

RESOLUTION NO.

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, TO AMEND THE CITY'S MANAGEMENT AGREEMENT ("AGREEMENT") WITH GLOBAL SPECTRUM, L.P. D/B/A SPECTRA VENUE MANAGEMENT ("GLOBAL") FOR THE MANAGEMENT OF THE MIAMI BEACH CONVENTION CENTER, WHICH INCLUDES (1) ADDITIONAL SCOPE TO INCLUDE THE MANAGEMENT AND MAINTENANCE OF (A) THE TWO CITY FACILITIES (CLUBHOUSE BUILDINGS), LOCATED WITHIN THE 21ST STREET COMMUNITY CENTER COMPLEX, INCLUDING THE CARL FISHER CLUBHOUSE, FOR USE AS DINING AND CATERING FACILITIES, (B) COLLINS CANAL PARK, AND (C) PRIDE PARK; (2) AN EXTENSION OF THE TERM OF THE AGREEMENT FOR AN ADDITIONAL EIGHTEEN MONTHS (18) MONTHS, COMMENCING ON OCTOBER 1, 2022 AND EXPIRING ON MARCH 31, 2024, COMMENSURATE WITH COVID-19 RELATED IMPACTS AND THE CLOSURE OF THE CONVENTION CENTER TO EVENTS; AND (3) INCREASING THE MANAGEMENT FEE BY \$75,000 ANNUALLY; AND APPROVING THE WAIVER, BY 5/7TH VOTE, OF THE FORMAL COMPETITIVE BIDDING REQUIREMENT IN SECTION 2-367 OF THE CITY CODE, FINDING SUCH WAIVER TO BE IN THE BEST INTEREST OF THE CITY; FURTHER, AUTHORIZING THE ADMINISTRATION TO FINALIZE AMENDMENT NO. 4 BASED ON THE TERMS SET FORTH IN THIS RESOLUTION; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE AMENDMENT NO. 4.

WHEREAS, on July 17, 2013, the Mayor and City Commission adopted Resolution No. 2013-28276, authorizing the City and Global Spectrum, L.P., d/b/a Spectra Venue Management ("Global") to negotiate and execute a Management Agreement between the City and Global for the management of the Miami Beach Convention Center, Colony Theater (the Agreement, as amended and modified, is referred to herein as the "Agreement"); and

WHEREAS, subsequently, the Administration entered into a Management Agreement with Global with an initial term that commenced on October 1, 2013 through September 30, 2016, with two one-year renewal options, and via Resolution No. 2015-29191, the Mayor and City Commission approved Amendment No. 1 to the Agreement, extending *the term* of the Management Agreement through September 30, 2020; and

WHEREAS, pursuant to a letter dated September 23, 2016, the City and Global confirmed the City's termination for convenience of Global's responsibilities as manager and operator of the Colony Theatre, as permitted in subsection 12.2(c) of the Agreement. Global's management responsibilities for the Miami Beach Convention Center did not change; and

WHEREAS, in September 2018, the City and Global executed Amendment No. 2, extending the term of the Agreement for an additional two years, commencing on October 1, 2020 and expiring on September 30, 2022, for a total term of nine years, including all prior renewals and extensions; and

WHEREAS, Global, during calendar year 2018, advised the Administration that they incurred approximately two hundred thousand dollars (\$200,000) in expenses in employee severance costs, recruiting fees and interim General Manager support, and Global agreed that such costs could be deemed by Global as a capital contribution, to be amortized on Global's books over the period from October 1, 2018 to September 30, 2022, and accordingly, the City would not be responsible to Global for reimbursing Global for these costs, even in the event of an early termination of the Agreement; and

WHEREAS, in 2019, the Administration sought to renovate the Carl Fisher Clubhouse and Clubhouse Annex (f/k/a Little Stage Theater) (collectively the "Carl Fisher Clubhouse" or "Carl Fisher Clubhouse buildings") with the vision to make Collins Canal Park a center of action with people from the neighborhood and tourists gathering for events and relaxation; and

