

APPROVED

**BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA
MONDAY, JUNE 13, 2011 – 3:30-5:00 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)	P	4	3
Andreas Ioannou, Vice Chair (Greater Fort Lauderdale Chamber of Commerce, Beach Council)	P	3	4
Kenyata Allain (The Gallery at Beach Place)	A	3	3
Bill Cunningham (Marriott Courtyard, PHF Oceanfront LP)	P	4	3
Jim Oliver (The Ritz Carlton Hotel, Castillo Grand, LLC)	P	6	1
Dale Reed (The "W" Hotel, Capri Hotel, LLC)	P	6	1
Alfred Rosenthal (Beach Place Towers, Marriott Resorts Hosp. Cor.)	A	3	4
William Stanton (LXR Luxury Resorts & Hotels)	A	5	2
Aiton Yaari (Beach Redevelopment Advisory Board)	A	5	2

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

Staff

Stephen Scott, Economic Development Director
Don Morris, Beach CRA Director
Phil Thornburg, Acting Assistant City Manager
Amanda Lebofsky, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order / Roll Call

Chair Piedra called the meeting to order at 3:30 p.m. and roll was called.

II. Approval of Minutes – May 20, 2011

Motion made by Mr. Oliver, seconded by Mr. Reed, to approve the minutes of the May 20, 2011 meeting. In a voice vote, the **motion** passed unanimously.

The following Item was taken out of order on the Agenda.

IV. Update on Beach Cleaning & Powerwashing RFPs

Mr. Morris recalled that two separate RFPs were sent out for the beach cleaning and powerwashing contracts. Because there was concern that a lapse in service might occur, the beach cleaning RFP went out first. Three responses were received, ranging from \$222,000 to \$292,000. Two members of City Staff, including a representative of the Sanitation Department, met to evaluate the responses. The decision was made to contract with Prism Powerwash, which holds the current beach cleaning contract. Mr. Morris noted that SE 5 Street has been added to the area covered by the contract. He requested that the Committee recommend Prism Powerwash to the City Commission.

Mr. Scott introduced new City Manager Lee Feldman, who joined the meeting at this time. Mr. Feldman and the Committee members and guests introduced themselves.

Chair Piedra asked what the estimated savings would be over the previous contracts. Mr. Scott estimated this at roughly \$110,000 on both beach cleaning and powerwashing. He explained that the Parks and Recreation Department had not bid on the contract, as they could not do so without including some of the considerations affecting a private sector bid, such as depreciation and the cost of gasoline. When these numbers were factored in by Parks and Recreation, the difference between their price and the private bids received would have been “fairly inconsequential.”

Vice Chair Ioannou asked if the City had provided any powerwashing before the services were sent out for RFP. Mr. Morris said he did not recall that powerwashing was done on the west side, as it was considered the property owner’s responsibility to maintain the sidewalk adjacent to their building. Powerwashing was only done on the east side of A1A, which is the area covered under the current contract.

Chair Piedra noted that the majority of the BID’s budget dollars once went toward beach cleaning; the Committee has recently been “nibbling away” at this budget with other activities. He hoped they would eventually spend the majority of BID money on marketing or activities that have a tangible return, and augment the beach cleaning rather than fund it entirely.

Mr. Scott advised that the BID does augment rather than replace City services, and pointed out that \$110,000 was saved between last year's cost and the cost of the new contract. He concluded that beach cleaning is a valuable service and helps maintain the beach as a destination; he stated he would not be comfortable doing away with augmentation of cleaning services.

Chair Piedra said the BID could theoretically fund the addition of extra personnel or hours to the City's services and reimburse the City for their cost.

Mr. Morris noted that there were two additions to the contracts' requirements: in addition to SE 5 Street, 20 extra days were added to the contracts. While the cost might have been lower without these additions, he pointed out that the combined contracts will still cost less than they have in the past. He agreed the Committee should continue to reevaluate the service, but pointed out that while the Committee members act responsibly in taking care of the sidewalks in front of their respective properties, this is not the case with every property on A1A. If powerwashing was no longer contracted, he advised there would be a noticeable difference.

