

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Rickelle Williams, Interim City Manager

DATE: July 26, 2024

TITLE: DISCUSSION ON THE POSSIBILITY OF MAKING UP THE FUNDING SHORTFALL FOR MIAMI BEACH ARTS AND CULTURE ORGANIZATIONS CAUSED BY THE NEW STATE BUDGET CUTS.

RECOMMENDATION

The Administration recommends that the Finance and Economic Resiliency Committee discuss the proposed funding request, for a one-time grant to support Miami Beach-based Cultural Anchors and Cultural Presenters.

BACKGROUND/HISTORY

On June 28, 2024, at the request of Commissioner Tanya K. Bhatt, the Mayor and City Commission approved a dual referral (C4L) 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.

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

ANALYSIS

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 many organizations through various grants and sponsorship awards. The organizations also rely on Florida's state budget, through the state's Cultural and Museum Grant Program, to meet their operational needs. During the 2025 state budget process, it was decided to withhold funding from Arts and Culture organizations.

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

Cultural and Museum Grants (General Program Support): \$54,436,991
Cultural Endowment: \$4,560,000
Cultural Facilities: \$14,095,214
Culture Builds Florida Grants: \$4,251,098

During the 2024 Florida Legislative session, the Legislature appropriated a funding amount of \$26,000,000 towards the Cultural and Museum Grant (General Program Support) and \$6,000,000 towards Cultural Facilities, with no appropriations towards the Cultural Endowment and Culture Builds Florida Grants. This amount was approved and subsequently vetoed by Governor DeSantis.

The Miami Beach Cultural Anchors affected by the budget cuts are: Jewish Museum of Florida, The Wolfsonian, The Bass Museum, O, Cinema, Miami Beach Botanical Garden, Miami City Ballet, Miami Design Preservation League, Miami New Drama, New World Symphony, O, Miami, 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.

The State of Florida Division of Arts and Culture recommended \$2,001,982 in Cultural and Museum Grants (General Program Support) funding towards these Miami Beach organizations. The Legislature recommended an 8% allocation. Prior to the veto of the Cultural and Museum Grant, these organizations were collectively expecting a total of \$960,951.36 in funding.

Miami Beach Cultural Anchors	County	Application Type	Score	Panel Recommendation	48%
The Wolfsonian (The Florida International University Board of Trustees)	Miami-Dade	GPS Discipline-Based Level 3 Visual Arts	93.000	\$ 150,000.00	\$ 72,000.00
Jewish Museum of Florida (The Florida International University Board of Trustees)	Miami-Dade	GPS Discipline-Based Level 3 Museum	90.571	\$ 150,000.00	\$ 72,000.00
Friends of the Bass Museum, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Museum	90.000	\$ 150,000.00	\$ 72,000.00
Holocaust Memorial Committee	Miami-Dade	GPS Discipline-Based Level 3 Museum	91.857	\$ 100,000.00	\$ 48,000.00
Living Arts Trust, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Media Arts	92.333	\$ 112,649.00	\$ 54,071.52
Miami Beach Garden Conservancy, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Multidisciplinary	90.000	\$ 90,000.00	\$ 43,200.00
Miami City Ballet, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Dance	92.667	\$ 150,000.00	\$ 72,000.00
Miami Design Preservation League, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Multidisciplinary	92.000	\$ 150,000.00	\$ 72,000.00
Miami New Drama	Miami-Dade	GPS Discipline-Based Level 3 Professional Theatre	98.500	\$ 150,000.00	\$ 72,000.00
New World Symphony, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Music	96.000	\$ 150,000.00	\$ 72,000.00
O, Miami, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Literature	93.833	\$ 90,000.00	\$ 43,200.00
South Florida Art Center, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Visual Arts	93.000	\$ 150,000.00	\$ 72,000.00
The Rhythm Foundation, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Sponsor/Presenter	94.600	\$ 150,000.00	\$ 72,000.00
				\$ 1,742,649.00	\$ 836,471.52
Miami Beach Presenters	County	Application Type	Score	Panel Recommendation	48%
Fundarte, Inc.	Miami-Dade	GPS Discipline-Based Level 2 Sponsor/Presenter	94.000	\$ 90,000.00	\$ 43,200.00
Miami Music Festival, Inc.	Miami-Dade	GPS Discipline-Based Level 3 Music	89.000	\$ 115,170.00	\$ 55,281.60
The Dance Now! Ensemble, Inc.	Miami-Dade	GPS Discipline-Based Level 2 Dance	88.167	\$ 54,163.00	\$ 25,998.24
				\$ 259,333.00	\$ 124,479.84
				\$ 2,001,982.00	\$ 960,951.36

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 quinquennial survey was conducted by the nonprofit that is dedicated to advancing the arts throughout the United States.

The Miami Beach total represented \$222.7 million spent by nonprofit arts and culture organizations in Miami Beach and \$112.2 million in event-related spending by audiences. That money 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, according to the survey.

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

Nationally, nonprofit arts and culture organizations generated \$151.7 billion of economic activity in 2022, that includes \$73.3 billion in spending by arts and culture organizations and an additional \$78.4 billion in event-related expenditures by their audiences. That spending supported 2.6 million jobs, provided \$101 billion in personal income to residents and generated \$29.1 billion in local, state, and federal taxes.

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.

2015 Total Expenditures: \$159,904,541 (\$84,770,391 from Organizations / \$75,134,158 from Audience Spending)

2022 Total Expenditures: \$334,937,244 (\$222,694,809 from Organizations / \$112,242,435 from Audience Spending)

2015 Total Jobs: 4,489

2022 Total Jobs: 5,201

2015 Total Attendance: 1,868,555

2022 Total Attendance: 1,977,740

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 State budget cuts. The Cultural Anchors shared that the budgets cuts will significantly impact their FY 2025 programming and/or operational budgets.

FISCAL IMPACT STATEMENT

Prior to the veto of the Florida Division of Arts and Culture Cultural and Museum Grant, Miami Beach cultural organizations were collectively expecting a total of \$960,951.36 in funding.

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

CONCLUSION

The veto of the State of Florida Division of Arts and Culture Cultural and Museum Grant is anticipated to impact Miami Beach cultural organizations by a total of \$960,951.36 in funding. The Administration recommends that the Finance and Economic Resiliency Committee discuss the proposed funding request, for a one-time grant to support Miami Beach-based Cultural Anchors and Cultural Presenters.

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)

Click or tap here to enter text.

Condensed Title

Ref: FERC/PSNQLC - Explore/Provide input, Make up Funding Shortfalls for MB Arts & Culture.
(Bhatt)