

APPROVED

**BEACH REDEVELOPMENT BOARD
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FL 33301
MONDAY, JUNE 20, 2011 – 2:30 P.M.**

MEMBERS	ATTENDANCE	CUMULATIVE 2/11 – 1/12	
		PRESENT	ABSENT
Bradley Deckelbaum, Chair	P	5	0
Ramola Motwani, Vice Chair	P	5	0
Jordana L. Jarjura (arr. 2:38 p.m.)	P	3	2
Chuck Malkus	P	5	0
Dan Matchette	P	4	1
Melissa Milroy	P	5	0
Mel Rubinstein	P	3	2
Judith Scher	P	5	0
Tim Schiavone	P	3	2
Aiton Yaari	A	2	3

As of this date there were 10 appointed members to the Board, which means 6 would constitute a quorum.

Staff

Don Morris, Beach CRA Director
Earl Prizlee, CRA Engineering Design Manager
Eileen Furedi, Economic Development Representative
Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communication to City Commission

None.

I. Call to Order / Roll Call

Chair Deckelbaum called the meeting to order at 2:30 p.m. Following roll call by Ms. Hartmann, it was determined a quorum was present.

II. Approval of Minutes – May 16, 2011

Motion by Mr. Matchette, seconded by Ms. Milroy, to approve the minutes of May 16, 2011. In a voice vote, the motion passed unanimously.

III. FY 2011-2012 Budget Discussion – Donald Morris, Beach CRA Director

Mr. Morris said that if anyone did not receive an emailed copy of the budget proposal, there are extras copies at the table.

He directed the Board's attention to the first page, which was the page the CRA presented to the BRAB and the CRA's Board of Directors for approval. He commented that by adding the projected revenue of \$4.5M per year for 8 years to the current fund balance, there is a budget of over \$63,275,000. Total CRA contributions to the Master Plan projects will be \$34,475,000. The \$25M for the Aquatic Complex plus \$825,000 for the new turtle lights brings the grand total of money for those projects to \$60,300,000. After all the CRA projects, they project there will be about \$2.9M left over. Mr. Morris said that is about 8.2% of the CIP budget, so the CRA Board of Directors approved this spending plan for the CRA through 2019.

Mr. Morris then explained the second page, which is a Budget Summary. He directed the Board's attention to the total TIF revenues (in the second column) of \$5,962,116, which represents 95% of the taxable income in the CRA. He remarked that they never project 100% because collection is sometimes difficult. He explained the other revenues in that column.

Operating expenditures are \$1,031,730, showing a reduction attributable to paying less office rent and costs associated with merging with the Economic Development Offices.

Chair Deckelbaum confirmed that the \$4.5M for CIP expenditures is not going to be spent per se, but moved into the blanket fund. Mr. Morris said that the total uses are \$6,072,454, leaving an excess of revenue of \$448,886.

Mr. Morris continued that they are not proposing any changes in expenditures, but the revenues may change because June revenues come in and they are estimated. The harder numbers will come in July. The "excess of revenue" number will fluctuate, as it depends on how much the CRA is able to collect.

Mr. Morris directed the Board's attention to the next page, which is the event budget. He stated that the \$371,000 is the same amount they had previously discussed. The three possibly recurring events are Saturday Night Alive (\$80K), Holiday Lights (\$58K), and Memorial Day Event (\$50K). The Sun Trolley has operational expenses of \$60K. There is \$123,000 that could be available for other events.

Mr. Prizlee explained the last page, the Capital Improvements Projects Summary. He noted that the total cost column is the same as before. What is new is the far right column, which shows what the CRA has put in to the City's CIP program as what they anticipate spending this year. These numbers are basically design numbers. Once they are through the CCNAs, they will get the task orders in and negotiate. He pointed out that the new playground (approved by the BRAB) appears on the list as it is now coming to fruition. In addition, there is the Wave Wall rehabilitation, to change out the light

sources, and maybe the fiber optic lines themselves.

Chair Deckelbaum asked if the current fund balance included both the CIP and the excess revenue, and Mr. Morris said it is inclusive of all the projects that have not been closed out. Any remaining fund balance at the end of the year goes into the blanket fund.

