

APPROVED

**SPECIAL MEETING
BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA
MONDAY, JULY 6, 2010 – 2:00 P.M.**

<u>BID MEMBER/CATEGORY</u>	<u>ATTENDANCE</u>	<u>PRESENT</u>	<u>ABSENT</u>
Amaury Piedra, Chair (Yankee Trader Hotel, A1A Trader, LLC)	A	3	5
Andreas Ioannou, Vice Chair (Greater Fort Lauderdale Chamber of Commerce, Beach Council)	P	6	2
William Stanton (LXR Luxury Resorts & Hotels)	P	5	3
Joseph Geluso (The "W" Hotel, Capri Hotel, LLC)	P	4	4
Jim Oliver (The Ritz Carlton Hotel, Castillo Grand, LLC)	P	7	1
Alfred Rosenthal Beach Place Towers, Marriott Resorts Hosp. Cor.)	P	5	3
Bill Cunningham (2:26) (Marriott Courtyard, PHF Oceanfront LP)	P	7	1
Paul Motta (EVP/Beach Place)	A	6	2
Aiton Yaari (Beach Redevelopment Advisory Board)	A	5	1

At this time, there are 9 appointed members to the Board, which means 5 would constitute a quorum.

Staff

Stephen Scott, Economic Development Director
Eileen Furedi, Economic Development Representative
Karen Reese, Economic Development Representative
Donald Morris, Beach CRA Director
Earl Prizlee, Engineering Design Manager
Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communications to City Commission

None at this time.

I. Call to Order / Roll Call

Vice Chair Ioannou called the meeting to order at 2:11 p.m. Roll was called and it was determined a quorum was present.

II. Approval of Minutes – June 14, 2010

Motion made by Mr. Rosenthal, seconded by Mr. Geluso, to approve the minutes of the June 14, 2010 meeting. In a voice vote, the **motion** passed unanimously.

III. Discussion of Proposed BID Budget 2010-2011

Mr. Scott distributed copies of the most current budget figures. The overall assessed property values in the Business Improvement District came to \$728,760,330, which is an increase from the previous year due to new properties coming online for the first time. Mr. Scott said the assumption is that the rate will remain the same as the previous year at .8525. Additionally, the District is close to 11% behind on collections due to the current economic situation. The revenue generated with this non-collection rate is roughly a \$10,000 increase over the previous year.

He continued that with other incidental revenues, the total is \$540,736. It is assumed the funds carried over from the previous year could make up the difference from the non-collections.

Vice Chair Ioannou asked that pool investments and ad valorem be clarified. Mr. Scott explained that pool investments are a general account in which “the money sits in the bank account,” earning little interest. Ad valorem refers to an added value tax.

Mr. Scott noted that accounting costs are included under incidental expenses. This cost is roughly \$4000 per year. Other incidental expenses are as follows:

- Saturday Night Alive: \$80,000
- Recording Secretary: \$2000
- Beach Cleaning: \$391,100
- Water Service: \$800
- Holiday Lights: \$58,000
- Broward County Property Appraiser’s Office: \$1645
- Contingency (assumed): \$1553
- City Attorney’s Office: \$1300
- Fidelity Bond: \$15

Mr. Scott stated that holiday lights are going out for bid this year rather than renewing the existing contract.

Vice Chair Ioannou asked if other assessment rates within the City also remained the same as in previous years. Mr. Scott confirmed that the proposed budget keeps "everything exactly the same" across the board. The only variance in the overall City budget is "a small piece" added to the base property value based on debt service, which varies slightly from year to year.

Mr. Rosenthal asked if beach cleaning services are under contract with Prism Cleaning through 2011. Mr. Morris confirmed these services remain under contract through August 2011. Mr. Oliver reminded the Committee that while they are under contract, the Committee has the ability to modify the services required and the amount paid for them.

Mr. Geluso asked if the non-collection percentage reflects the disparity between the assessment billed and the budget. Mr. Scott confirmed this. Ms. Reese added that approximately 15% has not been collected so far this year.

Mr. Geluso asked if this means the District will not be able to collect 15%. Mr. Scott stated that the City is "not collecting at a higher rate" due to the economy, and the final non-collection percentage has not yet been determined. Thus far, \$60,000 less has been collected than what was billed.

He continued that the assessment rate, when approved, will be sent to the City Commission on July 7. If the Committee wishes to make adjustments in the budget over the coming year, they may do so with the Commission's approval. All budget items "still go back to the City Commission" when a new contract or event, for example, requires approval.

IV. Approval of Assessment Rate

Vice Chair Ioannou asked if there was any discussion from the Committee with regard to "keeping the rate the same" at .8525.

Motion made by Mr. Stanton, seconded by Mr. Rosenthal, to approve the rate as stated. In a voice vote, the **motion** passed unanimously.

The discussion returned to the budget.

Mr. Oliver reiterated that cleaning services, which make up the biggest line item, can be adjusted if necessary to reduce hours or frequency of pressure washing. He noted that in an Improvement District, it can be debated whether or not 75%

of the budget should be spent on cleaning services, or if more of the budget should go toward promotion or development of business on the beach.

