

APPROVED

SPECIAL MEETING

BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE

**100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA**

FRIDAY, SEPTEMBER 23, 2011 – 2:30 P.M.

<u>BID MEMBER/CATEGORY</u>	<u>ATTENDANCE</u>
Amaury Piedra, Chair (Yankee Trader Hotel, A1A Trader, LLC)	P
Andreas Ioannou, Vice Chair (Greater Fort Lauderdale Chamber of Commerce, Beach Council)	P
Kenyata Allain (The Gallery at Beach Place)	A
Bill Cunningham (Marriott Courtyard, PHF Oceanfront LP)	P
Jim Oliver (The Ritz Carlton Hotel, Castillo Grand, LLC)	P
Dale Reed (The "W" Hotel, Capri Hotel, LLC)	P
Alfred Rosenthal (Beach Place Towers, Marriott Resorts Hosp. Cor.)	A
William Stanton (LXR Luxury Resorts & Hotels)	P
Aiton Yaari (Beach Redevelopment Advisory Board)	P

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

Staff

Donald Morris, Beach CRA Director
Stephen Scott, Economic Development Director
Eileen Furedi, Economic Development Representative
Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order / Roll Call

Chair Piedra called the meeting to order at 2:32 p.m. Roll was called and it was noted a quorum was present.

II. Funding Request for the Fort Lauderdale Air Show (\$100,000)

Chair Piedra recalled that during the joint BID/Beach Redevelopment Board (BRB) meeting, a request had been made by Brian Lilley, Dev Motwani, and Ramola Motwani to fund the Fort Lauderdale Air Show. The BID had decided to table that Item until the Committee could meet separately and discuss it further.

He explained that today's discussion would center on whether or not the group feels they should fund the Air Show at the requested amount of \$100,000. There is currently an excess of \$194,000 in the BID's budget, although he advised that this is not a regular occurrence.

Mr. Oliver said he would like to discuss the budget surplus in terms of commitments the Committee has already made, such as the holiday lights. Mr. Morris referred the Committee to their budget handout, stating that their revenue less expenses is over \$27,000. These funds are not yet programmed.

Mr. Scott noted that \$35,000 was originally borrowed from the City to start the BID. As there is now a surplus in the Committee's budget, he advised that the City may wish to have this loan paid back.

Vice Chair Ioannou asked if the \$35,000 had ever been reflected in a budget statement. It was noted that this loan appears in the budget statement under the line item Payback to the General Fund.

Mr. Scott explained that each budget year, the BID uses 10 percent as their estimated non-collection factor; however, the City has been collecting closer to 95%-96% over the years, which has built up to create a greater surplus. In the past, this overage was not included in the budget statement. He pointed out that while these funds were never used because the Committee was not aware of them, a more positive note is that they now have extra money. He advised that this would not be a recurring intake. Chair Piedra stated that this means the BID's budget is between \$127,000 and \$134,000.

Mr. Oliver recalled that the BID has given the prospective Food and Wine Festival \$60,000 in seed money. He asked what guarantee they would have on these funds if the Food and Wine Festival does not occur. Chair Piedra said the BID's agreement with the event vendor is structured so the funds will be given to them in 12 monthly installments leading up to the event. Should the vendor not

have sufficient sponsorships lined up for this event by a certain date, the contract would be void. This would mean the risk is between \$15,000-\$20,000 in this case.

Mr. Reed said the BID's potential contribution for the Air Show would go toward paying for City services; should the show be canceled, the funds would not be used. Mr. Morris confirmed that the City would not draw these funds from the BID account unless the Air Show went forward.

Chair Piedra recalled that the BID had discussed how they could find more funds to use toward special events; they had also talked about the possibility of hiring an executive director for the BID, which would be a part-time position focused on moving their agenda forward. He advised the members to keep in mind that even a part-time position would need to be funded.

He asked that the members weigh in on the funding request for the Air Show.

Mr. Yaari noted that the Air Show would be a major event leading into the slower season, and would bring a lot of local people and tourists to the City. He said while he would support the \$100,000 request, his only concern was that other proposed events might come before the BID and ask for much less funding, while the Air Show was making a major request.

Vice Chair Ioannou said he was in favor of an Air Show, but felt \$100,000 from the BID's budget would be too large an amount, as it is roughly 15% of their total budget. He felt the Committee would need to see the promoter make a great effort to bring in as many sponsors as possible and tap into a dedicated amount of BID funds as a last resort.

Mr. Stanton was in agreement with this, as he thought the request was a lot to ask of the budget. He pointed out that the 2011-12 budget year has not yet begun, and this request would use the majority of the Committee's discretionary funds for the remainder of the fiscal year.

Mr. Cunningham also agreed that while the Air Show would have a positive impact on the beach, the request was for a great deal of money. He stated that he would, however, support funding the Air Show at \$100,000.

Mr. Reed stated he would also support the amount of \$100,000. He stated that they are supporting the Food and Wine Festival at \$60,000 in its first year, as they want the event to establish success and grow in subsequent years. He felt the request from the Air Show was more likely to generate greater activity than the Food and Wine Festival.

He added that the City services for which the BID contribution would pay will cost significantly more than the Air Show's promoters had expected, and pointed out that these services would be provided in the same area as the members' establishments. He viewed the contribution as a wise investment.

Mr. Oliver said the challenge, in his view, was the proportion of the request to the overall budget, and noted that if a request was made for another event, the BID would be short of funds because of its contributions to the Air Show and the Food and Wine Festival. He concluded that while he is 100% in support of the Air Show, he was struggling with the commitment of \$100,000.