WHEREAS, at its January 15, 2020, City Commission meeting, the Mayor and City Commission directed the City Administration to issue a Request for Letters of Interest for a Food and Beverage Operator (Restaurant Venue) at the Carl Fisher Clubhouse; and

WHEREAS, on January 27, 2020, by way of LTC, the Administration requested authorization to issue a Request for Proposals, instead of a Request for Letters of Interest, in order to better assess the qualifications, methodology, and financial factors associated with this project and avoid the possibility of any future award requiring a bid waiver; and

WHEREAS, accordingly, on January 28, 2020, the Administration issued Request for Proposals (the "RFP") 2020-109-WG for a Food and Beverage Operator at the Carl Fisher Clubhouse, seeking proposals from experienced restaurateurs to provide the food and beverage services operation and management of a high quality, yet casual, canal/park destination restaurant; and

WHEREAS, on March 10, 2020, the City received only one proposal, from Centerplate; and

WHEREAS, the proposal submitted by Centerplate, was found to be responsive to the requirements of the RFP, and also satisfied the City's primary goal of ensuring that the Carl Fisher Clubhouse buildings would be an integral extension of the Miami Beach Convention Center ("MBCC") campus, and providing the same level of service to the public as is provided at the MBCC; and

WHEREAS, on July 29, 2020, the Mayor and City Commission adopted Resolution No. 2020-3133, awarding the contract pursuant to the RFP to Centerplate and referring a discussion on the material terms of the Agreement the Finance and Economic Resiliency Committee ("FERC"); and

WHEREAS, on September 2019, the Mayor and Commissioners approved Amendment No. 3 to the Agreement, which increased Global's monthly impress amount for the operation of the Convention Center from \$500,000 to an amount not to exceed \$1,000,000 to accommodate the current level and projected operating

expenses to ensure continuity of operations during the critical initial years following the completion of the Convention Center Project and the symmetry of the management and maintenance of the MBCC campus; and

WHEREAS, Amendment No. 3 allowed Global to apply more of the profit in their accounts for operating expenses, rather than transferring full amounts every month, where the City of Miami Beach may have to transfer some funds back to cover large upfront costs during conventions like Art Basel (catering and food costs often come up front, when the monies are not received from the client until reconciliation, following the event), and increase is meant to reduce the amount of administration time spent on transferring funds back and forth to cover these high traffic periods; and

WHEREAS, after the execution of Amendment No. 3, Global and the City began discussions for Global to assume to manage and maintain Collins Canal Park and Pride Park, including the mangroves along Collins Canal within the footprint of the park for an annual fee of seventy-five thousand dollars (\$75,000) in connection with the management and maintenance of the green spaces and the mangrove; and

WHEREAS, likewise, with the completion of Collins Canal Park, Global agreed to manage and maintain the two City facilities, formerly the Carl Fisher Clubhouse and Little Stage Theater/Annex (Clubhouse Buildings) for the purposes of dining and catering facilities, the food and beverage management of the two facilities was awarded to Centerplate; and

WHEREAS, as COVID-19 blanketed the world in 2020, the MBCC received a Temporary Certificate of Occupancy in April 2020, and the calendar of events was robust, the convention and conference industry and community engagements came to an abrupt halt; and

WHEREAS, due to the global pandemic, the MBCC Global team was unable to book, host and execute events, and to date, MBCC has lost the ability to host over 60 events and has had an adverse impact on the overall operations and management of the venue; and

WHEREAS, moreover, in service to the community, the MBCC was converted to an Alternative Care Facility – which was not activated, and the adjacent street continues to serve as a drive-up COVID-19 testing site; and

WHEREAS, the \$620 million renovated and expansion of MBCC is open to great expectations from the local, regional and national communities, and after many years of living and working through construction which substantially reduced the availability of MBCC for events, thereby limiting Global's ability to book events and generate revenues under the Management Agreement, the renovated center hosts 500,000 square feet of renovated exhibit space, a 60,000 square foot grand ballroom, 20,000 square foot glass rooftop junior ballroom and 84 meeting rooms.

