



# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

## COMMITTEE MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez 

DATE: July 13, 2011

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF May 19, 2011.**

### OLD BUSINESS

1. **Follow up: Discussion regarding the Miami Beach Festival of the Arts and potentially contracting with a professional art festival company to produce the Festival for the City**

### ACTION

**The Committee recommended that the Administration ask the Miami Beach Visitor and Convention Authority to consider developing a partner for the replacement in lieu of the arts festival or the arts festival itself, possibly coming up with another entity to do an arts festival and that a status report is given to the Finance & Citywide Projects Committee at a future date.**

Max Sklar, Director of Tourism & Cultural Development, presented the item and gave a brief synopsis of the memo.

Following the 2010 Festival of the Arts, the Administration met with Mr. Howard Alan, whose company, Howard Alan Events, produced art festivals all across the country, including the Las Olas festivals and the Key Biscayne festival. Mr. Alan recommended repositioning the festival as more of a crafts-oriented event with the focus more on crafts, food, flowers and some art (but not high end art), and move the date to mid-April when it fits more into the calendar for arts and crafts events. The Fine Arts Board discussed his recommendation at their July and August 2010 meetings and unanimously recommended in favor of this change. Additionally, they recommended the City contract with Howard Alan Events to produce the Festival for the City. In making this recommendation, the Fine Arts Board felt Mr. Alan must retain full control of the event.

The Miami Beach Arts and Crafts Festival took place on April 9-10, 2011. Attendance was very poor and the vendors reported very low sales over the course of the two day event. Sales were so poor that vendors said they would not return and the producer had to refund their registration fees. The Fine Arts Board discussed the 2011 Festival at their regularly scheduled meeting on April 14, 2011. The members agreed that the Festival was not a success, and that marketing and promotion of the Festival was poor. The Board recommended by unanimous vote that the City permanently cease presentation of the Festival and seek other ways to promote activity in North Beach.

Chairperson Deede Weithorn asked what the trend was in art festivals. Mr. Sklar stated that it depends on the area, and that at the time this festival was created it was one of the only art festivals in the county but today there are several festivals offered frequently. North Beach Resident Daniel Veitia stated his concern over discontinuing the festival without replacing it with something else. Commissioner Jonah Wolfson also stated that the festival should not be discontinued until there was something to replace it with. Chairperson Deede Weithorn suggested a working group is created to come up with something to replace the festival and asked that an event is budgeted for. Discussion ensued. The Committee recommended that the Administration ask the Miami Beach Visitor and Convention Authority to consider developing a partner for the replacement in lieu of the arts festival or the arts festival itself, possibly coming up with another entity to do an arts festival and that a status report is given to the Finance & Citywide Projects Committee at a future date.

## **2. Discussion on updated VCA budget**

### **ACTION**

#### **None Required**

Elsie Howard, Chair of the Visitor and Convention Authority, presented the item and reviewed their FY 2011/2012 Investment Budget.

The Miami Beach Visitor and Convention Authority (MBVCA) is a seven member authority. Each member is appointed by the City of Miami Beach Commission, with the goal of encouraging, developing and promoting the image of Miami Beach locally, nationally, and internationally as a vibrant community and tourist destination. A budget projection is provided to the MBVCA by the City of Miami Beach (CMB) Budget Office annually based on 5% of the 2% Resort Tax calculated on 96% of the collections. The MBVCA budget is wholly derived from resort taxes; the majority of the City's budget is derived from property taxes and these funds are not correlated. The MBVCA usually funds below the City's projection, as the collection of funds can differ substantially from projection, and/or the result of unanticipated problems like an airline strike, terrorism, economic issues or storms. When and if there are funds remaining at year's end, those funds are either deposited in the bank or are rolled over into funding for the year to come. By statute, the MBVCA can only fund for one year at a time. The MBVCA is also required by law to maintain reserve bank accounts in approved public depositories, with sufficient reserves to cover two years of funding, which it does. Reserves are maintained to pay grant recipients (contracted) for the previous cycle and to ensure that sufficient funds can be invested to stimulate tourism in the future. Ms. Howard stated that the reinvestment plan for the unrestricted funds consisted of \$565,000 for Marketing/Communications and PR, \$175,000 in IT Development, \$30,000 for the Visual Memoirs history project, \$75,000 for the Mobile Visitor initiative, and \$1,127 for contingencies which totals \$846,127 in planned expenditures for the next three years.

Commissioner Jorge Exposito asked Max Sklar, Director of Tourism and Cultural Development, if he had received any feedback from conventioners or meeting planners on what type of applications or technology that they would like to see or would find helpful. Mr. Sklar stated that feedback included requests for a City map and points of interest. Chairperson Deede Weithorn asked if Global Spectrum has requested an application. Mr. Sklar stated that they had not asked Global Spectrum about an application but that they are currently looking into technology that included a map of the building, where concession stands are located, etc. that could be customized for the group attending. Ms. Howard stated that she would get in contact with the Convention

Center to discuss any feedback they may have received and explore the matter further.

