

**MINUTES OF CITY COMMISSION
PUBLIC WORKSHOP ON ECONOMIC DEVELOPMENT
FORT LAUDERDALE, FLORIDA
JUNE 5, 2003**

Meeting was called to order at 1:16 p.m. by Mayor Naugle on the above date.

Present: Commissioner Christine Teel
Commissioner Dean J. Trantalis
Commissioner Cindi Hutchinson
Mayor Jim Naugle

Absent: Commissioner Carlton B. Moore

Also Present: City Manager, F. T. Johnson
City Attorney, Harry A. Stewart
City Clerk, Lucy Kisela

Mayor Naugle stated that in accordance with the results of the Economic Development Summit which was held at the Riverside Hotel, the City Commission approved a plan whereby they had instructed the City Manager to bring back a staffing plan and economic development plan for the City.

The City Manager stated that they had been trying to develop a course for economic development for quite some time. The Summit was a major step in terms of developing a particular course, and since that time they had been granted two new members on the Commission. Before making some full-fledged recommendations, they needed to bring those Commissioners up-to-date regarding previous efforts, and then see if they could determine how to proceed forward.

The City Manager stated that he wanted to acknowledge some of the individuals present at today's meeting who had been a major part of the City's efforts and partners regarding economic development. Self-introductions were made as follows: Norman Taylor, Office of Economic Development – Broward County; Deborah Wilkinson, Office of Economic Development – Broward County; Chris Wood, Wiley Donovan Group, an Economic Development Consulting Firm; Bill Duffy, Economic Development Manager – Fort Lauderdale Chamber of Commerce; Frank Schnidman, FAU; Kim Liberty, Broward Alliance; Christopher Pollock, Greater Fort Lauderdale Lodging & Hospitality & Sister Cities; Romney Rogers, Chair – Greater Fort Lauderdale Chamber of Commerce; Jack Loos,

Downtown Development Authority; Kim Jackson, CRA Director; Terry Sharp, Finance Director; and Bud Bentley, Assistant City Manager.

The City Manager then proceeded to acknowledge the Chair of the Economic Development Advisory Board, Ms. Pat DuMont, who was also the former Chair of the Greater Fort Lauderdale Chamber of Commerce.

The City Manager stated that a verbal report had been given to the Commission on May 20th to set the stage for the new Commissioners. He further stated that there had been some specific recommendations made, and one of the major challenges was how to adequately staff for economic development within the changing environment. He advised there were a number of approaches that could be taken, and he hoped they could be discussed at today's meeting. He stated that various reviews had been done of the recommendations made by the Steering Committee and results from the Summit, along with those of the Economic Development Advisory Board. He further stated that today they wanted to bring forth to the Commission something that had the input of all the stakeholders. He announced that about 150 individuals had participated in the summit.

The City Manager stated that today's objectives were to chart a course which would establish sustainable economic development for the City of Fort Lauderdale. He further stated that everyone had heard the reasons why this needed to be done, and reiterated that they wanted to establish the City's identity both in the national and international markets. He continued stating that they wanted to meet the challenges economically which had come about since September 11th, the Iraq War, the external shocks to the stock market, and most recently how they would respond and react to the matters which had taken place in Tallahassee relating additional burdens being placed at the local level. He further stated that they needed to smooth out the "good times" and the more "difficult" times, and to work aggressively to diversify the economy. He stated they believed those things were accepted types of principles in which they now found themselves, and today he hoped they could collectively discuss what type of structure was needed to accomplish those goals.

The City Manager stated that it was interesting that some of things they had started which were not necessarily under the guise of an economic development program, but back to the year 2000, were coming to fruition. He stated that hopefully on June 10, 2003, the Commission could take final action and realize a major development they were all holding their breaths over and working towards. He stated that economic development was a continuing process, and was not something that could begin today and fruition be accomplished within a week. He further stated that for sustainable economic development he was going to have Faye Outlaw, Acting Director for Community and Economic Development, review the relevant points.

Faye Outlaw stated that some of the key points they were hoping to achieve was to focus and enhance the quality of life opportunities within the City, and assist

them in obtaining and strengthening the existing business phase, and support a business development and job creation initiative. She further stated they also wanted to accomplish the diversification of the economy while attempting to attract new businesses, and increase the capital investment.

The City Manager stated those points were a result of the Economic Development Steering Committee. A Beach Summit was then held at the Beach Community Center on May 8, 2002, which led to some further activities. He further stated that they wanted to attempt to summarize some of the activities they had held in order to show how they arrived at what they had today.

