

**APPROVED**

**BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE  
CITY HALL  
8<sup>TH</sup> FLOOR CONFERENCE ROOM  
100 N. ANDREWS AVENUE  
FORT LAUDERDALE, FLORIDA 33301  
JULY 14, 2014, 3:30 P.M.**

<b>MEMBERS</b>	<b>ATTENDANCE</b>	<b>SEPT 2013/AUG 2014</b>	
		<b>Present</b>	<b>Absent</b>
Sheraton Fort Lauderdale <u>Amaury Piedra, Chair</u> Blake Crawford, Alternate	P	8	1
Greater FTL Chamber of Commerce Eduardo Fernandez	P	8	1
The Gallery at Beach Place Kenyata Allain	A	7	2
Marriott Courtyard <u>Bill Cunningham</u> Thomas Miller, Alternate	P	9	0
The "W" Hotel, Capri Hotel, LLC Dale Reed, Vice Chair <u>Mary Louise Fitzgibbon, Alternate</u>	P	9	0
Beach CRA Ina Lee	P	7	2
Ritz Carlton Hotel Gregg Cook John Cashion, Alternate	A	6	3
Marriott Beach Place Towers Jill Munas Jackie Foster, Alternate	A	2	3

**Staff**

Don Morris, Economic and Community Reinvestment Administrator  
Valerie Florestal, Financial Administrator for the Department of Sustainable Development  
Dan Barnett, Wizard Entertainment, BID Manager  
Eileen Furedi, Clerk II

Lisa Edmondson, Recording Secretary, Prototype, Inc.

### **I. Call to Order / Roll Call / Quorum**

At this time there are 8 appointed members to the Board, which means 5 would constitute a quorum.

The meeting was called to order at 3:42 p.m. Roll was called, and it was noted a quorum was present.

### **II. Approval of Minutes - April 14, 2014**

**Motion** made by Mr. Fernandez, seconded by Ms. Lee, to approve the minutes of the April 14, 2014, meeting as presented. In a voice vote, the motion passed unanimously.

### **III. Discussion of the Joint Workshop with the BID and the City Commission (June 2, 2014) - Amaury Piedra, Chairperson**

Chair Piedra reported that several members attended, and he thought the meeting was productive. He felt that everybody was interested in bringing more business to the area and improving tourism.

Chair Piedra said they also discussed a Memorial Day incident, and he said there would probably be changes in handling for future holiday events. There were discussions on what could be done to be proactive, rather than reactive.

Chair Piedra and others thought it would be good to have a similar meeting several times a year.

Looking forward, Chair Piedra said that the City Commission

- thought that Tortuga was a good event and there will be follow-up with them for a possible November event
- wanted to do a salute to the armed forces on Memorial Day (involving the BID)

Mr. Barnett added that Tim McGovern from the Parks and Recreation Department is going to follow up on getting a military representative involved.

Ms. Lee reported that she met with the Police Chief, and they discussed having someone from the industry serve as a point person in the command/staging area to provide direct access to the hotel security and managers. A brief discussion ensued about the current mechanisms in place. Mr. Fernandez mentioned that an emergency radio channel was opened during the holiday weekend for potential use as a communication tool. He thought that would effectively cover access to the Command center.

Ms. Lee also discussed public perception of police units such as SWAT, and recommended further discussion.

Mr. Barnett was asked to ensure that Lieutenant Bill Schultz and Major Michael Gregory are aware of the radio channel that can be used for communication.

#### **IV. FY 2015 BID Budget and Rate Recommendation - Donald Morris, Economic Reinvestment Administrator**

Mr. Morris noted that Valerie Florestal, Financial Administrator for the Department of Sustainable Development, was present to answer questions.

Mr. Morris referred to the budget documents, announcing they anticipate a carryover of approximately \$400,000. Combining that with other professional services and contributions, the total budget will be close to \$1 million. Mr. Morris stated they are not proposing a millage rate change this year and will continue at .08525 per \$1,000 assessed valuation.

Mr. Morris noted that the expenditure category "Other Professional Services" includes the following:

- BID Manager's contract
- Contract with Harry Newstreet, who was hired to do assessment information through property appraisers
- Holiday Lights (\$75,000)

Mr. Morris recommended moving forward with the budget as proposed and then re-evaluating it in a year's time.

Ms. Florestal commented that the IT cost remained about the same (\$20,000).

