

APPROVED
BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE
CITY HALL
8th FLOOR CONFERENCE ROOM
100 NORTH ANDREWS AVENUE
FORT LAUDERDALE, FL 33301
JULY 11, 2016, 3:30 P.M.

MEMBERS	September 2015 – August, 2016				
		REGULAR MTGS		SPECIAL MTGS	
		Present	Absent	Present	Absent
Greater FTL Chamber of Commerce <u>Eduardo Fernandez</u> , Chair	P	8	0	2	0
Marriott Courtyard <u>Bill Cunningham</u> , Vice Chair Thomas Miller, Alternate	P	8	0	2	0
B Ocean Fort Lauderdale Jean Capps Michael Dutton, Alternate	A	6	2	1	1
The “W” Hotel, Capri Hotel, LLC <u>Anna MacDiarmid</u> Kristiann Galati, Alternate	P	6	2	2	0
Beach Redevelopment Adv. Board <u>Ina Lee</u>	P	8	0	1	1
Bahia Mar <u>Tiffany Davis</u>	P	4	3	1	1
Ritz Carlton Hotel <u>Greg Cook</u> Monique Soriano, Alternate	P	5	3	1	1
Conrad Hotel, CFLB Partnership LLC Martin Wormull	A	4	3	2	0
The Westin Ft Lauderdale Beach <u>Bruce Roy</u>	P	7	0	2	0

Staff

Donald Morris, AICP, Beach CRA Manager
Dan Barnett, BID Manager
Vanessa Martin, Business Manager

Cija Omengabar, Economic Development Aide
Lizeth DeTorres, Administrative Aide
Jamie Opperlee, Prototype, Inc.

Presenters and Guests

Kacey Meagher, Event Manager, Red Bull North America
Bryan Lilley, Fort Lauderdale Air and Sea Show

I. Call to Order / Roll Call / Quorum

Chair Fernandez called the meeting to order. At this time there are 9 appointed members to the Board, which means 5 would constitute a quorum.

Roll was called at 3:33 p.m., and it was noted there was a quorum.

II. Approval of Minutes

Chair Fernandez said that in the June minutes, the correction to the April 11, 2016, minutes should have read as follows:

- p. 4, paragraph 8 – “Mr. Roy said it should have been Mr. Freeman who was mentioned as speaking, not Mr. Roy.”

Motion made by Mr. Cook, seconded by Ms. Lee, to approve the minutes of the June 13, 2016, minutes as corrected above. In a voice vote, the motion passed unanimously.

Ms. Lee stated that the process related to the selection committee of the BID Manager was very confusing, and Chair Fernandez said that Mr. Morris has taken it to the appropriate stakeholders.

Ms. Lee thought that if members recuse themselves, they cannot participate in any conversation. However, it was presented that they were able to participate, but not vote. She sought clarification.

Chair Fernandez requested clarification in writing from staff regarding the protocol. There was confusion as to why people who were not at the first meeting could not view the RFPs. Chair Fernandez thought the process was this: once somebody says they can attend a special meeting, they get the packets and get a document to rate the RFPs. However, members who attended the second meeting (but not the first), were not allowed to participate, when initially they were told they could.

III. BID Budget & Rate Assessment Recommendation – Donald Morris, AICP, Beach CRA Manager, and Vanessa Martin, Business Manager

Mr. Morris advised that every year after the July numbers come in from the Property

Appraisers, Harry Newstreet and Associates do an assessment for the BID. The current rate is 0.8525, and they are recommending to continue with the current rate. The actual amount received was 95%, or \$840,000 (\$60,000 short of 100%). Mr. Morris reviewed the revenue, as seen in the attached document.

Chair Fernandez asked if the Expenditures/Other Services items were only those that had been approved, and Ms. Martin said that was true for the most part, although some items were going to go before the City Commission. All of those items are included.

Mr. Morris provided a five-year estimate of revenues and expenditures as requested. Mr. Morris said that Harry Newstreet is a third party, not City staff. He stated that the assessed valuation revenue changes every year, and they hire Mr. Newstreet to assess all 700+ folio numbers to make sure every business on the beach has been accounted for.

