

Memorandum



Date:

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: *Building Better Communities*/General Obligation Bond (BBC/GOB) Program –
Execution of BBC/GOB Grant Agreement with the Miami Art Museum (MAM),
BBC/GOB Project #296

Recommendation

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution granting the Mayor or his designee the authority to execute the second *Building Better Communities*/General Obligation Bond (BBC/GOB) grant agreement with the Miami Art Museum of Dade County Association, Inc., (MAM), a Florida not-for-profit, BBC/GOB Project #296, in the amount of \$8.4 million (Exhibit 1) to fund pre-design, planning, preliminary engineering and related costs associated with the development of the Museum at Museum Park (aka Bicentennial Park). The resolution also waives the requirement in the BBC/GOB Administrative Rules that grantees demonstrate site control as a pre-condition to receiving BBC/GOB funds. The BBC/GOB funding will come from bond series 2008 B that totals \$350 million of which the first tranche of \$146 million was issued in December 2008. Receiving the next installment of BBC/GOB funding is critical at this time in order to keep the project moving forward.

Scope

Although MAM will be located in County Commission District 3, the project will have a countywide impact.

Fiscal Impact/Funding Source

The BBC/GOB Program has an allocation of \$100 million for MAM. The Museum will be responsible for any cost overruns associated with the project.

Track Record/Monitor

MAM is a not-for-profit in good standing with Miami-Dade County. They will be responsible for the implementation of their project with oversight provided by the Miami-Dade County Department of Cultural Affairs. The County's Office of Capital Improvements (OCI) will be the monitoring agency to ensure compliance with the BBC/GOB requirements.

Background

The first GOB grant agreement to MAM was for \$235,000 (less than ¼ of 1% of their total GOB allocation). These funds have been expended for eligible project costs. In addition, MAM has received \$14,880,000 from the private sector's multi-year pledges, all of which has been expended on project costs to date. It is essential to provide the next allocation of GOB funds necessary to sustain work on the completion of the planning and design phase of the new building and to maintain this project's tight timetable.

In addition, the Board and the City of Miami Commission approved a Memorandum of Understanding (MOU) which addresses the contractual relationships necessary for developing the Museum Park project between the City of Miami, MAM, the Miami Science Museum/Historical Museum of Southern Florida (MSM/HMSF) and the County. At that time, the Board was told that further BBC/GOB funding allocations beyond the initial installment amount would not be committed until MAM demonstrated site control of the property.

On December 11, 2008, the City of Miami Commission approved lease agreements with the Miami Art Museum and Miami Science Museum for their respective four acre parcels in Museum Park. The lease agreements provide the museums with 99 year terms for their buildings' sites. Although the leases have been approved, they are conditioned upon successful negotiation and approval of the Master Development Agreement and the Environmental Remediation Agreement, so at this time the leases do not meet the site control requirements of the BBC/GOB Administrative Rules. The City and the Museums report that significant progress already has been made on negotiating these agreements and expect to have the Master Development Agreement finalized by the end of February 2009 and the Environmental Remediation Agreement finalized by July 2009. Given the action of the City Commission approving the leases and the progress made on these subsequent agreements, we feel confident enough regarding the City's commitment to the Museums' projects to recommend releasing the next installment of BBC/GOB funding to MAM.

Payments to MAM under this agreement will be made on a reimbursement basis in accordance with the BBC/GOB Administrative Rules. Allocation of the balance of the BBC/GOB funds will be authorized through the execution of subsequent grant agreements as the work progresses subject to the museum demonstrating site control.

Project Description and Funding

On November 2, 2004 voters approved eight ballot questions authorizing the issuance of general obligation bonds to fund more than 300 capital improvements throughout the County over the next 15 to 18 years. BBC/GOB Project #296 included a total allocation of \$100 million to fund the development of a new MAM to be built on City-owned Bicentennial Park. In 2005 the City of Miami contracted with Cooper, Robertson & Partners to work with MAM, the Miami Science Museum/Historical Museum of Southern Florida (MSM/HMSF) and the County to develop a master plan for the redevelopment of Bicentennial Park. A product of this work is a site plan for the approximately 29-acre Bicentennial Park that features specific locations for

developing new art and science museums on a total of eight acres (4 acres for each Museum) and a 21-acre park design.

MAM presently occupies approximately 33,000 square feet in the Miami-Dade Cultural Center, a County-owned facility adjacent to the Stephen P. Clark Center in downtown Miami. MAM has long outgrown its present facilities. In 2008, MAM had total attendance of 62,000 visitors. Annual attendance is estimated by MAM to be 190,000 at the new museum where MAM will present exhibitions, expand its art collections and offer educational programs for the benefit, enjoyment and education of the public. Currently, the County's contribution totals approximately 35% of MAM's operational budget. The operating budget for the new facility is estimated at \$12.9 million. Over the next two years, we will work with MAM to present revised budget proposals reflective of the museum's increased operational costs to the Board for consideration. Such proposals will factor in, to the extent possible, expected private operating endowment support, administrative revenues, and grant funds.

