

APPROVED
ECONOMIC DEVELOPMENT ADVISORY BOARD (EDAB)
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
WEDNESDAY NOVEMBER 10, 2009 – 3:45-5:15 P.M.

1/09 – 12/09

Board Members	Attendance	Present	Absent
Ralph Riehl, Chair	P	10	0
Mark Krom, Vice Chair	P	9	1
Mark Budwig	P	8	3
Patricia DuMont	P	9	2
Sean de Vosjoli	A	7	3
Christopher Denison (arr. 4:01)	P	5	1
Miya Burt-Stewart	A	5	1
Sheryl Dickey	A	3	3
Dev Motwani	P	4	1
Christopher Pollock	A	1	2
Adam Sanders	A	1	2

Staff

Stephen Scott, Economic Development Director
Karen Reese, Economic Development Representative
Patricia Smith, Economic Development Representative
DeDe Alexakis, Financial Management Analyst
Jennifer Picinich, Recording Secretary, Prototype, Inc.

Communications to City Commission

None at this time.

I. Call to Order & Introductions

Chair Riehl called the meeting to order at 3:52 p.m. Roll was taken and it was noted a quorum was not yet present.

Mr. Scott introduced DeDe Alexakis, who works with the City's Grants Office.

As the minutes could not be approved in the absence of a quorum, the following items were taken out of order on the Agenda.

III. Fort Lauderdale Police

Chair Riehl advised that Police Chief Hanstein was unable to attend today's meeting. It is hoped he will be able to attend the December Board meeting.

VII. Super Bowl Update

Mr. Scott distributed invitation fliers to the upcoming Holiday Lighting Ceremony, noting that the project is financed primarily by the Beach Business Improvement District, along with some private contributions.

He explained that he would need to leave today's meeting early due to another mandatory meeting.

He informed the Board that a special ordinance has been passed for the Super Bowl. One aspect will waive the restrictive provisions of sign Code, such as size and location, while keeping the public safety aspects. The Ordinance must still be reviewed by the Planning and Zoning Department.

Another part of the Ordinance waives the open container restrictions on Fort Lauderdale Beach inside a specific area. Mr. Scott felt this is also in keeping with a desire to "encourage more fun in the City."

He continued that the Saturday night before the Super Bowl, there will be a beach concert event put on by the Super Bowl's promoters. It has not yet been revealed who will put on the concert, but it is believed 35,000-40,000 could attend the Saturday night event.

Mr. Denison joined the meeting at this time (4:01 p.m.).

Mr. Scott advised the concert will be free to the public, with a VIP section reserved for NFL representatives.

He stated that the BCIP grant nominees will make presentations at the December 2009 meeting, and the Board will be able to "rank" the grants and recommend for or against the City Commission issuing them. He urged as many Board members as possible to attend this meeting.

Mr. Scott advised that Jim Carras will make a presentation to the Board at today's meeting, on the subject of recovery bonds. The City is in the process of devising a plan for stimulus funds that it will present to the City Commission; Mr. Scott explained he hoped to discuss the City's specific plans for recovery bonds at the next scheduled meeting.

Chair Riehl stated he wished to recognize Mr. Scott's work toward sidewalk café licensing along the beach, as all four of the interested businesses have now obtained the necessary licenses. He felt Mr. Scott's assistance was instrumental in completing this effort.

Mr. Scott moved on to the Boat Show, asking the Board for any feedback they might have on the recent event.

Mr. Denison stated several companies had sold boats, although some were at a discount; overall, he felt it was "much better" than the 2008 Boat Show, and although traffic was down, "quality was good." He felt the City should continue to try to bring as many boats as possible to South Florida.

Mr. Scott agreed he had heard the same response from other Boat Show participants: while the number of visitors may have been down, purchasing was up.

Mr. Scott departed the meeting at this time (4:08 p.m.).

IV. Economic Development Recovery Bonds

Jim Carras, representing Carras Community Investments, stated he was Principal of this community and economic development consulting firm based in Fort Lauderdale. He is also a former member of the Board. He explained Mr. Scott had invited him to speak on the topic of recovery zone bonds.

He stated the City will announce its plans in the next month or so for the allocation of these bonds. Recovery zone bonds are part of the American Recovery and Reinvestment Act of 2009, and create a new type of taxable and municipal bond. The first category of these is "Build America Bonds," which have the goal of providing local governments with greater borrowing capacity and lower costs.

Following the collapse of the financial markets in 2008, it has been very difficult for government agencies to borrow money in the public markets; it has ordinarily been common for governments to do this for capital projects, such as streets, sidewalks, lighting, water/sewer use, public facilities, or other capital improvements. The stimulus bill authorized ways in which the government can help stimulate the economy, create jobs, and help pay the capital markets for the issuance of bonds such as these; Mr. Carras noted these are not only for public projects, but for capital projects as well.

He advised these are "normal" bonds that must be underwritten, with a solid credit rating, and must use a "bond counsel" and other standard precautions. All efforts related to these bonds must be complete by January 1, 2011. This type of

bond is considered one mechanism “to get shovel-ready projects moving.” Mr. Carras explained that in public financing, there must be a viable revenue source that shows investors that the City, State, or County has a way to pay these bonds back.

There are two types of Build America Bonds: one is a tax-credit bond, in which the bond holder receives taxable interest as well as a tax credit equaling 35% of the interest payment, and a direct payment bond, which is equal to 35% of the interest payment on bonds. For the City, Mr. Carras stated, this means if they issued a Build America Bond to create a new facility, they would receive a 35% discount up front to help pay for the bond.