Vice Chair Motwani wondered if the fiber optic lights would be replaced or fixed. Mr. Prizlee replied they are looking at a manufacturer who would hopefully have an LED alternative that does not have mechanical moving parts. The present lighting is problematical for its location. The new light source would change colors, have no moving parts, and the plan would be to change out the rope which has been damaged.

Mr. Malkus wondered about the CIP revenue being projected through 2019 at \$4.5M per year, in light of the economy. Mr. Morris commented there was a 3% drop in revenue this year, and their projections for the future are conservative. He said they initially projected a flat line through 2019, but the auditor thought they would be able to increase the numbers in a few years. Mr. Morris said they could always revisit the numbers.

Mr. Rubenstein believed that the project costs may go up also if the economy improves. He also suggested that in the future it would be helpful if there was a column comparing the previous year and expenditure for the coming year on the third page (Special Events funding).

Ina Lee (from the audience) wondered if the budget took into account the big 100 sign and keeping it lit to the end of the year or whatever might be put in place to replace the sign. Mr. Morris replied that they are not proposing to replace it, but as of August 1 it is coming down. There is no other funding for that. He added that Fish & Wildlife said that August 1 was the drop-dead date for the sign to be lit.

Ms. Jarjura asked if that money was reflected in the budget, and Mr. Morris said they are not proposing that.

Mr. Morris stated that he did not think the expenditures would change, and he is requesting approval of the budget, understanding that the final revenue figures will not be in until July.

Motion by Mr. Malkus, seconded by Mr. Rubenstein, to approve the budget. In a voice vote, the motion passed unanimously.

IV. Discussion of Potential Air Show on the Beach – Brian Lilly, Promoter

Chair Deckelbaum turned the discussion over to Mr. Lilly and Mr. (Dev) Motwani. Mr. Motwani introduced himself as a local real estate developer and son of Vice Chair

Motwani. He spoke of his early experiences enjoying the air show and said he was interested in seeing it come back. He said the events now going on at the beach are helping the local businesses tremendously, but an air show is the missing element.

Mr. Motwani commented he is familiar with the expense and revenue aspects of the air show in the past. He said they are proposing to “bring the show back” but in a different form. His partner in the project, B. Lilly, Inc., has successfully launched two air shows and understands the new model. Mr. Motwani remarked that the City itself does not have the ability to support the show directly, and private sources of funding are needed. However, there still remain City services that are required that do not have anything to do directly with the show, but rather with the influx of people.

Mr. Lilly relayed his background in event management and sponsorship marketing spanning over twenty years. He mentioned they (his company) are not pilots or retired veterans, who typically produce air shows, they practice event management first. They entered the air show realm as the result of getting the contract to produce an event for the NASA 50th Anniversary event in 2006. He said they have come up with a successful financial operating model to do these events.

Mr. Lilly continued that beachfront air shows are unique. They are more challenging, as there is no gate per se and 90-95% of the spectators are coming to the City to watch the air show, but there is no revenue opportunity because they just come in and watch the air show for free. The value/benefit is the renting of hotel rooms and patronage of businesses. He continued that they have been able to develop a ticket revenue on premium viewing and small alternative revenue streams that help supplement sponsorship and hospitality revenue.

The challenge is the incredible cost due to the City’s layout, with A1A being the single artery, limited access onto the Barrier Island, and reimbursing the City for support. In 2007, the former organizer reimbursed the City \$404,000 for support costs.

Mr. Lilly stated they have found some ways to reduce costs, but only so much can be minimized in the interest of public safety. He said they would plan to use the same footprint used before and have the show center north of Sunrise on A1A. They would keep the entire infrastructure north of Sunrise so as not to inconvenience the community. In addition, they are looking at what can be done during non-spectator hours to maintain vehicle access to the northern part of the City.

The primary viewing area (three nautical miles around Show Center) would extend roughly from the port entrance up to Commercial Boulevard. Mr. Lilly noted that the CRA is a good part of that viewing area.

Mr. Lilly asked what the Board could do to help defray the support costs coming from the City. He felt that if they could “manage” that amount, they could bring the event back. He mentioned the good rapport they have with the Thunderbirds and the Blue

Angels, and he was sure either group would like to participate. He added there is tremendous interest from the civilian (top performers) as well as the military side in a show.