MAM ownership of the facility is expected to facilitate their on-going fundraising efforts and makes MAM totally responsible for any cost overruns. At this time, MAM is continuing its fundraising campaign and is making significant progress. The \$45 million in private sector pledges secured to date are earmarked for the construction, commissioning and operational needs of the new building (including operating endowments for the new building). With the approved GOB funding, the museum has already sufficient funds committed to cover the design and construction costs of the building and is currently raising funds for its own internal development costs and an operating endowment.

BBC/GOB Project #296 was approved by the Board on July 20, 2004. MAM will occupy approximately four acres of City-owned land at Bicentennial Park. The design for the MAM Project provides approximately 200,000 square feet of interior and exterior program space. As called for by the functional building program, the 120,000 square foot interior spaces are programmed for galleries, back of house, mechanical and amenities on four levels and the 80,000 square foot covered exterior spaces are programmed for exhibiting large-scale works of art, video and film projections, educational events, special events and a restaurant. The design also allows for an additional 30,000 square feet of interior program space in the future. Free of charge outdoor art components are also planned.

The design also includes under-building parking of approximately 78,000 square feet which will be contiguous with the parking for the Miami Science Museum (MSM). The total number of parking spaces beneath the two museums is estimated at approximately 480.

The current overall project budget for the new museum is \$220 million (\$131 million for the building, \$70 million for an operating endowment and \$19 million for transitional expenses). The \$100 million from the BBC/GOB will be used for the design and construction of the building.

Selection of the Design Team

In September 2006, MAM selected the firm of Herzog & de Meuron as its design architect. The design architect will be involved primarily in conceptual and preliminary design while the executive architect, Handel Architects, will develop the detailed construction and permit plans. On June 6, 2006, the Board approved Ordinance 06-88 amending Section 2-8.2.10 of the Code of Miami-Dade County which allows municipalities and not-for-profits implementing BBC/GOB-funded projects to use their own procurement procedures. As a result, County procurement procedures do not apply. Nevertheless, MAM has followed the County process and on April 11, 2007, went before the County's Small Business Department's Review Committee for the recommendation of Community Business Enterprise (CBE) goals for six relevant design professions. Although not required by the BBC/GOB Administrative Rules, MAM has committed to assign approximately 15% of that design work to CBEs.

Project Schedule

MAM has done considerable programming and conceptual design work having started their Concept Design in October 2007. MAM has completed the Concept Design and Schematic Design Phases, as well as 75% of the Design Development Phase. MAM expects that: Design Development will be completed by July 1, 2009; environmental remediation (if needed) will commence in fall 2009 and lead directly into the Construction Phase in late 2009/early 2010 with the opening in 2012.

I have previously informed this Board that the primary oversight responsibility on behalf of the County rests with the Miami-Dade Department of Cultural Affairs. My office will be directly involved in overseeing these efforts.

Alex Muñoz - Assistant County Manager

Approved _____ Mayor

Agenda Item No.

Veto _____

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING THE TERMS OF AND AUTHORIZING THE MAYOR OR HIS/HER DESIGNEE TO EXECUTE THE SECOND BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND GRANT AGREEMENT WITH THE MIAMI ART MUSEUM OF DADE COUNTY ASSOCIATION, INC. IN THE AMOUNT OF \$8.4 MILLION TO FUND PRE-DESIGN, PLANNING, PRELIMINARY ENGINEERING AND RELATED COSTS ASSOCIATED WITH THE DEVELOPMENT OF THE MUSEUM AT MUSEUM PARK

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by this reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves the terms of and authorizes the Mayor or his/her designee to execute the Building Better Communities General Obligation Bond Program Grant Agreement, in substantially the form attached hereto as Exhibit A, by and between the County and the Miami Art Museum of Dade County Association, Inc. ("MAM") in the amount of \$8.4 million to fund pre-design, planning, preliminary engineering and related costs associated with the development of MAM's Museum at Museum Park.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman

Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro

Carlos A. Gimenez

Barbara J. Jordan

Dorrin D. Rolle

Katy Sorenson

Sen. Javier D. Souto

Audrey M. Edmonson

Sally A. Heyman

Joe A. Martinez

Natacha Seijas

Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this
, 2009. This resolution shall become effective ten (10) days after the date of its
adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an
override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. _____

**MIAMI-DADE COUNTY
BUILDING BETTER COMMUNITIES
GRANT AGREEMENT**

GOB Project Number 296-70428 / New Miami Art Museum Facility

This Agreement (the "Agreement") by and between Miami-Dade County, a political subdivision of the State of Florida (the "County"), through its governing body, the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and The Miami Art Museum of Dade County Association, Inc., a Florida nonprofit corporation (the "Grantee") is entered into this ____ day of _____, 2009.