The City Manager further stated that the City-wide Economic Summit had been held on October 9, 2002, and reiterated that approximately 150 stakeholders had attended. He stated that Michael Matthias, Economic Development Manager, would summarize the points which came out of that Summit. He announced that he was not sure if all the new Commissioners had received the documents from that Summit.

Mayor Naugle stated they had the results which had been presented, along with the actual documents handed out at the event.

Michael Matthias, Economic Development Manager, stated that the Steering Committee had assisted the City in holding the Economic Summit on October 9th. He stated that he wanted to review the economic vision which had been adopted at that Summit to identify Fort Lauderdale in the future. He further stated that Fort Lauderdale was known for their results of their intense focus on public and private partnerships, including the nurturing of the education system and the production of regional and market focus in the work force. He stated they diversified business and had world-wide recognition as a center of international business and finance, clear and efficient transportation solutions that rival those of peer markets, best practices in municipal customer service, planning efforts to incorporate the aspirations of its neighborhoods. He further stated that due to its diversity of markets and people, the City was desirable as an international destination. He remarked that the City's citizens were the best informed advocates. He added the City was an astonishing place to live and visit.

Mr. Matthias stated the Summit was comprised of a morning session and break-out sessions in the afternoon dealing with various types of issues. He stated they had copies of the information obtained during those break-out sessions. A report was prepared from that Summit and presented to the Commission in November, 2002. The next step was to develop an economic strategic plan which was presented to the Commission in January, 2003. Today, he stated they would review in a condensed fashion what the primary elements were that had been

recommended in that strategic plan in terms of establishing priorities so they could proceed forward. He stated the priorities listed were as follows:

1. Need to actively participate in regional efforts.
2. Need to focus on international business.
3. Need to focus on small business development and resources.
4. Need to focus on job creation, especially high-end jobs.
5. Need to focus on targeting industries, especially bio-tech.
6. Need to develop a comprehensive incentive policy centering on the regulatory process.
7. Need to pursue business improvement and assist local business expansion and retention.
8. Need to coordinate an approach relative to permitting and regulatory planning and zoning in order to facilitate the process.
9. Need to maximize opportunities for economic development grants and funds from other agencies.
10. Long term issues dealing with economic development regarding work force, housing, transportation, and education.

The City Manager stated he did not believe the list of priorities had changed since the Summit had been held, but what had changed was their ability to tackle all of them at one time, and realize the results as of yesterday. He felt they needed to prioritize the priorities. He stated the question was how to accomplish that and how to do it in accordance with the priorities stated by the City Commission, and put things in their proper places. He stated they needed to decide how to organize themselves and see what resources were available. He further stated that he had the challenge of recommending a budget to the Commission, and within that they needed to address all the concerns and issues that had arisen during the year and were on "their plate." He disclosed that he was not presenting an organizational structure to anyone but the Commission. He stated he was going to ask Faye Outlaw to outline the parameters he had given to her and two of the Managers in order to arrive at a recommended structure dealing with economic development. He stated they would address the issues put forth from the Commission which they felt stood in the way from doing this effectively.

Ms. Outlaw stated that in general terms they started by taking an analysis of the internal function as it existed today and for the last year. She continued stating that they had an economic development function that was staffed relatively with non-professionals. There was a one person shop which was on board in a temporary capacity. She remarked they recognized the need to bring on board a professional permanent staff, and the need to rebuild the internal organization, if they were going to assume a role in creating sustained economic development through the City's effort, as opposed to what was happening at this time.

Ms. Outlaw explained they had reviewed other operations within the City which played a key role in the economic development arena, and how they could realign those functions to bring forth a united economic development operation

within the City. She stated they had looked at some of the barriers which hampered economic development in the City, as well as concerns heard from the Commission relating to difficulties and timelines for the permitting process. She stated they wanted to do a realignment of various departments which played a key role in economic development, and identify the placement of existing talent and creating new positions.

Ms. Outlaw stated their primary focus was to establish a function which would serve in a pro-active role with economic development, and facilitate it on the front end as opposed to regulating it on the back-end. She stated they would take into consideration that the regulations had to be followed, but if they could refashion their operations and do things proactively, it would help expedite the developments as opposed to having them get held up in the regulatory requirements. She further stated that one of the things they often heard from the business community was that the process was too cumbersome, and no one was available to help walk them through the zoning and building requirements.

Ms. Outlaw announced they were reviewing the CRA, planning and zoning functions, building and permitting function, the Executive Airport's relation to this, as well as the housing operation, along with how the education component could be included.

