

APPROVED
MINUTES

BEACH BUSINESS IMPROVEMENT DISTRICT (BID)
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA
MONDAY, JULY 21, 2008 – 3:45 P.M.

<u>BID COMMITTEE MEMBERS</u>	<u>ATTENDANCE</u>	CUMULATIVE	
		PRESENT	ABSENT
Amaury Piedra, Chair	P	10	2
Carlos Molinet, Vice Chair	P	2	1
Ina Lee	P	12	0
Michael Hatzfield	A	7	5
Andreas Ioannou	P	7	5
Ramola Motwani	P	10	2
Gabriel Rodriguez (arrived 3:49)	P	9	3
Joseph Geluso	P	9	3

Staff

Jeff Modarelli, Economic Development Director
Donald Morris, Beach CRA Director
Earl Prizlee, Engineering Design Manager, CRA
Karen Reese, Economic Development Representative
Silver Lee Hodge, Secretary Beach CRA
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 was called and a quorum was present.

II. Approval of Minutes: June 11, 2008

Chair Piedra requested a motion to approve the June 11, 2008 meeting minutes. Motion made by Ms. Lee, seconded by Vice Chair Molinet, to approve these minutes. In a voice vote, the motion passed unanimously.

With the approval of Chair Piedra, Jim and Michael Boucher of Boucher Brothers Management, LLC, gave a brief presentation out of order of the agenda.

Jim Boucher thanked the Committee members who had voiced support for their successful effort to procure the Beach management contract. Michael Boucher explained that they were here to give an overview of the services they would

provide and the level of communication they hoped to achieve between the hotels and their management group. He stressed that they would address any issues between guests and staff promptly; in addition, he stated they planned to attend the regular Thursday meetings of hotel staff at least every other week, and wished to be kept up to date of matters of importance to the hotels, such as high-profile guests.

Their services are expected to go into effect no later than October 1, 2008.

Jim Boucher continued that their background is in the hotel industry, and they understood the complexities of pleasing guests at a four- or five-star hotel as well as local patrons, although their intent was to treat both these groups with equal consideration. He felt that a key to their success was their ability to work with hotels, show profits, and be able to provide excellent guest services. He noted that some hotel owners had felt as if the public beaches were “disconnected” from the hotels, and the management group has been able to bridge this gap with success. He felt the financial returns to the hotels, as well as to the City, had been “exponential.”

Chair Piedra asked if the Committee could expect feedback from the management group as well as the hotels’ general managers, detailing some of the improvements and communications that had occurred. He was assured that this would take place.

Mr. Ioannou requested that when management had met with City officials to establish a time frame for forthcoming improvements, they send this information to the Committee so a series of meetings could be arranged to discuss the needs of each hotel, as well as how equipment and amenities on the beach would be affected.

The Committee thanked the Bouchers for their time and consideration in attending the meeting.

III. Prism Powerwash Schedule

Although company representatives had not arrived at the meeting as expected, Mr. Modarelli informed the Committee that Prism Powerwash had requested to move their cleaning schedule back by one week. He noted that the cleaning at Las Olas Boulevard had gone well, and there was a good level of cooperation between the business owners and Prism in that high-traffic location.

Ms. Lee recommended an official meeting be scheduled between Prism and the Boucher Brothers. Mr. Modarelli agreed, stating that the management group would most likely place a high priority on cleanliness.

IV. Discussion of BID Budget

Mr. Modarelli explained that he had not been sure previously what the budget figures might be, due to recent changes in property assessments. However, the figure returned after assessments came to \$735,637,690, which was approximately \$100 million higher than the previous year.

As discussed at previous meetings, Mr. Modarelli advised that the budget must now be determined in relation to the assessment rate. The preliminary rate, under which the Committee is currently operating, is .9156; he pointed out that the line items of the budget must now be determined, including marketing events and holiday lights. He recommended that the Committee keep "in step" with the City Commission regarding the rate, and that they attempt to stay under the current rate when the final budget decisions are reached in September.

Chair Piedra noted that due to current economic circumstances, it was probably "not the right year" to raise the assessment. If the assessment figure could be lowered, he felt it would be the best plan of action.

Mr. Modarelli suggested that before all individual budget items were discussed, two expenses in particular had been mentioned at past meetings: holiday lights and cleaning. He pointed out that approximately \$82,000 had been cut from cleaning costs, as reflected in the preliminary budget. Roughly \$100,000 could be set aside for marketing purposes, and \$60,000 for holiday lights. The previous year's lighting expenses came to \$45,000, which allowed for a single ground display; Mr. Modarelli said this year four ground displays were planned. This would add the \$15,000 difference to this year's budget; he advised if the savings from switching the cleaning contract to Prism were added to this figure, a rate of .8525 could be achieved.

