

**ECONOMIC DEVELOPMENT ADVISORY BOARD**  
**Meeting Minutes**  
**July 12, 2006 at 4:00 P.M.**  
**City of Fort Lauderdale**  
**100 North Andrews Avenue**  
**8<sup>th</sup> Floor Conference Room**

<u>Board Members</u>	<u>Attendance</u>	<u>2006 Cumulative</u>	
		<u>Present</u>	<u>Absent</u>
Robert Boyd	P	5	2
Mark Budwig, Vice Chair	P	7	0
Will Burrington, Chair	P	5	2
Pat DuMont	A	3	4
Kristina Hebert	P	5	2
Cort Neimark	P	5	2
Adam Sanders	P	5	2
Tim Schiavone	A	4	3
Gerri Washington	P	5	2
Gwen Watson	P	7	0
Lisa Zelch	P	4	3

**Staff**

Ron Hicks, Director of Economic Development  
Peter Partington, City Engineer  
Heslop Daley, Project Engineer  
Patricia Smith, Secretary III  
Lavya Vassor, Recording Secretary

**Guests**

Mayor Jim Naugle

**I. Call to Order and Introductions**

Chair Burrington called the meeting to order at 4:09 p.m. Board members, City staff and guests introduced themselves in turn.

**II. Approval of May and June 2006 Minutes**

Mr. Hicks explained several changes he had made to the May minutes.

**Motion** made by Mr. Budwig, seconded by Ms. Hebert, to approve the minutes of the May 2006 meeting as amended. In a voice vote, the motion passed unanimously.

**Motion** made by Mr. Budwig, seconded by Ms. Zelch, to approve the minutes of the June 2006 meeting. In a voice vote, the motion passed unanimously.

**III. Director's Report**

Ron Hicks

Regarding Ms. Hebert's idea last month to hold a community forum to solicit input about what people felt were the biggest problems facing Fort Lauderdale, Mr. Hicks said he had spoken to the City Attorney, who advised him that the Board could include this on their own agenda.

Mr. Hicks said he had mentioned Board members' concerns about lengthy, badly-timed railroad crossings to Peter Partington, City Engineer, who was present today, but Mr. Hicks said he had subsequently learned that there was "no changing the trains."

Mr. Hicks reported that he and Mr. Budwig were still working on a new website, and Mr. Hicks would bring a prototype brochure to the Board's next meeting.

Mr. Hicks reported that John Adams's visit had been a great success.

Regarding the Business Improvement District, Mr. Hicks reported that the BID would be on the Commission's conference agenda on July 18. If the Commission approved it, the item would go through two meetings for the ordinance and two more meetings for the assessment. Mr. Hicks explained that the BID was a self-imposed tax or assessment paid by businesses in a designated area to allow them to provide services over those provided by the municipality. The assessment was based on property value and could be used to fund "beach ambassadors", additional beach maintenance and median improvements. The property owners in the district could decide on other uses for the assessments. Mr. Hicks noted that the "bed tax" was paid to the County, not the City, and Mayor Naugle stated that the City received only slightly more than 20% of property taxes collected.

**Motion** made by Mr. Budwig, seconded by Mr. Neimark, to express the EDAB's support for the creation of a Beach Business Improvement District. In a voice vote, motion passed 8 - 0.

Mr. Hicks invited Board members to attend:

- ❖ The Midtown Business District meeting on July 14;
- ❖ The Broward Alliance Partners Council meeting in Pompano on August 2;
- ❖ The Florida Life Science Summit in Jupiter on July 24.

**IV. Update: Traffic Signals and Signs**

Chair Burrington

Mr. Peter Partington, City Engineer, explained that the City had an agreement with Broward County for maintenance of street signage and control of traffic signals' timing. Mr. Partington explained that the County's sign shop and crews were overwhelmed after last year's hurricanes and the County had contracted some work out. County employees had created work orders for sign replacement and repair, and the contractor planned to complete all of their work by the end of July. Mr. Partington advised Board members to call him or the County directly if they knew of signs that were still missing after July.

Mr. Partington explained that there was a rudimentary system in place for signal synchronization. An upgrade and optimization of this system was just beginning. Mr. Partington explained the "old style" system currently in operation, and added that there were physical portions of the system that were damaged and no longer functioned properly. Mr. Hicks informed the Board that the Commission and City Manger had approved and funded a position for a traffic consultant.

**V. Discussion with Mayor Jim Naugle**

EDAB Members

Chair Burrington thanked Mayor Naugle for attending and asked for his ideas regarding economic development in Fort Lauderdale.