Chair Piedra stated that committing a lesser amount than \$100,000 would leave the BID with additional funds for other events or needs; funding the Air Show at the full request would "tie ourselves up" for most of the fiscal year. He recommended giving the Air Show roughly the same amount as the Food and Wine Festival.

Dev Motwani, Lauderdale Air Show LLC, said the Air Show's promoters understand that the \$100,000 request seems large; however, as a hotelier on the beach, he felt this event would have a great impact on the beach area. He suggested the BID look at the request as \$50,000 a day for two days, although the business was likely to stretch over three to four days. He added that the money would go toward City support costs, and asked the members to look at the BID's potential contribution versus the percentage of City services provided for other events.

Mr. Motwani noted that the promoter would be going into the show next year lacking funds; if they did not have the full confidence and support of the community, the show would not happen. He felt the amount requested was a reasonable number when all other circumstances were taken into consideration.

Mr. Yaari said the BID was appreciative of Mr. Motwani's work toward the Air Show as a businessperson and a citizen. He suggested that this year's request of \$100,000 would be a "jump start" for the event in its first year, and asked what would happen the following year if the show is successful. Mr. Motwani said the promoter would determine if there was enough support to sustain the event. If support through sponsorships and attendance was sufficient, they would not make another request of the BID.

Mr. Yaari pointed out that the BID is lucky to have excess funds in 2011-12, and would not have them the following year. He advised that the \$100,000 would be a long-term investment in the continuation of the show.

Vice Chair Ioannou said the promoters' efforts toward bringing the Air Show back to the City were admirable, but was not certain it would have the direct effect on hotels that was predicted. He suggested that whatever amount the BID approved today be a contingency amount: they could provide it right before the event if sponsorship funds are not sufficient. If the Air Show did not ultimately need the funds, the money could be kept back for other events.

Chair Piedra agreed that regardless of the amount committed, there should be a provision that if the show did not go forth, the funds would not be drawn upon for City services. Mr. Motwani said the funds would never go directly into the promoters' hands due to the structure required by the City.

Chair Piedra requested a motion and second, to be followed by discussion and a vote. It was determined that should the requested motion fail, a motion to fund the event at a different amount would be considered.

Motion made by Mr. Yaari, seconded by Mr. Reed, to fund the Air Show for \$100,000. In a roll call vote, the **motion** failed 3-4 (Chair Piedra, Vice Chair Ioannou, Mr. Oliver, and Mr. Stanton dissenting).

Vice Chair Ioannou suggested a motion to commit \$50,000 to the Air Show. Chair Piedra recommended that the Committee match their contribution of \$60,000 to the Food and Wine Festival.

Mr. Yaari asked if the promoters felt the difference between \$60,000 and \$100,000 would be a "make or break" figure. Mr. Motwani said it would be very difficult to get the Air Show off the ground with City services costing \$500,000, and it would be less likely that they could do so with a smaller funding request. He noted that the promoters would need to demonstrate the likelihood that the show will be held before some acts, such as the Thunderbirds, could be placed on the schedule. Mr. Motwani said he was surprised that the City and the business community did not have greater enthusiasm for the show.

Chair Piedra said he did not believe the issue was a lack of enthusiasm, but a balance that will allow the BID to commit to more events. Mr. Stanton agreed with this as well.

Ramola Motwani, Lauderdale Air Show LLC, said the promoters did not want to put pressure on the Committee, but noted that they would be supporting a show that has a successful track record as opposed to an untried event.

Chair Piedra reiterated that while they should not discuss the private side of funding for the event, Ms. Motwani and Mr. Motwani's relationships with the community was one reason private funds might be coming in, as they are both

well-respected businesspeople. He stated that they have the support of the BID and many of its individual members, as the Committee knows the promoters are working hard to make the event happen.

Mr. Motwani thanked the Committee for any funds they could provide, as well as the commitment of the members to attending a special meeting to discuss the request. He pointed out that the Food and Wine Festival, however, would be a private event for ticketed patrons, while the funding for the Air Show would provide City services for a free event that would benefit the community. Chair Piedra agreed, reiterating that the Committee needed to leave itself sufficient leeway to undertake other events and accomplishments during the year.

Ina Lee, guest, pointed out that the Air Show could have a long-term impact on the community. She also said she found it upsetting to learn how much money was coming from the BID to help the City clean the beach. She suggested that the BID might be able to work directly with the City to negotiate this amount in relation to their contribution toward City services during the Air Show.

Motion made by Mr. Oliver, seconded by Mr. Yaari, for \$75,000. In a roll call vote, the **motion** passed unanimously.

Chair Piedra advised that the BID would try to free up more of the money that is budgeted toward beach cleaning services.

Mr. Reed asked how the BID's revenue could be increased. Chair Piedra said this would happen if the property owners' assessed values go up and their taxes were increased proportionately.

Mr. Scott confirmed that the budget is established on the assumption that no one wants to increase the tax rate. He said if they would like to entertain the idea of an increase, they should be aware that they would face additional bureaucratic hurdles, including mailings to everyone in the BID. Chair Piedra said this was not likely, and recommended that they consider reducing existing costs rather than raising rates.

Ms. Lee asked if an executive director for the BID would need to be a City employee. Chair Piedra said this individual would be a contract rather than a City employee. The Committee agreed to discuss this farther at the next scheduled meeting as well.

Mr. Scott informed the BID that this would be his last meeting, as he was leaving Fort Lauderdale to work for the city of Miami Beach. He thanked the members for the opportunity to work with them, and wished them the best for the future. The Committee thanked Mr. Scott for all his work over the past few years.

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There being no further business to come before the Committee at this time, the meeting was adjourned at 3:20 p.m.

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