Commissioner Trantalis recapped that they were looking to increase personnel in order to facilitate the process. The City Manager remarked that Commissioner Trantalis had the wrong impression. He stated they were looking at reallocation of personnel to facilitate the process. Commissioner Trantalis stated that the biggest problem he heard daily was the surly attitude individuals received at the permitting counter. He felt that trait was being imposed on individuals due to their being overworked and under appreciated. He felt they needed to assist individuals in understanding the rules because they were not being given the tools to understand them. He agreed this was an important component in order to encourage people to participate in the redevelopment of the City.

Mayor Naugle stated the attitude might not be due to the fact the individuals were overworked or under paid, but the attitude of wanting to serve the customer.

Pat DuMont, Chair Economic Development Advisory Board, stated that individuals were committed to the process as evidenced by their participation in the October, 2002 Economic Summit. She stated that everyone recognized that economic issues and strategies would take steady effort over months and years in order to address all the issues. In order to achieve success, they needed to

identify a clear, practical idea, goal and objective. She stated their Board held a special meeting on April 9, 2003, to review the strategic plan and two motions

had been forwarded to the Commission as follows: (1) Recommending that the City budget for not less than a four-person permanent economic development division for the 2003/2004 fiscal year; (2) recommending the adoption of a proposed economic development strategic plan, and (3) that EDAP take an active role in implementing certain aspects of the plan. She stated that with the Commission's role as policymakers, they hoped to get direction today so everyone could begin implementation of a plan that would assure outstanding success in the economic future of the City.

Ms. DuMont reiterated that their board felt they could play a role in retention, education, and researching incentives. She stated that many issues mentioned today had been discussed by their Board such as attitude. She believed that once a permanent department was in place, good things would begin to happen.

Mayor Naugle reiterated that the Commission had adopted a budget on October 1, 2002 with 4 positions, along with a budget of \$639,000, but implementation had not yet occurred.

The City Manager stated that the ongoing challenge was to say who their partners would be, and how to proceed forward. He remarked that the Commission was aware that a number of proposals and suggestions had been received, and they needed to determine the best course that should be taken. In addition to what had been proposed regarding reorganization, he stated that he wanted to begin immediately to put things in motion. He stated there were certain aspects of economic development which he felt they could do most efficiently if things were staffed through performance based contracts utilizing services of the various partners. He explained that they partnered with the DDA, Broward Alliance, Broward Chamber of Commerce, and Broward County. He stated that from the standpoint of resource and in-house capability, they were still going to keep things relatively small, and he did not see them expanding right now. He further stated that resources were also being provided through the CRA. He stated that he believed that what was being done there, while being confined to a specific geographic area, some of those talents and abilities could be directly applied to the economic development operation. He advised that he wanted to present something that would optimize their ability to utilize in-house personnel and do things right.

The City Manager further stated that he felt with the movement of certain functions to the front end so as to take a more pro-active approach as opposed to "dropping the hammer of regulation." He also stated that he felt time and better creditability could be gained with the people that they were dealing with in taking such an approach. He stated that unless the Commission directed him otherwise, this was the direction which he was contemplating.

Mayor Naugle stated that he did not think the Commission had a preference whether they be positions in the City or contract out, but that they proceed forward.

Commissioner Trantalis asked if they were considering privatizing the Building Department. Mayor Naugle stated that they had good people who just needed proper direction, and that possibly courses could be offered to some of the personnel such as customer service. He further stated if all else failed, they could hire a company to do the work.

Jack Loos, Chair of the Downtown Development Authority, stated that he wanted to encourage the Commission especially with regard to recruitment and outreach programs to contract out to private organization, and not quasi-public organization. He further stated that he felt they needed more talented, accountable, and driven individuals. He felt they would do better to have a City point person there, but hire companies that could be fired at any point in time who did not perform. He stated the City did not have a good history for their economic development outreach program, and in this competitive environment, the Commission and City staff needed to be more aggressive than they would find within the government itself or the quasi-governmental groups.

Mayor Naugle stated they did not have strong performance measures to hold individuals accountable.

The City Manager stated that he felt they had good people in all City Departments, including the Building Department, and they needed to make sure it was properly focused, and then they would be accountable in that regard.

Norm Taylor, County Economic Development Director, stated that he had enjoyed participating in the summit, and felt the most important thing was that the discussion regarding regionalism relate to how other municipalities treated recruitment. He stated they discovered there was more synergy and opportunity to advance the overall economic development agenda in the County than they would have thought. He did not feel that they needed to be very competitive. He advised that in the past he had met with Pete Witschen in regard to providing support in the interim. He stated they would continue to support the City in doing the tax revenue instead of payout analysis work, and other types of due diligence work that needed to be done. He stated that he continued to advocate partnerships and building relationships with the County and other organizations.

