

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: October 30, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING AND RESTATING RESOLUTION NO. 2024-33243, TO APPROVE ONE-TIME FUNDING IN THE AMOUNT OF \$957,151.36, CONSISTING OF GRANT FUNDING IN THE AMOUNT OF \$932,151.36 FOR MIAMI BEACH ARTS AND CULTURE ORGANIZATIONS AND \$25,000 FOR SOUTH BEACH JAZZ FESTIVAL, TO PROVIDE FINANCIAL ASSISTANCE TO OFFSET STATE BUDGET CUTS FOR FISCAL YEAR 2025 AT A HIGHER-LEVEL THAN PREVIOUSLY APPROVED PURSUANT TO RESOLUTION NO. 2024-33243 AS DIRECTED BY THE CITY COMMISSION DURING ITS SEPTEMBER 16, 2024 BUDGET MEETING.

RECOMMENDATION

The Administration recommends the Mayor and City Commission adopt the resolution amending and restating Resolution No. 2024-33243 to approve one-time funding in the amount of \$957,151.36, consisting of grant funding in the amount of \$932,151.36 for Miami Beach Arts and Culture Organizations and \$25,000 for South Beach Jazz Festival, providing financial assistance to offset the State of Florida's Division of Arts and Culture's Cultural and Museum Grants (General Program Support) and the Specific Cultural Projects (Culture Builds Florida) Grant budget cuts.

BACKGROUND/HISTORY

The City of Miami Beach is home to a significant number of Arts and Culture organizations which contribute significantly to our City's robust appeal to diverse residents and tourists. The City supports various organizations through grants and sponsorship awards. The organizations also rely on funding from the State of Florida, through the state's Cultural and Museum Grant Program and the Specific Cultural Project (Culture Builds Florida) Grant, to meet their operational needs. During the 2025 state budget process, significant funding was withheld from Arts and Culture organizations.

On June 28, 2024, at the request of Commissioner Tanya K. Bhatt, the Mayor and City Commission approved a dual referral (C4 L) to the Finance and Economic Resiliency Committee (FERC) and Public Safety and Neighborhood Quality of Life Committee (PSNQLC) for the Administration to explore and provide input on the possibility of making up the funding shortfall for Miami Beach Arts and Culture organizations caused by the new State budget cuts.

Originally, the State of Florida Division of Arts and Culture requested a total of \$77,343,303 to support cultural organizations through the following State's cultural grant program:

- Cultural and Museum Grant (General Program Support): \$54,436,991
 - \$1,941,982 of which were earmarked for Miami Beach Cultural Anchors and Presenters
- Cultural Endowment: \$4,560,000
- Cultural Facilities: \$14,095,214

- Specific Cultural Project (Culture Builds Florida) Grant: \$4,251,098
 - \$25,000 of which were earmarked for Miami Beach Presenters

During the 2024 Florida Legislative session, the Legislature appropriated a funding amount representing 48% of the original recommendation by the State Division of Arts and Culture, that included \$932,151.36 for Miami Beach Cultural Anchors and Presenters awarded from the Cultural and Museum Grant (General Program Support). The Legislature also appropriated \$6,000,000 towards Cultural Facilities statewide and did not appropriate funds towards the Cultural Endowment or the Specific Cultural Project (Culture Builds Florida) Grant. All the amounts appropriated by the State Legislature were ultimately vetoed by Governor De Santis.

The Miami Beach Cultural Anchors affected by the Cultural and Museum Grant (General Program Support) budget cuts are: Jewish Museum of Florida, The Wolfsonian, The Bass Museum, Holocaust Memorial, Miami Beach Botanical Garden, Miami City Ballet, Miami Design Preservation League, Miami New Drama, New World Symphony, O, Miami, South Florida Art Center (Oolite Arts), and The Rhythm Foundation. The Miami Beach Cultural Presenters affected by the budget cuts are: FUNDarte, Miami Musical Festival, and The Dance Now! Ensemble.

