

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, PURSUANT TO INVITATION TO NEGOTIATE (ITN) NO. 2023-338-ND, THE MANAGEMENT AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND GLOBAL SPECTRUM L.P. D/B/A SPECTRA VENUE MANAGEMENT D/B/A OVG360 (A DIVISION OF OAK VIEW GROUP) FOR THE MANAGEMENT AND OPERATION OF THE MIAMI BEACH CONVENTION CENTER AND CAMPUS SUBSTANTIALLY IN THE FORM ATTACHED TO THIS RESOLUTION; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO FINALIZE AND EXECUTE THE MANAGEMENT AGREEMENT.

WHEREAS, Global Spectrum, L.P. was founded in 1994 as a management consulting firm; and

WHEREAS, the City and Global Spectrum L.P. ("Global") are parties to a Management Agreement, dated October 7, 2013, pursuant to which the City engaged Global to manage and operate the Miami Beach Convention Center (the Management Agreement, as so amended and modified, referred to herein as the "Agreement"); and

WHEREAS, the initial term of the Agreement was three (3) years, ending on September 30, 2016, subject to the City's right to extend the term for an additional two (2) years; and

WHEREAS, on October 21, 2015, via Resolution No. 2015-29191, the Mayor and City Commission approved Amendment No. 1 to the Agreement, extending the term thereof through September 30, 2020; and

WHEREAS, on September 23, 2016, the City terminated Global's responsibilities as manager and operator of the Colony Theater effective, September 30, 2016; and

WHEREAS, on September 12, 2018, via Resolution No. 2018-30508, the Mayor and City Commission approved Amendment No. 2 to the Agreement, extending the term thereof through September 30, 2022; and

WHEREAS, on September 11, 2019, in Resolution No. 2019-30986, the Mayor and City Commission approved Amendment No. 3 to the Agreement, approving an increase in Global's monthly imprest (fixed balance) amount and establishing a Global funded annual internship contribution; and

WHEREAS, on June 23, 2021, in Resolution No. 2021-31754, the Mayor and City Commission approved Amendment No. 4 to the Agreement providing for the management and maintenance, by Global, of Collins Canal Park, the two (2) clubhouse buildings formerly known as the Carl Fisher Clubhouse and Little Stage Theaters, and Pride Park, including the mangroves along Collins Canal within the footprint of the park; and provided for an additional annual management fee of seventy-five thousand dollars (\$75,000) in consideration of the additional scope, and extended the term of the Agreement to March 31, 2024; and

WHEREAS, extending the term of the agreement for 18 months resulted in the misalignment of the term of the Agreement with the City's fiscal year; and

WHEREAS, in June 2022, Global notified the City of a merger between Global and Oak View Group and its intent to operate and manage the Miami Beach Convention Center under the fictitious name "OVG360"; and

WHEREAS, on May 19, 2023, Invitation to Negotiate (ITN) No. 2023-338-ND was issued, as authorized by the City Commission, seeking proposals from convention facility management companies capable of providing a full range of comprehensive management, operations and maintenance services; and

WHEREAS, on September 13, 2023, the Mayor and City Commission awarded ITN No. 2023-338-ND, authorizing the Administration to enter into negotiations with Global as the sole proposer; and

WHEREAS, on February 21, 2024, in Resolution No. 2024-32912, the Mayor and City Commission approved Amendment No. 5 to the Agreement to extend the term of the Agreement by six (6) months and align it with the City's fiscal year and the related Sodexo Live! and GMCVB agreements; and

WHEREAS, on September 11, 2024, the Mayor and City Commission, through Resolution No. 2024-33232, approved Amendment No. 6 extending the Agreement on a month to month basis, not to exceed three (3) months, from October 1, 2024 through December 31, 2024 to allow the parties additional time to finalize the key terms of the new agreement; and

WHEREAS, on September 11, 2024, the City Commission also determined that Pride Park be managed and operated by the City's Parks and Recreation Department; and

WHEREAS, currently, Global is providing management services to the City, and the City is satisfied with its work over the term of the previous agreement; and

WHEREAS, as manager of the Miami Beach Convention Center, Global has hosted hundreds of events, including Art Basel Miami Beach, Super Bowl LIV Fan Experience, the Miami International Boat Show, and recently, the Adobe Max Creativity Conference; and

WHEREAS, Global has developed the Miami Beach Convention Center into a nationally recognized top tier convention center, earning numerous awards and recognitions from meeting publications around the country, including the Association, Convention & Facilities Magazine's 2023 Distinctive Achievement Award; and

WHEREAS, Global's effective management of the Miami Beach Convention Center Campus, and collaborations with the Miami Beach Botanical Garden have attracted new events and industries to the City, enhancing the ability to host dynamic events of all sizes; and

WHEREAS, with the Convention Center hotel development in progress, OVG360's collaboration promises a positive integration of this City asset to the operation of the campus; and

WHEREAS, specific key terms in the new agreement include a five-year agreement with two-year extension upon mutual agreement of the parties, General Management Services, a Management Fee, and a seven category Incentive Fee; and

WHEREAS, entering into a new agreement with Global, under the negotiated financial terms and performance metrics, will enhance the commercial management of the asset; heighten

engagement in the review and approval of personnel and induce Global to be more fiscally prudent, innovative, and competitive; and

WHEREAS, the new agreement will reward creative and pioneering collaborations, programming, and facility improvements as well as partnerships between the City, the Greater Miami Convention and Visitors Bureau ("GMCVB"), and Sodexo Live! that yield significant customer satisfaction resulting in increased sales, food and beverage concessions revenues, reputation, and more; and

WHEREAS, the implementation of more sustainability initiatives throughout the campus will ensure a reduction on environmental impact, enhance resource efficiency, and expand the MBCC responsible green reputation and metrics tracking; and

WHEREAS, the new agreement will ensure Global mitigate cybersecurity risks, data breaches, financial losses, and legal liabilities by including data protection requirements, breach notification protocols, liability and indemnity clauses, and compliance with laws.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, approve, pursuant to invitation to negotiate (ITN) No. 2023-338-nd, the management agreement between the City of Miami Beach and Global Spectrum L.P d/b/a Spectra Venue Management d/b/a OVG360 (a division of Oak View Group) for the management and operation of the Miami Beach Convention Center and Campus substantially in the form attached to this resolution; and further authorize the City Manager and City Clerk to finalize and execute the management agreement.


PASSED AND ADOPTED this _____ day of _____ 2024.

ATTEST:

Rafael E. Granado, City Clerk

Steven Meiner, Mayor

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

10/20/2024

Date