



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: February 8, 2012

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF December 27, 2011.**

OLD BUSINESS

NEW BUSINESS

1. Discussion regarding the Miss USA Pageant

ACTION

Chairperson Weithorn suggested that administration continue to work with Miss USA® to negotiate an agreement between the City and its partners, not to exceed \$250,000. If successful, the agreement would be brought to the City Commission for approval.

Max Sklar, Director of Tourism & Cultural Development, presented the item.

At the beginning of December 2011, ACT Productions and the Green Agency approached the City, the Greater Miami Convention Center and Visitors Bureau (GMCVB) and Miami Beach Visitor and Convention Authority (VCA) about the opportunity of the City hosting the Miss USA® pageant in Miami Beach in 2012. The Miss Universe Organization produces the internationally recognized MISS UNIVERSE®, MISS USA® and MISS TEEN USA® competitions. The MISS UNIVERSE® and MISS USA® competitions air as live specials and consistently rank among the most watched television programming in the world. Miss Universe Organization L.P., LLLP is a Donald J. Trump and NBC Universal joint venture. NBC Universal broadcasts the MISS USA® and MISS UNIVERSE® competitions live during prime time in the United States. NBC Universal distributes the shows to international markets (approximately 170 countries). The three events are packaged together for international distribution. NBCUniversal promotes the live telecast prior to the air date, which provides exposure to the host

destination. The pageant is also distributed to over 90 countries and territories worldwide. Miss USA® was watched by 1 in 17 Americans in 2011 and also has a large internet presence that generates millions of impressions.

The first eight years of competition (1952-1959) the Miss USA® pageant was held in Long Beach, California. The competition moved to Miami Beach, Florida in 1960 and stayed in Miami Beach, with the exception of 1962, until 1971. In order to host the MISS USA® Pageant in Miami Beach, the host organization is required to raise cash and/or in-kind support to cover the production expenses for the event. It is expected that the host organization will seek third party sponsorships in order to help meet the cash/in-kind needs necessary to successfully host the pageant; these sponsorships cannot conflict with any current pageant sponsorships. The original cash and in-kind requirement discussed with the MISS USA® representatives totaled approximately \$3,000,000. This total requirement included costs for the pageant venue; hotel rooms and meals (contestants and staff); security; community events; staging; production; local transportation; and airfare, among others. In exchange for this commitment, the Host Organization is considered the "Official Sponsor" of the pageant, receives approximately eight (8) minutes of destination primetime television exposure and audio mentions during the broadcast on NBC and in pre and post pageant coverage, receives a local economic tourism impact for three (3) weeks leading up to the pageant, as well as other promotional opportunities. The 2012 pageant will be televised on June 3, 2012. Pre-pageant events would lead up to the show, and could include events both in the City and outside of the City. In order to accommodate the necessary production needs, the pageant would need to be produced in the Miami Beach Convention Center, which impacts production costs as compared to the use of an established theater or performing arts facility; the Fillmore Miami Beach at the Jackie Gleason is not large enough for this event. Following the December 19, 2011 Commission meeting, ACT Productions reported to staff that the cash and in-kind requirement could potentially be reduced to \$1,000,000 pending further discussions/negotiations. Mr. Sklar stated that he felt that if the cash and in-kind requirement could be reduced to \$500,000 the event would be feasible and that a rent waiver at the Convention Center would be required for the pageant. Chairperson Deede Weithorn asked what the cost would be to the City. Mr. Sklar stated that it would depend on amount of funding provided from other sources. City Manager Jorge Gonzalez stated that it would be approximately \$150,000 - \$200,000. Discussion ensued. Commissioner Jonah Wolfson felt that the GMCVB, as a partner with the City, should do all they can to make the event happen. Commissioner Jerry Libbin was concerned about scheduling the Miss USA pageant during Memorial Day Weekend this year. Commissioner Jorge Exposito asked what the time frame was for making the decision. Mr. Sklar stated that the decision on where the pageant would be held would be made in the next few weeks. Commissioner Michael Gongora was in favor of the event if the amount of cash/in-kind requirement was reduced to something that the City could afford and suggested that the City try to host the Latin Grammy Awards again. Chairperson Weithorn asked Chief Financial Officer Patricia Walker if Resort Tax has exceeded expectations so far this year. Ms. Walker stated that it has exceeded expectations so far.

Chairperson Weithorn suggested that administration continue to work with Miss USA® to negotiate an agreement between the City and its partners, not to exceed \$250,000. If successful, the agreement would be brought to the City Commission for approval.

