

C7 A 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.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025

TITLE: 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.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission authorize the Administration to prepare a Lease Amendment and corresponding General Obligation Bond for Arts & Culture ("GOBAC") Grant Agreement with Miami New Drama, Inc. for the Collins Park Cultural Facility, based on the material terms outlined in the attached Term Sheet, with all final agreements subject to the approval of the City Commission.

BACKGROUND/HISTORY

Lease Approval

- January 27, 2021: The Mayor and City Commission waived competitive bidding to accept an unsolicited proposal submitted by Miami New Drama, Inc. (MiND) for approximately 16,000 square feet of ground floor space, including interior space and exterior terrace areas, in the city-owned Collins Park Garage at 340 23rd Street. The proposal outlined the development of MiND's primary performance venue and headquarters, including a 200-seat black box theater, rehearsal space, dressing rooms, and administrative offices, as well as ancillary commercial uses, including a standalone restaurant/café (the "Project").
- October 27, 2021: Resolution No. 2021-31914 approved the initial Lease Agreement between the City (Landlord) and MiND (Tenant), whereby MiND committed to independently funding its design and architectural services, while the City provided

funding and construction for buildout improvements, contingent on a \$250,000 Tenant Contribution and appropriation of a \$4.75 million Landlord Contribution.

- April 18, 2022: The Lease Agreement was executed.

Revised Funding Allocation

- November 2022: Miami Beach voters approve the GOBAC Program, which included a revised allocation of \$7.67 million to the Project, following revision of Project buildout cost estimates.
- July 26, 2023: Resolution No. 2023-32713 formally allocated \$7.67 million, satisfying the City's funding commitment under the Lease.

Lease Modification Request

- August 6, 2024: MiND submitted a request to the City Manager for material modifications to the delivery model, including transferring full responsibilities for construction management and project execution to the Tenant, as well as increasing the Landlord Contribution from \$4.75 million to \$7.604 million, aligning with the GOBAC allocation.
- September 11, 2024: the Administration recommended the Mayor and City Commission, refer the Project to the Finance and Economic Resiliency Committee (FERC) for further discussion.
- November 8, 2024: the FERC transmitted a favorable recommendation of proposed Lease modifications, including conversion of the Project's funding allocation into a GOBAC Program grant.
- November 20, 2024: In parallel with ongoing discussions on proposed Lease modifications, Resolution No. 2024-33398 approved the installation of a temporary artistic window covering. This installation, funded by the City, not only highlights MiND's performances but also enhances the exterior aesthetics of the vacant leased premises.

ANALYSIS

The following sections outline the risks, key operational safeguards, and City oversight mechanisms relevant to the proposed Lease Amendment.

Programmatic and Cultural Value

The Project is envisioned as a cornerstone activation of the Collins Park Cultural District. Anchored by MiND's arts programming, the facility is expected to drive year-round public engagement through theatrical performances, educational initiatives, and community events.

Under the executed Lease, the GOBAC allocation was intended to fund capital improvements related to the buildout of the Collins Park Cultural Facility, with the City retaining full control and oversight over Project execution.

While MiND has demonstrated success managing the programming of the Colony Theatre, development of a new cultural facility introduces different levels of operational and financial complexity. Therefore, any approval of the proposed Lease Amendment and associated Grant Agreement should be contingent upon financial safeguards, measurable performance benchmarks, and continued City oversight.

Shift in Project Delivery Model

MiND's request represents a significant shift from a city-managed construction model to one led by the Tenant. While this may ease administrative burden and potentially expedite delivery, it introduces risks commonly associated with third-party construction management, such as reduced City oversight on budgeting, construction quality, and project scheduling.

Although the G.O. Bond for Arts and Culture Program includes limited-scope grants, for example, funding theater equipment or digital upgrades, those grants do not compare in scale or complexity, and there is currently no precedent within the program for delegating full construction management responsibilities for a City-owned facility to a third-party grantee.

Accordingly, the proposed Lease Amendment and Grant Agreement would establish a precedent for capital delivery in publicly owned facilities and should be carefully evaluated for long-term implications.

