

APPROVED
MINUTES
BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA
MONDAY MARCH 17, 2008 – 3:30 P.M.

COMMITTEE MEMBERS	ATTENDANCE	CUMULATIVE	
		6/07 – 5/08	PRESENT ABSENT
Amaury Piedra, Chair	P	6	3
Carlos Molinet, Vice Chair	A	4	5
Ina Lee	P	9	0
Michael Hatzfield	P	7	2
Andreas Ioannou	P	6	3
Ramola Motwani	P	7	2
Gabriel Rodriguez	P	6	3
Joseph Geluso (arrived 3:49)	P	6	3

Staff and Guests

Donald Morris, Beach CRA Director
Earl Prizlee, Beach CRA Engineering Design Manager
Silver Lee-Hodge, Beach CRA Secretary
Phil Thornburg, Parks & Recreation Department
Dan Barnett, Wizard Entertainment
Johnny William, MDM Group
Mike Luba, Live Nation
Danny Dougherty, Beach Entertainment
Hilda Testa, Recording Secretary, Prototype, Inc.

I. Call to Order/Roll Call

Chair Piedra called the meeting to order at 3:45 p.m. Roll call was taken and a quorum was present.

II. Approval of February 18, 2008 Minutes

Motion made by Ms. Lee, seconded by Mr. Hatzfield, to approve the February 18, 2008 meeting minutes as distributed. In a voice vote, the motion passed unanimously.

III. BID Update

Mr. Morris informed the Board that a new RFP would not be necessary for the power washing. A contract extension was recommended to reduce the number of power

washings from six times a year to four, to include the north side of the east Las Olas Boulevard section, to require all employees to successfully complete a customer service training program, and to require all employees to wear a City-approved uniform. Reducing the number of power washings and adding the Las Olas area resulted in an \$82,000 net cost savings.

Motion made by Ms. Lee, seconded by Ms. Motwani, to recommend to the City Commission a reduction in the number of power washings from six to four and to add the north side of the east section of Las Olas Boulevard to the schedule. In a voice vote, the motion passed unanimously.

For clarification, Mr. Morris stated the existing contract would stay in place until September 20, 2008. The savings of \$82,000 would be realized in the new contract for the next fiscal year. The fiscal year starts October and ends September.

Mr. Ioannou asked Mr. Morris if there was an estimate of Business Improvement District account funds anticipated for 2009 and if the unused funds in the account would roll over to the next year. Mr. Morris advised he could not estimate the funds for 2009; however, as the monies in the BID account are not considered general funds, they will accumulate if not used. Mr. Morris stated he would confirm this with the Finance Department and report back to the Board.

Ms. Lee stated that each year, the BID Agreement is submitted to the business owners for approval; it also affords the City the opportunity to change the rate. Ms. Lee requested the date for the approval vote, to allow for contact with the business owners and advise them of the plans for the funds.

IV. Potential Events Proposals

Previously discussed were ideas for events that would provide sustainable tourism with the potential for growth and the ability to put dollars back into the coffers of contributing businesses of the BID.

Three promoters had been asked to give a presentation with their ideas. The parameters given were the same to all three promoters with \$100,000 of BID dollars to contribute to the event. Additional sponsors may be obtained allowing for the \$100,000 contribution to be expanded by sponsorship dollars.

Dan Barnett - Wizard Entertainment

Mr. Barnett presented his employment background and past entertainment functions, and advised that his expertise was entertaining and bringing people together; meeting a particular objective through entertainment.

Mr. Barnett stated he had studied the Beach Ball concept that had attracted great numbers of people and advised there is already an investment in the brand for the City. In addition, there is a clean image associated with the Beach Ball Event that included a family-oriented, sand castle building contest with the *Sun-Sentinel*.

Several items to be explored were –

- The type of people desired at the events
- The number of people
- The destination of the investment dollars such as hotels and restaurants, or a combination of both
- Or, perhaps the revenue is used to generate more tourist dollars for future use

Mr. Barnett felt family events would be net the biggest return in terms of dollars being spent by the public. A weekend stay over would generate additional tourist dollars and this can be obtained by creating a two-day event in conjunction with an existing event such as the Boat Parade. A “Kick off the Season” could be a Columbus Day event that starts the season earlier.

The type of musical talent determines the type of audience drawn in and the venue determines the type of talent. A jazz ensemble might require a sit down venue, whereas, KC and the Sunshine Band would allow for dancing in the streets. Concert entertainment would require a big name celebrity to facilitate a weekend stay-over.

Stretching out the beach with multiple stages such as seen with Sun-Fest would keep people constantly moving between different areas of the beach. A road closure with 100,000 people creates excitement by merely standing and walking in areas usually off limits to this type of activity. The largest area of the beach is on the south end, but the full experience would include walking on A1A.

In addition to musical entertainment, sports teams are excellent entities for co-branding or partnerships. The Beach Ball Event, coupled with the Miami Dolphins, could be used to create high end, VIP packages and would be incorporated inside a bigger event. Partners or sponsors such as Levinson Jewelers, Rick Case and the Lux Event, (with Maseratis, Ferraris and, Porsches displayed on A1A for people to look and touch) provide a feeling of being at an upscale event.

