

NO. LTC # 279-2017

## LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: May 25, 2017

SUBJECT: **UPDATE ON THE WORLD OUTGAMES EVENT**

This purpose of this Letter to Commission (LTC) is to provide an update to the Mayor and Commission on recent developments that are impacting the Miami Beach World OutGames event, scheduled to take place from May 26, 2017 to June 4, 2017. The event, produced by the Miami Beach-Miami LGBT Sports and Cultural League, Inc., is operating under the fiscal umbrella of the MDGLCC Foundation, Inc. The OutGames, which includes the Global LGBTQ Human Rights Conference, has scheduled Miami Beach-based event uses of Lummus Park, Soundscape Park and New World Symphony, Flamingo Park, The Loews Miami Beach Hotel, The Colony Theater, and the Fillmore Miami Beach, in addition to the National Hotel which serves as the host hotel for the event.

In our effort to do everything possible to support World OutGames, the City has reduced deposits and extended deadlines, multiple times. In fact, with events set to begin tomorrow, the City has yet to receive the required \$5,000 special event deposit and several other key permitting components have not been met. City staff is doing everything possible to make this event happen, and we are still willing to issue the permit in the final hour.

City staff has worked consistently for the past several months to assist the event producers with special events planning and permitting; fundraising efforts; relocating events to low or no cost venues; assisting with local partners to provide support and access; and providing financial support to cover police staffing costs. As a lead sponsor of the event, the City has also waived all related special event and permitting fees for this event and provided \$200,000 in cash sponsorship of the OutGames, inclusive of \$50,000 in loan forgiveness.

Working in tandem with OutGames CEO Ivan Cano and Executive Director Keith Hart, City staff has worked diligently to provide support, guidance, and assistance with all aspects of this event, including:

1. Logistics coordination via the Office of Tourism, Culture and Economic Development (TCED) including all planning and establishment of meetings with all City resource requirements including City Police, Fire, Parks, Sanitation, Parking, and Transportation. Staff has guided the events producers through the required Special Events Community Meetings and all required permitting elements, and further has, since December of 2016, been in constant weekly communication with the producers to help walk them through the checklist of requirements, coordinate with all related City departments, help to problem solve and generally provide the full support of the TCED department.

2. The City has waived all associated special event permitting fees, and has extended every deadline for permitting. The initial deadline for delivery of all special event permitting requirements, payments, staffing, building permits, sign-offs, site plans, and insurance was May 12, 2017. As of today's date, the event does not have a special event permit, nor have the producers delivered the required deposit, final site plans, and meter request.
3. Staff has worked to help relocate the following events at low to no cost venues, requesting the assistance of our local partners to collaborate by waiving rental fees and providing deep discounts:
  - a. **Human Rights Conference** – originally planned for the Miami Beach Convention Center; relocated with City staff assistance to The Loews Miami Beach Hotel with a 25% discount on food and beverage and waiver of all rental fees. City staff also explored relocating the Conference to New World Symphony, the InterContinental Hotel in Miami, and several other local venues, with exhaustive research and collaboration with these venues to create discounted or pro bono offers to OutGames. All venues collaborated fully with the City and were open and amenable to hosting the Conference. Ultimately, OutGames producers chose the Loews as the Conference venue, after several weeks of in-depth conversations with venue and City staff.
  - b. **Opening Ceremony** – originally planned for Marlins Stadium, but relocated due to the event producer's inability to pay the rental fee (a \$75,000 deposit was forfeited); relocated with City staff assistance to the Fillmore Miami Beach, with a waiver of \$3,000 of the required rental fee – which is the maximum amount possible for a waiver. City staff also explored the possible usage of the Botanical Gardens, New World Symphony and the InterContinental for the Opening Ceremonies. Again, all venues worked in tandem with City staff to present opportunities that would help to support the event.
  - c. **Cultural Events** – although previously booked with a hold for another event, with City staff assistance the Colony Theater was able to free up all of the requested dates for OutGames cultural events, and to provide a rental waiver, as approved by the Cultural Arts Council.
  - d. **Festival Village** – originally intended to be in Lummus Park, and opening on Memorial Day Weekend, Friday, May 26, 2017. In the Special Events Meeting held on February 16, 2017, event producers were advised of the City's standard policy during high impact weekends, such as Memorial Day Weekend and particularly on Ocean Drive and in Lummus Park, that major event activation is restricted for the safety of residents and visitors. As such, the Village could be permitted to include ambient music, a hospitality and

