

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 JULY 17, 2020 MEETING, AND APPROVING THE USE OF CULTURAL ARTS COUNCIL ("CAC") FUND BALANCE AND CAC ENDOWMENT FUNDS (WHICH INCLUDE A COMBINED FUND BALANCE OF \$1,740,368), FOR THE PURPOSE OF (1) COVERING THE AMOUNT TO FULLY FUND FY 2021 CAC BUDGET IN THE AMOUNT OF \$92,000; AND (2) ESTABLISHING A FY 2021 "CULTURAL ARTS EMERGENCY FUND", IN AN AMOUNT UP TO \$1,000,000, ASSESSED BY THE CULTURAL ARTS COUNCIL IN \$500,000 INCREMENTS, TO PROVIDE FINANCIAL ASSISTANCE TO CULTURAL ORGANIZATIONS EXPERIENCING REVENUE LOSSES DUE TO THE COVID-19 CRISIS; AND FURTHER, AUTHORIZING THE ADMINISTRATION AND THE CAC TO DEVELOP THE CRITERIA AND PROCEDURES FOR THE FY 2021 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 ("CAC") and is charged to develop, coordinate, and promote arts and culture in Miami Beach community; and

**WHEREAS**, in 2001, the City set 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 Commissions 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 \$6,000,000 in lost revenue, reflective of the first few months after pandemic-related closures; and

**WHEREAS**, during its April 24, 2020 meeting, 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 to 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 CAC to develop the criteria and procedures for the Cultural Arts Emergency Fund Grant Program in order to review grant applications and make advisory recommendations to the City Commission, with the final grant awards subject to prior approval of the City Commission; and

**WHEREAS**, on May 1, 2020, via Resolution No. 2020-31247, the Mayor and City Commission established 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**, the \$1,000,000 COVID-19 Emergency Relief grant, as well as the current FY 2019-20 Grant Program funding of \$1,540,000, is being funded through the Cultural Arts Council Fund Balance, reducing the fund balance from \$4,048,873 to \$1,740,368; and

**WHEREAS**, on Thursday, July 9, 2020, CAC reviewed and discussed the impact of their recommended FY 2021 annual grants and Emergency Grants to be distributed to the cultural community, and concluded that the crisis COVID-19 continues to create would have a longer impact than expected, and recommended that there is a need for additional support to cultural organizations; and

**WHEREAS**, upon review of the CAC Fund Balance and Endowment, the Administration supports the CAC recommendation and further recommends an additional \$1 million allocation to the Cultural Relief Fund in addition to the \$92,000 necessary to fully fund the CAC’s FY 2021 operating budget due to projected revenue loss from COVID-19; and

**WHEREAS**, this additional \$1 million allocation and \$92,000 to fully fund the CAC budget would reduce the fund balance from \$1,740,368 to \$648,368 (see table below); and

Item	Amount
CAC Fund Balance	\$2,653,448
CAC Endowment	\$1,626,920
FY 2020 CAC 1% Resort Tax for Quality of Life	(\$1,540,000)
COVID-19 Relief Fund for Cultural Organizations	(\$1,000,000)
<b>Current Total</b>	<b>\$1,740,368</b>
FY 2021 Amount to Fully Fund CAC Budget	(\$92,000)
Additional COVID-19 Relief Funding for Cultural Organizations	(\$1,000,000)
<b>Updated Total</b>	<b>\$648,368</b>

**WHEREAS**, on July 17, 2020, FERC recommended the use of additional funding from the Cultural Arts Council Fund Balance, in an amount of up to \$1,000,000 to provide financial assistance to cultural organizations experiencing revenue losses due to the COVID-19 crisis; and

**WHEREAS**, the funding criteria will be assessed by the Cultural Arts Council throughout FY 20-21 in \$500,000 increments.

**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 July 17, 2020 meeting, and approve the use of the Cultural Arts Council ("CAC") Fund Balance and CAC Endowment Funds (which include a combined fund balance of \$1,740,368) for the purpose of (1) covering the amount to fully fund FY 2021 CAC budget in the amount of \$92,000; and (2) establishing an "FY 2021 Cultural Arts Emergency Fund", in an amount up to \$1,000,000, assessed by the Cultural Arts Council in \$500,000 increments, to provide financial assistance to cultural organizations experiencing revenue losses due to the COVID-19 crisis; and further, authorize the Administration and the CAC to develop the criteria and procedures for the FY 2021 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.

**PASSED and ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Dan Gelber, Mayor

**ATTEST:**

\_\_\_\_\_  
Rafael E. Granado, City Clerk

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

*Rafael E. Granado* 7/21/20  
\_\_\_\_\_  
City Attorney Date  
GA