This type of approach encourages people to be comfortable “spending \$14 for a glass of red wine.” Participation with multiple properties for a wine tasting or a wine pass can also create the feeling of a high end, VIP experience. All would be to re-create the type of energy on the beach that encourages strolling.

It is important the special event resembles the feeling wanted for the beach on Friday and Saturday nights. The objective is to draw the same people who would potentially return in the future to go to a restaurant or buy a drink. The event should have aspects such as an art show, and children and family events to augment the event, but have the entertainment the primary attraction.

Mr. Barnett suggested ways to publicize the event using the media and partnering with retailers such as Publix Supermarkets to create a family-type atmosphere, as well as to consider adding a sports team to the event such as the Miami Dolphins.

Mr. Barnett suggested an event to resemble a Columbus Day Regatta, with water sports, sailing, and boat racing in an effort to “bring the ocean to the people.”

Mr. Barnett closed his presentation by saying a small retainer would be required and the members of the Board should be prepared to sit down with the promoter to get involved in the process to determine the objectives.

Johnny Williams – Multi-Dimensional Marketing Group (MDM)

Mr. Williams advised the purpose of his presentation was to discuss a proposal where the BID Board would be the true beneficiaries of the event. MDM would produce the event, handle the media and marketing, and be responsible for raising the funds necessary to produce the show.

The objective is to generate revenue for the local businesses by creating a wholesome family-orientated event free to the public that showcases the local community in a positive light. It also generates revenue and exposure for more than 20+ charitable organizations.

MDM would provide over \$1.3 million in hotel revenue booked directly through the show’s hotel coordinator; this figure represents only 20% of the total rooms booked for the Air and Sea Show and does not include food, merchandise, or services. Based on internet research, the hotel room rates are down approximately \$100 per night for this time of the year. The Air and Sea Show can provide increased rates for the event.

MDM works closely with CBS4 as a partner working to promote the event and it’s sponsors, providing national and international television coverage, two press conferences and 20,000 press releases to various media outlets. Additionally, MDM would also provide a comprehensive community relations campaign and an auditing firm that independently audits the value associated with the show providing over \$20 million dollars in media exposure.

MDM has 13 years of experience with the production and understands strategies to potentially improve the show. Proposed is a newly-designed layout specifically to benefit the event and make the BID members partners by their inclusion in a comprehensive public relations campaign.

The Air and Sea Show of past years included a private VIP hospitality area just north of Sunrise Boulevard on a one-mile stretch of beach, providing for the bulk of the revenue generated. Since it was free to the public, MDM had to obtain corporate sponsorships, hospitality sales, and display booth sales to underwrite the cost. Last year, the revenue generated totaled approximately \$450,000 from the sales of hospitality, chalets, and preferred seating; this would now be redirected to the hotels and local businesses. One of the key elements of this proposal is for MDM to eliminate their involvement in the hospitality aspect and redirect those funds to the hotels. The goal would be to create unique travel packages and promotional opportunities to assist the BID in generating revenue for Fort Lauderdale Beach.

The proposed investment by the beach community would be to provide a limited number of hotel rooms to house the staff, sponsors, and performers, split amongst the various hotels on the beach, as well as hosting of the dignitary reception on Friday evening. The goal would be to direct the celebrity element and dignitary reception, including the U.S. Military, to the hotels. Also important would be to incorporate a VIP hospitality package to accommodate the guests of MDM assisting in the underwriting of the event.

Revenue generated from hospitality would offset the annual cash investment of \$750,000 by the BID. The BID would also gain media and market value from being associated with the sponsors responsible for the show. In the absence of an admission fee for the event from the public, support from business benefiting from the show is critical to generate revenue.

Mr. Williams was unable to estimate the attendance expected due to the absence of gated events in prior years; however, the military had estimated the attendance at approximately two million guests for the Air and Sea Show. It is logistically impossible to gate the event due to the fact that it is a public beach and home to many residents.

The show proposed at this time would be for 2009 leaving adequate time to find corporate sponsors and partners. The beneficiaries and MDM would have to be proactive in seeking that "title" partner. Under the restructured model, the total investment from the BID and local businesses would be \$1.5 million. Mr. Williams stated the commitment from the beach businesses and sponsors would have to be in the form of a multi-year contract to guarantee the return of the show in future years. Support will

continue to be provided by those who truly have a vested interest in the event because they recognize the return on their investment in terms of revenue generated.

Mike Luba and Danny Dougherty - Beach Entertainment and Live Nation (BE-LN)

Beach Entertainment and Live Nation would like to produce a world class, international music festival over the course of a spring weekend on Fort Lauderdale Beach encompassing approximately thirty acts. The cost would be completely covered by Beach Entertainment and Live Nation and be free to the public.

BE-LN is the world's largest concert and event promoter, producing 30,000 events and festivals a year all over the world and buying more media opportunities and coverage than any other promoter.