Vice Chair Ioannou asked if the City has maintained the same hours for its beach cleaning as before the BID began supplementing the service. Mr. Morris said the service is the same. Vice Chair Ioannou said he felt it would be more appropriate for the BID to cover the cost of powerwashing services and for the City to continue cleaning the beach. He asserted that the BID's objective should be to minimize what they pay for cleaning, and felt \$50,000-\$75,000 should be reserved for cleaning and the rest of their funds should go toward marketing the businesses on the beach.

Chair Piedra asked to know the length of the proposed contract. Mr. Morris said it was for two years, with two one-year extensions. All City contracts also include an opt-out clause with notice.

Chair Piedra agreed that it is a challenge to proceed with the activities the BID is interested in, such as bringing in an Executive Director, until the cleaning contracts are reduced to a lesser amount. With the expense of the two contracts and the \$60,000 contribution toward the Food and Wine Festival, he pointed out that very little money is left to undertake other activities. He agreed that over the next 12 months, the Committee should look very closely at what they are willing to commit to cleaning.

Mr. Scott introduced Phil Thornburg, who has recently served as Acting Assistant City Manager and has served for several years as Parks and Recreation Director. Mr. Thornburg advised he felt they could arrive at a way to have additional beach cleaning hours while further decreasing the BID's contribution. He suggested there could be a reconsideration of both City and BID priorities,

pointing out that the City is holding more events on the beach and therefore committing more resources to its cleaning; however, they are currently unable to fill Staff positions once they are lost.

Chair Piedra said he was comfortable approving the cleaning contract as presented, as they may opt out with notice if necessary. He suggested the Committee should look at the hours covered by the City and consider how they can achieve what they want while reducing the costs of the contracts. Mr. Scott agreed this was an appropriate time to make these considerations.

Mr. Cunningham asked if the beach cleaning schedules are adjusted seasonally. Mr. Morris said they are the same hours throughout the year. Mr. Cunningham suggested that the BID could supplement services during the busier season, when more people are visiting the beach.

Chair Piedra asked if it would be possible for a couple of Committee members to sit down and work with the City over the next few months to look at schedules and discuss goals. Mr. Scott said if more than one Committee member is involved in this process, the meetings would need to be advertised and minutes taken in order to comply with the Sunshine Law; if only one Board member works with City Staff, these conditions would not apply.

Chair Piedra reiterated that the BID should approve the contract as requested, but should also appoint a member to work with the City to find opportunities for adjustment of the budget while still maintaining a clean beach. Mr. Rosenthal offered to take on this responsibility.

Ina Lee, guest, stated she had been "shocked" to see overflowing garbage on the beach in several places during a recent Saturday Nite Alive event. She said attendees come to these events to experience Fort Lauderdale Beach, many for the first time, and the intent of the program was to showcase "a five-star clean beach." She said when major events such as this one occur, resources should be allocated in a way to address this issue, particularly since marketing money is intended to bring more people to the beach.

The Committee agreed by consensus to approve the Prism contract.

Mr. Morris reiterated that the powerwashing RFP has gone out and responses have been received; he asked if the Committee wished to address this RFP at this time. Mr. Scott asked if the BID would like to serve as the Selection Committee for the powerwashing contract. The BID agreed to address this contract at the July meeting.

III. Saturday Nite Alive Discussion

Dan Barnett, representing Wizard Entertainment, reported that the first two Saturday Nite Alive events were “spectacular.” He noted that the event is in its third year, and the event has grown to include 14 smaller events. Sponsorship contributions have made a great difference as well: Premier Beverage is a title sponsor, and Lexus and Isle Casino are presenting sponsors.

Brenda Bailey, also of Wizard Entertainment, distributed Wizard’s marketing piece for the event. Marketing is done by Ambit Advertising; Mr. Barnett said it has targeted the brand of the New Fort Lauderdale Beach as a destination. Wizard will have three printing runs of 10,000 pocket folders each, with 8000 folders already distributed. Mr. Barnett distributed copies of 10x10 postcards, which are also used to market the event. They are handed out by street teams prior to Saturday Nite Alive, as well as at other local events. The pocket folders provide additional information, including entertainment and parking schedules.