He concluded with the request of \$50,000 per day from the Board to help defray the approximate \$400,000 total in support costs.

Ms. Scher brought up the past closure of the Sunrise Bridge in preparation for the event and a few days afterward. Mr. Lilly explained that north of Sunrise they would only set up hard infrastructure (stages, trailers, etc.) in the northbound lane. He said that would leave three open lanes. He clarified that the northbound lanes of A1A above Sunrise would be closed Wednesday afternoon. Sunrise to A1A would only be closed when the City feels it needs to be closed for spectator traffic, maybe 7-8 a.m. in the morning and opening it Saturday night after all the traffic is cleared. He said that would be for a noon - 4:00 p.m. show. He reminded the Board that the original show was an all-day (eight-hour) event.

Ms. Scher asked about the concessions, as it is a "walking" type of event and brings people. She asked if they were going to have amphibious events in the morning, and they said they would not have anything like that until noon and it would occur north of Sunrise. Ms. Scher reiterated her concern about the shutdown of the roads for several days. Mr. Motwani remarked that the situation improved over time as the City staff became more efficient at managing the traffic. He emphasized the economic benefit to the beach hotels and businesses, but said they would work with City Police and Fire to try to minimize excess closures.

Mr. Lilly stated that their proposed event date is April 28-29, during Fleet Week. Mr. Motwani added that next year is the 200th anniversary of the War of 1812, and the goal is to try to coordinate with that. He said that the ARVO convention will not happen on the same weekend as it had in the past, thus helping with gridlock.

Mr. Schiavone noted that this is a big issue and suggested someone from the Board work with Mr. Motwani to sort out points. His big concern with the air show coming back was that his benefit diminished the last three years. He said it was a lot of work for little result. Mr. Schiavone said he wanted to see the new model and understand how it is going to bring dollars to the beach. He thought it could be gated and have a minimal charge for entrance.

Mr. Motwani pointed out there is a ticketed, gated area for premium viewing, kid zone and family zone. They also plan to have corporate sponsorships. Their philosophy is to have it be accessible to the majority of residents and therefore have free admission. He reiterated that the amount of money they are asking from the CRA is to go to the areas outside the show center, where it is free to the public.

Mr. Schiavone reiterated that he would be happy to work with them on the details.

Mr. Lilly stated there are two things people are looking for in an event – the WOW factor, that they remember and they came, and that the event lasted long enough that it was worth their time to come. When a person goes to a beachfront air show, there is a third factor: what can help maximize the overnight stay. Using the noon to 4 p.m. model brings people around 8 or 9 a.m. and they spend the day on the beach, instead of starting to trickle in around 5 a.m. With their overall schedule of events, Mr. Lilly said the one thing spectators want to see next to seeing the jets fly is seeing who flies them. They do breakfast events and evening hospitality events with performers/pilots in the primary show area. They would also do a parachute jump the day before and do a nighttime parachute jump as the finale on Saturday with pyrotechnics. Those things add value to the spectator to come and stay overnight.

He clarified that even though there would be events outside of the four-hour show time, it would not impact the traffic and City costs as much.

Mr. Malkus remarked that he was impressed with the quality of their planning. He felt the previous promoter only cared about his dollars. Mr. Malkus said he had done research on Mr. Lilly's company and was impressed with what he had done in the past. He wondered if they need to act right away to secure the Thunderbirds. Mr. Lilly said they do and they will be asking the City Commission for a request for military support to get the event eligible to receive support, which is needed for consideration by the Thunderbirds or Blue Angels. He said the Blue Angels are on a two-year scheduling program, and are already scheduled for 2012. The request forms for consideration by the Thunderbirds are due no later than August 1.

Mr. Malkus also brought up the sheer numbers of people who flooded the beach area for the last show and the chaos that ensued. He suggested if the event was gated, maybe before crossing Sunrise Bridge, have drivers show a Fort Lauderdale address on their driver's license, then be allowed entrance. He thought non-Fort Lauderdale residents should pay a fee such as \$5. He suggested a few other places where a gate could be set up. He thought this would ensure a more quality event, and would set up a tracking system to see how many non-residents attended. He put forward the idea of allowing children under the age of 10 to attend free, to encourage family attendance.

