

APPROVED
ECONOMIC DEVELOPMENT ADVISORY BOARD (EDAB)
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
WEDNESDAY, NOVEMBER 10, 2010 – 3:45-5:15 P.M.

<u>Board Members</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Dev Motwani, Chair	P	10	0
Miya Burt-Stewart, Vice Chair	P	7	3
Sean de Vosjoli	A	5	5
Christopher Denison	P	10	0
Sheryl Dickey (3:58)	P	8	2
Kenny Herskowitz (4:02)	P	5	3
Jason Hughes	P	1	0
George Mihaiu	P	3	1
Cort Neimark	P	7	3
Ralph Riehl (4:01)	P	8	2
Adam Sanders	P	6	4

At this time, there are 11 appointed members to the Board, which means 6 would constitute a quorum.

Staff

Stephen Scott, Economic Development Director
Patricia Smith, Economic Development Secretary III
Karen Reese, Economic Development Representative
Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order & Introductions & Chair Report

Chair Motwani called the meeting to order at 3:45 p.m. Roll was called and it was noted a quorum was present. The Board, guests, and Staff members introduced themselves.

2. Approval of September 8, 2010 Minutes

Motion made by Mr. Neimark, seconded by Mr. Sanders, to approve the minutes of the September 8, 2010 meeting. In a voice vote, the **motion** passed unanimously.

III. Introduction of New Board Member

New member Jason Hughes is Director of Marketing for Classical South Florida, a new public radio station in the area. He was appointed to the Board by Commissioner Charlotte Rodstrom.

IV. Citywide Boating Initiative

Carlos Vidueira, Executive Director of the Marine Industries Association of South Florida, stated that the marine industry in Broward County has lost 42,000 jobs and \$3.3 billion of economic impact since 2005. He felt the Association could work cooperatively to increase the size of its market, increase employment, and work with the City and County to change the role of the marine industry in the South Florida marketplace.

Mr. Vidueira said the first step will be to bring the industry back to where it stood in 2005. The Association has functioned in the past as “a social network of businesses,” which can be sufficient in good economic times; when the economy is more difficult, however, he advised that marine businesses need to work together more cooperatively.

Ms. Dickey joined the meeting at 3:58 p.m.

The Association has reorganized its actions into three functions:

- Promotion: to promote marine businesses, boating in general, and the greater south Florida region as a place for boating activities;
- Set and raise the level of professionalism portrayed by the industry on a local, national, and international scale;
- Regulation: help City, County, State, Federal, and international agencies assist the Association in performing its functions with as little impediment as possible.

Mr. Vidueira said the Association plans to re-brand itself as an association, an industry, and part of the City altogether. They have created a series of marketing campaigns to show the Association is not limited to promoting boating and the marine industry alone, but giving boaters “something to do,” such as having destinations once they are on their boats.

He noted that no international marketing is done to bring more yachts to south Florida: the yachts that visit the City are coming to individual businesses or companies. Mr. Vidueira pointed out that yachts will spend an average of \$500,000-\$1 million on each visit to the City. He said there should be “an organized method” to bring more yachts to Fort Lauderdale.

Mr. Riehl joined the meeting at 4:01 p.m.

The state of the industry itself is down approximately 30-50% from its peak. Mr. Vidueira said this trend has “hit bottom” and is now slowly trending upward, which he felt was reflected at this year’s Fort Lauderdale International Boat Show. One objective of the Association is to accelerate this recovery, which means the Association should encourage boaters to return to Fort Lauderdale as they had before.

Mr. Herskowitz joined the meeting at 4:02 p.m.

Mr. Vidueira noted that the Monaco Boat Show occurs three months prior to the Fort Lauderdale International Boat Show, and this year Monaco experienced its best show in three years. Most importantly, he said, more boaters were discussing visiting the Caribbean. This is important because the lack of large yachts moving from the Mediterranean to the Caribbean has had a great impact on the marine industry in south Florida.

