



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: May 21, 2025

TITLE: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS AN AMENDMENT TO THE RHYTHM FOUNDATION AGREEMENT WITH THE CITY OF MIAMI BEACH FOR THE MANAGEMENT OF THE MIAMI BEACH BAND SHELL TO INCLUDE A NINE-YEAR MANAGEMENT AGREEMENT EXTENSION AND AN INCREASE IN THE ANNUAL FUNDING CONTRIBUTION PROVIDED BY THE CITY TO BE CONSIDERED DURING THE FISCAL YEAR 2026 BUDGET PROCESS.

RECOMMENDATION

Refer an item to the June 4, 2025, Finance and Economic Resiliency Committee ("FERC") to discuss a possible amendment to The Rhythm Foundation for the management of the Miami Beach Bandshell to include a nine-year management agreement extension, and an increase in the annual funding contribution provided by the city.

The Administration recommends that while the Commission and FERC evaluate any proposed amendment to The Rhythm Foundation management agreement, it also carefully considers several critical factors that will significantly impact the General Fund budget, beginning in FY 2026:

1. The City's increasing unfunded capital improvement program.
2. Long-term General Fund financial projections indicate a potential shortfall in upcoming fiscal years.
3. The passage of Amendment 5 in November 2024, which increases the homestead exemption and further constrains the growth of taxable property values.

These considerations are essential to ensure that decisions regarding any proposed amendment to The Rhythm Foundation management agreement align with the City's broader long-term financial stability and strategic priorities. If the Commission and FERC recommend funding the proposed amendment to The Rhythm Foundation management agreement, the Administration recommends it be considered as part of the FY 2026 budget process.

BACKGROUND/HISTORY

On April 23, 2014, the City issued an invitation to Negotiate No. 2014-215-LR for Bandshell Management Services. On September 10, 2014, the City Commission adopted Resolution No. 2014-28722, authorizing the administration to negotiate with The Rhythm Foundation (TRF), as the top-ranked proposer pursuant to the ITN, for the management and operation of the facility (then referred to as the "North Shore Band Shell"). The City entered into a Management Agreement with TRF for an initial term of two years, with the option of up to three additional one-year terms. The agreement included an initial annual contribution from the city towards the operation of the facility for the first fiscal year of the agreement in the amount of \$30,000. Thereafter, the annual contribution from the City for the balance of the term and any renewal

terms was \$45,000. (Exhibit A)

On June 5, 2019, the City Commission adopted Resolution No. 2019-30846 accepting the recommendation of the City Manager waiving the 5/7th vote, the competitive bidding requirement, finding such waiver to be in the best interest of the City, and approving and authorizing the City Manager to execute a management agreement between the City and TRF for management of the City's North Shore Bandshell, for a period of five years, with two successive two-year renewal options. The agreement included an annual contribution from the City towards the operation of the facility for the first contract year of the agreement in the amount of \$45,000. Thereafter, the \$45,000 annual contribution from the City is increased annually by CPI or 3% whichever is smaller for the balance of the term and any renewal terms. (Exhibit B)

On May 10, 2024, a renewal of bid waiver agreement pursuant to Resolution No. 2019-30846 for the management of the Miami Beach Band Shell by TRF was completed, renewing the agreement under the same terms, conditions, and pricing set forth in the agreement for two years. (Exhibit C)

ANALYSIS

N/A

FISCAL IMPACT STATEMENT

Any proposed increase in funding by the City to The Rhythm Foundation shall be contemplated as part of the FY 2026 budget process

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

N/A

CONCLUSION

N/A

Applicable Area

North Beach

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

Parks and Recreation

Sponsor(s)

Co-sponsor(s)

Condensed Title

Ref: FERC - Amend Rhythm Foundation Mgmt Agmt, Include Extension/Additional Funding.
PKS

Previous Action (For City Clerk Use Only)