registration destination for OutGames participants, a VIP area, bar and lounge, and simply not include amplified sound from May 26-28, 2017. Beginning on Monday, May 29, 2017, permitting would allow for amplified sound and performance activation.

Nonetheless, event producers decided to relocate the Village, and City staff worked diligently to assist them with an exhaustive search for an alternate space including Soundscape Park, The Fillmore lawn, and 73<sup>rd</sup> Street sandbowl. New World Symphony was willing to collaborate and host the Village at Soundscape Park, but the cost of restoring the grass was prohibitive to the producers. The Fillmore was willing to host the Village on their lawn, but the cost was prohibitive to the producers. Ultimately, the event producers decided to relocate the Village to the National Hotel for the full ten days – May 26-June 4, 2017. This decision was made on May 3, 2017. As planning began for the Village at the National, Keith Hart approached the City with a request for assistance, and the City Manager agreed to cover all necessary police staffing costs – including the Village, Opening Ceremony, and all sporting and cultural events, which was budgeted as of May 22, 2017 in the amount of \$14,500.

The OutGames contract with the hotel called for a certain amount of rooms to be rented throughout the entire games. Based on the contractually agreed upon room occupancy the OutGames promised to the National Hotel, the hotel initially agreed to provide the use of the pool area for the Village at no cost. We have now learned that OutGames was not able to provide the room rentals they promised, are in breach of the contract they entered into, and currently owe a substantial amount of money to the hotel. Because of this, the hotel was not willing to provide the pool area for the Village. This was the hotel's decision, and independent of any City decision or permitting issue. It should also be noted that the National Hotel was not willing to provide amplified music for all ten days. Like the City, they would not allow amplified music over the Memorial Day Weekend. It is important to note that, due to the need for monetary funding, OutGames also had plans to sell tickets to the general public to enter the Village. As you know, the amplified music at the pool area and sale of tickets requires a special event permit from the City. City Ordinances state that the adjacent hotels must give their approval for special events. All events that come into the City are bound by this rule and OutGames producers are very familiar with these guidelines, as they have produced events throughout the City and including at the National. One of the adjacent hotels did not give its consent.

- e. **Basketball, Indoor Volleyball, Badminton** – staff provided a comprehensive list of alternate City-owned venues to host all of these events rent free. Event producers chose to relocate basketball events to Miami

Beach High School, where the courts are being provided at no charge. For indoor volleyball, producers concluded that none of our venues had sufficient courts, and so the Office of the City Manager reached out to coordinate use of the University of Miami (UM) basketball courts for both indoor volleyball and badminton. When approached by Keith Hart and Ivan Cano for assistance with the UM rental fee, the City Manager's Office facilitated \$20,000 in donations from City vendors to fully subsidize the UM usage.

As of today, the City has been advised that the marathon and half marathons have been cancelled by the producer of those events due to non-payment by OutGames.

On behalf of the staff and City of Miami Beach, we are very committed to our LGBTQ community, and have put all resources toward supporting World OutGames. We are dedicated to ensuring the success of OutGames events in the City of Miami Beach, and have done everything in our power to provide support. Staff has consistently been proactive, engaged, supportive and flexible with OutGames producers.

We welcome and applaud the athletes, families, and visitors in attendance, and remain honored to be chosen as a host city known for our unwavering commitment to the LGBTQ community.