Mr. Vidueira said the Fort Lauderdale International Boat Show is owned by the Marine Industries Association of South Florida, although in the past the Association relegated several responsibilities to the promoter and operator. He did not believe the Association could afford this luxury in the future, as it places them in a weak position with regard to influencing decisions that will affect the overall economy. The Association hopes to create a Boat Show that is more conducive to buying and selling product. In addition, boat shows worldwide are decreasing, which provides an opportunity for Fort Lauderdale to capture some of the market share left over by failed shows.

He concluded that the Boat Show is presently “at a key crossroads,” where it can begin to radically improve and perhaps realize gains from the rest of the world. He said the question for south Florida, and the Association in particular, is “are we ready for the rebound” to the economy, with service providers and facilities that are prepared to deal with an increase in business.

The Association’s strategy for industry growth “starts with the small boats” that are 35 ft. or less in length. Mr. Vidueira said Fort Lauderdale’s canal system, weather, beaches, and access to boating make it stand out from other cities nationwide. The Association has to promote the south Florida lifestyle in a way that “gives us a competitive advantage over everybody else.” He added that there are over one million cruise visitors to the City each year, and this should be tied into the effort to increase boating as well.

In the mid-sized boat market, which includes vessels between 35 ft. and 100 ft., Mr. Vidueira said south Florida is the optimal place to visit for boaters nationwide, as well as the best place to keep their boat throughout most of the year.

The third market includes the mega-yachts. Mr. Vidueira said the Association hopes to convince more of these boats to visit the Caribbean, which often results in a stop in south Florida. He noted there is no way to measure how many “mega-yacht days” are spent in this market.

The Association has established a Marine Master Plan, which looks at all the City’s assets and how priorities for the industry might be augmented or improved. This means making the City more boating-friendly for all sizes of vessels, and turning the Boat Show into “a celebration of the south Florida lifestyle” by expanding it. The Association also hopes to get the general public more involved by making the Boat Show a “logical, easy” place for residents and their families to visit.

The Association hopes to work with the Swimming Hall of Fame, which wants to present swimming not as a sport but as a life skill. He noted that an individual’s job opportunities in south Florida will be limited if that person does not know how to swim.

Mr. Vidueira added that dredging is “a huge issue” for the Association, but there are still many things that can be done on the City’s waterways, even without dredging. While they will continue to be aware of this issue, it is not a complete solution to the industry’s problems. There has also been discussion of bringing a commuter rail to south Florida in order to make the City and surrounding areas “more livable,” and the Association is working to ensure this plan does not affect boating.

Vice Chair Stewart asked why Pier 66 was “cut off.” Mr. Vidueira explained that this facility is owned by a New York-based investment fund, which purchased the facility based on what they felt would be a very profitable revenue stream from the Boat Show. He noted that this facility is detached from the rest of the Show, and the goal is to create a better experience at the Show itself. He was not certain whether or not Pier 66 would remain in the Show.

Vice Chair Stewart noted that she is not connected to the marine industry, and asked what a resident or visitor who does not own a boat should do to become more involved with boating. Mr. Vidueira said non-boaters may not be aware of all the boating-related amenities available to them. In addition, once they are on a boat, there is no way to determine what the boating experience will be like.

Vice Chair Stewart asked if the Association’s push toward attracting non-boaters in the community to attend the Boat Show was largely economically motivated. Mr. Vidueira said the intent is to spread the boating culture among new participants and perhaps to encourage individuals to want to purchase boats in the future.

Mr. Scott said another point raised by Mr. Vidueira at a recent Beach Redevelopment Board/Beach CRA meeting was the need for a signature event on the beach. If the Boat Show is expanded, it could become more than a place to go to purchase a boat, as it could include different sections with different activities and ultimately become a larger and longer-lasting event. He noted that the promoter has experience in staging "large-appeal" events over multiple days, and opportunities could be created for visitors to experience boating at the Show.

