

## COMMISSION MEMORANDUM

**TO:** Mayor Dan Gelber and Members of the City Commission

**FROM:** Alina T. Hudak, City Manager  
Rafael A. Paz, City Attorney



**DATE:** July 20, 2022

**SUBJECT:** A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA CALLING FOR A NOVEMBER 8, 2022 CITY OF MIAMI BEACH SPECIAL ELECTION, FOR THE PURPOSE OF SUBMITTING TO THE ELECTORATE OF THE CITY OF MIAMI BEACH A QUESTION ASKING WHETHER CITY SHALL BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS, FROM TIME TO TIME, NOT EXCEEDING \$\_\_\_\_,000,000 IN AGGREGATE PRINCIPAL AMOUNT, PAYABLE FROM UNLIMITED AD VALOREM TAXES, BEARING INTEREST NOT EXCEEDING THE MAXIMUM LEGAL INTEREST RATE, MATURING NO LATER THAN 30 YEARS FROM ISSUANCE DATE, TO IMPROVE FACILITIES FOR RESILIENCY OF ARTS AND CULTURAL INSTITUTIONS THROUGHOUT THE CITY, INCLUDING MUSEUMS, PERFORMANCE VENUES, ARTISTIC PLAYGROUNDS, AQUATIC SCULPTURE PARK, BOTANICAL GARDEN, SENIOR/CULTURAL CENTERS, AND RELATED ARTIST HOUSING.

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The attached Resolution has been prepared calling for a City of Miami Beach Special Election to be held on November 8, 2022 for the purpose of submitting to the City's voters the following question:

**General Obligation Bond Issue For Arts and Cultural Facilities**

To improve facilities for resiliency of arts and cultural institutions throughout the City, including museums, performance venues, artistic playgrounds, aquatic sculpture park, botanical garden, senior/cultural centers, and related artist housing, shall City be authorized to issue general obligation bonds, from time to time, not exceeding \$\_\_\_\_,000,000 in aggregate principal amount, payable from unlimited ad valorem taxes, bearing interest not exceeding maximum legal interest rate, maturing no later than 30 years from issuance date?

## **BACKGROUND**

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 FERC), to discuss the possible issuance of a General Obligation Bond (G.O. Bond) to fund arts and culture. On October 22, 2021 the Committee discussed funding arts and culture capital projects within the City. Following the discussion, the FERC 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.

Pursuant to the FERC's direction, the Facilities and Fleet Management Department (the Department) collaborated with the operators and tenants of various cultural institutions within the City to gather an inventory of capital needs and requests. The proposed enhancements contemplate capital, acoustics/sound system, technology, and activating public spaces. Additionally, the Department identified and compiled capital needs from multiple facility conditions assessments (FCAs) which provided the data on deferred maintenance, deficiencies, and future capital needs, including the buildings' envelope, mechanical, electrical, and plumbing systems. Collectively, this provided the framework for the inventory of proposed capital renewal and replacement improvements (CRR) projects.

## **ANALYSIS**

On March 30, 2022, the FERC reviewed the project list and made a motion to have the City Commission discuss and provide direction. Subsequently, on June 22, 2022, the Mayor and City Commission deliberated on the item and made a referral to the City's G.O. Bond Oversight Committee to review the projects and provide a recommendation for the Commission to act upon.

The Oversight Committee held a total of three publicly noticed meetings to discuss the projects for the proposed bond. A complete package of information was provided to all Oversight Committee members prior to the initial meeting. This included budget summaries, individual case summaries, summaries of organization structures, funding sources of previous improvements to facilities, tax projection options and an appendix of other background information.

On July 5 and July 6, 2022, the Oversight Committee reviewed the individual projects, which included proposed budgets, stakeholder interviews and case summaries. After the two meetings, additional information was requested and provided by staff. On July 14, 2022, the Oversight Committee deliberated and finalized their recommendations. Attached, by way of reference as Exhibit A, are three options for the Mayor and City Commission's consideration. Based on the foregoing options, the potential estimated fiscal impact to homeowners has been included herein. The estimated annual cost to an average homeowner (based on a property with \$665K taxable value) is depicted below for a bond at \$100M, \$125M, \$150M, \$175M, \$200M, and \$250M:

Bond Program Amount	Annual Debt Service	Equivalent Millage Rate	Annual Cost to Average Homeowner
\$100M	5,788,000	0.1309	\$87
\$125M	7,233,000	0.1636	\$109
\$150M	8,679,000	0.1963	\$130
\$175M	10,125,000	0.2290	\$152
\$200M	11,571,000	0.2617	\$174
\$250M	14,462,000	0.3271	\$217

Note: Final Amounts subject to change based on interest environment and other variables.