Proposed City Safeguards

To mitigate risks associated with the tenant-led construction management model, the Administration and MiND jointly developed critical safeguards to preserve the City's financial and operational interests:

- execution of a Grant Agreement that incorporates provisions typically found in construction agreements, including reimbursement protocols, documentation standards, and performance expectations;
- inclusion of a cross-default clause linking the Lease and Grant Agreement to strengthen enforcement mechanisms;
- retention of City oversight rights with approvals at major design milestones (30%, 60%, 90%, and final construction drawings);
- required approval of draw requests by the City liaison, with accompanying backup documentation; and
- mandating that MiND employ a Construction Manager at Risk (CMAR) under a Guaranteed Maximum Price (GMP) contract, including cost containment and approval provisions.

Outstanding Considerations

1. Project Delivery Risk

The Administration recommends that any deviation from a City-managed delivery model undergo a thorough evaluation of the Tenant's capacity to manage scope, cost, and quality assurance. Although MiND has demonstrated a strong record in cultural programming, it has limited experience in overseeing large-scale, municipal capital improvement projects.

2. AiPP Waiver Request

MiND must request a waiver from the City's Art in Public Places (AiPP) contribution requirement. The G.O. Bond is subject to public bond covenants; accordingly, the waiver may be in the City's best interest to ensure full allocation of available resources to core Project elements.

Term Sheet

The Administration and MiND have developed a Term Sheet for a proposed Amendment to the Lease Agreement (Attachment A), which incorporates several key terms to protect the City's financial and operational interests.

Existing Lease Terms - No Change Proposed	
Lease Agreement	The Lease Agreement between the City and Tenant, dated April 18, 2022, authorized by City Commission Resolution No. 2021-31914
Tenant	Miami New Drama, Inc., a Florida not-for-profit corporation, currently operating under a Management Agreement for the Colony Theatre, which is linked to the Lease via a cross-default provision.
Premises	Approximately 16,000 square feet of ground floor interior and exterior space at the Collins Park Parking Garage, a municipal parking facility located at 340 23rd Street (the Property)
Term	<ul style="list-style-type: none"> Initial Term: 5 years, commencing on occupancy Renewal Terms: two, 5-year renewals at Tenant's option and one 5-year renewal at Landlord's option <p>Potential total Term is 20 years</p>
Mandatory Design Elements	<p>The following components are required under the Lease as essential cultural and public-facing elements of the buildout:</p> <ol style="list-style-type: none"> 1) Approximately 3,300 sq. ft., 200-seat studio theater ("<u>Theater Space</u>"), including theatrical equipment required for Tenant's use of the Premises (primary design priority). 2) Approximately 2,250 sq. ft. multifunctional lounge/bookstore activation space ("<u>Lounge Space</u>"). 3) Approximately 2,000 sq. ft. café/restaurant space ("<u>Café/Restaurant Space</u>") capable of secure, independent operation from the remainder of the Premises, regardless of whether the remainder of the Premises is open to the public; 4) Approximately 2,000 sq. ft. community education and rehearsal studio ("<u>Rehearsal Studio Space</u>"). 5) Approximately 1,700 sq. ft. administrative office space ("<u>Office Space</u>"). <p>Note: Due to spatial constraints necessary to accommodate back-of-house functions and public restrooms, the original requirement for a costume design studio has been deleted from the current design.</p>
Rent	\$1.00 annually
Operating Expenses	MiND is responsible for operational and programming expenses, including utilities, maintenance, and applicable taxes (sales taxes, use/excise taxes, personal, and ad valorem applicable to the Premises, Tenant's business, or any other business on Premises). Lease provides that City will have no payment obligation with respect to Operating Expenses.
Maintenance	<ul style="list-style-type: none"> <u>MiND</u>: day-to-day cleaning, maintenance, and repairs, including reasonable maintenance and repairs of the exterior frontage of the Premises, i.e. the sidewalk and stairs walk-up, in a manner consistent with similarly situated commercial establishments <u>City</u>: major building systems (HVAC, electrical, fire, water, plumbing, water intrusion, etc.) and the building structure, including walls and exterior
Subleasing	<ul style="list-style-type: none"> Café/Restaurant Space sublease shall be market rate and selection of Café operator is subject to City Manager approval MiND may offer one (1) concession or for-profit third-party activation at below-market leasing rates in a footprint not to exceed 250 sq. ft., subject to City Manager, or designee, approval. All other concessions (or similar for-profit activations by third parties) offered at below-market rates shall be subject to City Manager's reasonable approval, limited to a term of 30 days (but up to 90 days upon City Manager, or designee, approval), and ancillary and complementary to the facility's cultural programming.