WHEREAS, the MBCC can now host more than 10,000 for a formal dinner, accommodate 800 vehicles in rooftop parking, and will continue to host world-class events; and

WHEREAS, the essential terms of the proposed in Amendment No. 4, and as more particularly described in the Memorandum accompanying this Resolution, are as follows:

1. Additional Scope:
 - a. Global to manage, operate and maintain the following additional City Center Campus areas and facilities adjacent to the MBCC (collectively, the "Additional Facilities"):
 - Carl Fisher Clubhouse and Annex (Clubhouse Buildings)
 - Collins Canal Park (CCP) – (approximately 3 acres)
 - Pride Park – (approximately 6 acres)
2. Management, Operations and Maintenance Services:
 - a. Management of Additional Facilities will be same as obligations under existing Management Agreement.
 - b. Operational and maintenance perspective: 24/7 coverage – Safety/security patrols, cleaning, grounds keeping, engineering and maintenance.
 - c. Management will also include the marketing, sales, and programming of Clubhouse Buildings, CCP, Pride Park.
3. Management Fee:
 - a. The current Management Fee shall be increased by \$75,000 annually, subject to CPI adjustment to account for the Additional Scope.
4. Term Extension
 - a. Amendment No. 4 proposes to extend the term of the Agreement for an additional eighteen (18) month period commencing on October 1, 2022 and ending on March 31, 2024.
5. Incentive Fee Criteria Calculation:
 - a. Amend criteria to delete Fire Inspector and Valet Parking Services considering Spectra is not responsible for these scopes; and

WHEREAS, the addition of Pride Park, Collins Canal Park and the Clubhouse Buildings will feature enhance the attractiveness and value of the MBCC to return and new clients as Art Basel, Miami Boat Show and beyond; and

WHEREAS, to ensure continuity of operations during the upcoming critical years of recovery from the pandemic, and the hopeful return of international and domestic conventions, conferences and destination meetings, symmetry of the management and maintenance of the MBCC campus is critical; and

WHEREAS, on May 12, 2021, the Mayor and City Commission referred Amendment No. 4 to the Agreement to the June 11, 2021 Finance and Economic Resiliency Committee;; and

WHEREAS, the Finance and Economic Resiliency Committee met on June 11, 2021 and approved Amendment No. 4 to the Agreement based on the terms set forth in this Resolution; and

WHEREAS, the terms of the proposed Amendment No. 4 create a balanced approach to achieving a positive financial outcome and enhancing the quality of life for Miami Beach Convention Center campus; and, as such, the Administration recommends that the Mayor and City Commission waive, by 5/7th vote, the formal competitive bidding requirement in Section 2-367(e) of the City Code, as being in the best interest of the City.

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, to amend the City's Management Agreement ("Agreement") with Global Spectrum, L.P. D/B/A Spectra Venue Management ("Global") for the Management of the Miami Beach Convention Center, which includes (1) additional scope to include the management and maintenance of (a) the two city facilities (clubhouse buildings), located within the 21st street community center complex, including the Carl Fisher Clubhouse, for use as dining and catering facilities, (b) Collins Canal Park, and (C) Pride Park; (2) an extension of the term of the agreement for an additional eighteen months (18) months, commencing on October 1, 2022 and expiring on March 31, 2024, commensurate with COVID-19 related impacts and the closure of the Convention Center to events; and (3) increasing the management fee by \$75,000 annually; and approving the waiver, by 5/7th vote, of the formal competitive bidding requirement in Section 2-367 of the City Code, finding such waiver to be in the best interest of the City; further, authorizing the Administration to finalize Amendment No. 4 based on the terms set forth in this Resolution; and further authorizing the City Manager and City Clerk to execute Amendment No. 4.


PASSED AND ADOPTED this _____ day of _____ 2021.

Dan Gelber, Mayor


ATTEST:

Rafael E. Granado, City Clerk

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney

 6-16-21
Date