

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 FOR TRANCHE 1 OF THE ARTS AND CULTURE GENERAL OBLIGATION BONDS SERIES 2023, IN THE NOT-TO-EXCEED AMOUNT OF \$101,700,000 AND GRANTEE FUNDING IN TRANCHE 1; PROVIDING THAT THE GRANT AGREEMENTS FOR THE NEW WORLD SYMPHONY, HOLOCAUST MEMORIAL AND MIAMI BEACH HISPANIC COMMUNITY CENTER SHALL INCLUDE FULL FUNDING FOR PROJECT MANAGEMENT AND CONTINGENCY, SUBJECT TO CITY MANAGER ADVANCE APPROVAL OF THE USE OF CONTINGENCY FOR APPROVED SCOPE OVERRUNS AND UNFORESEEN CONDITIONS; AND RECOMMENDING THAT THE AGREEMENT WITH MIAMI BEACH CLASSICAL MUSIC FESTIVAL INCLUDE TERMS OF USE AND REVENUE SHARE.**

**WHEREAS**, on July 20, 2022, the Mayor and Commission approved Resolution 2022-32261, authorizing a special election, submitting to the electorate of the City of Miami Beach a question asking whether the City should be authorized to issue general obligation bonds, not exceeding \$159,000,000, to improve facilities for resiliency of arts and cultural institutions throughout the city, including museums, performance venues, artistic playgrounds, senior/cultural centers, Botanical Garden, aquatic sculpture park, and related artist/workforce housing (“Arts and Culture Bonds”); and

**WHEREAS**, on November 8, 2022, the voters of the City of Miami Beach approved the issuance of \$159 million in Arts and Culture Bonds; and

**WHEREAS**, on November 16, 2022, the Mayor and Commission referred a “Discussion with Possible Action as Needed Regarding the G.O. Bonds For Arts And Culture Approved By The Voters On November 8, 2022” to the Finance and Economic Resiliency Committee (“F.E.R.C.”); and

**WHEREAS**, at the January 27, 2023 F.E.R.C. meeting, the Administration provided an update which included: overview of Projects, potential issues for determining tax-exempt debt, potential impacts of 2 tranches, potential options for debt structure and number of bonds issues, timeline for bond issuance, impact of the Arts and Culture G.O. Bonds and other bond issues to property owner; and

**WHEREAS**, the Committee directed the Administration to return in March with recommendations for Tranche 1 funding and an evaluation of the breakdown between taxable and tax-exempt components; and

**WHEREAS**, in determining the Tranche 1 recommended funding, the Administration evaluated cash flow needs based on schedules created for each of the City owned facilities and information provided by cultural institutions for projects that will not be managed by the City; and

**WHEREAS**, this approach allows for only the necessary funding to be included in Tranche 1, and therefore reduces initial taxes paid by property owners with tax increases phased in over time; and

**WHEREAS**, it is important to note that the New World Symphony, Holocaust Memorial, and Miami Beach Hispanic Community Center (Coral Rock House) had been presented as City owned cultural facilities throughout the project development and approval process (either because the facilities are on ground leases or other long-term leases on City land, or because they were included within a City owned facility as a sub-project); and

**WHEREAS**, therefore, in presenting the funding to be included in the November 8, 2022 referendum question, the assumption was that these projects would be managed by the City and the total costs assigned to each project included Contractor general conditions, overhead and profit, bond, permit fees; "owner's" contingency; project Management by the City; and program oversight by the City; and

**WHEREAS**, it has since been determined that these three projects will not be managed by the City, but rather by each respective entity; and

**WHEREAS**, therefore, the Administration recommended grant agreements with amounts that only included original requested costs plus estimated capital expenditures such as Contractor general conditions, overhead and project, bond fees, and, permit fees, but conservatively excluded the undefined "owners" contingency costs, to be made available if needed, subject to advance review of the planned use of the contingency, by the City Commission; and

**WHEREAS**, the Administration also recommended removing City project management and program oversight costs, which would have been transferred to Tranche 2 for future use if needed, or be unfunded from the Bond; and

**WHEREAS**, on March 31, 2023, the Finance and Economic Resiliency Committee heard input from staff and various Grantees; and

**WHEREAS**, the Committee made the following changes to the Administration's Recommendation: 1. Include project management and project contingency for New World Symphony, Holocaust Memorial and Miami Beach Hispanic Community Center s as part of the initial grant agreement, with use of contingency related to the approved scope subject to City Manager advance approval, and City project and program management amounts to be used by the entities for their own project management (refer to Attachments 1a, 1b, and 1c, for budget sheets for each of the three entities); 2. Decrease Tranche 1 funding for the Wolfsonian from \$5 million to \$1.5 million, based on the funding needs for the next 3 years stated by the grantee; and 3. Increase Tranche 1 funding for the Aquatic Sculpture Park from \$2 million to \$5 million, based on an updated expedited schedule provided prior to the meeting; and

**WHEREAS**, with the aforementioned revisions, the final Tranche 1 amount is \$101,700,000 (distribution by project is included herein as Attachment 2); and

**WHEREAS**, the Committee also recommended that Byron Carlyle Theater and Fillmore Theater (Jackie Gleason), remain in Committee for regular updates, and that the agreement with Miami Beach Classical Music Festival include terms of ownership and use.

**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 accept the recommendations of the Finance and Economic Resiliency Committee for Tranche 1 of the Arts and Culture General Obligation Bonds Series 2023, in the not-to-exceed