Material Terms	<p>As required by Resolution No. 2021-31568, as a condition of waiving competitive bidding to award the Lease to MiND, the Lease incorporates the following mandatory elements:</p> <ul style="list-style-type: none"> • <u>Miami Beach Headquarters</u>: MiND must remain functionally located within the City of Miami Beach, with Miami Beach as its primary performance venue. • <u>Key Individuals</u>: Principal directors Michel Hausmann and Nicholas Richberg must remain actively involved in the company throughout Lease Term. If either of the key individuals leaves the company or is no longer actively involved, MiND must locate a comparable replacement within 180 days, with reasonable approval of the City Manager or designee, otherwise City may terminate. • <u>City Board Representation</u>: City Manager, or designee, shall serve as one (1) voting member on MiND's board of directors, with one (1) additional non-voting member, designated at the option of the City Manager. This is an increase above the existing one (1) non-voting City representative on the MiND board.
Benchmark Performance Standards	<p>During the initial 12 months following Lease Commencement Date (such period constituting "<u>Lease Year 1</u>"), with each successive twelve (12) month period thereafter constituting another "<u>Lease Year</u>"), Tenant shall cause the facility to host at least:</p> <ol style="list-style-type: none"> 1) 125 cultural or community activations per year; 2) 25,000 patrons per year (inclusive of virtual patrons for hybrid events); 3) 150 students per year; 4) 75 seniors per year; 5) 50 pro bono nonprofit/community rental hours per year; and 6) 500 discounted tickets provided per year to senior citizens. <p>Benchmarks shall increase during the Initial Term as follows:</p> <ol style="list-style-type: none"> 1) <u>Lease Year 2</u>: 150 events, 30,000 patrons, 175 students, 80 seniors, 50 pro bono nonprofit/community rental hours 2) <u>Lease Year 3</u>: 175 events, 35,000 patrons, 200 students, 85 seniors, 55 pro bono nonprofit/community rental hours 3) <u>Lease Year 4</u>: 200 events 40,000 patrons, 225 students, 90 seniors, 55 pro bono nonprofit/community rental hours 4) <u>Lease Year 5</u>: 220 events 45,000 patrons, 250 students, 95 seniors, 60 pro bono nonprofit/community benefit rental hours <p>Performance benchmarks may be modified during Renewal Terms, based on mutual agreement between the parties, subject to prior notice and approval.</p>

Proposed Lease Amendment: Material Terms	
Project Delivery Structure	Originally, the City was responsible for construction of the Buildout Improvements. Under the proposed Lease Amendment, the City will deliver the Premises to MiND in shell condition, and MiND will assume full responsibility for design development, permitting, and construction administration, including all financial and administrative obligations to complete the buildout.
Construction Management Model	<ul style="list-style-type: none"> • A Construction Manager at Risk (CMAR) model with a Guaranteed Maximum Price (GMP) contract is required, including cost containment provisions, contingency limits, and approval protocols. • The GMP construction contract and schedule of values, between Tenant and its CMAR, establishes a guaranteed maximum price for the Project. CMAR must bear any costs in excess of the GMP Agreement. • Project improvements, including preconstruction services, permitting, theatrical equipment and FF&E, 5% contingency allowance, and hard construction costs, must adhere to a design-to-budget approach and remain within the Guaranteed Maximum Price.
Landlord Financial Contribution	The Lease contemplated the City would provide funding for the Buildout Improvements, not to exceed \$4.75 million. The Amendment modifies the amount to \$7.604 million, commensurate with the G.O. Bond Grant appropriation for the Project. The funds will take the form of a grant and MiND will assume construction administration.
Tenant Financial Contribution	Consistent with the Lease, MiND will remain entirely responsible for all costs related to Architectural & Engineering (A&E) services, current estimated to cost no less than \$240,000.00.
Architect	MiND has provided a design services proposal from Touzet Studio and Enrique Norten/TEN Arquitectos, including consultant services for Mechanical, Electrical, and Plumbing Engineering, Acoustic Consultant, Theater Consultant, and Structural Engineer. Per the Lease, MiND is responsible for all costs related to architectural and design consultant services.
City Construction Oversight	<ul style="list-style-type: none"> • City retains approval rights of construction drawings at key milestones (30%, 60%, 90%, and Final). • Tenant must identify 20% of the Project Budget as discretionary, to allow for value engineering, as necessary. • City retains 10% of Grant funds, during construction, for contingency. • Grant disbursements to be contingent on submission of complete monthly draw requests with supporting documentation and City liaison approval.
Grant Agreement	A separate Grant Agreement, with provisions commonly found in a work letter agreement, will govern construction protocols, including requirements for performance and payment bonds and submission of monthly reimbursement draw requests with supporting documentation.