Cultural and Museum Grant: Miami Beach Cultural Anchors	Recommendation by State Division of Arts and Culture	48% funding approved by State Legislature
The Wolfsonian (The Florida International University Board of Trustees)	\$ 150,000.00	\$ 72,000.00
Jewish Museum of Florida (The Florida International University Board of Trustees)	\$ 90,000.00	\$ 43,200.00
Friends of the Bass Museum, Inc.	\$ 150,000.00	\$ 72,000.00
Holocaust Memorial Committee	\$ 100,000.00	\$ 48,000.00
Living Arts Trust, Inc.	\$ 112,649.00	\$ 54,071.52
Miami Beach Garden Conservancy, Inc.	\$ 90,000.00	\$ 43,200.00
Miami City Ballet, Inc.	\$ 150,000.00	\$ 72,000.00
Miami Design Preservation League, Inc.	\$ 150,000.00	\$ 72,000.00
Miami New Drama	\$ 150,000.00	\$ 72,000.00
New World Symphony, Inc.	\$ 150,000.00	\$ 72,000.00
O, Miami, Inc.	\$ 90,000.00	\$ 43,200.00
South Florida Art Center, Inc.	\$ 150,000.00	\$ 72,000.00
The Rhythm Foundation, Inc.	\$ 150,000.00	\$ 72,000.00
	\$ 1,682,649.00	\$ 807,671.52
Cultural and Museum Grant: Miami Beach Presenters	Panel Recommendation	48% funding approved by State Legislature
Fundarte, Inc.	\$ 90,000.00	\$ 43,200.00
Miami Music Festival, Inc.	\$ 115,170.00	\$ 55,281.60
The Dance Now! Ensemble, Inc.	\$ 54,163.00	\$ 25,998.24
	\$ 259,333.00	\$ 124,479.84
TOTAL	\$ 1,941,982.00	\$ 932,151.36

One (1) Miami Beach organization, Power Access, Inc. (South Beach Jazz Festival), was expecting \$25,000 in funding from the Specific Cultural Project Grant.

Specific Culture Project: Miami Beach Presenter	Panel Recommendation	
Power Access, Inc. (South Beach Jazz Festival)	\$ 25,000.00	\$ 25,000.00

On July 9, 2024, the Tourism and Culture Department held a Cultural Anchor Roundtable meeting with the leadership of the Miami Beach cultural institutions to discuss the impact of the unprecedented State budget cuts. The Cultural Anchors shared that budgets cuts significantly impact their programming and/or possible operations.

During the July 12, 2024, FERC Budget Workshop, the Committee recommended providing one-time funding for this purpose during FY 2025.

At the July 26, 2024, FERC meeting, the Committee provided a favorable recommendation to provide support to each of the Miami Beach Cultural Anchors and Cultural Presenters listed in the amount of \$25,000 or 50% of the State Legislature’s 48% recommendation, whichever was greater.

On September 11, 2024, the Mayor and City Commission approved an amount of \$492,676.56 to be allocated to Miami Beach Cultural Anchors and Cultural Presenters to supplement the shortfall of the State’s Cultural and Museum Grant Program.

ANALYSIS

Arts and Culture Economic Impact

According to a study by Americans for the Arts published in 2023, the City of Miami Beach witnessed economic benefits from its arts and culture focus in the form of an economic boost of \$334.9 million in the previous year. The study looked at 373 diverse communities and regions from all 50 states and Puerto Rico. Economic activity related to the nonprofit arts and culture sector in Miami Beach more than doubled since 2015 — the last time the survey was conducted by the nonprofit that is dedicated to advancing the arts throughout the United States.

The study reflects that approximately \$222.7 million was spent by nonprofit arts and culture organizations in Miami Beach and \$112.2 million in event-related spending by audiences. According to the study, this investment supported 5,201 jobs, generated \$253 million in household income for Miami Beach residents and delivered \$74.1 million in tax revenue for the city, state and federal government.