**FISCAL IMPACT**

The Miami-Dade County Elections Department has informed the City Clerk that the City’s Resolution calling a November 8, 2022 Special Election must be provided to the County Elections Department by July 29, 2022. Accordingly, it should be noted that the proposed measure may be considered by the City Commission either at the July 20, 2022 City Commission meeting or, at the latest, the Special Meeting scheduled for July 25, 2022.

The Miami-Dade County Elections Department has provided the City Clerk with an estimate of approximately \$28,559.85 (Cost Estimate for One Page Ballot) and \$56,217.70 (Cost Estimate in the Scenario Multiple Questions Triggers an Additional Page) to conduct the November 8, 2022 Special Election, which includes the costs associated with 14 days of Early Voting. (See Department of Election Estimates attached herein as Exhibit B) Additionally, the City will incur approximately \$42,000 in legally mandated advertisements, required by the Florida Statutes and the City Code, to notice this Special Election.

**Amount(s)/Account(s):**

\$28,559.85 - Estimate 1-page ballot (Scenario 1)

\$56,217.70 - Estimate 2-page ballot (Scenario 2)

\$42,000.00 - Estimate of Legally Mandated Advertisements for Special Election (Charter Amendments/Ballot Questions)

Maximum Estimated Amount: \$98,217.70

Account: 011-9322-000312-90-400-592-00-00-00

**CONCLUSION**

Pursuant to the direction of the Mayor and City Commission, the Administration recommends adopting the attached Resolution calling for a City of Miami Beach Special Election for the purpose of submitting to the City’s electorate a ballot question asking whether the City should issue a General Obligation Bond for arts and cultural facilities.

RAP/ATH

## Exhibit A

### G.O. BOND for ARTS & CULTURE Final Committee Recommendation

	PLATINUM	GOLD	SILVER
<b>CITY-OWNED CULTURAL FACILITIES</b>	<b>CITY-OWNED CULTURAL FACILITIES</b>		
Bass Museum of Art	\$ 20,100,000	\$ 4,760,000	\$ 3,540,000
Miami City Ballet	\$ 20,870,000	\$ 17,000,000	\$ 12,180,000
Fillmore Miami Beach	\$ 29,110,000	\$ 29,110,000	\$ 29,110,000
Colony Theater	\$ 7,480,000	\$ 6,500,000	\$ 4,300,000
Miami Beach Botanical Garden	\$ 6,270,000	\$ 3,870,000	\$ 370,000
Art Deco Welcome Center	\$ 1,420,000	\$ 1,420,000	\$ 1,270,000
New World Symphony	\$ 8,640,000	\$ 4,200,000	\$ 1,950,000
Holocaust Memorial Miami Beach	\$ 7,150,000	\$ 6,700,000	\$ 6,100,000
Byron Carlyle Theater	\$ 30,570,000	\$ 30,570,000	\$ 30,570,000
North Beach Oceanfront Center*	\$ 1,950,000*	\$ 1,950,000*	\$ 1,950,000*
Miami New Drama at Collins Park Garage	\$ 7,670,000	\$ 7,670,000	\$ 3,835,000
Miami Beach Bandshell	\$ 3,770,000	\$ 3,770,000	\$ 3,770,000
<b>City-Owned Cultural Facilities Total</b>	<b>\$145,000,000</b>	<b>\$117,520,000</b>	<b>\$98,945,000</b>
<b>OTHER CULTURAL FACILITIES NOT CITY OWNED</b>	<b>OTHER CULTURAL FACILITIES NOT CITY OWNED</b>		
The Wolfsonian - FIU	\$ 10,000,000	\$ 5,000,000	\$ -
The Jewish Museum of Florida - FIU	\$ 750,000	\$ 375,000	\$ -
<b>Other Cultural Institutions Total</b>	<b>\$10,750,000</b>	<b>\$5,375,000</b>	<b>\$0</b>
<b>OTHER PROJECTS / ENHANCEMENTS</b>	<b>OTHER PROJECTS / ENHANCEMENTS</b>		
Artistic Playgrounds	\$ 7,670,000	\$ 7,670,000	\$ 3,835,000
Aquatic Sculpture Park	\$ 11,800,000	\$ 10,675,000	\$ 5,000,000
<b>Other Projects Total</b>	<b>\$19,470,000</b>	<b>\$18,345,000</b>	<b>\$8,835,000</b>
<b>TOTAL</b>	<b>\$175,220,000</b>	<b>\$141,240,000</b>	<b>\$107,780,000</b>

