



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Honorable Chair and Members of the Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager

DATE: March 30, 2022

SUBJECT: **A DISCUSSION OF THE POSSIBLE ISSUANCE OF A G.O. BOND FOR ARTS AND CULTURE**

BACKGROUND

The City of Miami Beach has a plethora of cultural assets and organizations benefiting its community. Many of these assets require capital improvements which are limited by the City's annual capital budget. On October 13, 2021, at the request of Commissioner Ricky Arriola, the Mayor and City Commission approved the referral of item C4-N to the Finance and Economic Resiliency Committee (the Committee), to discuss the possible issuance of a General Obligation Bond (G.O. Bond) to fund arts and culture.

Consequently, at its October 22, 2021 meeting, the Committee discussed funding arts and culture capital projects within the City. Following the discussion, the Committee issued direction to the Administration to work on an inventory of needs for the City's arts and cultural assets, as well as a recommendation to continue the discussion.

ANALYSIS

Pursuant to the Committee's direction, the Facilities and Fleet Management Department worked in conjunction with the operators and tenants of various cultural institutions within the City to compile an inventory of capital needs and requests. The proposed enhancements contemplate capital, acoustics/sound system, technology, and activating public spaces. The Department also collaborated with other departments to identify opportunities. Furthermore, the Department identified and compiled capital needs from multiple facility conditions assessments (FCAs) which provided the data on the deferred maintenance and future capital needs, including the buildings' envelope, mechanical, electrical, and plumbing systems. Collectively, this provided the framework for the inventory of proposed capital improvements projects.

On February 25, 2022, the Committee reviewed the item, and directed the Administration to brief members of the City Commission with the proposed requests. Input from several members has been gathered. Attached for the Committee's review is a draft inventory (Attachment A), proposing enhancements totaling over \$134M. This is a preliminary iteration and there are some costs remaining to be determined. It does however, cast a wide net of opportunities to continue the discussion of how to further augment the cultural venues and anchors in the community.

Should a General Obligation Bond be considered, it's worth noting the fiscal impact to homeowners. The estimated annual cost to an average homeowner (based on a property with \$596K taxable value) is depicted below for a bond at \$100M, \$150M, \$200M, and \$250M:

Bond Program Amount	Annual Debt Service	Equivalent Millage Rate	Annual Cost to Average Homeowner
\$100M	6,000,000	0.1732	\$108
\$150M	9,000,000	0.2598	\$163
\$200M	12,000,000	0.3464	\$217
\$250M	15,000,000	0.4330	\$271

CONCLUSION

The Administration recommends the Committee consider the capital enhancements detailed herein for a proposed G.O. Bond for arts and culture. The bond would nurture the arts and culture and further catapult the City as a cultural destination. Should the Committee move forward with a favorable recommendation, this item will be presented before the Mayor and Commission for consideration of issuing a General Obligation Bond, subject to voter referendum.

Attachments

A - Proposed GO Bond for Enhancement of CMB Cultural Facilities