Direct Economic Activity	Organizations	Audiences	Total Expenditures
Total Industry Expenditures (FY2022)	\$222,694,809	\$112,242,435	\$334,937,244

Economic Impact of Spending by Arts and Culture Organizations and Their Audiences

Total Economic Impacts (includes direct, indirect, and induced impacts)	Organizations	Audiences	Total Impacts
Employment (Jobs)	3,657	1,544	5,201
Personal Income Paid to Residents	\$193,306,837	\$59,683,099	\$252,989,936
Local Tax Revenue (city and county)	\$8,032,570	\$4,133,559	\$12,166,129
State Tax Revenue	\$6,170,999	\$3,216,503	\$9,387,502
Federal Tax Revenue	\$40,331,539	\$12,234,527	\$52,566,066

Event-Related Spending by Arts and Culture Audiences Totaled \$112.2 million

Attendance to Arts and Culture Events	Local ¹ Attendees	Nonlocal ¹ Attendees	All Attendees
Total Attendance to In-Person Events	1,408,151	569,589	1,977,740
Percentage of Total Attendance	71.2%	28.8%	100.0%
Average Per Person, Per Event Expenditure	\$40.91	\$95.92	\$56.77
Total Event-Related Expenditures	\$57,607,458	\$54,634,977	\$112,242,435

Nonprofit Arts and Culture Audiences Spend an Average of \$56.77 Per Person, Per Event

Category of Event-Related Expenditure	Local ¹ Attendees	Nonlocal ¹ Attendees	All Attendees
Food and Drink	\$21.09	\$28.85	\$23.33
Retail Shopping	\$3.22	\$6.70	\$4.22
Overnight Lodging (one night only)	\$1.58	\$39.01	\$12.38
Local Transportation	\$5.85	\$11.28	\$7.41
Clothing and Accessories	\$3.31	\$3.89	\$3.48
Groceries and Supplies	\$2.86	\$3.63	\$3.08
Childcare	\$1.21	\$0.48	\$1.00
Other/Miscellaneous	\$1.79	\$2.08	\$1.87
Overall Average Per Person, Per Event	\$40.91	\$95.92	\$56.77

The findings support proponents of higher spending on arts and culture, who maintain that such investments enhance the quality of life for residents and visitors, while also stimulating the local economy. Miami Beach voters overwhelmingly approved a \$159 million General Obligation Bond

for Arts and Culture in 2022 that will fund an unprecedented expansion of city museums, theaters, and public performance venues over the coming decades.

Based on the study, Miami Beach attendees at nonprofit culture and art events spent an average of \$56 in addition to the cost of admission on a per person, per event basis compared to \$38 nationally. More than 28% of Miami Beach attendees traveled from beyond Miami-Dade County and spent more than \$95 per person on average.

Commission Approval to Increase Funding

At the September 16, 2024, first FY 2025 Budget Hearing, the Mayor and City Commission discussed the allocated \$1,000,000.00 to support the one-time funding request for Miami Beach Cultural Anchors and Presenters in the FY 2025 budget and increasing the one-time financial support of \$492,676.56 to \$932,151.36.

Additionally, the Mayor and City Commission discussed the inclusion of Power Access, Inc., a Miami Beach cultural organization, among the list of funding recipients. In addition to the veto of the State's Cultural and Museum Grant Program, the State's legislature did not recommend funding towards the Specific Cultural Project Grant, subsequently eliminating the \$25,000 expected by Power Access, Inc.

Ultimately, the Mayor and City Commission decided to keep the allocated \$1,000,000 one-time funding for possible further discussion at the second budget hearing, and include Power Access, Inc. in the list of recipients.

On September 25, 2024, the Mayor and City Commission adopted the FY 2025 budget which included the requested one-time funding for the Cultural Anchors and Cultural Presenters in an amount of \$1,000,000.00 in the Resort Tax Fund.

Between the cuts to the Cultural and Museum Grant, and the Specific Cultural Project Grant, the Miami Beach organizations were collectively expecting to receive a total of \$957,151.26 in State funding, as demonstrated below.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Tourism and Culture

Sponsor(s)

Commissioner Tanya K. Bhatt

Co-sponsor(s)

Commissioner Alex Fernandez

Condensed Title

Amend Reso 2024-33243, Approving One-Time Funding for MB Arts & Culture Organizations. (Bhatt/Fernandez) TC