

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Member of the City Council

FROM: Interim City Manager Rickelle Williams

DATE: June 26, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, IN SUBSTANTIAL FORM, AMENDMENT NO. 6 TO THE AGREEMENT BETWEEN THE CITY AND A NATIONAL SALUTE TO AMERICA'S HEROES, LLC DATED FEBRUARY 1, 2016, SAID AMENDMENT EXTENDING THE TERM OF THE AGREEMENT TO INCLUDE THE HYUNDAI AIR AND SEA SHOW EVENTS SCHEDULED TO TAKE PLACE DURING MEMORIAL DAY WEEKEND IN 2025, 2026, AND 2027 (EACH AN "ANNUAL SHOW"), INCLUDING THE CITY'S MAXIMUM CONTRIBUTION OF \$350,000 IN EVENT-RELATED CITY SERVICES FOR EACH ANNUAL SHOW AND CITY'S WAIVER OF SPECIAL EVENT FEES, LUMMUS PARK USER FEES, AND SQUARE FOOTAGE FEES FOR EACH ANNUAL SHOW AS ESTABLISHED BY THE CITY FROM TIME TO TIME; AND FURTHER, AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE AMENDMENT.

RECOMMENDATION

The Administration recommends the adoption of the Resolution.

BACKGROUND/HISTORY

On February 1, 2016, the City and A National Salute to America's Heroes, LLC, a Florida limited liability company ("Producer"), executed an Agreement with respect to the production of an annual Air & Sea show event (each, an "Event" or "Annual Show").

On April 26, 2017, the Mayor and City Commission discussed agenda item R9 AL, entitled "Discussion Regarding Memorial Day Air & Sea Show" and adopted Resolution No. 2017-29848, approving the waiver of special event permitting fees for the 2017 Annual Show, (Amendment No. 1 to the Agreement).

On July 26, 2017, the Mayor and City Commission discussed agenda item R9 J, entitled "Discussion Regarding whether to Continue the Air & Sea Show for the 2018 Memorial Day Weekend (May 26, 2018 through May 27, 2018), and if so, Whether the City Commission Should Terminate the City's Existing Agreement with the Event Organizer for Convenience, and Authorize the Administration to Renegotiate and Clarify terms (Such as those relating to City's Financial Contribution for Certain Event-Related Expenses)" and declined to exercise the City's right pursuant to Section 20(a) of the Agreement to discontinue the Event, and agreed to permit the 2018 Annual Show, based upon the same scope as the 2017 Annual Show.

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On October 18, 2017, the Mayor and City Commission discussed agenda item R9 J, entitled “Discussion of an Amendment to the Air & Sea Show Agreement which would allow the Event Producer to Expand the Show to Run from 10:00 AM – 9:30 PM, including Two Major Televised Concert Performances and a Fireworks Display on both Saturday and Sunday Evenings; and to Discuss a Potential Increase in City Resources to Support the Larger Production” and approved the terms and conditions for the 2018 Annual Show activation and the City's waiver of special event permit fees, in the amount of approximately \$154,000, and contribution for Event-related Public Services (Police, Fire, Ocean Rescue and Sanitation, in the maximum amount not-to-exceed \$350,000, memorialized in Amendment No. 2 to the Agreement.

On February 14, 2018, the Mayor and City Commission authorized additional funding to the Producer, in the maximum not-to-exceed amount of \$250,000, to produce a concert to take place during the 2018 Annual Show. This was subsequently memorialized in Amendment No. 3 to the Agreement.

On July 2, 2018, the Mayor and City Commission discussed agenda item R9 A, entitled “Discussion Regarding the 2018 National Salute to America’s Heroes Air & Sea Show and City-Funded Concert” and directed the Administration to negotiate revisions to the Agreement for the 2019 Annual Show activation, and further specified that no City funding would be provided for any concert that may be produced in conjunction with the 2019 Annual Show.

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On September 21, 2018, the Mayor and City Commission adopted Resolution No. 2018-30509, approving the terms and conditions for the activation, and City's sponsorship of, the 2019 Annual Show (and each annual show for the remainder of the Agreement's term), to take place May 25-26, 2019, including City's payment of a maximum not-to-exceed amount of \$350,000 for Event-related public services, as well as City's waiver of special event permit fees estimated totaling \$154,062. This was memorialized in Amendment No. 4.