In response to a question by Chair Fernandez, Mr. Morris believed all the projected Conrad revenues were reflected in FY 2017, and he said he will look into it. They are already being assessed because they are #8 in the top 10. Mr. Morris added that they are paying.

Ms. Martin advised that the total revenue is \$783,761, and Chair Fernandez said they are then projecting an approximate increase of \$100,000. Ninety-five percent of that figure would be approximately \$800,000.

Mr. Roy was advised that the revenues and expenses have to match up per the City. Any extra monies are set aside for future events.

Mr. Morris stated they are working with FDOT on the A1A Streetlight design study, and staff guaranteed this Board that they will not begin a design study until there is an agreement with FDOT to do construction. Staff is working with FDOT to get the programming earlier, because FDOT wants to program the project for 2020-2021. The money will carry over until they have the signed agreement.

Ms. Martin clarified that they had to move some money since the BID had not spent its fund. They had reserves of about \$900,000 from the prior year, and that money remains.

Chair Fernandez wondered how much of the additional funds that are currently non-allocated are being brought into FY 2017, noting that Red Bull is not on the projection because it has not been addressed. Ms. Martin said those amounts are set aside for "abnormalities" that may arise, such as a new event. Mr. Morris elaborated that the major events they are going to fund such as Entercom are going to come out of the next fiscal year dollars, not out of the fund balance.

Mr. Morris reminded the Board that their fiscal year is from October through September,

and also said the CRA is going away in September, 2020, so they will need to program additional monies for Holiday Lights.

Chair Fernandez asked that staff put a footnote in the projections showing the reserve balance.

Motion made by Mr. Cook, seconded by Ms. MacDiarmid, to maintain the existing assessment rate and approve the FY 2017 budget. In a voice vote, the motion passed unanimously.

Regarding the five-year projection, Ms. Martin explained that the numbers for the BID website for 2017 are high because it is a combination of “numbers,” and she “put a few extra dollars in there” for any abnormalities. In FY 2015, she said they ran out of money for professional services, so she wanted to add a cushion. Chair Fernandez asked what else might have been put into that category, and Ms. Martin said she could make another line item – she just wanted to make sure they did not fall short. Mr. Morris suggested bringing the projection back with clarification. Chair Fernandez requested actual numbers plus what remains to be paid for FY 2016.

Mr. Morris stated they are buying the lighting for Holiday Lights on a one-year contract plus two renewals. The lowest bidder at this point is Randy’s Holiday Lights, and staff is reviewing the proposal (\$49,000 for the first year, with \$17,000 every additional year). The numbers may change as decisions are made.

Mr. Morris advised they have not gotten RFPs back for the display, and it is closing soon. They are asking for the same theme that was used for Olas, but maybe with a slightly different look. The construction materials and scale would be the same.

Chair Fernandez confirmed that the line item includes the display at the hub, plus the lights. Ms. MacDiarmid requested more detail on the line items. Chair Fernandez also requested more detail on the holiday lights, making the display and the lighting distinctly separate.

Mr. Cook asked about updating the utility wraps, and Chair Fernandez added there should be a three or four-year annual cost increase. Mr. Barnett explained there has not been a maintenance fee yet.

Ms. Martin advised the BID to maintain some leeway in the funds since Procurement wants to encumber the funds when they go out to bid. Mr. Morris added they cannot go out for a bid unless the funds are encumbered for whatever is being bid on. The funds cannot be used until they know what the actual price will be. Chair Fernandez summarized by saying the amounts are placeholders.

Mr. Barnett stated that if they only go on the east side of the street and change to LED rope lights that will save a substantial amount of money. There will also be a higher

quality, no-maintenance situation.

Mr. Morris said they have to move forward with the display, since it has to be approved by the City Commission, and then manufactured. Mr. Morris advised that the FY 2020-2021 numbers will be adjusted once the holiday lighting contract is approved, and when they know the cost per year for the display.

Other than the holiday lights, Mr. Morris stated they do not share sponsorship of any other items with the BRB except Friday Night Sound Waves, and the BRB will not sponsor it next year. He was not sure if they would be sponsoring the Air Show either. The Great American Beach Party and probably the Fourth of July are the traditional events the CRA will most likely continue to sponsor.

Ms. Lee wondered what would happen to fireworks on the beach after the BRB expires, and Mr. Morris commented that the City would have to come to the BID with a request.