Mr. Modarelli gave the Committee an overview of the preliminary budget's items and their approximate expenses:

- Prism Powerwash: \$419,363
- Broward County Property Appraiser's assessment fee: \$1610
- Holiday lighting: \$60,494
- Attorneys' and other fees: \$7210
- Water charges (for pressure cleaning): \$173

- Dumpster fees: \$12,000
- Recording secretary: \$1200
- Marketing and beach events: \$100,000

These expenses came to \$602,050, Mr. Modarelli said.

The contingency amount, which is 5%, brings this to \$632,000, approximately, he continued. An investment of roughly \$5000 is removed from this cost, however, which makes the total \$627,152. When this amount is divided by the assessment figure of \$735,637,690, he concluded, the rate of .8525 is achieved.

The previous year's budget, he reminded the Committee, was \$595,682.

Mr. Molinet agreed with Chair Piedra regarding the state of the economy, and felt that this was a very minimal budget increase.

Mr. Ioannou asked if it was appropriate to include City Attorneys' fees in the budget, suggesting that they might be best absorbed as a City expense, as City employees were the recipients of the fees. Mr. Modarelli pointed out that the City Attorneys' fees were considerably lower than last year's, but could not be removed from the budget. He agreed, however, to look into the matter.

Mr. Molinet proposed returning the budget to \$595,682 and lowering the expected marketing expenses by \$30,000, in recognition of current economic circumstances. This would lower the assessment rate proportionately, he said.

Chair Piedra reminded the Committee that there had been previous discussion of allocating funds toward the upcoming music festival, as well as other ongoing events. If the budget was scaled back, he noted, some of these funds would be lost. He agreed with Mr. Molinet that lowering the rate would show an appropriate level of sensitivity to the state of the economy.

Mr. Modarelli observed that if the budget remained the same as last year's, the assessment rate would come to approximately .78 or .79. He continued that assessed values did not actually increase, but new businesses were included in the assessment to bring the numbers up. He felt that ultimately those property owners who were not new would see that their assessment was reduced.

Ms. Lee added that the budget can roll over, which should be taken into consideration. Mr. Modarelli agreed, citing the \$100,000 marketing expense as an example of funds that might not be fully spent and could be used the following year.

Mr. Geluso requested clarification of how the assessed value was increased, through a rise in individual assessed values or by an increase in the properties included. He noted that if the assessment went up per property, a decrease in rate would ensure some constancy in the amount paid by each property owner; however, if it was attributed solely to the addition of new properties coming into the area, he was not sure the assessment had increased enough to compensate for this and still allow the Committee to use the same budget as last year. He felt constancy should be taken into consideration, as well as holding to a lower rate.

Mr. Modarelli reminded the Committee that assessments are calculated based on 805 different folio numbers, which made the effect of changes difficult to determine. The final budget recommendation, he said, will be on the City Commission's agenda for September 5, 2008, and will include the proposed budget and assessed value sheets.

Chair Piedra felt that, as a rate proposal was needed right away based on this newly-received information, the Committee should recommend the .8525 assessment rate for now. This figure could be considered further between now and September 5, 2008.

Mr. Geluso reiterated that perhaps the assessment rate should be lowered in order to keep charges constant for business owners.

Mr. Modarelli pointed out that this issue could be discussed further before the City Commission meeting.

Motion made by Mr. Molinet, seconded by Mr. Ioannou, to accept the assessment rate of .8525 and budget of \$627,152. In a voice vote, the motion passed unanimously.

V. Old/New Business

As Mr. Michael Davis of Prism Powerwash had arrived, he was asked to give the Committee input on the company's procedures and schedule. Mr. Davis informed the Committee that the first powerwash for Las Olas Boulevard was set to begin that night, although it might take more than one cleaning to finish the job.

Mr. Modarelli asked how cleaning the sidewalk pavers differed from how a regular cleaning was done. Mr. Davis allowed that this was "tricky," as some sand usually came out of the pavers and might need to be replaced. He continued that how long they might have to clean one particular area also

depended on the amount of discarded gum that needed to be removed. He noted that some sand loss would occur whether or not the pavers in question were sealed or “sandblocked.”

This particular cleaning, Mr. Davis said, would include the North side of Las Olas Boulevard, from A1A to Almond Street.

The Committee thanked Mr. Davis for his time at the meeting.

Moving on, Chair Piedra noted that a letter had been proposed some time ago to introduce the Committee members to the business owners being assessed and let them know some of the concerns the Committee addressed during the year. He handed out a sample letter to the members for them to review, noting that as assessments had just occurred, this was an appropriate time to consider sending the letter out.

Mr. Modarelli advised that the BCRA and BID websites were under construction with the assistance of the Public Information Office, and intended for launch in September.

Ms. Lee pointed out that the Beach Redevelopment Advisory Board had voted to forego their August meeting, and felt that if the Committee did the same, it would be best not to wait until September to finalize the letter.

As no Committee member voiced opposition to meeting in August, Chair Piedra stated they would plan to meet and have approval of the letter added to the agenda.