Ms. Dickey said the City has also lost tourism-related industries for boating, such as services that take people fishing. She recommended working with the Broward Alliance and the Greater Fort Lauderdale Chamber of Commerce to "get some of those people back." This would not only help the marine industry but could help other small businesses grow as well. Mr. Vidueira agreed, pointing out that many marine industries are very small businesses with three or four employees, and these businesses were not organized to react when the economy became difficult.

Mr. Denison said only approximately 17% of people in the United States have ever been on a boat. He said most visitors to the City have had positive experiences when they use the Water Taxi, and noted that this business is one way to introduce visitors to Fort Lauderdale as "a city of waterways."

He continued that other marine communities, such as Boston, have historical events that invite people to the water, such as whale watching and visiting the islands around the Harbor. These events not only use waterways but help bring the community together.

Chair Motwani said he had recently visited the Boat Show, and agreed that there could be more activities to bring people to attend. While everyone in the yachting industry is aware of the Boat Show, he felt this demographic could be expanded in order to create a signature event for the community.

Mr. Mihaiu asked how the goals of increasing the buying and selling that goes on at the Boat Show and bringing the general public to the Boat Show could be incorporated. Mr. Vidueira said "the key is to separate the experience" without letting people know this has been done and create different experiences for visitors.

Mr. Riehl said in the earlier years of the Boat Show, the experience was "fantastic" for businesses on the beach; however, as the Show became larger, it began to incorporate more merchandise, food, and amenities inside its gates. As a result, businesses on the beach are "quiet" during the Boat Show. He advised Mr. Vidueira to consider how to get greater support from the business community on the beach by "not emptying out their stores and restaurants."

Mr. Vidueira replied that he hopes to establish an “easy flow in and out of the Boat Show” to encourage visitors to go to the businesses on the beach. He noted that this is another reason the Association wants to bring more customer traffic to the entire area and maximize the revenue from the Show itself.

Mr. Riehl continued that “the best experience in Fort Lauderdale is the Water Taxi” according to many visitors. Mr. Vidueira noted that this showed the rest of the overall City experience could be improved. Chair Motwani said this could be the first experience on the water for some people, including residents.

Mr. Herskowitz asked how the coming Blackstone project would affect the Boat Show. Mr. Vidueira said he felt this would be “fantastic,” and said they had changed the plan after presenting it to the Association for review. He felt the project would help “create the right kind of experience that we need for that show.”

Mr. Denison said several cruise ships bring in people to the Marina Bay area. If these visitors could be brought from this area into the City, it could be very profitable. Mr. Vidueira agreed that “the cruise industry... doesn’t like to share their customers,” but having these visitors come to Fort Lauderdale creates an opportunity to “get them something to do.”

Mr. Scott said he has worked with the Transportation Management Association (TMA), and there is now a plan to get people from the port to the City by partnering with the Sun Trolley and other lines. He agreed with Mr. Vidueira that the cruise ships felt money spent in the City would not be spent on their cruise.

Mr. Vidueira said any initiative involving economic development should have a marine industry component to it, particularly if the effort involves the beach, the New River, or the branding of south Florida.

Mr. Denison asked if there have been “any problems with police” or with sign Code issues with regard to the Boat Show. Mr. Vidueira said they have heard complaints about “unfriendly police officers,” and many of them seem to be justified. He concluded that while the City has been very cooperative, the Boat Show has asked the police to “do a lot of things that are very difficult to do.” He reiterated that the Boat Show experience could be made more welcoming for everyone.

Mr. Scott said he and Mr. Vidueira have discussed how the City can partner with the marine industry and how to address many of the issues raised today. Chair Motwani said while many jobs in the marine industry in south Florida may have been lost due to the economic downturn, jobs have also been lost to other parts of Florida and to other states. He asked if the industry has taken any steps to address this.

Mr. Vidueira replied that jobs are not being lost to other parts of Florida; what has happened is people have not yet returned to their normal recreational activities, such as boating. They will have to be convince to begin boating again, and when this happens, "the jobs are here, in south Florida." He did not feel that other cities and states have fared better than south Florida in the current economy, and noted that "you can export the factory, but not the weather."