Mr. Morris advised they would bring a revised budget to the next meeting that would include a breakout and further explanation of each line item.

Mr. Morris stated that the rate can always be reduced if they want less revenue and do not want a surplus.

IV. BID Event Application, Swatch Presentation - Kacey Meagher, Event Marketing Manager, Red Bull North America

Ms. Meagher distributed booklets and showed a video of last year's Swatch Beach Volleyball Major Series.

Ms. Meagher then began a PowerPoint presentation, based loosely on the booklet. She stated that the event is a joint venture between Red Bull North America and Hannes Jagerhofer. The presentation included a description of the event, future plans, prize money, history of beach volleyball, historical attendance, marketing, local partnerships, off-court events, projections for next year's events, television coverage, radio partnerships, social media, high-profile spokespeople, and the agenda.

Ms. Meagher advised she had several meetings with the Parks and Recreation Department, and they have the layout. She said the date changed from January to February when NBC said they would provide more coverage if it was in February.

Chair Fernandez asked about global media distribution, and Ms. Meagher responded that the intent is to broadcast the event globally, although they cannot confirm that until October. She had a list of the entire distribution from 2016, which she said she could forward.

Chair Fernandez mentioned that he and Mr. Barnett met with Mr. Jagerhofer and Ms.

Meagher, and they asked all the questions that have come up in this meeting. Chair Fernandez understood the importance of media drivers, and told them that February/March is their prime time for occupancy. Rates will not be close to September, but will be higher than January. The question would be if they want to put Fort Lauderdale on the map for volleyball, and how much are they ready to put into it.

Chair Fernandez continued, saying that he asked them how they were able to produce a great event in September of 2015 without any money from the BID, and they said they did not know there was an opportunity to obtain funding.

Ms. Lee spoke highly of the September 2015 event, calling it “high-class,” especially the VIP feature. Chair Fernandez said that since the event runs Tuesday-Sunday (February 7-12, 2017), some people would be arriving prior to Tuesday. Ms. Meagher said the majority of visitors come Thursday-Sunday. She added there will be 32 teams of men and 32 teams of women, and spectators come from the teams’ home countries.

In 2015, Ms. Meagher said there were 13,000 hotel room nights, including staff, TV, and spectators. Ms. Lee wondered if the higher rates in February would make a difference, driving people to hotels away from the beach. Ms. Meagher said it would be less expensive for them to keep them close to the beach in terms of transportation costs. She said they do not have a host hotel, but Bahia Mar and B Ocean had the majority of business at the prior event.

Ms. Meagher stated they want a five-year commitment from the City so that they can plan on it and promote it in advance at every stop.

Chair Fernandez mentioned that the event would help bring overseas visitors to Fort Lauderdale instead of Miami.

Upon a question from Mr. Morris, Chair Fernandez said that it was clear the event would be looking for ongoing support, but the application is for one year. Mr. Barnett added that Mr. Jagerhofer said they want the event in Fort Lauderdale to be the same time every year, they do not want to have it in turtle season. He said when it is a non-finals event, it is bigger due to the greater number of teams.

Ms. Lee was curious if the event would happen without BID funding. Ms. Meagher personally thought it would happen in 2017, but probably not after that. Ms. Lee also wondered if NBC would consider January, and Ms. Meagher stated that would not happen for 2017, but perhaps in the future.

The Board members all agreed that January is more of a “need month” for the hotels than February. They also agreed that \$250,000 is a big ask, and they wanted to know that the hosts are pursuing other sponsors. Ms. Meagher said that Swatch is the title umbrella sponsor and they may be looking for a major sponsor from Fort Lauderdale.

Mr. Morris advised that the City Commission will ask them who their other sponsors are, and recommended they speak to Mr. Barnett about it.

Discussion ensued on what amount the BID might be willing to contribute, with \$100,000 - \$150,000 being mentioned. Chair Fernandez wondered if they can negotiate the date for 2018, and Ms. Meagher said she could discuss it with the partners.

Chair Fernandez thought the CVB needed to ramp up their participation because of the international clientele involved. Ms. MacDiarmid noted there is other incremental revenue besides "heads in beds." Mr. Roy thought the Hilton would get more patronage because of its location, and they would accept a much lower rate than the Westin would. He therefore questioned the revenue benefit for the beach.