Mr. Morris confirmed that \$200,000 is the amount available for contributions, as is "Other Professional Services" (\$395,947).

Mr. Fernandez was curious if any commitments are included in the budget, and Mr. Morris replied that only the Holiday Lights are included: all others have to come back and request monies. Mr. Morris added that \$5,000 will come out of Professional Services for maintenance of the traffic wrap boxes.

**Motion** made by Ms. Lee, seconded by Mr. Fernandez, to approve the millage rate. In a voice vote, the motion passed unanimously.

**Motion** made by Ms. Fitzgibbon, seconded by Ms. Lee, to approve the 2015 budget. In a voice vote, the motion passed unanimously.

Mr. Morris clarified that all City-related items such as cleaning and Holiday lights that will be ongoing are included in the budget. He said the cleaning will be \$25,000.

Chair Piedra began a discussion about events for the next year. He reported that Huka Entertainment emailed him about having a second expanded event in April in conjunction with the festival. Chair Piedra continued that although they are asking for BID support, he recommended becoming their partner on the event. He explained that he wanted to move away from sponsorships, especially on larger events, because no money comes back to the BID.

Chair Piedra elaborated that they would target the partnership for the second event and explained his reasoning. He felt it makes sense to do the events back to back, on two consecutive weekends; Huka Entertainment thinks they can make it a signature event. Mr. Fernandez advised getting the word out early to residents so they can support it and plan ahead for traffic, etc.

Ms. Lee said that the cost of City services and issues with turtles were two items that Huka Entertainment brought up to the Beach Council. She recommended addressing the turtle issue at the State level.

Mr. Morris stated that he spoke with the Attorney's Office and the Procurement Division regarding partnering with Huka Entertainment. He explained that the BID would not be initiating the arrangement - Huka would be doing the asking; the BID would be allowed to enter into a partnership.

Chair Piedra said that the BID would be entitled to a percentage of the profits equal to the percentage of their partnership. That would allow the BID to do something with the profits instead of losing the money. He added that cancellation/rain insurance is extremely expensive and specific, so they would have to take the risk of being rained out. The big loss in that case would be in walk-up traffic, not pre-paid tickets.

Mr. Morris explained that a partnership is just a different way of doing the events - they would still cut a check for the event, but there would be the prospect of making money from it. The most important items would be to devise a formula and create a contract. Mr. Morris continued that if they get revenue back, they would reprogram it within the BID's function/budget. It would potentially add a revenue line in the budget.

Mr. Fernandez wondered if they should partner for the entire event, not just the second event. Chair Piedra said it would be less risky to do the second half of the event due to reduced expenses; other partners are involved in the first half.

Chair Piedra mentioned they were also approached by a major concert promoter who wanted to do an event in April. He told them he would come back to them for fall 2015. He cautioned against stacking the events too closely together and advised being smart about selecting genres.

Ms. Lee advised that the boat show is moving to October 31 this year, and next year will be one week later.

Ms. Lee wondered if having such a partnership would give the BID any negotiating power with the City. It was pointed out that it probably would not.

Mr. Morris stated there is a formula already in place that could be adjusted every year, and the costs are clear.

Mr. Fernandez mentioned that Huka was looking to reduce their financial burden in specific areas such as security. Mr. Morris recommended that Huka identify those areas to the City and see what can be done.

Chair Piedra referred to an economic study done on profits from events, and reported that over half the tickets were bought from outside a two- or three-hour drive radius. Mr. Fernandez said that Huka has access that study, and they should be asked on what areas they need help.

Chair Piedra reiterated that the partnership would work on a percentage basis - the BID would receive a percentage of profits corresponding to its percentage of partnership.

Ms. Florestal asked Mr. Fernandez if he was concerned about liability. Ms. Fitzgibbon wanted to know upfront what fees would be involved. Mr. Barnett said they need to wait for Huka's proposal to look at the numbers. He added they should inform Huka that they are willing to put money in, but do not want a "down side" - the BID would need a risk guarantee that they would not go below zero.

Mr. Morris mentioned they would be looking at the same scenario for larger events that ask for partnerships. The BID needs to realize the budget is finite and decide how much should be set aside to do larger events. Chair Piedra suggested two-thirds (\$600,000) of the budget for larger events with no carry-over to the next year.

