

DRAFT

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

MEMBERS	ATTENDANCE	SEPT 2014/AUG 2015	
		Present	Absent
Sheraton Fort Lauderdale Amaury Piedra, Chair Blake Crawford, Alternate	A	0	1
Greater FTL Chamber of Commerce Eduardo Fernandez	P	1	0
The Gallery at Beach Place Carmen Barbagelata	A	0	1
Marriott Courtyard <u>Bill Cunningham</u> Thomas Miller, Alternate	P	1	0
The "W" Hotel, Capri Hotel, LLC Mary Louise Fitzgibbon	P	1	0
Beach Redevelopment Adv. Board Ina Lee	P	1	0
Bahia Mar	A	0	1
Ritz Carlton Hotel <u>Greg Cook</u> John Cashion, Alternate	P	1	0
Marriott Beach Place Towers Jill Munas Jackie Foster, Alternate	A	0	1

Staff

Don Morris, Economic and Community Reinvestment Administrator
Dan Barnett, Wizard Entertainment, BID Manager
Eileen Furedi, Clerk II
Lisa Edmondson, Recording Secretary, Prototype, Inc.

Presenters and Guests

Arianne Glassman – rAv Communications

I. Call to Order / Roll Call / Quorum

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

Acting Chair Fernandez called the meeting to order at 3:40 p.m., since Chair Piedra was not present. Roll was called, and it was noted a quorum was present.

II. Approval of Minutes – August 18, 2014

Motion made by Ms. Lee, seconded by Ms. Fitzgibbon, to approve the minutes of the August 18, 2014, meeting as presented. In a voice vote, the motion passed unanimously.

III. Gay Days Funding Request (\$5,000) – Arianne Glassman, President, rAv Communications

Ms. Glassman extended appreciation on behalf of Christopher Manley, who was out of town, for allowing the presentation.

Ms. Glassman referred to the sponsorship request, which was provided to Committee members. She provided a short history of Gay Days, noting it started 24 years ago and is now one of the top three gay events nationwide. In Orlando this year, they had 110,000 booked rooms for the event. She said they have an active website and attract visitors worldwide. The Fort Lauderdale event is scheduled for November 25 – December 1, 2014. Ms. Glassman mentioned that the “W” hotel is the host, and there are three co-host hotels: Sheraton Fort Lauderdale Beach, Courtyard by Marriott, and Bahia Mar.

Ms. Glassman said that the goal for asking for BID sponsorship was to promote all the businesses and all the hotels that are part of the BID. She said there are benefits/opportunities with the sponsorship:

- Marketing plan (listed in the proposal)
- Website email blasts
- Social networking through website, magazines
- Exposure at events leading up to Fort Lauderdale event
- BID would be marketed for a full year under myfortlauderdalebeach.com
- Additional 20,000 individuals staying around Fort Lauderdale beach area
- Give BID businesses greater exposure to guests

Ms. Glassman reviewed additional benefits for all members currently listed on myfortlauderdalebeach.com:

- Ability to add a “deal” advertised on the website and link at gaydays.com and gayflorida.com, such as a Thanksgiving Day package
 - Gay Days would make it an official event ticket
 - Free exposure to all BID zone members
 - Online ticket sales less credit card fee and 10% for marketing
 - Packages can be created along hotels, bars, retail shops, attractions, spas
- BID would be the main EXPO Presenting Sponsor
 - Vendor Expo
 - Myfortlauderdalebeach.com Vendor Expo would be the name
 - Advertisement as sponsor
 - Will be at W Hotel
- Website exposure
 - On the footer of Gay Days Fort Lauderdale websites on all main pages
- Other exposure
 - On Expo bags and welcome bags
 - Individual businesses can also create their own piece if they wish
 - Myfortlauderdalebeach.com on back of official tee-shirt

Ms. Glassman stated that the goal for Gay Days Fort Lauderdale is for people to see that Fort Lauderdale Beach is a gay-friendly destination.

Ms. Glassman directed the members of the Committee to their packet, which included more detailed information on Budweiser’s sponsorship.

Ms. Lee thought it was a great opportunity considering the billion-dollar market, and the event has a good track record. She also mentioned that Thanksgiving week will have lots of activities such as the Turkey Trot that will make it an even more attractive venue.

Ms. Glassman stated that Christopher Manley is the President/CEO of Gay Days, a for-profit organization. Mr. Cunningham was curious if it was intended to be an annual event. Ms. Glassman answered affirmatively, adding that they are looking to grow the event. She said the event is professionally run, with no problems. Ms. Glassman expressed her pleasure that Fort Lauderdale was chosen over other nearby communities.

