

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: June 11, 2025

TITLE: 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**

The Administration recommends a nine-year management agreement extension and a CPI catch-up \$20,131.00. This adjustment would bring the annual contribution to \$71,289.00, currently \$51,158.00.

The Administration recommends that while the Finance and Economic Resiliency Committee evaluates an amendment to the Rhythm Foundation Management Agreement 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 FY 2026 budget process, 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 indicating 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 amending the management agreement with the Rhythm Foundation to include a nine-year management agreement extension and an increase in the annual funding contribution provided by the city aligns with the City's broader long-term financial stability and strategic priorities.

### **BACKGROUND/HISTORY**

During the May 21, 2025 City Commission meeting, the Mayor and City Commission referred a discussion item to the Finance and Economic Resiliency Committee ("FERC"), 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. (Exhibit A)

As outlined in the referral memo, on April 23, 2014, the City issued Invitation to Negotiate No. 2014-215-LR for Band Shell 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 B)

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 Band Shell, 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 C)

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 D)

## **ANALYSIS**

It is important to note that the original 2014 Management Agreement between the City of Miami Beach and the Rhythm Foundation did not include a provision for annual adjustments to the City’s contribution based on the CPI. The 2019 agreement does allow for CPI with a cap set at 3%.

The Administration recommends that any increase in the City’s annual contribution to the Rhythm Foundation should, at a minimum, account for a “catch-up” full CPI adjustment covering the period from 2014 to 2024. This adjustment would bring the annual contribution to \$71,289.00, currently \$51,158.00.

The Rhythm Foundation is requesting an additional \$200,000 in funding from the City. Memo from TRF is attached. (Exhibit E)

The Administration supports a nine-year extension and recommends discussing any potential additional funding by the City to the Rhythm Foundation at the Committee meeting.

## **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. Recommended CPI catch-up results in an additional \$20,131.00.

**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-notices/>

**FINANCIAL INFORMATION**

N/A

**CONCLUSION**

**Applicable Area**

North 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**

Parks and Recreation

**Sponsor(s)**

**Co-sponsor(s)**

**Condensed Title**

Amendment to Rhythm Foundation Management Agreement for a Nine-Year Extension and an Increase in City Funding