Due to the COVID-19 pandemic, on or about April 6, 2020, in consultation with the Producer, the City exercised the force majeure provision of the Agreement and cancelled the 2020 Annual Show.

On April 22, 2020, the Mayor and City Commission adopted Resolution No. 2020-31231, approving Amendment No. 5 to the Agreement with A National Salute to America's Heroes, LLC, for the Annual Shows, scheduled to take place on the Memorial Day Weekends of 2021, 2022, and 2023. The Amendment specified the terms and conditions for the activation of each Annual Show, including City's payment of a maximum contribution of \$350,000 for Event-related public services (for each Annual Show), plus City's waiver of special event permit fees, user fees, and square footage fees (for each Annual Show).

Thereafter, the Producer advised the City that, due to the cancellation of the 2020 Air & Sea Show, it understood that the Amendment No. 5 extension would include the 2024 Annual Show. However, Resolution No. 2020-31231 only specifically approved the 2021- 2023 Annual Shows. On April 29, 2021, the Mayor and City Commission adopted Resolution No. 2021-31673, authorizing an amendment to the Agreement, permitting the Producer to have the Air & Sea Show during Memorial Day 2024, based upon the same terms and conditions as applicable to the 2021-2023 Annual Shows.

ANALYSIS

Since the inaugural 2017 Annual Show, the Air and Sea Show, whose slogan is "The Greatest Show Above the Earth," has been a significant event in the Art Deco Cultural District during Memorial Day Weekend. For the last eight years, the Annual Show has provided a safe and enjoyable environment for families, showing our appreciation for the men and women of our military and first responders, and has been a highlight for both Miami Beach residents and visitors.

The two-day event takes place in the heart of Miami Beach, specifically in Lummus Park and the beachfront between 10 and 14 Streets. It features offshore activations, including Cigarette offshore powerboat racing on the sea and awe-inspiring displays of cutting-edge military technology in the sky, such as jet demonstrations and parachute teams. In Lummus Park, the Florida Power & Light Patriot Display Village, located between 10 -14 Streets, includes motocross performances, military equipment displays, food vendors, and the Nicklaus Children's Hospital Kids Zone.

For the 2024 Annual Show, the Producer partnered with the Ocean Drive Association and the Miami Beach Classical Music Festival to present the "Music Explosion," a patriotic 3D projection mapping display with musical performances along 14 Street and Ocean Drive culminating with a fireworks display.

At the Annual Show's Media Event on Friday, May 24, 2024, Hyundai announced it was extending its sponsorship for three (3) years until May 2027. The 2024 Annual Show was the last activation approved through Amendment No. 5 of the Agreement with the City via Resolution No. 2021-31673.

The Annual Shows have proven to be a positive activation for the City in the last eight (8) years, and the Producer has demonstrated to be a good partner in good standing; the Administration is supportive of amending the Agreement to run concurrently with the Hyundai sponsorship for an additional three (3) years to include 2025, 2026, and 2027. The Annual Shows have proven to be

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FISCAL IMPACT STATEMENT

The fiscal impact is a maximum of \$350,000 in City services, and waiver of special event fees, Lummus Park user fees, and square footage fees.

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

The Business Impact Estimate (BIE) was published on . See BIE at:
<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

Funding is allocated in the Resort Tax Fund 160-0380-000349-25-406-548-00-00-00-

CONCLUSION

The Administration recommends approving, in substantial for, Amendment No. 6 to the Agreement, a draft copy of which is attached hereto; said amendment extending the term of the Agreement to include the Hyundai Air and Sea Show event, scheduled to take place on Memorial Day Weekend of 2025, 2026, and 2027 (each an "Annual Show"), including the City's payment of a maximum contribution of \$350,000 for Event-related City services for each Annual Show, and the City's waiver of special event fees, Lummus Park user fees, and square footage fees for each Annual Show, as determined by the City from time to time; and further authorizing the Mayor and City Clerk to execute the Amendment.

Applicable Area

South Beach

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

Yes

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)

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Co-sponsor(s)