\*Includes \$770,000 for Hispanic Community Cultural Center/Historic Coral Rock House (not City owned)

# EXHIBIT B

<b>ESTIMATE</b>		
<b><u>City of Miami Beach - Piggyback Election - November 8, 2022</u></b>		
<b>Rafael E. Granado, City Clerk</b> <b>City of Miami Beach</b> <b>1700 Convention Center Dr., #200</b> <b>Miami Beach, FL 33139</b>	<b>Estimate N°:</b> <b>Estimate Date:</b>	<b>MBEACH(2)-PB-11082022</b> <b>June 21, 2022</b>
<b>Registered Voters:</b> <b>Precincts:</b> <b>Polling Places:</b> <b>Permanent Absentee Ballots:</b>	<b>50,287</b> <b>29</b> <b>24</b> <b>14,792</b>	<b>Early Voting Days:</b> <b>Early Voting Sites:</b>
<b>Personnel</b> <i>Salaries &amp; Fringe Benefits, Overtime, Poll Workers</i>		\$ -
<b>Polling Places</b> <i>Security, Polling Place Rentals</i>		-
<b>Supplies and Services</b> <i>Election Supplies, Communication Charges, Absentee Ballots Set Up</i>		-
<b>Trucks and Vehicles</b> <i>Truck Rentals, GSA Vehicles</i>		-
<b>Printing and Advertising</b> <i>Absentee, Early Voting &amp; Precinct Ballots, Temporary Polling Place Change Notices, Newspaper Ads</i>		25,143.50
<b>Postage</b> <i>Absentee Ballots Sent and Business Reply, Temporary Polling Place Change Notices, Letters</i>		-
<b>Ballot Creation</b> <i>In-House &amp; Outside Contractual Services, Translations - Based on one question</i>		820.00
<b>Administrative Overhead</b> <i>Indirect Costs, Logic &amp; Accuracy, Post-Election Audits</i>		2,596.35
<b>*TOTAL</b>		<b>\$ 28,559.85</b>
<p><i>* Please note these costs are estimates and are subject to change. This estimate does include the cost of ballot printing; however, if your question(s)/race(s) creates an <u>additional ballot page</u>, the cost will be adjusted accordingly.</i></p>		

For more information, you may contact:

Raimundo Delgado  
 Manager, Budget and Finance  
 Miami-Dade Elections Department  
 2700 NW 87 Avenue  
 Miami, Florida 33172

Office: 305-499-8424 E-mail: raimundo.delgado@miamidade.gov

## ESTIMATE

### City of Miami Beach - Piggyback Election - November 8, 2022 w/ additional page

Rafael E. Granado, City Clerk  
City of Miami Beach  
1700 Convention Center Dr., #200  
Miami Beach, FL 33139

Estimate N°: MB-(2)-PB-110822  
Estimate Date: June 17, 2022

Registered Voters:	50,287	Early Voting Days:
Precincts:	29	Early Voting Sites:
Polling Places:	24	
Permanent Absentee Ballots:	14,792	

<b>Personnel</b>	\$	-
<i>Salaries &amp; Fringe Benefits, Overtime, Poll Workers</i>		
<b>Polling Places</b>		-
<i>Security, Polling Place Rentals</i>		
<b>Supplies and Services</b>		-
<i>Election Supplies, Communication Charges, Absentee Ballots Set Up</i>		
<b>Trucks and Vehicles</b>		-
<i>Truck Rentals, GSA Vehicles</i>		
<b>Printing and Advertising</b>		50,287.00
<i>Absentee, Early Voting &amp; Precinct Ballots, Temporary Polling Place Change Notices, Newspaper Ads</i>		
<b>Postage</b>		-
<i>Absentee Ballots Sent and Business Reply, Temporary Polling Place Change Notices, Letters</i>		
<b>Ballot Creation</b>		820.00
<i>In-House &amp; Outside Contractual Services, Translations - Based on one question</i>		
<b>Administrative Overhead</b>		5,110.70
<i>Indirect Costs, Logic &amp; Accuracy, Post-Election Audits</i>		
	<b>*TOTAL</b>	<b>\$ 56,217.70</b>

\* Please note these costs are estimates and are subject to change. This estimate does include the cost of ballot printing; however, if your question(s)/race(s) creates an additional ballot page, the cost will be adjusted accordingly.

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