BE-LN has relationships with four hundred corporate sponsors around the world and is confident to be able to raise the funds necessary to put on an event of the size anticipated. With the caliber of entertainers proposed, efforts will be made to televise and capture the event on DVD, making it even more attractive for investors.

BE-LN would like to make this an annual event with two stages and large scale video and sound along the entire length of the beach. The stage would have barricades to control access by the public and to provide controlled freedom to ensure public safety.

The schedule would include small, intimate gigs on Friday nights inside the hotels, clubs, and restaurants open to the local patrons, as well as VIPs. Saturday would be the main attraction with a large numbers of patrons expected late into the night, purchasing meals and drinks and renting of hotel rooms.

Two important features of the event would be to involve and empower local communities, as well as to include a charity aspect. The proposal calls for BE-LN to pay for the event; the \$100,000 contribution paid by the BID could be the charitable aspect on behalf of the BID.

The time frame needed is generally 18 to 24 months in advance for some of the artists such the Rolling Stones, U-2, Shakira, Barbara Striesand, and the Jonas Brothers -all of whom recently sold out the arena for their concerts in eleven minutes. Their schedules are currently being assembled for next summer. A written commitment to proceed by mid-April would be required, not only to secure the entertainment, but also to put in place corporate sponsorships necessary to produce an event of this magnitude.

Members of the Board discussed the logistics to equally benefit local businesses involved in the event and the type of artists compatible with the residents and patrons desired at the beach.

Ms. Lee summarized the proposal as follows:

- no monetary contribution for BID or local businesses
- sponsorship and promotional efforts conducted by BE-LN
- BID to recommend to the City Commission to authorize the event as soon as possible
- Any BID contribution previously expected would now be donated to a charity in conjunction with the event
- Complete involvement from the BID with all aspects of the event planning

The Board thanked the promoters for their presentations and discussed the pros and cons of each presentation.

Chair Piedra stated that the event should include the name of the BID to show its value to the local business environment. Chair Piedra also asked the Board Members for feedback as to the best direction to proceed.

Ms. Lee stated the Air and Sea Show seemed to have “a lot of baggage” and did not generate revenue as expected. In addition, many of the residents and businesses had complained to the City Commission, including the Galleria Mall, and were opposed to the Air and Sea Show. It was noted, however, that the international exposure had been phenomenal and occupancy and room rates increases had been substantial.

It was thought that BE-LN would bring a lot to the table in that they have direct access to major artists. Steps would have to be taken to ensure the event does not become a “rock concert” on the beach by providing for an upscale genre.

Chair Piedra pointed out that with multiple stages and access to different types of artists, several different genres of music would be able to be offered to the audiences. The amount of exposure for the minimal investment by Fort Lauderdale makes the presentation by BE-LN very attractive.

Mr. Geluso suggested the event have up to five different stages along the beach and as the patrons visit the different stages, they would pass the hotels and restaurants. Street closure may be the key, even if it is for a smaller portion of AIA.

Chair Piedra commented that due to the cost of such a big production, a headliner may be necessary for the promoter to generate the revenue necessary; however, most of the

weekend could be geared towards smaller shows in the central BID instead of the southern end of the beach.

Chair Piedra inquired as to which type of activity would generate the most revenue while maintaining the decorum sought after in the Fort Lauderdale Beach area.

Mr. Geluso asked if revenue was the most important consideration or the longevity of the event in terms of producing a recurring annual event. Longevity would provide an opportunity to grow with the event on an ongoing basis, and hopefully an increase in yearly revenues would follow.

Ms. Lee stated that Mr. Barnett had previously produced SunFest and Christmas on Las Olas with multiple activities and attractions and felt the variety of activities would offer more to the public than music alone.

Chair Piedra pointed out that Mr. Barnett presented an event that embodied the vision the BID was trying to attain.

Mr. Morris asked if the two combined proposals could be over a two-day period as this type of an event would be more attractive to the patrons and keep them in the area for a longer period of time, thus inducing hotel room rentals and restaurant expenditures.

Ms. Motwani suggested having BE-LN produce the larger event on an agreed upon date that works for the hotels in the area and then possibly the BID money could be used to work with Wizard Entertainment to produce a series of smaller events throughout the year.

Ms. Lee asked Mr. Morris to confirm whether or not a formal RFP would be necessary to use BID money to bring events to the beach area. Mr. Morris stated that the proposal from BE-LN would not need an RFP since there was no direct investment involved by the BID or the City. Mr. Morris agreed to provide more clarification as to the process at the next meeting.

Motion made by Mr. Geluso, seconded by Ms. Motwani, to recommend to continue with Beach Entertainment and Live Nation to develop the “mega event.” In a voice vote, the motion passed unanimously.

Motion made by Ms. Lee, seconded by Ms. Motwani, to recommend to continue with Wizard Entertainment for an ongoing series of smaller events. In a voice vote, the motion passed unanimously.

V. Old/New Business

The next meeting will be held April 21, 2008.

There being no further business to come before the Committee, the meeting was adjourned at 5:21 p.m.

[Minutes prepared by H. Testa, Prototype, Inc.]