

APPROVED
ECONOMIC DEVELOPMENT ADVISORY BOARD (EDAB)
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
WEDNESDAY, JUNE 8, 2011 – 3:45-5:15 P.M.

<u>Board Members</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Dev Motwani, Chair	P	4	2
Sheryl Dickey, Vice Chair (arr. 3:51)	P	6	0
Miya Burt-Stewart (arr. 4:13)	P	6	0
Al Calloway	P	6	0
Christopher Denison (arr. 3:53)	P	6	0
Cary Goldberg	P	4	1
Jason Hughes	P	6	0
George Mihaiu	P	4	2
Cort Neimark	P	5	1
Ralph Riehl (arr. 3:57)	P	4	2
Adam Sanders (arr. 3:54)	P	3	3

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

Staff

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

Communications to City Commission

Motion made by Vice Chair Dickey, seconded by Mr. Riehl, to strongly recommend that the City Commission consider supporting and bringing back major events to Fort Lauderdale. In a voice vote, the **motion** passed unanimously.

I. Call to Order & Introductions

Chair Motwani called the meeting to order at 3:47 p.m. The members, Staff, and guests introduced themselves.

II. Approval of May 11, 2011 Minutes

Motion made by Mr. Goldberg, seconded by Mr. Calloway, to approve the minutes of the May 11, 2011 meeting. In a voice vote, the **motion** passed unanimously.

III. Greater Fort Lauderdale Convention & Visitors Bureau Bed Tax Funds

Chair Motwani introduced John Webb, Senior Vice President of the Greater Fort Lauderdale Convention & Visitors Bureau (CVB). He recalled that at the May meeting, the Board had discussed what other cities and CRAs are doing to supplement tourism initiatives, and how the CVB works with these cities; Mr. Webb would also provide the Board with an update on the bed tax.

Vice Chair Dickey arrived at 3:51 p.m.

Mr. Webb explained that when someone rents a room, a 6% sales tax and an additional 5% tourist tax are added. Of the 6%, in Broward County, two cents go toward the BankAtlantic Center, 1.5 cents toward the Convention Center and its debt service and operations expenses, and 1.5 cents go to the CVB to promote and sell the destinations to visitors who will stay in County hotels. There are 534 properties in Broward County with slightly over 34,500 hotel rooms. The County is very competitive in terms of large group business, and now competes with cities like Las Vegas, Atlanta, or New Orleans for group and convention business.

Roughly \$35-\$40 million is collected in Broward County each year, with the CVB's 1.5 cent portion totaling \$14-15 million. Of this, \$6 million goes to an advertising agency to bring visitors to the area. Hotels are given the option to participate in this advertising and be featured in print or television ads.

Mr. Denison arrived at 3:53 p.m. and Mr. Sanders arrived at 3:54 p.m.

Mr. Webb said of the 534 hotels and motels in Broward County, approximately half are "big, full-service hotels," with the other half comprised of smaller businesses with between six and 45 rooms. He noted that the real estate boom harmed some of these establishments, and many either sold out or could no longer afford to operate due to tax increases. He advised that Fort Lauderdale may have changed too quickly to luxury hotels, as this caused rates to increase by 60% in a three-year period and discouraged many repeat customers who could no longer afford the rooms.

The CVB works primarily with groups, both convention- and leisure-based. Of leisure travelers, roughly 22% are international visitors, which have increased

since the large cruise ships came into the port. By contrast, the airport does not have many international flights outside those to South America. Mr. Webb said when the airport is complete they hope to be more competitive for international flights.

Mr. Riehl arrived at 3:57 p.m.

Fort Lauderdale has 54% of the available hotel rooms in Broward County, and collects 49% of the tourist tax for the County. Because the name Broward County is not always widely known among travelers, the CVB uses the name "Greater Fort Lauderdale," despite what some of the County's other cities might prefer. Mr. Webb said roughly 70% of the CVB's money is spent on marketing Fort Lauderdale and the Fort Lauderdale Beach, due to its name recognition and convenience from the airport and seaport.

Chair Motwani asked Mr. Webb to describe what other Broward County cities are doing to supplement the CVB's efforts. Mr. Webb said in his opinion, major events are lacking in both Fort Lauderdale and Broward County. He felt events such as a food and wine festival would help attract visitors from all over the country.

He pointed out that the city of Hollywood first put some of its CRA money into event management, then "turned it completely into tourism;" approximately \$2 million annually goes toward promoting the city as a destination through trade shows and advertisements. Sunrise also spends some money on marketing. Aside from these cities, Mr. Webb said some Chambers of Commerce group together into a tourism committee, but do not have sufficient funding to accomplish a great deal.