In response to a question by Mr. Rubenstein, Mr. Lilly remarked that the tents and other infrastructure and all that will be placed north of Sunrise on A1A. Mr. Rubenstein wanted to know about south of Sunrise. Mr. Lilly said that for purely pedestrian egress and ingress for the show, the Police and Fire said the Sunrise Bridge over to A1A and down maybe to Bonnet House would be closed during spectator hours.

Mr. Lilly said the primary viewing area would be in a space that goes from the Port Everglades up to Commercial Boulevard. Mr. Rubenstein confirmed that he would have a "great view" standing on Las Olas Boulevard and on 18th Street and the A1A. Mr. Rubenstein then thought the event was going to take place essentially outside of the

CRA, and noted that Mr. Morris cautions them against paying for events outside the CRA. Chair Deckelbaum thought they could only pay for the portion of the event that is in the CRA. Mr. Morris mentioned Saturday Night Alive as an example, and had them show which expenses were incurred in the CRA.

Mr. Motwani noted that a significant amount of the fire and life safety services actually takes place in the CRA because of all the public lots. Those lots would be full all weekend, generating revenues in the CRA. The services are also being provided in the CRA.

Mr. Rubenstein brought up the issue of airplane safety in a populated area and wondered if there was a way to put on the show where most of the flying would be over the ocean instead of over buildings or the beach. Mr. Lilly said most of the flying is done over the ocean, and he then explained the "aerobatic box." The idea is to err on the side of safety.

Mr. Rubenstein asked Mr. Lilly to explain the premium viewing area. Mr. Lilly said it is a restricted-access area around the show center with different levels of hospitality available to the public for purchase. There would probably be three tiers, including items such as tents for children to play with inflatables, autograph tents, waterfront clubhouse, and premium views.

Mr. Rubenstein commented on the possible inconvenience to residents of the "finger streets." Mr. Lilly said that they have to allow about three hours to clear the area, and the intersection of Sunrise to A1A should be open by then. He added that is something beyond his control, however, and it is up to Police and Fire. Mr. Lilly stated that anything in the pedestrian area would be torn down after Saturday's events and opened up again on Sunday.

Mr. Rubenstein emphasized that the show should not be promoted as being free, as it is costing taxpayer money for the police and the rest. Mr. Motwani commented that the City is now asking the event hosts to reimburse all those costs. In order to execute the show, Mr. Motwani said they have to write a check to the City to cover those expenses, and they are asking the CRA to help out with \$50,000 per day for two days for a total of \$100,000. Mr. Rubenstein noted that is still taxpayer money.

Mr. Morris stated that the matter is going to the City Commission on the next day and they will be giving direction whether it moves forward. He recommended that the Board wait and see what the City Commission says and then come back to iron out the numbers. However, he thought the Board could make a recommendation to support the project in concept.

Ms. Milroy stated that the Galleria is not opposed to the show. She said, however, that the road closures from Federal Highway east to the west side of the bridge are the ones that impact the Galleria. She believed that the road closures would be a major

inconvenience for the mall, as, in the past, Police do not allow turns to the east (from Federal Highway), nor are drivers going south on Bayview allowed to cross Sunrise Boulevard to go the mall. She noted that in the past, they have been shut off from the south and from the west, and this has been a major inconvenience. She wants the promoter to be more involved in the traffic planning.

Ms. Milroy continued that the show may need to use Galleria parking. She wanted to know if the promoters had met with Ms. Alarcon and what the City is proposing to them in terms of parking costs. She declared that the Mall is losing enough business so that if they have to profit from parking, she would like to know what the amount would be.

Mr. Lilly responded that the City is charging a flat rate for spaces. Vice Chair Motwani commented she was not aware there were road closures as far as Federal Highway. She said that would be addressed. Since there will be no infrastructure on Federal Highway, she wondered if there was a need to have road closures, and they will ask the Police about that.

Ms. Milroy stated that during the air shows in the past, people have parked at the mall (or disembarked buses) and walked across the bridge. She added that promoters in the past have suggested encouraging people to shop at the mall, but Ms. Milroy remarked that they are tired from the air show and are not in the mood for shopping. She reiterated that she wants to be involved in the traffic planning with the City in the mall area.