On a similar note, Chair Piedra advised the Committee of the need for their meetings to keep within their allotted time frame, in order to prevent meetings scheduled to follow in the same room from starting late. Mr. Molinet suggested that if an item requiring a good deal of discussion, such as the Master Plan, was on the agenda, the scheduled meeting time could be adjusted accordingly. Chair Piedra agreed, stating the Committee could always schedule its meetings earlier on these occasions.

Mr. Morris informed the Committee that there was no updated news regarding the LiveNation music festival planned for the following year. Performers and sponsorships were still under discussion, he said, and an update could be expected at the August meeting.

Ms. Lee noted that when the music festival was proposed to the City Commission, a key point of the public presentation was that no City funds would be used. She felt if BID funds are used to assist in the festival's production, it should be made clear that these are not the same as City funds so there is no public perception of misrepresentation.

Mr. Geluso pointed out that when the festival was first described to the Committee, that presentation included a "no funds" pitch as well. Chair Piedra said hopefully this would still be the case, although he was waiting to see how the festival's negotiations played out.

Chair Piedra continued that when the promoters gave presentations to the Committee, he had discussed putting together some ideas regarding localized events. He recommended contacting at least one of these promoters, from Wizard Entertainment, to begin these conversations.

Ms. Lee expressed concern that setting up a discussion of this nature might mean submitting it for RFP. Mr. Modarelli clarified that the Committee might speak to someone to get an overview of their services without making a commitment, but if a service is put up for a formal bid it would need to go through RFP. He cautioned the Committee to take care in conversations such as the one suggested with Wizard Entertainment, as they should be sure not to enter into perceived negotiations when the service might ultimately go to another provider through a bid.

Chair Piedra felt it was important that the BID get credit for putting forth so much effort behind the music festival, so if there were community and business benefits from it afterward, people should know whom to credit for its success. He wanted to ensure the BID name is officially attached to the festival in some manner.

Mr. Molinet felt an appropriate place for this would be in the proposed letter to merchants.

Mr. Morris advised that any localized festivals of the kind to be discussed with Wizard Entertainment would be multi-departmental ventures, involving Police, Parks & Recreation, and possibly several other City departments. He felt representatives from these offices should be involved in any planning of events.

Mr. Modarelli agreed, adding that before going through RFP the Committee should have a plan in mind of the kind of events they hope to attract or develop. Until these decisions were made, he said, it would be premature to invite other City representatives to a meeting on the subject. He felt it was best to have a

conversation with a vendor/promoter before any plans were made, so it could be considered no more than an informal conversation; once plans had been discussed and recorded, RFP was the appropriate step.

Ms. Motwani felt it would be wise to first discuss which City departments would be involved and the procedure involved for working with them to set up an event.

Mr. Molinet said the Committee could have an initial conversation with any vendor it wanted; after that conversation, however, when the BID met again and chose the direction they wanted to take to develop the event, it went to RFP and it would be inappropriate to contact that vendor again except through the RFP process.

Mr. Modarelli suggested it was best to consider the entire endeavor a competitive process. What the Committee should avoid, he said, was speaking to a vendor who could provide an exclusive service, then listing these specific services in the RFP so no one else could bid for the contract. At this point, however, he felt the Committee would only be asking generally about marketing and services.

Mr. Ioannou asked if the Committee would be expected to develop the creative end of setting up events, or if its responsibilities would be restricted to proposing a series of events and stating the BID had a certain amount of money to spend on the event. He felt the creative side was best left to the promoters.

Mr. Modarelli said the Committee should decide what services it wanted vendors to provide for proposed events, then allow him to take these needs to the Procurement Department to create the RFP. At that point, he said, people would respond and subsequently give presentations to the Selection Committee.

Ms. Lee was concerned that no BID members were part of the Selection Committee, as persons were chosen to the Selection Committee for their impartiality to the Beach district. She also pointed out that the City Commission could reverse decisions made by the Selection Committee.

Mr. Modarelli confirmed that this was true, although he noted that so far the BID had not been adversely affected by Selection Committee decisions.

Chair Piedra felt the BID should be represented on the Selection Committee.

Mr. Morris advised that the RFP would be created with the BID's specific needs in mind.

Mr. Modarelli offered to find out more information about the process, so he could give the BID an idea how much input they would have when bids were considered.

Ms. Lee proposed hiring a marketing firm for the Beach district, rather than putting out an RFP for an event or series of events. Mr. Modarelli stated that this might be a solution, but the hiring of a marketing firm would itself have to go out for RFP.

Mr. Rodriguez pointed out that every marketing firm brought its own unique touch to the way it presented and handled events, and choosing a provider of this nature would be very different from accepting bids for specific services, such as cleaning. The Selection Committee would have to be sensitive to this when accepting a proposal.

Chair Piedra cautioned that the BID might not have sufficient funds to hire a marketing firm, as their services are often expensive.

VI. Adjournment

As there was no further business to come before the Committee, the meeting was adjourned at 4:38 p.m.

[Minutes prepared by K. McGuire, Prototype, Inc.]