Mr. Barnett said the tri-county residents seem to be attending the event. The website has been redesigned and is functional, telling prospective attendees about the entertainment available at each location. There is also a map of the hotel destinations and a parking schedule.

He reported that there has been so much interest in sponsoring the event this year that the marketing budget was doubled. Thus far, there is \$45,000 in net profit from sponsors, which has gone back into the advertising budget. Marketing has been done through social media, and a photographer is present at each event to encourage attendees to visit social media sites associated with the event. There are weekly promotions by participating beach businesses.

Mr. Barnett stated that the main push of this year’s marketing is associated with promoting overnight stays in hotels. Pole banners were placed along A1A as another form of marketing the event.

Mr. Reed asked if there are plans to expand social media. Mr. Barnett said this is “on its own growth;” people between the ages of 20 and 30 help spread the word about the event, maintaining continuous growth. He pointed out that many promotions associated with the event are disseminated through social media.

Mr. Reed advised that The W does a great deal with social media, and suggested that Wizard consider options, such as trivia contests, that will increase visits to the businesses’ respective pages and sustain cross-promotion with Saturday Nite Alive. Mr. Barnett agreed this was a good idea, and advised there are several creative ideas that can be promoted on Facebook.

Mr. Oliver asked if there will be any remaining sponsorship money to “roll over” into next year’s promotion. Mr. Barnett explained that the first \$25,000 were

necessary to put on this year's event; this meant an additional \$20,000 was left to reinvest in marketing and advertising the current event.

Mr. Oliver asked how more sponsors would be solicited for next year. Mr. Barnett said this happens naturally if sponsors are made happy. The answer is to continue to expand the event so sponsors make up a larger percentage of the budget, and the budget can be decreased or the event expanded. This will be discussed further in a wrap meeting at the end of the season.

He continued that the website is www.thenewfortlauderdalebeach.com; however, years into the future, Mr. Barnett suggested this might no longer be an appropriate name. He explained that Wizard has met with the Beach Council Marketing Committee to discuss potential new domain names, and the decision was unanimously in favor of www.myfortlauderdalebeach.com. He recommended adding funds from next year's budget to develop the new website and direct visitors to the original site to the new one. The site would contain year-round information on the Fort Lauderdale Beach, including the businesses that participate in Saturday Nite Alive.

Mr. Barnett asked if it is allowed to have beach destination advertising on a website if it is not an official City website. Mr. Scott said if it is not a City website, he felt this would be allowed. Mr. Barnett said rather than paid advertisers, the site would acknowledge sponsors, and would eventually sustain itself. He estimated it would be roughly \$1000 per month to maintain the site and add other Fort Lauderdale events, such as the recent Great American Beach Party, as well. Marketing teams from hotels in the BID would contribute their thoughts on the best way to share information on the site.

He concluded that the overall intent of the proposal is to establish a destination website, and asked if the Committee members were comfortable with the name change, which would have no additional cost. He noted that the Beach Council Marketing Committee had agreed unanimously on the name change.

Ms. Lee explained that the Beach Council Marketing Committee includes marketing experts from most of the major hotels, restaurants, and other businesses on the beach. They are the marketing arm of the Greater Fort Lauderdale Chamber of Commerce's Beach Council. She advised that the Marketing Committee agrees there should be a year-round website for the Fort Lauderdale Beach in order to continue with the momentum generated by Saturday Nite Alive. Wizard Entertainment already owns the proposed name.

The Committee agreed that the new name would be a positive change. Mr. Cunningham commented that it will have great longevity.

Mr. Barnett said the marketing for Saturday Nite Alive will be redirected toward building www.myfortlauderdalebeach.com and redirecting visitors there from the existing site. He suggested that this year's budget for the fiscal year beginning October 1, 2011, be put toward the new website as well. The final Saturday Nite Alive event will be September 3, and the Saturday Nite Alive event budget would "live within [the website's] budget," and the event would be put on entirely by its sponsors.