Mr. Hughes asked if a visitor could come to the City and rent a boat. Mr. Vidueira said a visitor wanting to do this would probably not know where to go, and would hopefully find an individual who would rent him a boat.

Mr. Mihaiu asked if the Association was reaching out to the Beach Business Improvement District Advisory Committee to create "a Boat Show and beach festival," or a signature event for the City. Mr. Vidueira said he is listening to the input of different groups to hopefully "integrate the general public of the City" behind the boating effort, which will help improve the overall economy.

The Board thanked Mr. Vidueira for his presentation.

V. Small Business Administration

Chair Motwani introduced Rafael Cruz, Regional Director of the Small Business Development Center (SBDC) in Broward. He recalled a recent article describing a partnership between the city of Miami and the Small Business Administration (SBA) with the intent of raising awareness and making it easier to seek an SBA loan. He felt Mr. Cruz could provide similar information to the Board for the City of Fort Lauderdale.

Mr. Scott explained that he is on the Board of Governors of the Downtown Council Chamber of Commerce, which is interested in sponsoring a small business workshop. He suggested that the Board might want to consider partnering with the Downtown Council to sponsor this event.

Mr. Cruz said the SBA is a federal agency that grants loans to small businesses, many of whom need "some kind of technical help." To this end, the SBA created Small Business Development Centers, which are normally hosted in universities or colleges. If a small business owner reaches out to the SBA in Miami, seeking help in starting a business, creating a business plan, or applying for an SBA or other loan, he or she will be directed to the SBDC as "the technical arm of the SBA." The SBDC is funded 50% by the SBA; the remaining 50% is raised in matching funds.

Mr. Cruz continued that there are often events planned to invite small businesses to hear about the SBA's programs. He advised that the SBA does not "give out

money directly:" instead they give guarantees to the banks that provide loans within the SBA programs.

One of these programs is referred to as 7a, and is a "general small business loan guarantee." There is also a 504 program, which is a similar program that also includes real estate or capital improvements. One issue, however, was that these programs involved "a lot of paperwork." This has been addressed by the SBA, and different programs have been created to specifically target different areas of small businesses. Mr. Cruz noted that should a business be unable to repay its loan, the SBA guarantees that loan by using tax dollars to pay it back.

The SBA has specific legal requirements: for example, under the 7a program, they may not turn down a business due to lack of collateral. The bank, however, has the final decision on these loans, and Mr. Cruz pointed out that in the current economy, banks are not often lending. With this in mind, he said SBA loans are not always the best option. The SBDC also assists small businesses in putting together packages to apply for conventional loans or "other creative ways of financing."

Mr. Cruz emphasized that the SBDC works "directly with the business owner" to solve problems and plan for the future. He said what small businesses often need is "to get out of their own location, [and] to have a specific amount of time where they can think and work on a specific project or idea." He noted that the SBDC may not profit in any way from their association from small businesses, which allows them to maintain an arm's distance "and be very, very blunt with them."

He suggested if a small business event is planned, it should have the actual needs of business owners in mind. He noted, for example, that while there is a push to bring biotech and "green jobs" industries to south Florida, it is important to keep the marine and tourism industries in mind and work to improve them.

Mr. Cruz clarified that while this is not a "free money" program, the small business community may want to learn about the SBA's partnership with community banks in the area. Many small business owners may not know "key people" in the City who can be of assistance. The SBDC can work with them to develop a networking strategy.

Mr. Herskowitz asked how many people work for the SBDC. Mr. Cruz said five certified business analysts work directly for him; however, the SBDC is a state network and is recognized as "the principal provider of small business assistance" by the State of Florida. They also have a Small Business Resource Network, which puts small businesses in touch with franchise experts on services, such as accountants and attorneys.

Mr. Denison asked what limits are placed on the 7a and 504 loans. Mr. Cruz said the guarantee was recently changed to a total of \$2.5 million on the 504, which includes real estate; for 7a, the limit is \$500,000. The guarantee has been increased to 95% of the loan.