Discussion ensued on how to budget for the large events, with Mr. Morris commenting that they may not even need \$300,000 for the smaller events. He added they will need someone to work on the website ([myfortlauderdalebeach.com](http://myfortlauderdalebeach.com)) after the end of the fiscal year; the fee, about \$24,000 annually, will come out of Professional Services.

Regarding Food and Beverage on the beach, Mr. Morris reported they are planning to take the matter to the City Commission in September. He said they talked about having the entire beach being one zone, and having to be within 500 feet to service a patron. Hotels and restaurants will not be distinguished. There will be a fee for doing business on the beach plus a fee for each purchase, with the fees to go to the City. Mr. Morris continued that there will be something on each lifeguard stand that could be accessed by beach patrons. The information would also be on the website. It would initially be up

to the hoteliers and restaurants to inform their patrons of the service. Unauthorized advertising should be reported to Code Enforcement. The goal for implementation is the fourth quarter of this calendar year.

Ms. Lee wondered if a successful partnership with Huka could possibly pave the way for an increase in the millage rate. Mr. Morris said it could, but has not been done yet due to the slow economy, and a reason for increasing it has not been identified. It was noted that in theory, it could be raised if it showed value. Discussion ensued on changing the millage rate; it was pointed out that it can be raised or lowered, but needs a good reason for doing so. Mr. Morris said they will not be collecting CRA funds after Fiscal Year 2020, and they need to prioritize their projects. Ms. Lee suggesting considering co-op marketing.

#### **V. BID Manager Update - Dan Barnett, Wizard Entertainment**

Mr. Barnett reported he has been researching the Ambassador Program, particularly the one to be implemented in Flagler Village. He provided the following overview:

- It costs approximately \$18 per hour per insured, bonded security guard
- Four guards, 24 hours a day, 365 days, equals \$630,000 annually plus 15-20% margin for payroll insurance, etc.
- The Downtown (Flagler) area will spend \$750,000 for the program

Mr. Barnett suggested focusing on busy days for fewer hours per day. One idea would be 60 days for 10 hours (from 2 p.m. to 12 a.m.); some days might have two people, and maybe six people on Memorial Day weekend. He provided the following numbers: 60 days x 10 hours x 4 people = \$43,200 per year (30 days for the same man hours would be \$21,600). Mr. Barnett said they would need to decide on which areas they would be offering the security. Mr. Barnett continued that in some areas, CRAs assist in funding.

Mr. Barnett explained the guards would be walking the area in uniform. They would be available to answer questions, as well as be on the lookout for solicitation and crime, etc. There would be a "chief person" who would interface with the BID to provide feedback.

Ms. Fitzgibbon commented that anything less than the full Ambassador program would be more like a "rent-a-cop," because the same people are not there every day. Ms. Lee disagreed, saying that the Ambassadors in the program are very well trained by their company and have a sophisticated communication system (based on the program in West Palm Beach). Ms. Fitzgibbon reiterated that the full program is wonderful, but the part-time program is not very effective.

Mr. Barnett suggested another scenario, 365 days with 4 people at 10 hours, which would be \$262,000. The hours could be spread out, or be the same 10 hours. A brief discussion ensued about funding the program.

Chair Piedra suggested a combination of volunteers (who could earn internship hours) and paid personnel for the Ambassador program. He added the project is just a discussion item at this point with many aspects to be reviewed, such as available funding. They also need to decide on the Huka event.

Other issues expressed were:

- Financial impact of a program with payroll
- Possible addition of police on beach
- How is the Downtown Development Authority program being implemented?
- How is the program going in Pompano Beach?

Mr. Morris detailed that Mr. Barnett has asked for information from a variety of people and has presented the best scenarios. By following this process, everyone he contacted would be eligible to bid on an RFP.

Mr. Barnett submitted that the presence of the Ambassadors all the time would be helpful in establishing the destination as a safer place. He recommended approaching the program from a financial direction at this point.

## **VI. Communications to the City Commission (none)**

## **VII. Old/New Business**

Chair Piedra asked Mr. Barnett to contact Huka for a future presentation, and Mr. Barnett said he could approach them later in August.

Chair Piedra announced that they might change the next BID meeting date. depending on when the meeting with Huka could occur.

Hearing no further business, Chair Piedra adjourned the meeting at 4:50 p.m.

Minutes prepared by J. Rubin, Prototype, Inc.

### Attachments:

Proposed 2015 Budget - Donald Morris

Email from Huka Entertainment - Chair Piedra