FISCAL IMPACT STATEMENT

City Financial Contribution:

- \$7.604 million in G.O. Bond Grant funding already appropriated.
- No additional contribution is proposed.
- Consistent with the original Lease, MiND remains solely responsible for all architectural and engineering (A&E) costs that exceed \$250,000. This measure ensures that any overrun beyond this threshold is borne entirely by the Tenant.

Risk Mitigation Measures:

- 10% of the Grant to be retained by the City as a contingency during construction, separate from the 5% contingency contained in the GMP Agreement.
- 20% of project scope identified as discretionary for potential value engineering.
- City retains final approval of key construction documents and disbursement drawdowns.

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

CONCLUSION

The Administration recommends that, upon careful evaluation of these implications, the City Commission authorize the Administration to negotiate the Lease Amendment and associated GOBAC Grant Agreement, with MiND, in alignment with the attached Term Sheet and subject to final City Commission review and approval.

Applicable Area

South 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?

Yes

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? Yes

If so, specify the name of lobbyist(s) and principal(s): Miami New Drama, Inc. / Nick Richberg

Department

Economic Development

Sponsor(s)

Co-sponsor(s)

Condensed Title

Accept Rec/Amend Lease Agreement w/ Miami New Drama, 340 23rd Street. ED

Previous Action (For City Clerk Use Only)

Miami New Drama / Collins Park Cultural Arts Facility
340 23rd Street, Miami Beach
Lease Amendment: Key Proposed Terms
June 25, 2025

1. **Overview of Project and Transaction.** The City of Miami Beach ("City" or "Landlord") is the fee simple owner of certain real property (the "Property") known as the "Collins Park Parking Garage," located at 340 23rd Street, Miami Beach, Florida. The Property includes a municipal parking garage and associated improvements (the "Parking Garage"), and approximately 16,000 square feet of ground-floor retail space (the "Retail Space").

The City and Miami New Drama, Inc. ("MiND" or "Tenant") desire to amend the Lease Agreement dated April 18, 2022 ("Lease"), which governs the Tenant's use of the Retail Space ("Premises") within the Property. Mind contemplates building out the interior space and additional exterior terrace areas pursuant to the essential terms set forth herein and in accordance with the current Conceptual Plan, described in **Exhibit "A"**, which includes, among other improvements, the mandatory design elements described in Section 4 (the "Buildout Improvements") (collectively, the "Project").

2. **Buildout Responsibility.** The Lease shall be amended to reflect that the Landlord will deliver the Premises in shell condition. Subject to the terms of the Lease Amendment and the G.O. Bond Grant Agreement, the Tenant shall be responsible for constructing and installing all walls, partitions, fixtures, furniture, and equipment (FF&E), and other interior Project improvements necessary to make the Premises suitable for its intended use.
3. **Landlord Contribution/ Grant Agreement/Construction.** The Lease shall be amended to reflect that the Tenant will receive a G.O. Bond Grant. Pursuant to a Grant Agreement, the Tenant shall assume full responsibility for all Project elements set forth in Section 4 including, without limitation, construction delivery, funding, permitting, Contractor selection (subject to the reasonable approval of the City), and oversight of the buildout improvements for the Project.

- a. **Landlord Contribution.** The total G.O. Bond Grant funding available for this Project shall not exceed \$7,604,000.00 ("G.O. Bond Grant Funds"); however, Tenant's total available funding and budget for construction of the Buildout Improvements shall not exceed Six Million Eight Hundred Forty-Three Thousand Six Hundred Dollars (\$6,843,600.00) in G.O. Bond Grant funding, exclusive of a ten percent (10%) contingency, in the amount of Seven Hundred Six Thousand Four Hundred Dollars (\$760,400.00) to be held by the City, which shall be released in accordance with the terms of the G.O. Bond Grant Agreement.