He noted that 54% of visitors come to Broward County to visit friends and family. The second most popular reasons to visit are the beach and the weather. Of the visitors' origin markets, most come from elsewhere within the state of Florida; the most international visitors come from Canada. He advised that the European market will probably come back due to the current value of the dollar. Mr. Webb said the average visitor's stay has decreased from 4.5 days to 2.5 days, which is probably due to economic conditions.

Vice Chair Dickey noted that at the previous meeting, she had expressed concern with what the CVB is doing to promote Fort Lauderdale, and where the necessary funds come from. She recalled that the CRA has recently focused on events. Mr. Webb reiterated that he felt the City was lacking a large signature event that would give visitors a reason to come there. He cited the example of the Air and Sea Show, for which there had been both positive and negative perceptions: while this event was "a burden on the roads," it brought a great deal of business to the hotels along the beach, often at a three-night minimum.

He added that all the materials offered by the CVB feature the name "Greater Fort Lauderdale."

Mr. Webb said the past year has been a fairly good year for tourism, despite the economy, with roughly 80% occupancy. He pointed out that Broward County is "a costly place to do business" when compared with other destination cities, due to property taxes, permits, utilities, and other expenses. In addition, it is very difficult to bring visitors to the area in August or September, no matter how much promotion is done.

Mr. Webb said the Convention Center is a 600,000 sq. ft. space, but there is no Convention Center Hotel; some hotels have more meeting space than the Convention Center. When a large group comes to Fort Lauderdale, they may use several different hotels, while in cities like Las Vegas or Atlanta they would use one or two hotels. This means thousands of dollars are spent busing attendees between destinations, which is a hardship for the attendees.

Mr. Mihaiu asked if it is possible to draw local residents to the area in August and September through promotions. Mr. Webb said on Fridays through Sundays during these months, roughly 40% of hotel guests are from the tri-county area. He emphasized that parking is a major issue for these visitors. Chair Motwani recalled that the Board has discussed parking in the past, which led the City Commission to call for a parking study of the beach area.

Mr. Webb said the two biggest complaints received by the CVB are about parking and taxi service. He explained that from the airport, visitors may be taken out of their way to get to their destination in order to increase the fare, only to learn on their way back that the trip is actually much shorter and less expensive. This can create a negative image for visitors to the area, and taxi service is a difficult issue to address.

Chair Motwani observed that in New York, taxi service to an airport is fixed at a flat rate. Vice Chair Dickey asked if this could be done in Broward County. Chair Motwani said this was outside the Board's jurisdiction, but they should acknowledge the issue, as solving this problem would eliminate a negative perception. Mr. Webb agreed that most visitors to the area love the destination and activities associated with the Greater Fort Lauderdale area.

Mr. Denison asked if the CVB works with the marine industry on its ad programs, noting that the Fort Lauderdale Boat Show is a major event. Mr. Webb said they work with the marine industry on the Boat Show and promote the area as "the Venice of America" to the boating industry. The Boat Show expects a 15%-20% growth in 2011 over 2010.

Ms. Burt-Stewart arrived at 4:13 p.m.

Chair Motwani observed that the Board had recently sent a communication to the City Commission, asking that they explore ways to fund supplemental efforts to complement what the CVB is doing. He noted that Mr. Webb's recommendation seemed to be that they focus on bringing one to two signature events to Fort Lauderdale to promote the City as a destination. Mr. Webb explained he did not believe spending more money on advertising would result in a good return on the investment; however, he did feel the City would be "a great showcase" for major events.

Chair Motwani recalled that there had been a concert on the beach when the Super Bowl was in the City. Mr. Webb said the CVB spent \$2 million ensuring that the NFL was headquartered at the Broward County Convention Center and the hotels on the beach were used; there were FBI concerns regarding parking meters, which resulted in the City sending the NFL a bill for \$68,000. The City ultimately covered this expense. He concluded that this was an example of why it can be difficult to have major events in Fort Lauderdale.

Chair Motwani said his understanding was that the big event was the concert on the beach, which was very well-executed, particularly travel to and from the beach. He said this was an example of a successful large event. Mr. Webb advised that the NFL and MTV each spent \$2.5 million on this event as well.

