

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO AMEND THE LEASE AGREEMENT BETWEEN THE CITY (LANDLORD) AND MIAMI NEW DRAMA, INC. (TENANT); SAID AMENDMENT, IN MATERIAL PART, TRANSFERRING FROM THE CITY TO TENANT THE RESPONSIBILITY FOR THE CONSTRUCTION OF THE IMPROVEMENTS FOR THE COLLINS PARK CULTURAL FACILITY, LOCATED IN THE CITY-OWNED COLLINS PARK GARAGE AT 340 23RD STREET; FURTHER, APPROVING THE TERM SHEET ATTACHED TO THE CITY COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION, CONTAINING THE ESSENTIAL TERMS OF THE AMENDMENT; AND FURTHER, AUTHORIZING THE CITY MANAGER TO NEGOTIATE THE AMENDMENT AND A CORRESPONDING GENERAL OBLIGATION BOND FOR ARTS & CULTURE (“GOBAC”) GRANT AGREEMENT, CONSISTENT WITH THE TERM SHEET, WITH THE FINAL AGREEMENTS BEING SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION.

WHEREAS, on January 27, 2021, the Mayor and City Commission waived competitive bidding in favor of an unsolicited proposal submitted by Miami New Drama, Inc. (“MiND”) for the development of approximately 16,000 square feet of ground floor space—including a 200-seat black box theater, rehearsal spaces, dressing rooms, administrative offices, and ancillary commercial uses—within the City-owned Collins Park Garage at 340 23rd Street (the “Project”); and

WHEREAS, on July 27, 2021, the Planning Board approved the terms of a proposed Lease Agreement between the City (Landlord) and MiND (Tenant), in accordance with the requirements of Section 1.03(b)(4) of the City Charter, requiring approval by a majority 4/7th vote of all members of the Planning Board; and

WHEREAS, on October 27, 2021, pursuant to Resolution No. 2021-31914, the City Commission approved the Lease Agreement between the City (Landlord) and MiND (Tenant) under which MiND was responsible for obtaining necessary design and architectural services while the City committed to funding the buildout improvements, subject to MiND raising a Tenant Contribution of \$250,000.00 and pending appropriation of \$4.75 million for the buildout (the “Landlord Contribution”); and

WHEREAS, subsequent to the Lease’s execution, on April 18, 2022, further planning and the development of the General Obligation (G.O.) Bond for Arts and Culture Program resulted in a revised funding allocation of \$7.67 million for the Project, which was formally designated by Resolution No. 2023-32713 on July 26, 2023; and

WHEREAS, on August 6, 2024, MiND submitted a memorandum requesting material modifications to the Project’s delivery model, which includes the delegation of construction management responsibilities to the Tenant and an increase in the Landlord contribution to align with the full G.O. Bond allocation (“Landlord Contribution”); and

WHEREAS, on November 8, 2024, the Finance and Economic Resiliency Committee (FERC) recommended that the City Commission authorize the Administration to negotiate a Lease Amendment together with a G.O. Bond Grant Agreement based upon Tenant's proposed terms, included in the FERC Memo; and

WHEREAS, while the Project possesses significant programmatic and cultural value as a catalyst for activating the Collins Park Cultural District, the proposed changes necessitate robust safeguards to ensure the City's financial and operational interests remain protected and that final agreements be subject to prior City Commission review and approval; and

WHEREAS, since the FERC meeting, the City and MIND have negotiated further the essential terms of Amendment No. 1 to the Lease, which terms are set forth in the Term Sheet attached to the City Commission Memorandum accompanying this Resolution and include the following material terms:

- i. The City shall deliver the Premises to MiND in shell condition, with MiND assuming full responsibility for design development, permitting, construction and construction administration of the Buildout Improvements;
- ii. The Tenant shall adopt a Construction Manager at Risk (CMAR) model, utilizing a Guaranteed Maximum Price (GMP) contract that incorporates cost containment provisions, contingency limits, and strict approval protocols, thereby mandating that any cost overruns exceeding the GMP be borne by the designated Construction Manager;
- iii. The construction of the Project shall be managed through a design-to-budget approach, covering preconstruction services, permitting, theatrical equipment, furniture, fixtures, and equipment (FF&E), a 10% contingency allowance, and hard construction costs, all required to remain within the established Guaranteed Maximum Price;
- iv. The City's financial contribution for the Buildout Improvements shall be modified from an initial cap of \$4.75 million to \$7.604 million, in accordance with the General Obligation Bond Grant appropriation for the Project, with the funds being disbursed in the form of a grant since MiND will assume construction administration responsibilities;
- v. MiND shall remain solely responsible for all costs related to Architectural and Engineering (A&E) services, which are currently estimated to be no less than \$240,000.00, and shall engage architectural and design consultant services, including those proposed by Touzet Studio and Enrique Norten/TEN Arquitectos, as well as other necessary consulting services;
- vi. The City shall retain critical oversight of Project execution by (a) approving construction drawings at key milestones (30%, 60%, 90%, and final), (b) requiring that 20% of the Project Budget be designated as discretionary funds to allow for value engineering as needed, and (c) holding 10% of the Grant funds in reserve during construction for contingency purposes, with all grant disbursements to be contingent upon the submission of complete monthly draw requests supported by appropriate documentation and subject to City liaison approval;
- vii. A separate Grant Agreement will be executed to govern construction protocols, containing provisions typically found in a work letter agreement, including the requirements for performance and payment bonds and for the submission and review of monthly reimbursement draw requests with supporting documentation; and

WHEREAS, for the reasons outlined in the City Commission Memorandum accompanying this Resolution, the City Manager recommends that the City Commission: accept the recommendation of the FERC to amend the Lease; approve the updated essential terms contained in the Term Sheet; and authorize the City Manager to negotiate a Lease Amendment and a corresponding General Obligation Bond for Arts & Culture ("GOBAC") Grant Agreement, based upon the proposed Term Sheet, subject to approval of the negotiated agreements by the Mayor and City Commission.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the Finance and Economic Resiliency Committee to amend the Lease Agreement between the City (Landlord) and Miami New Drama, Inc. (Tenant); said Amendment, in material part, transferring from the City to Tenant the responsibility for the construction of the improvements for the Collins Park Cultural Facility, located in the City-owned Collins Park garage at 340 23rd Street; further, approve the term sheet attached to the City Commission Memorandum accompanying this Resolution, containing the essential terms of the Amendment; and further, authorize the City Manager to negotiate the Amendment and a corresponding General Obligation Bond for Arts & Culture ("GOBAC") Grant Agreement, consistent with the term sheet, with the final agreements being subject to the prior approval of the Mayor and City Commission.

PASSED and ADOPTED THIS ____ day of _____ 2025.

ATTEST:

RAFAEL E. GRANADO, CITY CLERK

STEVEN MEINER, MAYOR

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

City Attorney *[Signature]* 6/17/2025
Date