- b. **Contingency Draws.** The City shall hold In the event Tenant requests any portion of the contingency held by the City for the Buildout Improvements, Tenant shall submit such request to Landlord for Landlord's review and approval, which approval shall not be unreasonably withheld or delayed; provided, however, that following such request (and taking into account all prior approved contingency draws), no less than twenty percent (20%) of the original contingency line item shall remain unallocated. Notwithstanding the foregoing, once the

Buildout Improvements are at least ninety percent (90%) complete, and all associated payments have been made (excluding retainage), and sufficient funds remain in the Budget to cover such retainage, the required unallocated contingency amount shall be reduced from twenty percent (20%) to ten percent (10%).

c. **Architect.** The architect for the Project shall continue to be Touzet Studio, Inc. ("Consultant"), subject to the City's reasonable approval of the contract between Tenant and the City ("Consultant's Contract"), to ensure the City's interests are protected. Tenant responsible for all required Architectural and Engineering ("A&E") costs. Currently, Tenant has secured a commitment from Miami-Dade County to fund the A&E costs, in the amount of \$250,000.00, and any A&E costs exceeding \$250,000.00 shall be borne by the Tenant.

d. **Budget.** Tenant shall be responsible for providing the City with a budget for the entire Project ("Project Budget"), reflecting all Project estimated costs, including, without limitation, A&E expenses, construction costs, and FF&E costs, for approval by the City. A current budget with the estimated costs is attached hereto as **Exhibit "B"**.

4. **Mandatory Design Elements.** The Tenant's approved design plan includes the following core components, subject to possible modifications during the development process:

- a. Approximately 3,300 sq. ft., 200-seat studio theater ("Theater Space"), including all applicable theatrical equipment required for Tenant's use of the Premises;
- b. Approximately 2,250 sq. ft. multifunctional lounge/bookstore activation space ("Lounge Space");
- c. Approximately 2,000 sq. ft. of café/restaurant space ("Café/Restaurant Space") capable of secure, independent operation from the remainder of the Premises, regardless of whether the remainder of the Premises is open to the public;
- d. Approximately 2,000 sq. ft. community education and rehearsal studio ("Rehearsal Studio Space"); and
- e. Approximately 1,700 sq. ft. administrative office space ("Office Space").

5. **Additional Minimum Scope Requirements.** In addition to the design elements set forth in Section 4 and more particularly described in Exhibit B-2 to the Lease, Tenant shall be responsible for:

- a. **Café/ Restaurant Buildout Contribution.** The Café/Restaurant Space shall be constructed to be a fully operational café in accordance with the approved plans and shall include, at a minimum: utility for plumbing, electrical, and HVAC; ventilation sleeves and structural provisions and grease trap and hood installation, for fully operational café; and structural elements to accommodate future commercial kitchen equipment installation.
- b. **Theater and Rehearsal Studio Minimum Scope.** At a minimum, the Theater Space and Rehearsal Studio Space must be constructed as a finished, conditioned space with acoustic isolation appropriate for performing arts and rehearsal activities, a resilient sprung floor system, dimmable theatrical overhead lighting, and necessary AV infrastructure (e.g., sound playback and intercom system), to ensure the space supports its intended education and public programming function.

6. **Discretionary Elements.** City approval of final construction drawings is contingent on the Tenant identifying components totaling up to 20% of the Project Budget as “non-essential.” These non-essential elements are considered discretionary and may be omitted, upon mutual agreement, to accommodate cost overruns or necessary value engineering.
7. **Theatrical Equipment and Furniture, Fixtures, and Equipment (FF&E).** Theatrical Equipment (as defined herein) and FF&E-related expenses may be processed either as reimbursed expenses or payment issued in advance, however, any request for upfront payment is limited to an amount not to exceed \$500,000. Theatrical Equipment shall mean any furniture, fixtures and equipment for the Theater Space, necessary to accommodate a fully functioning performance theater, which would include, without limitation, lighting, cameras, sound, auditorium seating, curtains and other related theatrical improvements and personalty. FF&E shall mean any other improvements and items of personal property for the Project, which are typically purchased after substantial completion of the Project and may include, without limitation, props, decorations, seating and other furnishings outside of the theater (Café/Restaurant Space, Lounge Space, Rehearsal Studio Space and Office Space), decorations, booths, tables, kitchen and Café related appliances and equipment. Prior to requesting an advance for any Theatrical Equipment or FF&E-related expenses to be procured outside of the GMP Agreement (GMP Agreement to delineate Theatrical Equipment and FF&E included), the Tenant shall provide the City with an itemized list of the FF&E items to be paid from the G.O. Bond Grant Funds. Tenant shall be responsible for payment of any costs associated with the Theatrical Equipment and FF&E which exceed the amount of the G.O. Bond Grant Funds.
8. **Design to Budget.** All Project improvements shall conform to a design-to-budget approach, not exceeding the approved G.O. Bond Grant Funds. This includes:
 - a. Preconstruction services
 - b. Permitting
 - c. Theatrical Equipment and Furniture, Fixtures & Equipment (FF&E)
 - d. Art in Public Places (AIPP) contributions, if applicable
 - e. LEED certification
 - f. Survey and materials testing
 - g. Contingency allowance
 - h. Hard construction costs
9. **Landlord Approval of Design Development.** The Tenant shall submit the following for Landlord’s review and approval:
 - a. **30% construction drawings** within 90 days of execution of the Lease amendment;
 - b. **60% construction drawings** within 90 days of approval of the 30% drawings;
 - c. **90% construction drawings** within 90 days of approval of the 60% drawings; and
 - d. **Final plans and specifications** within 30 days of 90% drawing approval.