Old debt may not be reworked or re-financed through bonds, he noted.

Recovery Zone Bonds refer to areas designated by a municipality or county as areas that have significant poverty, high unemployment, a high foreclosure rate, or “general distress.” The issuer of the bond designates this recovery zone: for example, the entirety of Broward County has been designated as a recovery zone. Other designated zones include a Federal Empowerment Zone or a renewal community. Mr. Carras advised when City Staff appears before the City Commission with their proposed plan for the City, they could recommend to the City Commission whether they designate the entire City, a CRA, or low-income areas as a recovery zone.

One type of Recovery Zone Bond is an Economic Development Bond, which is a Build America Bond with 45% subsidy on the interest instead of 35%. Again, this bond must be issued by January 1, 2011, and must be used for “a qualified economic purpose” in a recovery zone, such as capital expenditures with respect to property in the zone, public infrastructure, construction of public facilities, or expenses for job training or education. All such projects must use Federal Davis/Bacon prevailing wage regulations.

Mr. Carras moved on to Recovery Zone Facility Bonds, which differ from other bonds because they are for private businesses. He used the marine industry as an example, pointing out that a company could purchase and reconstruct an old marina; they could ask the City to issue a Recovery Zone Facility Bond for this purpose. While the City would not back such a bond, they can issue it, and the private business must find investors for it. The subsidy on this interest payment is also 45%, and can act as a source of financing for the project. There are several exceptions to the projects that can be financed in this manner, including gambling facilities or stores for alcohol sales.

He added there is a \$15 billion nationwide cap on Facility Bonds. There is no cap on the Build America Bonds.

In Fort Lauderdale, Mr. Carras continued, there is an \$8.45 million allocation for Economic Development Bonds, and a \$12.88 allocation for Facility Bonds. Broward County, however, has \$40 million allocated for Economic Development Bonds and \$61 million for Facility Bonds. The State received over \$538 million in Economic Development Bonds and over \$807 million in Facility Bonds. Several cities in Broward County also received separate allocations, and can “upstream” their allocations to the County if they do not wish to participate in the bond program, although Mr. Carras was not aware of any cities in Broward County that have elected to do so.

He concluded that the available bonds are “an important source of money,” and government agencies nationwide are putting these opportunities to use. He explained that access to capital may be the most critical issue facing the U.S. economy today, as many banks are still not lending. These government programs can offer alternate sources of funding to finance economic development.

Mr. Denison offered the example of a project that is underway, which would build a marina for approximately \$24 million. He asked if an RFP could be submitted and partial development could be funded – for instance, buildings but not landscaping. Mr. Carras agreed this could be done, explaining that the City and County each have a specific amount in bonds they could use toward the project if they chose. He noted that the County would award points depending upon the availability of other funding, such as if the project is located in an area that does not have its own allocation.

He added that the point rating is driven by the creation of jobs, particularly above-minimum-wage jobs and preferably those with significantly higher wages. The County would also be likely to give points to targeted industries such as the marine industry.

Chair Riehl thanked Mr. Carras for his presentation to the Board.

V. Chair Report

Chair Riehl stated his goal upon becoming Chair was to create jobs, and advised that the sidewalk cafés had created 26 jobs in the City; the support for waverunner tours on the Intracoastal Waterway had created 10 additional jobs for a total of 36.

VI. Children’s Waterslide Park Program

Chair Riehl advised this is the Board’s next project, and explained this is an inflatable waterslide to be located in the beach area. He felt this would enhance the amenities available on the beach and create jobs in the community as well.

The slide is deflated at the end of each day and is re-inflated the following day, and can be used as a “dry slide” in cooler weather.

He suggested a piece of property leased by the South Florida Tourism Council, and added that he had met with Planning and Zoning Director Greg Brewton to discuss the possibility. Some green space would need to be added to the property, which is located on Fort Lauderdale Beach next to the Bubba Gump Shrimp Company.

Chair Riehl continued that the slide would have to go through a Level 4 approval process, which means it would go through the DRC and the Planning and Zoning Board. He estimated eight to ten jobs would be created.

Ms. DuMont asked if the City had to make any concessions for the project. Chair Riehl explained the South Florida Tourism Council is a non-profit corporation and no concessions would be expected.

II. Approval of October 14, 2009 Minutes

Motion made by Mr. Motwani, seconded by Mr. Budwig, to approve the minutes of the October 14, 2009 meeting. In a voice vote, the **motion** carried unanimously.

VIII. Communications to the City Commission

None at this time.

IX. Old / New Business

Ms. Reese advised that two reality series, as well as “America’s Most Wanted,” have applied for film permits. Another recent request is from MTV, who would close the tunnel and film with Usher. As the tunnel is owned by FDOT, the City must defer to them for approval.

Ms. DuMont reminded the Board that the upcoming Centennial Celebration now has its own website, accessible through the City’s site. The Centennial Celebration Committee is looking for the names of 100 Fort Lauderdale community leaders; Ms. DuMont encouraged the Board members to visit this website and make nominations in this category.

She added that there is an effort to bring a ship commission to Fort Lauderdale for the *U.S.S. Jason Dunham*, which will be commissioned in December 2010.

There being no further business to come before the Board at this time, the meeting was adjourned at 4:42 p.m.

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[Minutes prepared by K. McGuire, Prototype, Inc.]