Mayor Naugle informed the Board that some Commission members were on Wall Street last week to discuss the City's credit rating in anticipation of a \$700 million revenue bond the City wanted for WaterWorks 2011 in the fall. The City currently had the third highest rating in the state and hoped to improve their rating.

Mayor Naugle referred to the ad valorem tax profile report he had distributed, noting that Fort Lauderdale's per capita taxable value was much higher than any other city on the list. Unfortunately, they were also highest in terms of taxes levied.

Mayor Naugle informed the Board that the Marine industry was now the County's largest industry, with an economic impact of over \$10 billion, with over 133,000 employees county-wide. Mayor Naugle said they could now concentrate on attracting more "meaningful", higher-paying jobs.

Mayor Naugle said the Wall Street people were discussing the City's housing market. Many people were concerned with affordable housing, and noted that the condominium market was "soft." Mayor Naugle stated, "when you have a soft real estate market... you get affordable housing." He reported that currently there were 25,000 housing units on the market in the greater Fort Lauderdale area, compared to 9,000 the same time last year. He stated the "so-called housing crisis... is over, and fortunately the City Commission rejected the notion of adopting an ordinance for rent control price control."

Mayor Naugle felt the three most important things that could be done to encourage economic development were:

- ❖ Spend an adequate amount on public safety
- ❖ Make business regulation accommodating
- ❖ Reduce expenditures

As an example of expenditure reduction, Mayor Naugle referred to the City's decision last year to privatize sanitation services. Previously, half of the City's sanitation services were contracted out and half were performed by City employees. The costs for the City's portion were significantly higher than the costs for the contracted services. When the contract for providing all of the City's sanitation services was put out to bid, the bids were half the existing costs. They had discovered that drivers' pay was equal, but private companies had higher productivity, accounting for approximately half the savings, and fewer benefits, accounting for the rest of the savings.

Mayor Naugle said they had recently considering privatization options for issuing building permits. Because of the building cycle of the City, Mayor Naugle felt private contractors were needed to cover the "peaks" so that when they were in the "valleys" they did not have "all those pensions and benefits on the payroll and no revenue to cover it."

Mayor Naugle said that in the last five years, builders built condos because financing was available for those; these additional residents had now created a demand for more office space

in the City and the vacancy had gone down, while occupancy was up. Mayor Naugle felt that construction would continue, and so would the growth of the tax base, and the byproduct would be more affordable housing.

Ms. Hebert said the marine industries were concerned about finding the workers they needed in south Florida. Mayor Naugle felt wages would need to increase because of the low unemployment. He said their strategy was to be sure the jobs they attracted paid enough to cover the high cost of living in the area.

Mr. Budwig asked about the expedited permitting process. Mayor Naugle said that many inspections could now be performed by an architect or engineer; some must still be performed by City employees.

Ms. Watson asked if the Police Department staff levels had been restored since the layoffs a few years ago. Mayor Naugle said the "so-called financial crisis of the City was just a tiny hiccup" and the City had only laid off six people. He felt the newspapers had been "so dishonest" in their portrayal of the situation but added that this had helped the City to increase productivity and eliminate longevity pay, thereby enabling the City to become more efficient.

Mayor Naugle explained that the following things had an impact on the City's financial health:

- ❖ September 11, 2001 had a huge impact on their pension fund due to the stock market drop; taxpayers had been forced to make up the shortfall
- ❖ The former City Manager was not keeping track of costs, resulting in \$6 million in overspending in overtime
- ❖ Health costs were out of control and benefits were too rich, with insufficient employee contributions to their own health insurance and the City neglecting to negotiate with providers

Mayor Naugle explained that the Police and Fire Departments had not a single layoff at that time, but some positions were left open. The Police Department had subsequently increased productivity. Mayor Naugle added that since the closing of the jail, there were more officers available to work on the City streets.

Mayor Naugle said the City's biggest financial challenge was pensions, particularly for public safety employees. They were retiring people in their forties and supporting them for another forty years. Mayor Naugle said if they were the only city to change this and go to a defined contribution plan, they would be unable to attract qualified people. He said he was working on the other Mayors on the ad valorem tax profile report list to create a cartel of cities to change to defined contributions.

## **VI. Other Business**

EDAB Members

The Board discussed the possibility of not meeting in August. Mr. Hicks said he would check with the City Attorney's office to see if this was permissible and let Chair Burrington know.

Chair Burrington summarized the Mayor's priorities regarding economic development:

- ❖ Provide a safe City
- ❖ Provide a streamlined place for business to operate
- ❖ Reduce taxes

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Chair Burrington said he hoped to have the Vice Mayor attend their next meeting to obtain her ideas.

There being no further business to come before the Board, the meeting was adjourned at 5:20 p.m.

Handouts:

2005/2006 Ad Valorem Tax Profile report