WITNESSETH:

WHEREAS, on July 20, 2004, the Board adopted Resolution Nos. R-912-04, R-913-04, R-914-04, R-915-04, R-916-04, R-917-04, R-918-04 and R-919-04 authorizing the issuance of \$2.926 billion in general obligation bonds for capital projects and on November 2, 2004, a majority of those voting approved the bond program (the "BBC GOB Program"); and

WHEREAS, the aforementioned Resolutions include specific projects such as but not limited to development, improvement, rehabilitation, restoration or acquisition of real property; and

WHEREAS, the Grantee is undertaking the construction of a new art museum for presenting exhibitions, expanding its art collections and offering educational programs and a sculpture garden as part of the Museum Park Project (the "Project") which was specifically approved as part of the BBC GOB Program or is eligible for funding from one of the programs to be funded under the BBC GOB Program and is described more specifically in Exhibit 1 to this Grant Agreement; and

WHEREAS, the New Miami Art Museum (MAM) Facility is estimated to cost \$131,000,000 (the "Total Project Cost") and will be funded from the sources listed in Exhibit 1; and

WHEREAS, the New Miami Art Museum Facility / GOB Project Number 296-70428 is eligible for funding from the BBC GOB Program in a total amount not to exceed \$100,000,000 (the "Funding Allocation"); and

WHEREAS, pursuant to the terms of this Agreement the County has agreed to allocate \$8,400,000 from the Series 2008 B Bonds for the Project (the "Funding Cycle Allocation"); and

WHEREAS, the Project physically improves an area, facility, resource or site to increase its ability or capacity to serve the public; and

WHEREAS, the County and the Board of Directors of the Grantee have authorized, by resolution, their respective representatives to enter into this Agreement

for each Funding Cycle Allocation describing their respective roles in the funding for the Project costs with respect to such Funding Cycle Allocation,

NOW THEREFORE, pursuant to Resolution No. R-595-05, which specifically authorizes the County Manager to execute such agreements and other required contracts and documents, to expend Building Better Communities bond funds received for the purpose described in the approved funding allocation, and in consideration of the mutual promises and covenants contained herein and the mutual benefits to be derived from this Agreement, the parties hereto agree as follows:

Section 1. Parties, Effective Date and Term: The parties to this Agreement are the Grantee and the County. The County has delegated the responsibility of administering this grant to the County Manager, or his designee, who shall be referred to herein as the "County Manager."

This Agreement shall take effect upon execution and shall terminate upon the completion of the Project, including the completion of all final closeout documentation.

Section 2. Amount of Funding Cycle Allocation and Payment Schedule: A Project funding plan identifying the Funding Allocation to be funded by the County solely from BBC GOB Program proceeds and the costs to be funded by the Grantee through written project funding commitments from third parties is attached as Exhibit 1. Included shall be a projected timetable for each Funding Cycle Allocation and the amount funded to date, if any. The County agrees to provide solely from the BBC GOB Program proceeds for the Funding Cycle Allocation an amount equal to \$8,400,000. This amount represents a portion of the amount necessary to complete the Project. By making this grant, Miami-Dade County assumes no obligation to provide financial support of any type whatever in excess of the Funding Allocation. Cost overruns are the sole responsibility of the Grantee. The Funding Cycle Allocation shall be provided in accordance with the Administrative Rules which are attached as Attachment 1 ("Administrative Rules") and incorporated in this Agreement by this reference. In the event that the Funding Cycle Allocation is not expended on schedule, additional allocations may be delayed for one calendar year or more depending on the bond schedule, in accordance with the Administrative Rules and Section 22 of this Agreement.

Payment(s) of Funding Cycle Allocation funds will be made to the Grantee pursuant to the reimbursement provisions in the Administrative Rules and its Exhibits.

Miami-Dade County shall only be obligated to reimburse the Grantee provided the Grantee is not in breach of this Agreement and the Grantee has demonstrated that it has adequate funds to complete the Project. The County shall administer, in accordance with the appropriate regulations, the funds available from the BBC GOB Program as authorized by Board Resolutions. Any and all reimbursement obligations of the County shall be fully subject to and contingent upon the availability of funding solely from the BBC GOB Program funds. The Grantee shall be solely responsible for submitting all documentation, as required by this Agreement and by the Administrative Rules, to the County Manager.