Ms. Dickey asked if community banks will participate. Mr. Cruz said community banks have been less affected by the economic downturn than many larger banks, and have recently begun to participate in the SBA programs.

Mr. Neimark noted he has had recent experiences with community banks who are willing to make loans, subject to SBA approval of the guarantee; however, money was not freed up by Congress to allow the guarantee to go through. He also observed that when the SBA was coupled with FAU, it was "more available," and it is now more difficult to get in touch with the SBA. Mr. Neimark said the SBA needed to "do some repair" to its relationship with the business community, and stated it had been "a good resource" prior to this.

Mr. Cruz agreed, explaining that SBA funding has been cut by the government; while they still managed to help over a thousand businesses, 2009 was "a survival year." Salaries at the SBA were cut and the website was lost as a result of the end of the relationship with FAU. With regard to deals that have fallen through, Mr. Cruz said they were unfortunately unable to provide many businesses with loans because they did not have the funding to guarantee loans.

Chair Motwani said he had asked Mr. Cruz what the Board could do to be more effective in promoting economic development. One answer was to "get the word out" about the services the SBA offers. Mr. Scott noted the prospective event would take place in the first quarter of 2011, possibly at FAU. He asked if the Board members were interested in being involved in the event.

Mr. Scott said he was asking the Board's permission "to propose that we make it a joint City" co-sponsorship.

Motion made by Ms. Dickey, seconded by Mr. Neimark, that we co-sponsor the event.

Mr. Riehl said he was in favor of the event if there was no cost to the City.

Mr. Mihaiu asked who would be the target market for the event. Mr. Scott said it was "small business owners in need of assistance," and added the event would be marketed directly to the small business community, "the Chamber, and our own [Public Information Office]." He advised that it would not be an event strictly intended for "people who need money."

Mr. Cruz said the event would be promoted by the Downtown Council, and would have “all the resources available to small businesses in one room to explain to people what is out there.” Different entities, such as community banks, will have tables at the event.

In a voice vote, the **motion** passed unanimously.

Chair Motwani said there has been discussion of setting up an internet domain that would have links to the SBA’s site and other resources. Mr. Scott added that he would look into the possibility of linking this information directly to the City’s website.

The Board thanked Mr. Cruz for his presentation.

VI. Business F1rst Update

Chair Motwani provided a brief synopsis of Business F1rst for the new Board members, and said the implementation stage of this program is underway. Copies of the report are available for interested members.

He noted that one item included in the report addresses the City’s relationship with the Convention Visitors Bureau (CVB). Each hotel has a bed tax that goes to the County to fund the CVB, which is intended to promote tourism throughout the County. He suggested that a representative of the CVB could be invited to attend an upcoming Board meeting and discuss the Bureau’s interaction with individual cities. Mr. Scott said he would ask someone from the CVB to attend the Board’s December meeting.

VII. Director’s Report

Mr. Scott added that the City Commission is not only supportive of the business concierge program discussed at previous meetings, they “want it up and running fast.” Business F1rst has fast-tracked this suggestion and is working on a job description for the position. He was hopeful the position could be filled early in 2011. The City Commission has approved the use of City funds for this position.

He advised that the proposed plan to bring cruise passengers into the City through the use of the TMA will be discussed at the November 16 City Commission meeting.

The Holiday Lighting Ceremony is scheduled for November 23, 2010 at 6:00 p.m. For the first time, there will be a public lighting ceremony on the beach, featuring an iconic “100” display similar to the Super Bowl display.

Mr. Riehl asked for an update on the Board's recommendation on sandwich board signs. Chair Motwani said their recommendation had gone to the City Commission, which then "pushed forward" a recommendation to Planning and Zoning Staff. He said he would provide an update at the Board's December meeting.

Mr. Riehl said an initiative previously discussed before the Board, regarding a children's water slide concession, is scheduled to go before the Planning and Zoning Board on November 17. He invited any interested Board members to attend.

VIII. Old / New Business

- **Communications to the City Commission**

None.

There being no further business to come before the Board at this time, the meeting was adjourned at 5:29 p.m.

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