Landlord comments shall be provided within 14 calendar days after each submittal.

10. **Requirement for G.O. Bond Grant Agreement.** The G.O. Bond Grant Agreement shall include terms generally included in a work letter to govern construction procedures, approval processes, the disbursement of the G.O. Bond Grant Funds, and other matters relating to Project delivery.
11. **Construction Manager at Risk.** Tenant shall retain a Construction Manager at Risk (CMAR) using a Guaranteed Maximum Price (GMP) contract delivery method. The CMAR shall provide both pre-construction and construction phase services.
12. **GMP Agreement.** The GMP construction contract between the Tenant and Contractor shall be subject to the approval by the City of the construction agreement between the Tenant and the Contractor, to ensure that the City's interests are protected. The GMP construction contract and the schedule of values attached thereto (collectively, the "GMP Agreement") shall:
 - a. Include a contingency line item equal to 5% of the total Project improvement costs;
 - b. Not exceed the total available G.O. Bond Grant Funds for the Project improvements covered by the GMP construction contract;
 - c. Require that the contractor bear any costs in excess of the GMP Agreement;
 - d. Require buy-out of:
 - i. Each line item over \$200,000, and
 - ii. 80% of total Project costs prior to construction commencement.

The City shall have 21 days to approve or disapprove the GMP Agreement following receipt. If no response is provided, the GMP shall be deemed approved.
13. **Prioritization of Theater Space.** It is the understanding of the Parties that the cultural elements of the Project shall be prioritized at all times.
14. **Disbursement of G.O. Bond Grant Funds.** Disbursement of G.O. Bond Grant Funds shall be based on approval, by the City's assigned liaison, of monthly draw requests with supporting documentation, including invoices, lien releases, contractor affidavits, consent of surety, progress reports, progress schedule, progress photos, and other documentation typically required in a construction Work Letter and as may also be requested by the City.
15. **Performance and Payment Bond.** Tenant shall require its general contractor to obtain performance and payment bonds in the full contract value, issued by a surety acceptable to the City.
16. **Condominium.** Upon approval of the final plans for the construction of the Project, the City may require that the Property be converted into a condominium form of ownership. In such case, the City, at its sole cost, shall prepare a Declaration of Condominium, subdividing the Property into separate condominium units, based upon the intended uses for the Project, currently anticipated to be:
 - a. A Restaurant/Cafe condominium unit;
 - b. Parking Garage condominium unit(s); and
 - c. A Cultural Center condominium unit.

Tenant agrees to join in the execution of said Declaration of Condominium if requested by the City.

