

C7 S 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 AT ITS JULY 26, 2024 MEETING, APPROVING ONE-TIME FUNDING IN THE AMOUNT OF \$492,676.56 TO PROVIDE FINANCIAL ASSISTANCE TO MIAMI BEACH ARTS AND CULTURAL ORGANIZATIONS DUE TO STATE BUDGET CUTS FOR FISCAL YEAR 2025.

Applicable Area:

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: September 11, 2024

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 AT ITS JULY 26, 2024 MEETING, APPROVING ONE-TIME FUNDING IN THE AMOUNT OF \$492,676.56 TO PROVIDE FINANCIAL ASSISTANCE TO MIAMI BEACH ARTS AND CULTURAL ORGANIZATIONS DUE TO STATE BUDGET CUTS FOR FISCAL YEAR 2025.

### **RECOMMENDATION**

The Administration recommends the Mayor and City Commission adopt the resolution to accept the recommendation of the Finance and Economic Resiliency Committee for a one-time funding amount of \$492,676.56 in Fiscal Year (FY) 2025 to support Miami Beach-based Cultural Anchors and Cultural Presenters due to the State of Florida's Division of Arts and Culture's Cultural and Museum Grants (General Program Support) budget cut.

### **BACKGROUND/HISTORY**

On June 28, 2024, at the request of Commissioner Tanya K. Bhatt, the Mayor and City Commission approved a dual referral (C4 L) 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.

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 various organizations through various grants and sponsorship awards. The organizations also rely on the Florida state budget, through the state's Cultural and Museum Grant Program, to meet their operational needs. During the 2025 state budget process, significant funding was withheld 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:

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 representing 48% of the original ask, or \$26,000,000 toward 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 by the Florida Legislature but subsequently vetoed by Governor De Santis.

The State of Florida Division of Arts and Culture originally recommended funding \$1,941,982 in

Cultural and Museum Grants (General Program Support) funding towards Miami Beach organizations. Following the budget cut, these organizations were collectively expecting a total of \$932,151.36 in funding.

The Miami Beach Cultural Anchors affected by the Cultural and Museum Grant (General Program Support) budget cuts are: The Wolfsonian, Jewish Museum of Florida, The Bass Museum, Holocaust Memorial, Living Arts Trust (O Cinema), Miami Beach Botanical Garden, Miami City Ballet, Miami Design Preservation League, Miami New Drama, New World Symphony, O, Miami, South Florida Art Center (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.

## **ANALYSIS**

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

The study reflects that approximately \$222.7 million was spent by nonprofit arts and culture organizations in Miami Beach and \$112.2 million in event-related spending by audiences. According to the study, this investment 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.

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 <sup>1</sup> Attendees	Nonlocal <sup>1</sup> 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 <sup>1</sup> Attendees	Nonlocal <sup>1</sup> 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 for Arts and Culture in 2022 that will fund an unprecedented expansion of city museums, theaters, and public performance venues over the coming decades.

Based on the study, 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.

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 unprecedented State budget cuts. The Cultural Anchors shared that budgets cuts significantly impact their programming and/or possible operations.

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

At the July 26, 2024 FERC meeting, the Committee provided a favorable recommendation to provide support to Miami Beach Cultural Anchors and Cultural Presenters in the amount \$25,000 or 50%, whichever is greater, of the State Legislature’s 48% recommendation as shown below:

<b>Miami Beach Cultural Anchors</b>	<b>Divison of Arts &amp; Culture Panel Recommendation</b>	<b>Legislative Recommendation</b>	<b>FERC Recommendation Greater of 50% or \$25,000</b>
The Wolfsonian (The Florida International University Board of Trustees)	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
Jewish Museum of Florida (Florida International University Foundation, Inc.)	\$ 90,000.00	\$ 43,200.00	\$ 25,000.00
Friends of the Bass Museum, Inc.	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
Holocaust Memorial Committee	\$ 100,000.00	\$ 48,000.00	\$ 25,000.00
Living Arts Trust, Inc.	\$ 112,649.00	\$ 54,071.52	\$ 27,035.76
Miami Beach Garden Conservancy, Inc.	\$ 90,000.00	\$ 43,200.00	\$ 25,000.00
Miami City Ballet, Inc.	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
Miami Design Preservation League, Inc.	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
Miami New Drama	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
New World Symphony, Inc.	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
O, Miami, Inc.	\$ 90,000.00	\$ 43,200.00	\$ 25,000.00
South Florida Art Center, Inc. (Oolite Arts)	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
The Rhythm Foundation, Inc.	\$ 150,000.00	\$ 72,000.00	\$ 36,000.00
	<b>\$ 1,682,649.00</b>	<b>\$ 807,671.52</b>	<b>\$ 415,035.76</b>
<b>Miami Beach Presenters</b>			
Fundarte, Inc.	\$ 90,000.00	\$ 43,200.00	\$ 25,000.00
Miami Music Festival, Inc.	\$ 115,170.00	\$ 55,281.60	\$ 27,640.80
The Dance Now! Ensemble, Inc.	\$ 54,163.00	\$ 25,998.24	\$ 25,000.00
	<b>\$ 259,333.00</b>	<b>\$ 124,479.84</b>	<b>\$ 77,640.80</b>
	<b>\$ 1,941,982.00</b>	<b>\$ 932,151.36</b>	<b>\$ 492,676.56</b>

### **FISCAL IMPACT STATEMENT**

One-time funding in the amount of \$492,676.56 has been recommended as part of the Fiscal Year 2025 Budget.

### **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-notice/>

### **FINANCIAL INFORMATION**

### **CONCLUSION**

The Administration recommends the Mayor and City Commission adopt the Resolution to accept the recommendation of the Finance and Economic Resiliency Committee for a one-time funding amount of \$492,676.56 in FY 2025 to support Miami Beach-based Cultural Anchors and Cultural Presenters due to the State of Florida’s Division of Arts and Culture’s Cultural and Museum Grants (General Program Support) budget cut.

### **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)**

Commissioner Alex Fernandez

**Condensed Title**

Approve One-Time Funding for MB Arts/Cultural Organizations Due to State Budget Cuts.  
(Bhatt/Fernandez) TC