The issue of committing to a block of hotels on the Barrier Island was discussed, with Ms. Meagher saying that is their goal. Teams have coaches, medical staff, etc., so they amount to more than two people.

A brief discussion followed about what amount to fund, with \$100,000 being suggested for 2017, with a bump up for 2018 if the date were changed to January.

Ms. Meagher stated that the Fort Lauderdale event would be mentioned in advertising for every event they have.

Ms. Lee thought there should be something in the VIP experience that the hoteliers could take advantage of.

Chair Fernandez summarized that they are looking for visibility for the BID, the market, and the destination.

Motion made by Ms. MacDiarmid, seconded by Mr. Cook, to fund \$100,000 with the possibility of moving to January in 2018 with an increase. In a voice vote, the motion passed unanimously.

V. BID Manager Update – Dan Barnett, BID Manager

Mr. Barnett introduced Bryan Lilley, of the Fort Lauderdale Air and Sea Show, who gave a PowerPoint presentation on this year's air show. He covered the F-35's appearance at the show, crowd shot, performer lineup, weather, attendance, use of aerial photography, summary of press coverage, social media, website visitor count, where premium ticket buyers come from, four goals they wanted to accomplish, traffic concerns, and future plans.

Mr. Lilley said they are planning on the first weekend in May (May 6-7) for the 2017 show, and they want to request the same amount (\$100,000) that the BID gave for

2016.

Mr. Lilley said they were nominated by *USA Today* for the “Best Air Show.” He encouraged everyone to vote for them on Facebook so they can win the award.

Mr. Morris advised Mr. Lilley he would have to come back with an application.

Ms. Lee thanked Mr. Lilley for his persistence and for bringing the show back.

Mr. Barnett announced that the Entercom radio project will be presented to the City Commission for approval on July 12, 2016. The name of the festival will be Rip Tide Music and Food Festival. Ms. Lee wondered why they would not change the name of it since it had negative connotations. It was noted that the name had excitement associated with it and blended with their branding strategy. Chair Fernandez said Entercom did not see the negative association of “rip tide.”

Mr. Barnett said that Light Up Birch will also be heard at the City Commission meeting the next day. He said he had spoken with Jim Ellis and Gail Butler, who think they will hit their sponsorship numbers. However, Mr. Barnett advised them that if they find out to the contrary, to please let him know.

Regarding the Sun Trolley, Mr. Barnett said they will present to the BID in August.

Mr. Barnett advised that the City has funded a consultant to do a hospitality (entertainment) zone assessment. There will be 12 people from the City of Fort Lauderdale who have knowledge and awareness of what is happening in the current entertainment areas to help perpetuate the positive aspects and stop the negative aspects. He listed the six categories to be addressed: entertainment, public safety, multi-use sidewalks, venue safety, transportation, and quality of life. Since the beach has two entertainment districts, they want the voice of the people there to be heard.

Mr. Morris said that at some point, members of the BID may be asked to serve on focus group discussions.

Mr. Morris asked for someone to serve on the Evaluation Committee for the holiday display, and Ms. MacDiarmid volunteered depending on her schedule.

Mr. Morris asked members to notify staff if their property names or alternate/primary representatives will be changing for the next year.

VI. Communications to the City Commission – None.

VII. Old/New Business

It was noted that Ari Glassman will be available to present on Friday Night Sound

Waves at the next meeting.

Chair Fernandez said that the contribution for the Air Show was designated as a placeholder in the budget for the next five years (not yet approved). Mr. Morris explained that they need to come back and provide an impact report. It was determined that the 2017 show would not be on Mother's Day weekend.

Upon motion duly made and seconded, the meeting was adjourned at 5:19 p.m.

[Minutes prepared by J. Rubin, Prototype, Inc.]

Attachments:

Five-year budget projections and assessment documents – Donald Morris

PowerPoint presentation on Swatch Beach Volleyball – Kacey Meagher, Event Manager, Red Bull North America

Booklets on Swatch Beach Volleyball – Kacey Meagher

PowerPoint presentation on Air Show – Bryan Lilley, Fort Lauderdale Air and Sea Show