Mr. Motwani said they have met with Ms. Alarcon and Ms. Milroy's point is well taken. They view the Galleria as a partner in the project and will include her as a partner.

Mr. Morris brought the discussion back to the CRA. Mr. Morris said that Vice Chair Motwani will recuse herself from voting, and Chair Deckelbaum asked that she also recuse herself from discussion of the topic.

Mr. Lilly said that his company's goal when doing a show is to minimize the impact of the event on the community. It is in their interest to make it less intrusive so that everyone has a good experience and there is support to bring the show back the next year.

Mr. Matchette pointed out that as far as a Board vote is concerned, they are not voting on the logistical aspects of it (traffic, police coverage), but they are voting on the incremental money they can contribute to the show to make it happen. He believed it would be premature to vote on the financial aspect of it until they get direction from the City.

Ms. Jarjura commented that she needs to know the economic impact of the event to the CRA (hotels, dining, etc.) in order to justify the expenditure.

Mr. Motwani agreed to prepare some more specific numbers.

Chair Deckelbaum opened the floor for public discussion.

Ms. Ina Lee said she is willing to put up with any impact because of what the event generates for the community. She brought up the point that nobody asked how much money is generated for the Memorial Day event before approving that. She added that a great deal of the money CRA funded for Memorial Day went directly for police and fire services. Mr. Morris inserted that they are asking for the economic impact numbers this year.

Ms. Lee continued that her main point is that ARVO is going away in two years. It has been the largest city-wide convention and has generated \$260M over the last 18 years. She said they cannot even look at coming back until 2017. Every year it is \$20M of direct impact to Fort Lauderdale Beach that is being lost.

Secondly, she pointed to the \$20M lost due to the Aquatic Center's potential to generate room nights. Between those two things, there is \$40M being lost per year.

Thirdly, Ms. Lee pointed out that money in the CRA is not taxpayer dollars, it is money generated by the development that funds the CRA. She is in favor of the air show for its economic impact and is willing to put up with the inconvenience.

Chair Deckelbaum closed the floor to public discussion.

Chair Deckelbaum commented that, while he likes the event, they need to know if the Board can support the event legally, and to what extent. They also need to get answers to raised concerns. He clarified that since this Board is an Advisory Board, they could act before the City Commission does, but he thought that such an action would be premature for other reasons.

Motion by Mr. Malkus, seconded by Mr. Schiavone, to support the concept of a quality air show with a fine tuned event providing an enjoyable experience for the residents and visitors. Such motion was not voted upon, but later restated.

Ms. Jarjura offered the following friendly amendment: before committing CRA dollars to this event, the Board would like an economic impact from the promoters.

Mr. Malkus reworded the friendly amendment: Prior to committing dollars to the event, the Board would like to review an economic impact outline and budget.

Ms. Scher wanted to add something about traffic, but Chair Deckelbaum cautioned her about mentioning that in a motion.

Mr. Malkus restated his motion as follows:

Motion by Mr. Malkus, seconded by Ms. Jarjura, that the Board recommend the concept of a quality air show with a fine-tuned event providing an enjoyable experience for residents and visitors. Prior to committing dollars to the event, the Board would like to see an outline of economic impact to the Beach CRA. In a voice vote, the motion passed 7-1 with Mr. Rubenstein opposed and Vice Chair Motwani recusing herself.

Chair Deckelbaum clarified that the motion does not commit the Board to spend any money or do anything.

V. Update on Bahia Mar and ISHOF – Staff

Chair Deckelbaum pointed out that this item as well as the air show was on the City Commission agenda for the next day. He noted that the Board has received the backup materials.

Mr. Morris started with Bahia Mar. He directed the Board's attention to Exhibit 1, outlining the project and staff concerns. The meeting tomorrow is just looking at the rezoning and the site plan of the property. It has nothing to do with the lease. He noted that it is very detailed, and not a typical rezoning. The uses are specific to the property and specific to the site plan. Mr. Morris stated that if the Board has questions that he cannot answer at this meeting, he will get the answers to them before the City Commission meeting. Mr. Morris noted that the traffic study and parking study are part of the report.