Mr. Oliver noted that the BID will also be promoting the 2012 food and wine event. Mr. Scott said he would confirm that no issues exist regarding the creation of the site.

The Committee agreed by consensus on the creation of the new website, once it has been confirmed that there are no issues with it.

V. Budget Discussion

Mr. Scott distributed a handout on the budget, advising that this was the estimated budget revenue based on the preliminary numbers from the property appraiser's office; final numbers will be available on July 1. The overall property assessments within the BID have decreased from \$728 million to \$655 million. The same millage rate as the previous year, 0.8525, is assumed. Last year this rate generated \$28,685; this year it will generate \$558,509. It is assumed that 10% of this will not be collectible, which will leave \$506,000. Additional interest payments on this money are conservatively estimated at \$736.

He continued that there are City expenses totaling \$313 for accounting, as a consultant is retained each year to put these figures together. Special events and marketing were \$80,000 in 2010-11; for 2011-12 there will be an additional \$60,000 for the Food and Wine Festival. Mr. Scott noted that a contract will be drawn up and brought before the City Commission before this payment can be made. The beach cleaning services are estimated at the amount of the bid offered by Prism Powerwash, as the Selection Committee had already recommended their bid; the powerwashing services were projected at the second-lowest bid, which was \$53,000. Holiday lights are projected to be funded at \$50,000 again in 2011-12. Total expenses are \$345,000, including additional charges for attorneys and other charges.

Mr. Scott concluded that although the BID will collect less money, they will also be able to fund the food and wine event due to savings realized from the reduced beach cleaning costs. In previous years, an additional revenue of \$100,000 has rolled over each year; because it has gone unused, this money has accrued to a remaining balance reserve of \$133,174. He stated that this money may be programmed for the upcoming fiscal year if that is the Committee's decision, although he noted that \$31,000 should be held back, as this was the amount with

which the City originally funded the BID. Further discussion of the budget will take place at the Committee's July meeting.

Mr. Reed asked to know the basis for the increase in the City Attorney's fee. Mr. Scott said he would research this further before the next meeting. He estimated that the City Attorney's Office may have used more hours than they budgeted for in 2010-11.

Chair Piedra felt the BID is "headed in the right direction" with the proposed budget, as it continues to free up more money for marketing and activities. He suggested that they also discuss what they hope to achieve over the next three to four years at the next meeting, and perhaps establish targets to work toward.

Mr. Cunningham asked if the Committee is prohibited from spending money on any particular ventures. Mr. Scott said there are some procurement rules with which the BID must comply, and reminded the Committee that any action they take will ultimately require the approval of the City Commission.

Chair Piedra said the Committee's long-term goals may require some restructuring of how they currently operate.

VI. Communications to the City Commission

None.

VII. Old / New Business

Chair Piedra stated the Committee will need to begin working with the Food and Wine Festival's vendor to move that event forward and ensure that it is going in the right direction. He requested that another Committee member work with him on this effort in case he becomes unavailable. Some aspects of the proposed event that he would like to monitor include the concept of the event, who will be brought in to participate, and a variety of other considerations.

Mr. Scott noted that as early as possible in the 2011-12 fiscal year, the Committee must have the contract prepared to go before the City Commission so the BID can furnish the vendor with seed money.

Mr. Reed asked if it would be more logical for another representative from the Committee members' hotels to work with Chair Piedra, as this would not require the restrictions of the Sunshine Law. Chair Piedra said he felt the expertise of the Committee members would be more useful, as they all had a vested interest in the event's success.

Mr. Cunningham offered to work with Chair Piedra on the food and wine event.

Ms. Lee noted that the CRA may be able to partner with the BID to help fund the Saturday Nite Alive event, pointing out that the CRA has partnered with the BID on holiday lights in the past.

Mr. Scott advised that each business that sends a representative to the Committee may also designate a second, who may attend the meetings if the primary member is not available. He explained that this would be helpful in ensuring a quorum is present at meetings.

There being no further business to come before the Committee at this time, the meeting was adjourned at 4:50 p.m.

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