Mr. Calloway asked if the issues were the result of bureaucracy. Mr. Webb said he felt it was a budget issue. Mr. Denison said he felt the Board should help come up with a way "to incentivize businesses," such as waiving some of the fees. He pointed out that the City had waived specific sign ordinances for the NFL during the Super Bowl; while waiving other fees would cost them some revenue, there would be a good return on the investment.

Chair Motwani asked Mr. Webb to provide the Board with an update on the current bed tax discussion. Mr. Webb said the Arts Council had tried to bring in a mechanism for additional funding to improve and operate facilities like the Arts Center and Museum of Science and Discovery. A County Commissioner had proposed adding one cent to the tourist tax to help the arts and entertainment industry; however, the hotel community and the Tourism Development Council were against this proposal, and it is "back in the County Commissioners' hands."

Chair Motwani asked if Mr. Webb felt the additional one cent tax would affect the CVB's ability to sell Greater Fort Lauderdale as a destination. Mr. Webb said he did not feel there would be an impact on leisure visitors, but it could affect meeting planners who would bring business groups to the area. He could not predict whether or not the tax would ultimately be approved.

Vice Chair Dickey asked what convention group size Mr. Webb felt was the best fit for Greater Fort Lauderdale. Mr. Webb estimated that the most successful

conventions had 2000-4000 attendees. He stated that an additional \$1 million, however, would not have a significant effect on the number of visitors coming to the area; he felt this money would be better spent on an event that might bring in visitors.

Chair Motwani asked if it would be more effective to have a City representative attend major travel shows and seek out leisure business. Mr. Webb pointed out that many hoteliers in the City already attend these shows and represent Fort Lauderdale.

Mr. Denison asked if it would be helpful to have an ombudsman assist with permitting and other costs. Mr. Webb said when someone applies for an event permit, it could be helpful for "a community of businesspeople" to be involved in the process. He noted that the process of working through governmental paperwork can be discouraging for a promoter of major events, and while it is described as "standard," he said the same amount of paperwork is not required elsewhere within Broward County.

Chair Motwani stated the City has just created the position of business concierge, which will assist in retaining existing businesses and attracting new businesses; he suggested that the Board might encourage businesses to expand and include new events. He thanked Mr. Webb for his presentation.

Ms. Reese introduced Marianne Winfield, President of Greater Fort Lauderdale Sister Cities International.

Ms. Winfield stated that Sister Cities is working with the CVB to market the City of Fort Lauderdale in several areas, including Colombia. The 50th year of the sister cities relationship between Fort Lauderdale and Medellin, Colombia is coming up, as well as the 30-year and 25-year anniversaries with cities Australia and Italy respectively. She advised that all these anniversaries are opportunities to actively market Fort Lauderdale in these cities and countries.

Approximately 2000 cities are affiliated with Sister Cities international, which was founded as People to People in the 1950s to offer people a way to learn about other countries. The Fort Lauderdale chapter received two awards from Sister Cities International in the past year for its programs. They work with the community and hope to help industries, such as the hotel industry.

Vice Chair Dickey asked if Sister Cities International encouraged businesses to work with the countries in which Fort Lauderdale's sister cities are located. Ms. Winfield said the organization looked for cultural and educational connections as well as possible business connections.

Chair Motwani asked if Fort Lauderdale had any sister cities in Brazil. Ms. Winfield said there are two, located in Belo Horizonte and San Sebastian. She advised it is helpful to visit the cities personally in order to try to promote business. She added that Fort Lauderdale can also learn from its sister cities, citing a relationship with Germany as an example, as many of its cities are active economic development communities.

Mr. Mihaiu asked if Sister Cities International worked in conjunction with any of the ports that have sister port agreements. Ms. Winfield said they did, noting that Port Everglades has signed a sister port relationship with Brazil.

Vice Chair Dickey noted that the County has focused on Brazil for upcoming trade missions, and stated there should be representatives of Fort Lauderdale participating in this effort. Ms. Winfield pointed out that representatives from Taiwan attend the Boat Show and the City has a very good relationship with that nation and its sister city.

She concluded that the 50th anniversary event with Colombia is scheduled for July 16 at the Broward Center; there will be an additional economic piece of the event for businesses. The city of Medellin is donating 1000 books to the city's libraries and will bring a piece of art to feature in the museum.

Chair Motwani requested more information on the upcoming event, as well as a list of Fort Lauderdale's sister cities. He thanked Ms. Winfield for her presentation.