Exhibits

“A” - Current Conceptual Plan

“B” – Preliminary Project Budget

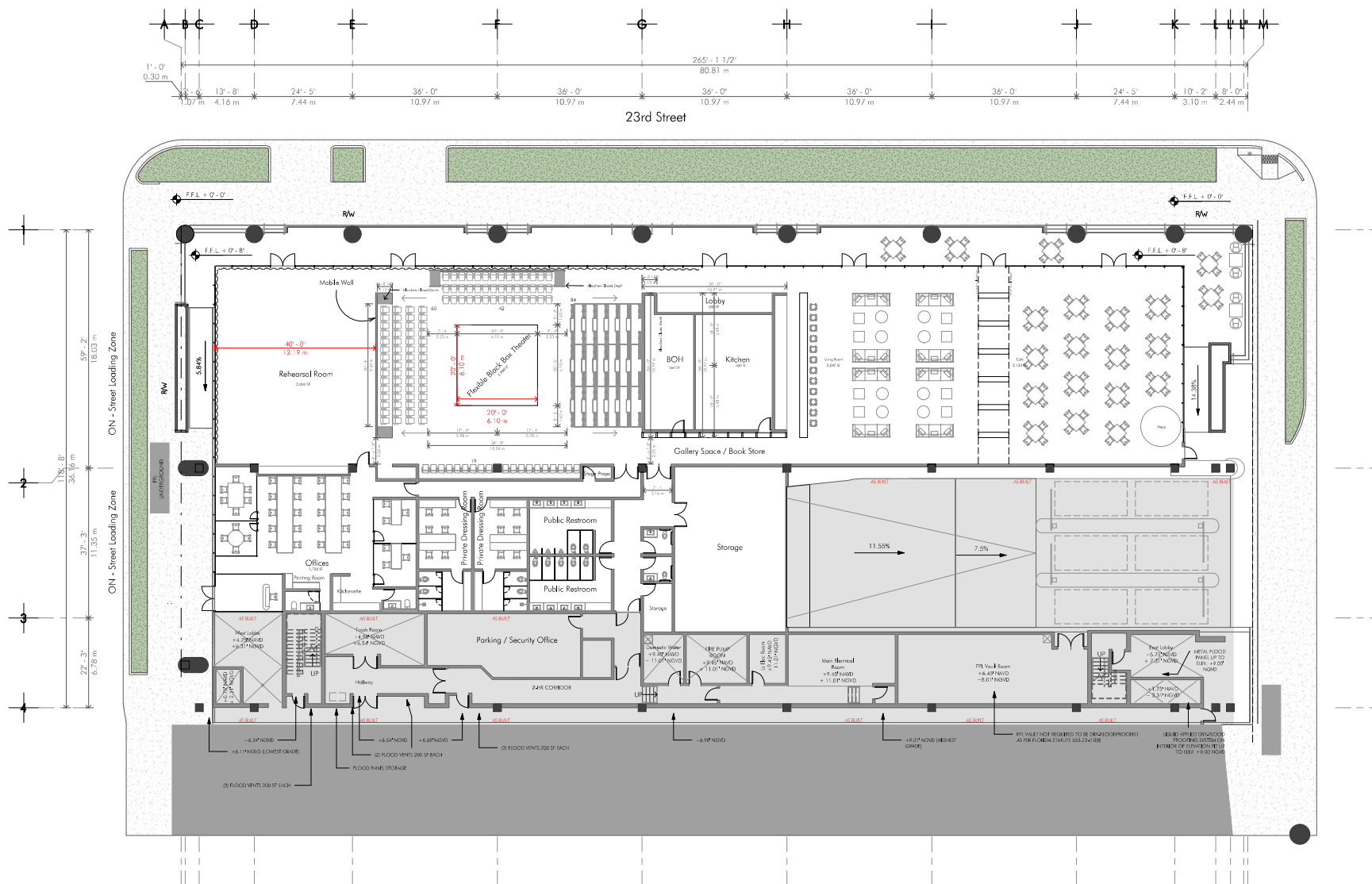
“C” – Preliminary Development Timeline

**MIAMI NEW DRAMA
COLLINS PARK CULTURAL CENTER
PROJECT BUDGET ESTIMATE
PLANNING PHASE DRAFT**

PROJECT NAME:	Miami New Drama Collins Park Cultural Center
PROJECT DESCRIPTION:	Interior buildout of Collins Park Garage ground floor - elements as per Lease agreement and G.O.B. funding requirements.
ITEM DESCRIPTION	PLANNING PHASE PROJECT COST
A. Construction Costs	\$ 5,104,000.00
B. Furnishings, Fixtures & Equipment	\$ 1,000,000.00
C. Construction Admin	\$ 150,000.00
D. Pre-con Management	\$ 100,000.00
E. Other Costs (LEED, etc)	\$ 100,000.00
F. Permitting	\$ 150,000.00
G. CoMB Contingency	\$ 760,400.00
H. MiND Contingency	\$ 239,600.00
TOTALS:	\$ 7,604,000.00



[illegible]



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