Mr. Cook felt it was a low ask with a lot of benefit.

Ms. Fitzgibbon said they researched it well and felt the event matched their luxury positioning for the market. Mr. Morris advised Ms. Fitzgibbon to abstain from voting so there would not be any conflict of interest. He added he believed that they do not have to take the request to the City Commission because of the low amount of money involved, though he would have to check.

Acting Chair Fernandez brought up that they are already self-funded; Ms. Glassman advised they have not yet reached their goal of \$100,000 (the cost).

By consensus, with Ms. Fitzgibbon abstaining, the Committee agreed they are in favor of moving ahead with the sponsorship. They said that marketing for a year for \$5,000 was a good deal.

Ms. Lee thought they should designate some name for the weekend; Ms. Glassman suggested "TGIF" - Thanksgiving in Fort Lauderdale.

IV. BID Manager Update – Dan Barnett, Wizard Entertainment

Mr. Morris commented that they had appointed Chair Piedra to represent the BID with Huka Entertainment, but because of that, every meeting with Huka had to be a public meeting. Mr. Morris said that instead Mr. Barnett led the negotiations with Huka.

Mr. Barnett reported Huka is not looking for funding, but they are looking for partnership in the local market place. In particular, they are looking for sponsorship for the first three years to help them launch a second event. He also felt that Huka did not want any financial accountability back to the BID as a sponsor, because it is public and they have competition.

Mr. Barnett suggested a \$300,000 cash-in sponsorship and receive that back if it broke even, \$270,000 back if it lost 10%, or \$330,000 back if it made 10%. Huka countered that they wanted a sponsorship at a lower amount that would work for the BID and could get the second event off the ground.

Mr. Barnett said he would want to make sure that it would really activate business at the beach within the sponsorship. He said they talked a lot about marketing. Mr. Barnett advised there is another piece – the ticket surcharge. He said the event ticket will be over \$100 for the projected show, and he thought the City could have a \$3 surcharge which would then come back to the BID to help recoup some money.

Mr. Barnett said that Huka asked for \$500,000 for Year One, \$350,000 for Year Two, and \$250,000 for Year Three, for a total of \$1.1 million. He stated that the ticket surcharge would not approach recouping that amount of money. If they had 15,000 attendees the first year, that would mean \$45,000 back to the BID; 25,000 people the second year would be \$75,000; 35,000 the third year would be \$105,000. All told, the BID would recoup \$225,000 out of \$1.1 million expended. Acting Chair Fernandez pointed out this would have nothing to do with Tortuga.

Mr. Barnett wondered if they could continue the surcharge after the third year until they totally recouped their cost, or never stop. Alternatively, he thought maybe they could bring down the sponsorship costs annually to something like \$300,000/\$200,000/\$200,000 for a total investment of \$700,000 with the ticket surcharge.

Mr. Barnett said they need to make sure the event is a headliner event (\$4 to \$5 million), not a smaller act. He added the concert events/festivals are so popular that the events build a brand without even announcing the acts. Mr. Barnett reiterated that he had never seen a production like the last Tortuga. He said they really know how to build a brand not only to the community, but to the band management.

Mr. Morris thought that after reviewing the video of the Joint City Commission / BID Workshop that the City Commission would probably be comfortable with the festival as long as the impact to the beach and residents was mitigated as much as possible.

Acting Chair Fernandez wondered why they would not consider putting a surcharge on Tortuga. Mr. Barnett said Huka has a current contract with Parks and Recreation. Mr. Morris said that when that contract comes up for renewal, they could discuss having a surcharge on the Tortuga tickets.

Acting Chair Fernandez brought up the large amount of money they want, and Mr. Morris added that the BID's revenue per year is between \$600,000 and \$700,000. It was noted that if nothing was coming back, then they could not do anything else. Mr. Morris said it would be up to the City Commission if they could levy a surcharge that would stay with the BID. He suggested that the money should be reinvested in the programs and initiatives that the BID wants to do.

Mr. Morris added that the concert itself would pay for all the City services. Ms. Lee wondered if the monies contributed by the BID would be helping to pay for the City services. Mr. Barnett said it would just go into their income and help pay their expenses, which would include talent and production.

Mr. Barnett commented that Huka is hoping for the BID's support - they want to be "the" company connected to beach businesses, and want to grow.

Mr. Morris asked if Mr. Barnett could check on the contract with Parks and Recreation and see if there is a possibility to have the surcharge on Tortuga.

Mr. Morris preferred the second scenario, as it would leave the BID with enough money to do other things. He also liked the idea of a three-year commitment over a five-year commitment. Ms. Lee liked the idea of being able to continue a revenue stream over time. Discussion ensued about the pros and cons of the project.