**3. Discussion regarding renewal of agreement with Clear Channel ADSHEL, Inc. to construct, operate, and maintain bus shelters**

**ACTION**

**The Committee**

- **asked that the deadline to renew be extended from June 1, 2011 to October 1, 2011 and that the negotiated proposal to renew the current agreement is brought to the full Commission**
- **recommended that the structures pending construction or capital investment are put in abeyance until the agreement is renewed**
- **asked that an amendment to the agreement be developed to incorporate the interactive digital shelters and is brought back to the Finance & Citywide Projects Committee**

Assistant City Manager Duncan Ballantyne introduced the item and gave a brief synopsis of the memo.

At its March meeting in determining whether to approve a five-year renewal to the City's agreement with Clear Channel Adshel (Clear Channel) to construct, operate and maintain bus shelter structures and other street furniture throughout the City, the Finance & Citywide Projects Committee requested that staff provide additional information on comparable rates for advertising, how other cities handle this, and to identify Clear Channel's competitors. Under the terms of the Agreement, the initial term of ten (10) years terminates on October 1, 2011. At the end of the initial term, the Agreement automatically renews for a five (5) year term, provided, however, that the City, at its sole option and discretion, may, after the initial ten (10) year term, elect not to renew the Agreement by notifying Adshel of its intent not to renew, in writing 120 days (June 1, 2011) prior to the expiration of the initial ten (10) year term. Clear Channel submitted a proposal which provides for increases in the revenue sharing percentage for static displays (from 20% currently and 25% upon renewal to 30% upon renewal and 35% upon an additional five year renewal) and an increase in the minimum payment from \$240,000 annually to \$260,000 annually. It also provides a proposal for incorporating a new technology known as interactive digital displays. The proposal addresses both the current static advertising program, which currently provided the City with \$486,647 in 2010, and a proposal to replace a limited number of the static advertising displays with digital displays that have interactive features. Chairperson Deede Weithorn suggested that the City negotiate further. The Administration recommended that the City notify Clear Channel prior to June 1, 2011, of the City's intent to not automatically renew the agreement and negotiate further. The Committee asked that the deadline to renew be extended from June 1, 2011 to October 1, 2011 and that the negotiated proposal to renew the current agreement is brought to the full Commission. Pedro Milian Jr, Clear Channel Outdoor, was concerned with changing the renewal date to October 1, 2011 because there are still some bus shelters that were scheduled to be constructed between June 1 and October 1. Discussion ensued. The Committee recommended that the structures pending construction or capital investment be put in abeyance until the agreement is renewed.

Jordy Ford, Vice President of Digital Media in San Francisco for Clear Channel Outdoor, presented the interactive digital transit shelters in use currently in San Francisco. The interactive digital transit shelters feature 72" LCD touch screens, which allow consumers to not only view but also interact with the content. Yahoo! is the first advertiser to create

a campaign exclusively for the interactive touch screen shelters. The Yahoo! Bus Stop Derby campaign uses interactive games to showcase Yahoo!'s mobile application offerings to San Francisco residents and commuters, many of whom spend their down time at transit shelters using smartphones to get information and stay connected on the go. The San Francisco bus shelter network delivers free Wi-Fi access to the surrounding area, creating opportunities to deliver a new level of creativity in integrating the Outdoor advertising medium with mobile and social media. Furthermore, the touch screens have been developed to withstand harsh outdoor elements including rain, direct sun and temperature variations. Chairperson Weithorn asked if the advertising on the shelter would still be static or digital. Mr. Ford stated that one side would be static, as it is today and the other side, inside the shelter, would be digital. The Committee asked that an amendment to the agreement be developed to incorporate the interactive digital shelters and is brought back to the Finance & Citywide Projects Committee.

## **NEW BUSINESS**

### **4. Discussion on resources assigned to address proliferation of homeless on Washington Avenue**

## **ACTION**

**The Committee asked that the item be brought back to a future Finance & Citywide Projects Committee meeting and that pan-handling be included.**

Assistant City Manager Hilda Fernandez presented the item and went on to introduce Katherine Martinez, Homeless Programs Coordinator. Chairperson Deede Weithorn asked what resources we have and how they are being allocated. Ms. Martinez stated that there are two teams that are divided between north and south beach; one team roving around from 41<sup>st</sup> Street north and one team roving from 41<sup>st</sup> Street south. Ms. Martinez also stated that the team roving South Beach spends a lot of time at Lummus Park, on Ocean Drive and Lincoln Road. Ms. Martinez then stated that when Washington Avenue has been targeted, in conjunction with the Police Department, that they have found that a lot of the people who look homeless are in fact not homeless and reside at the Oceanside Extended Care Center and that these are the people most often seen pan-handling on Washington Avenue. The Committee asked that the item be brought back to a future Finance & Citywide Projects Committee meeting and that pan-handling be included.