Mr. Rosenthal advised the contract should be reviewed each year to determine that the Committee is “using the services that we need,” such as combing the beach.

Mr. Morris clarified that the City supplements services on both sides of A1A, including morning cleanup and “general cleaning” throughout the day. The enhanced cleaning provided by the BID includes emptying trash cans, picking up debris, and “things that happen when the City crews are gone” later in the day, from noon to 8 p.m.

Mr. Cunningham joined the meeting at this time (2:26 p.m.).

Mr. Morris continued that power washing is done 4 times per year; it was formerly done 6 times per year. The savings realized from this change, as well as the reduction in hours worked per day on beach cleaning, went toward Saturday Night Alive.

Vice Chair Ioannou requested that the beach cleaning contract be reviewed at the next scheduled BID meeting to determine what can and cannot be modified. He recalled that this line item had been “debated extensively,” and that business operators and owners on the beach have wanted to allocate a greater percentage of BID funds for the purpose of “promoting the beach directly.” He added that this is also a sensitive issue for the City as well, and asserted that “we all want a clean beach.”

Mr. Scott agreed the beach cleaning contract should be reviewed annually, and the consequences of further reductions should be discussed in greater depth. He agreed that review of the contract be an Agenda Item at the August meeting.

Mr. Geluso pointed out that the 2010 hurricane season is underway, and asked what cleanup would be provided for the beach by the City, as opposed to by the BID, in the event of a storm. Mr. Morris advised the City mobilizes more resources in the event of a storm, and the BID is not expected to contribute more funds toward post-hurricane cleanup.

Mr. Oliver asked if the “contingency aspect” should be increased, noting that there is now a higher probability that oil will reach the City’s beaches. He pointed out that it is not known what State funds might be available for cleanup in this event, and it could be wise to put more money into the contingency fund.

Mr. Scott explained that today's discussion is for the Committee's recommendation regarding the rate. Should they determine more money should go into contingency, this adjustment will be made before the budget is recommended in September.

Mr. Oliver stated these funds could also go toward promoting business to bring people back to the beach after cleanup. Mr. Scott cautioned that putting funds aside at this time for "something that may or may not happen" might best be determined "when and if it becomes necessary in the future."

Mr. Rosenthal asked how much money was spent from the current year's contingency fund. Mr. Scott replied last year's contingency was \$10,466 and has not been spent. It is possible this money will be used to cover some of the uncollected funds.

V. New City Clerk Requirements for Board Appointments

Mr. Scott informed the Committee that based on the City Attorney's interpretation of the Ordinance creating the BID, the process of appointing members to the Committee will remain the same: the City Commission will vote on seven of the top 10 property contributors to appoint them to the BID. This year, however, the name of the appointed individuals from these corporations must be available at the time this vote takes place. This can be in the form of a letter from each corporation, stating that a particular individual would represent them on the BID. This is necessary even if an individual was named by letter the previous year.

Mr. Scott explained that the previous year, it was allowed to state that a specific position – for example, Director – would represent a corporation on the BID. The letter must now give that representative's name. If the person representing a corporation will change, an updated letter is required and must be approved before the new individual is allowed to join the Committee.

Letters or emails should be directed to Mr. Scott within "two to three weeks."

VI. Communications to the City Commission

Mr. Scott reported that the City Commission has asked Staff to place the Items related to food and beverage service on the beach, as well as lifting the open container Ordinance, on an upcoming Agenda so it can be discussed in greater detail. Staff has also been asked to prepare background information on these Items, particularly from a legal standpoint.

He said the initial focus will be on food and beverage service rather than on alcohol at present. He estimated this issue would be discussed at a September City Commission meeting.

Mr. Oliver stated he hoped the Committee would be able “to give input clearly” on this Item before it is decided. Mr. Scott stated this would be a Conference Agenda Item for discussion rather than an Item on which the Commission would vote. This discussion is expected to provide direction on the issue, which would include meeting with various stakeholders.

VII. Old / New Business

Motion made by Mr. Oliver, seconded by Mr. Rosenthal, to cancel the July 12 meeting. In a voice vote, the **motion** passed unanimously.

The next BID meeting is scheduled for August 9, 2010.

Mr. Rosenthal stated that it has been decided to close and fill the pedestrian tunnel beneath A1A. The tunnel has been closed for safety reasons since September 2009. A final date has not yet been determined.

Mr. Morris asked if he could inform the Beach Redevelopment Board (BRB) of the BID's intent to partner with them on the Saturday Night Alive event.

Mr. Oliver asked if the BID may request that the BRB match their funds for the holiday lights as well as Saturday Night Alive. This would give the BID the ability to take Saturday Night Alive from Memorial Day to Labor Day the following year. The holiday lights display could also be expanded to “create the attraction” from Thanksgiving through the New Year.

Mr. Morris stated the BRB is looking for greater involvement in beach events throughout the year.

Motion made by Mr. Oliver, seconded by Mr. Rosenthal, to request funds for holiday lights of \$58,000 and funds for special events marketing of \$80,000. In a voice vote, the **motion** passed unanimously.

There being no further business to come before the Committee at this time, the meeting was adjourned at 2:50 p.m.