IV. Business Concierge Update

Ms. Reese reported that the City Commission has approved the business concierge position. There were over 160 applications for the new position, which have since been narrowed down to 19 finalists. Dan Lindblade, President of the Greater Fort Lauderdale Chamber of Commerce, will work with Mr. Scott to conduct interviews over the next three weeks. They hope to hire an individual for this position by early July. The business concierge will be a liaison to help businesses work through the City's regulatory processes. The position title will be Business Coordinator.

Ms. Reese added that the new City Manager, Lee Feldman, will begin work on Monday, June 13. Mr. Scott plans to invite Mr. Feldman to attend the next Board meeting so the members can hear his vision for economic development.

Chair Motwani observed that businesses are currently having a difficult time getting through the permitting processes, and the Business Coordinator will be a facilitator to help them through these processes. The City has also adopted expedited permitting for businesses that are part of targeted industries and will

create 10 or more jobs. The Planning and Zoning and Building Departments have signed off on this change as well, and will assign a specific person to “cut out a lot of the red tape” for businesses as well.

The establishment of the Business Coordinator was a direct result of Business F1rst’s initiative, Ms. Reese stated. When they had conducted a survey of local businesses, the organization was “told...repeatedly” that businesses needed someone to act in this capacity.

Ms. Burt-Stewart noted that the Business Coordinator would be inundated with work in a short time. She suggested that an additional solution would be to train businesspeople to work through the process themselves. Ms. Reese agreed, and said another aspect of the position would be to make recommendations to improve the processes. Chair Motwani said he hoped the Business Coordinator would address the Board so members could advise him or her of some of the issues and concerns that had arisen in the past.

Chair Motwani continued that there is an ordinance-in-process review committee within Business F1rst, of which Planning and Zoning Director Greg Brewton is a participant. He explained that many concerns regarding this Department were raised in the business survey. In addition, there are some very confusing aspects to the permitting process, which means City Staff spends a great deal of time working with individuals to find a solution to their problems. If the information could be clarified, it would save time for both Staff and applicants.

Ms. Burt-Stewart advised that City Staff in these Departments could benefit from additional “customer service training” when working with businesses and individuals. Chair Motwani said this perception had also been mentioned as part of the survey.

Mr. Denison said he had noticed “a cultural change...from the top down” in the Planning and Zoning Department. The change has been a positive one and has affected some of the behaviors Ms. Burt-Stewart had cited. He continued, however, that in other Departments, fees have greatly increased, which he felt was a revenue issue. He felt it would take time for the improvement to “filter down” to other Departments, and the Business Coordinator would be helpful in establishing this change.

V. Economic Development Presentation

None at this time.

VI. Director’s Report

None.

VII. Old / New Business

- **Communications to City Commission**

Mr. Mihaiu asked if the Economic Development Department would work with the Business Coordinator on how to approach major events. Ms. Reese said she would address this issue with Mr. Scott, and noted that they are “more than open” to work with Parks and Recreation on outdoor events.

Mr. Riehl recalled that Mr. Webb had felt Fort Lauderdale is “tough to do business with on events” for various reasons, which he felt was a very serious problem. He asked if there would be an initiative to address this issue with the incoming Business Coordinator. Chair Motwani pointed out that there is currently an individual on City Staff who handles outdoor events; he suggested that perhaps the position should be moved from the Parks and Recreation Department to Economic Development. It was clarified that this position would remain separate from the Business Coordinator.

Vice Chair Dickey suggested the Board could make a motion to request that they review the authority of the Event Coordinator. Chair Motwani recommended that they get more information on this position at the next meeting to determine whether or not the Event Coordinator position could be restored to its previous authority in putting on events.

Ms. Reese explained that the CVB uses bed tax dollars to bring events and other groups to the City; at that point the City may feel they must make some revenue. She pointed out that the City’s services do have a cost, which is not paid by the CVB. This raises the issue of how the City recoups the cost of its services. She advised that each Department is accountable for its budget: for example, if the Police Department supplies 50 officers for an event, they have to recoup the cost of these officers.

Mr. Denison said the Boat Show is a good example, as it “[does] something with that South Beach parking lot” that requires vendors to purchase a pass in order to use this space. Mr. Riehl stated, however, that he felt the City is attempting to recoup too much money from major events.

Motion made by Vice Chair Dickey, seconded by Mr. Riehl, to strongly recommend that the Commission support and consider bringing back major events.

It was noted that this **motion** would also be a communication to the City Commission.

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

Economic Development Advisory Board

June 8, 2011

Page 10

There being no further business to come before the Board at this time, the meeting was adjourned at 5:10 p.m.

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