Mr. Taylor stated that in regard to contracting and having performance tied to outcomes, the important thing was to know what outcomes were wanted. He felt it would be difficult to contract out to an organization if they did not know the targets and what the changing dynamics were in the new economy. He stated they were running out of land and had to retrofit the existing properties so that it

excluded certain types of business and industry because everything that might happen on the horizon might not be for them. He further stated that Commissioner Eggelton had chastised him about a business that he thought had been lost to Jacksonville, but the truth of the matter was that the business needed to be in that City and should not have been in South Florida. He further stated that economic issues were tied to environmental sustainability issues. He stated that when you gave a contract to someone and expected them to perform, that performance might include a heavy manufacturing company that could not be accommodated. He suggested the Commission be clear in their direction.

Mayor Naugle stated there was a great example of cooperation today and yesterday when it had been announced that the Palm Beach jet manufacturer was going to Opa Locka.

Romney Rogers, Chair of the Chamber of Commerce, stated he wanted to applaud the City in their efforts regarding economic development. He stated the City needed to be visionary in this area and bring individuals to the table because otherwise there could be competing interests.

Commissioner Hutchinson left the meeting at approximately 2:02 p.m.

Mr. Rogers stated they wanted to encourage the City to “get on with the process,” and help partner in that process.

Mayor Naugle asked the City Manager to explain when the budget would be presented to the Commission.

The City Manager stated that the budget message was to be presented on July 15th, but a preview would be given on June 17th.

Mayor Naugle stated that the Commission had previously adopted the principles outlined in the Summit and to accomplish those, the Commission was open to contracting with other organizations instead of doing the work in-house, as long as there were performance measures and clear direction and accountability.

Commissioner Hutchinson asked if that would be done through competitive process. The City Manager confirmed and stated that would be a better way to proceed. He stated that letters of interest or another basis by which they could make a fair and objective judgment could be used. He felt if it was broken into various components, they could have a tighter mechanism by which to capitalize on.

Commissioner Trantalis stated that it appeared that the process for economic development was very clear. He stated they could camouflage it with a lot of

fancy vocabulary, but the reality was that they were looking to invite individuals to the City and make them want to live and work here. He stated that companies everywhere looked for venues by which they could locate their companies, and he felt it was incumbent upon them as policymakers to make the City attractive. He stated that when he looked at economic development and the things this Commission needed to do to promote that, it was simply to make the City look good. He remarked it could be physically or economically attractive and could include all the amenities which people considered in regard to relocating. He reiterated this should be done during their normal course of business. He felt that their competition was no one else but themselves if they wanted to succeed.

Mayor Naugle agreed and stated they needed to be mindful that whatever was done, the City should remain a place everyone wanted to continue living in. He stated that one particular goal, which he realized was short term, but hoped they could accomplish was to tie down the question regarding the Federal Courthouse so it would not go to another area. He felt the courts were a large part of the Downtown. Commissioner Trantalis asked about the status of those discussions. Mayor Naugle stated the Judge had not yet made his decision.

Commissioner Hutchinson stated that the Judge had been shown other proposals, and now they were attempting to obtain funding. She reiterated that without money, there would be no issue regarding a site.

Mayor Naugle stated that until Congress appropriated funds, everything was on hold.

Commissioner Trantalis stated this was important, but he felt another component to that decision was where the Federal Bar would locate their offices. Mayor Naugle remarked that the TMA had a meeting in an attempt to develop a strategy to attract Federal funds. He announced that the Mayors in South Florida were going to meet on the 20th at Parrot Jungle to discuss the proposal for the FEC in an attempt to get people back to the railroad.

Commissioner Hutchinson stated that they had tried to work proactively in regard to the Courthouse in connection with various sites that had been offered. She further stated that charrettes had been hosted by the DDA in regard to parcels that were available for the Courthouse, and the object was to get them to focus on the various parcels which were available.

Commissioner Trantalis asked if they had made the same proactive effort in regard to the County in connection with relocating the government center. The City Manager replied that they had made overtures to the County from the beginning.

Commissioner Hutchinson stated it was her impression that the Selection Committee had been formed due to what they wanted to do in Downtown Fort Lauderdale. She further stated they wanted to rebuild on the property they presently owned.

Mayor Naugle stated that when the Summit had been held in October and where everyone now stood, there had never been a time where so much construction had taken place. He stated that tourism was up, the marine industry was growing, and real estate values were increasing. He further stated that in speaking with other Mayors around the Country, he felt their challenge was to make this City the best they could and keep up with competition. He stated they appreciated everyone's hard work and efforts in attaining their goal.

There being no further business, the meeting was adjourned at approximately 2:15 p.m.