Mr. Barnett said the \$3 surcharge seems to be allright with Huka, so the next step is to decide on the amount of the funding per year. He said he will ask Parks and Recreation if they can do the surcharge with Tortuga also.

Mr. Barnett will go back to Huka with a funding offer of \$300,000/\$200,000/\$200,000. Discussion followed about the exact amounts, with the suggestion that they start with a

larger amount, and the caution that they might only have one year of the event. Mr. Barnett will continue negotiations with them.

Ms. Lee wished to see documentation from Huka on the hotel numbers. She also pointed out that there was nothing on the Tortuga stage that said "Fort Lauderdale." Mr. Barnett will follow up on that.

Mr. Barnett explained the background of Huka – they are an independent creative production company based in New Orleans. He said they have venture capital money behind them with internal funding coming to them. Mr. Barnett said the BID should focus on getting the second event, and push myfortlauderdalebeach.com visibility. He mentioned they had talked about bringing in Dave Matthews Band. If it is someone else, it would be a comparable act.

Mr. Barnett reiterated that he will try to counter with them that the

- BID wants to be a supportive partner with myfortlauderdalebeach.com as the brand
- \$300,000/ \$200,000/\$200,000 investment for a total of \$700,000
- City surcharge to extend until money is recouped
- He will talk to Parks and Recreation regarding having a surcharge on Tortuga now or upon renewal (\$3)

Seth Platt, from LSN Partners, representing Boucher Brothers Beach Management, mentioned that they have a conflict with Huka Entertainment Productions on the beach: they are concerned about the extension of the concert as it impacts Boucher's contract with the City. He said they have to pay their monthly fee, and they would lose potential revenue from their busiest section of the beach. Mr. Platt claimed there had been "very little coordination" between the City and the vendor. He said they rent beach chairs, umbrellas, and beverages on the beach (as part of the chair rental).

Mr. Morris stated they need to check that contract because, as he understood it, all beach contracts have a clause in them for special events. Mr. Platt pointed out that their business is impacted before, during, and after events; he hoped there would be some way to resolve it with the concert vendor. Mr. Cook asked for information on their revenue during concerts versus normal days.

Mr. Morris reviewed a handout about the Food and Beverage Service. He emphasized that the goal is quality service:

- Have a license fee to use the public beach
- Proposal for \$1 surcharge for every purchase, collected on quarterly basis
- Applicants must be properly licensed by applicable regulatory agencies for delivery of food
- Proper uniforms required
- Delivery times not to exceed 45 minutes

- Will not use vehicles in delivery
 - 500-foot radius requirement
 - Whole beach to be one zone
 - Tie 500-foot radius to lifeguard stands initially
- Hours of service tied to lifeguard hours
- Use recyclable containers
- Responsible for cleanup and containers

Mr. Morris stated that Mr. Barnett will be contacting businesses on the beach to gauge interest.

Mr. Morris pointed out an example of a sign to be placed on lifeguard stands that will have a QR code that will list the hotels/restaurants that can serve to that location. They will try to tie it to the Lauderserv app that will connect straight to the closest service with menus, etc.

Mr. Morris said the item will go to the City Commission on September 16, 2014, with the first reading of the ordinance, hopefully on October 7, 2014, and the second reading later in October. He added that all members and alternates of the BID and their properties will have to get a waiver of conflict of interest.

Mr. Morris foresaw a delay between when the program starts and the time the signs are up on the lifeguard stands; he thought the program might start in November. He clarified that the roll-out of the program was not contingent on having the app up and running. Restaurants could inform their patrons of the service in the meantime, but there will not be people walking around with flyers on the beach.

Mr. Morris commented that the BID members who have a contract with Boucher Brothers to provide specific services will have to negotiate with them.

Mr. Morris stated that the design is complete for the box wraps, but issues were raised by the Legal Department regarding off-premise signage. There is an off-premise sign ordinance in the City along with a settlement agreement with billboard companies, which could potentially cause complications. Mr. Morris said discussions are underway to resolve the problem, noting that he sees the wraps as decorative wraps with location maps.

V. Communications to the City Commission - none

VI. Old/New Business

Ms. Lee confirmed that members received an email update about the Aquatics Center. Mr. Morris added that staff has been directed to discuss some logistical changes and return to the City Commission with a revised proposal. He added that the CRA

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recommended \$25 million, and additional costs will have to be borne by the CRA. That number is not known, but may impact other CRA projects.

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

[Minutes prepared by J. Rubin, Prototype, Inc.]

Attachments:

Handout regarding Food & Beverage Service – Donald Morris

Email update on the Aquatics Center – Ina Lee