Mr. Morris next brought up the RDC proposal (Exhibit 2). This will be the first item on the conference agenda at the June 21 City Commission meeting. They will review the most recent proposal. Mr. Morris encouraged the Board to look at this proposal, and encouraged them to look particularly at the staff comments (Exhibit 3). There are disagreements regarding traffic and parking impacts and size and cost modifications. He recommended that Board members attend the meeting if possible and if they have questions, address them to the developers.

Mr. Schiavone expressed confusion about what the Board had approved for RDC. He thought the \$25M was for the Wave House, but he said Commissioner Rodstrom informed him that the money was going for the pools for the Aquatic Center. Mr. Morris said that the Board's recommendation was \$25M for the project. The CRA/City Commission will determine how that money is spent. Mr. Schiavone remarked that he thought the Wave House should be a separate project from the ISHOF, and the Aquatic Center should be a third project. He asserted that the two projects are slowing down the most important, the Aquatics Center. He further stated they should be concentrating on the Aquatics Center and how they can get it funded.

Chair Deckelbaum acknowledged that those are good points, but the three cannot be physically separated.

Mr. Jarjura noted that the City wanted a private/public partnership with the ISHOF in terms of redeveloping the entire center. She also commented that the proposed budget shows a profit beginning in 2013. Mr. Morris stated that the vote at the City Commission meeting (conference agenda) will not be about money, but about the project as it is presented. The vote regarding money will come at a later time, if they choose to go forward with it.

Mr. Morris directed the Board's attention to p. 4 of Exhibit 1, "Cost and Size Modifications," which shows that the CIP budget has been reduced by approximately \$3M. Almost \$32M will be public funding. He believed that the \$25M would go to the City's portion. Chair Deckelbaum commented that sources and uses statements are "great," but in reality when the entire project is contingent on everything happening, it does not matter what money is designated for what.

Mr. Morris offered to provide a summary of the City Commission meeting at the Board's next meeting.

Mr. Morris mentioned the final document he had distributed, regarding a proposal by the Marine Advisory Board to expand the marine facilities at the Las Olas Marina. Two proposals were presented. He noted it directly conflicts with the Sasaki Plan as far as a Promenade and other future development at the site. Mr. Morris stated that there will be discussion on the third item on the conference agenda the next day about the specific plan from the Marine Advisory Board and how it conflicts with what the Board is looking to do. He said it might work out fine, but it does present problems with the CCNAs if changes have to be made midstream.

Chair Deckelbaum said he will be at the conference agenda, gather information, and bring it back to the Board. If the City Commission shows interest, the Marine Advisory Board meets again July 7. He suggested someone from this Board go to that meeting and discuss the item, or ask someone from that Board to come to the BRAB's next meeting.

Mr. Morris explained how the idea got started and that it came to the City Commission's attention via a Communication from the Marine Advisory Board prior to the BRAB's May Communication. He added there will be discussion on this item June 21 and it may affect what the BRAB does on that site. He emphasized there will be no vote on it at this time.

Mr. Morris noted that the marine project would cost quite a bit more than what the BRAB is projecting.

VI. Communications to City Commission

None.

VII. Old/New Business

Chair Deckelbaum asked for a quick review of Saturday Night Alive, and Vice Chair Motwani thought it went great, and the crowd was not as busy as the first two Saturdays (maybe because of a bad weather forecast). She thought more dollars could be spent on marketing.

Chair Deckelbaum asked if Mr. Morris could bring Dan Barnett, of Wizard Entertainment to the next meeting.

Mr. Matchette raised an issue from several years ago regarding organizations that come to the Board for funding on short notice. Chair Deckelbaum said they did decide they would not entertain requests for funding under those circumstances, and they requested that at least their request has to be included in backup agenda materials. Chair Deckelbaum asked Mr. Morris to ensure that a request would be in the backup materials for the agenda, so there is no confusion. Mr. Morris said as far as he knew, the air show promoters were just going to present the concept, and he said he was not aware that they were going to ask for specific funding.

Mr. Rubenstein recalled that last year, Mr. Yaari proposed that the Board would not meet in August unless there was an emergency. He noted the City Commission is off during August also.

Motion by Mr. Rubenstein, seconded by Ms. Jarjura, to cancel the August meeting. In a voice vote, the motion passed unanimously.

Motion by Mr. Malkus, seconded by Mr. Rubenstein, to adjourn the meeting at 4:30 p.m.

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