permit

available Resort Tax Funds to be reallocated for other Resort Tax purposes; and (2) establishing a "Cultural Arts Emergency Fund", in the amount of \$1,000,000, to provide financial assistance to Miami Beach-based cultural organizations experiencing revenue losses due to the COVID-19 crisis; further, authorize the Administration and the Cultural Arts Council to develop the criteria and procedures for the Cultural Arts Emergency Fund Grant Program, and to review grant applications and make advisory recommendations to the City Commission, with the final grant awards subject to prior approval of the Mayor and Commission.

PASSED and **ADOPTED** this ____ day of _____, 2020.

Dan Gelber, Mayor

ATTEST:

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

RR for 4-29-20
City Attorney Date
FA