



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

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: July 26, 2023

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING A FIRST AMENDMENT TO THE GRANT AGREEMENT TEMPLATE, WHICH AMENDMENT WILL ALLOW FOR THE ADVANCING OF GRANT AWARD FUNDS PURSUANT TO THE GRANT AGREEMENTS PREVIOUSLY APPROVED IN CONNECTION WITH THE GENERAL OBLIGATION BOND FOR ARTS & CULTURE FOR CERTAIN GRANT RECIPIENTS; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO FINALIZE AND EXECUTE AMENDMENT 1 WITH SUCH GRANT RECIPIENTS.**

BACKGROUND

At the July 20, 2022 Commission meeting, the Mayor and Commission approved Resolution 2022-32261, authorizing a special election, submitting to the electorate of the City of Miami Beach the question asking whether the City shall be authorized to issue general obligation bonds (GOB), 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.

On November 8, 2022, the voters of the City of Miami Beach approved the issuance of a General Obligation Bond for Arts & Culture in the not to exceed amount of \$159 million.

At the November 16, 2022 Commission meeting, the Mayor and Commission approved Resolution No. 2022-32405 directing the Administration and City Attorney's Office to negotiate and secure public benefits for residents of the City as part of the grant agreements with cultural arts organizations that will receive G.O. Bond for Arts & Culture funds.

On March 27, 2023, the City Commission adopted Resolution No. 2023-32523 approving the template for the Grant Agreement to be signed by grant recipients (Approved Grant Agreement Template). A copy of the Approved Grant Agreement Template is attached to this Memorandum as Exhibit A.

On April 28, 2023, the City Commission adopted the following Resolutions related to the Arts & Culture G.O. Bond:

- Resolution No. 2023-32592 accepting the recommendations of the Finance and Economic Resiliency Committee (F.E.R.C.) for Tranche 1 in the not-to-exceed amount of \$101,700,000 (including grant amounts for the following projects: Workforce Housing, New World Symphony, Holocaust Memorial, Miami Beach Hispanic Community Center, The Wolfsonian and the Jewish Museum of Florida).
- Resolution No. 2023-32593 approving revisions to the Grant Agreement Template.
- Resolution No. 2023-32594 approving the additional public benefits proffered by each of the cultural arts organizations or entities that will receive Arts & Culture G.O. Bond funds or that will directly benefit from capital projects paid for with bond funding.

On May 17 and June 28, 2023, the first and second public readings of the bond issuance resolution were held.

On June 28, 2023, the City Commission adopted resolution No.2023-32634 approving grant awards for the Miami City Ballet, Miami New Drama and Rhythm Foundation.

ANALYSIS

Because some of the grant recipients do not have sufficient cash on hand to pay the expenses of designing, constructing and/or equipping their projects as the expenses become due, they have requested cash advances to pay for these expenses. The First Amendment to Grant Agreement facilitates this funding mechanism while providing controls for the city to monitor the use of those advances. The proposed First Amendment to Grant Agreement template (First Amendment Template) is attached to this Memorandum as Exhibit B.

Key provisions in the First Amendment Template include the following:

- Advances are available only to grantees that certify they lack the necessary cash flow or other sources of funding to pay project expenses as they become due.
- A grantee may request an advance up to the **lesser** of 25% of the total Grant Award or \$500,000.
- A grantee may request one advance in a thirty (30) day period.
- The final 10% of the grant award is to be paid on a reimbursement basis.
- The City Manager (or designee) may, based on a grantee's demonstrated need, authorize (x) the payment of a percentage greater than twenty-five percent (25%), (y) the payment of a dollar value higher than \$500,000 and/or (z) the processing of more than one advance request within a thirty (30) day period.
- Each advance request must include appropriate documentation supporting the amount requested and, after the first advance is paid, subsequent advance requests must also include proof that amounts previously advanced have been used to pay project expenses in line with previous advance requests.
- The final 10% of the cost to purchase equipment, material or personal property is to be paid on a reimbursement basis to ensure that equipment is physically present in Miami Beach. This requirement, which mirrors the requirement applicable to reimbursements for purchases of equipment, material or personal property, cannot be waived by the City Manager (or designee).

CONCLUSION

The Administration recommends the adoption of this resolution approving the First Amendment Template, which will allow for the advancing of grant award funds pursuant to the grant agreements previously approved in connection with the General Obligation Bond for Arts & Culture for grant recipients that certify they lack the necessary cash flow or other sources of funding to pay for project expenses as they become due; and further authorizing the City Manager and City Clerk to finalize and execute a First Amendment to Grant Agreement substantially in the form of the First Amendment Template with such grant recipients.

Attachments:

Exhibit A: Approved Grant Agreement Template

Exhibit B: First Amendment to Grant Agreement Template

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EC/MH