2. Discussion regarding towing permits

ACTION

City Attorney Jose Smith is to send a copy of the Notice to Dismiss to Commissioner Michael Gongora.

The Committee requested that Staff do a sensitivity analysis using other rates for the increase of the towing rate, send a copy of the provisions for auditing the towing permittees to the full Commission, that an additional public benefit be proposed, that Staff verify the Rate Analysis that was included in the memo, and that the towing permittees present cities that they feel are comparable for comparison. The Committee also referred the discussion regarding Terminal Island to the full Commission and asked that the neighborhoods that are affected be notified so that they may have the right to respond.

Assistant City Manager Jorge Gomez presented the item and gave a synopsis of the memo.

Commissioner Jorge Exposito asked what the reasoning was behind requiring in-vehicle cameras, GPS tracking and what the costs were. Parking Director Saul Frances stated that the reason was for protection of not only for the City but the towing operators as well. The in-vehicle cameras would provide a visual picture of what took place when the vehicle was being towed and the GPS tracking would ensure that the vehicle was being taken to the correct storage location. Mr. Frances stated that the in-vehicle cameras have not been priced yet, but the GPS tracking system would cost approximately \$300 per vehicle for installation and approximately \$20 per month for monitoring services. Commissioner Jerry Libbin asked who was establishing the request for the rate increase. Mr. Gomez stated that the rates were proposed by the towing companies. Commissioner Ed Tobin asked how much revenue was generated by City tows. Mr. Frances stated that last year there were approximately 14,000 tows between the Police and Parking Departments, and at the Average Tow Fee of \$205 minus the City Fee of \$25 would be approximately \$2.5 million. Commissioner Tobin was concerned that the towing companies stated that they were operating at a loss when approximately \$2.5 million dollars of revenue was generated by the City contract alone. Commissioner Michael Gongora asked for clarification on the one-time only resident discount. Mr. Andrade stated that it was intended to be a onetime per company per resident discount, a once in a lifetime discount for residents. Commissioner Gongora stated that he would like to see that changed and asked what the proposed rate increase was based upon. Mr. Andrade stated that the proposed rate increase was based upon Consumer Price Index (CPI) increases. Commissioner Gongora then asked what percentage the rate increased when the last increase was implemented. City Manager Jorge Gonzalez stated that in 2004 the Class A fee was \$95 and was raised \$10 each year for two (2) years, the Admin fee was raised from \$25 to \$30, the afterhours fee was raised from zero to \$30, and the Labor fee was increased from zero to \$20 and then \$25. Chairperson Deede Weithorn asked how many years the 2004 increase was adjusting for. Mr. Frances stated that is was for a four (4) year period. Chairperson Weithorn then opened the floor to public comment. Miami Beach Resident Frank Del Vecchio stated that he reviewed the City Code, State Statutes and County code regarding towing and felt that the public interest was not being served. Mr. Del Vecchio suggested the City look at booting vehicles, and suggested that an audit of the towing companies be performed. Discussion ensued. Lobbyist David Custin suggested that the City freeze the City Fee portion of the Tow Fee. Ralph Andrade, attorney for Beach Towing, distributed a revised proposed towing resolution. Chief Deputy City Attorney Raul Aguila noted some of the changes that were made on the revised proposed resolution which included changing the extension dates from January 1, 2012 through December 31,

2014 to February 1, 2012 through January 31, 2015 and then asked if the clause relating to the litigation, which was a condition of the approval of the resolution, that the petitioner agree to drop the lawsuits with prejudice, was omitted in error. Mr. Andrade stated that one lawsuit had already been voluntarily dismissed. Mr. Aguila stated that the lawsuit that had already been dismissed was done so without prejudice and that the City was requesting that all three lawsuits be dismissed with prejudice and that each party bear their own attorneys' fees and costs. Discussion ensued. City Attorney Jose Smith stated that he would submit the Notice to Dismiss to Mr. Andrade and copy Commissioner Michael Gongora. The Committee requested that Staff do a sensitivity analysis using other rates for the increase of the towing rate, send a copy of the provisions for auditing the towing permittees to the full Commission, that an additional public benefit be proposed, that Staff verify the Rate Analysis that was included in the memo, and that the towing permittees submit to Parking Director Saul Frances, cities that they feel are comparable for comparison. The Committee also referred the discussion regarding Terminal Island to the full Commission and asked that the neighborhoods that are affected be notified so that they may have the right to respond.