



CITY OF FORT LAUDERDALE

APPROVED
ECONOMIC DEVELOPMENT ADVISORY BOARD
MEETING MINUTES
CITY OF FORT LAUDERDALE
SEPTEMBER 9, 2020, 3:45 P.M.
VIRTUAL MEETING

January-December 2020

<u>Board Members</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Jordan Yates, Chair	P	3	0
Nicholas Kuchova, Vice Chair (dep. 4:45)	P	3	0
Jay Adams	P	2	1
Michael Buonaiuto	P	3	0
Christopher "Kit" Denison	A	1	2
Dudly Etienne-Harvard	P	3	0
Bernice Lee	A	0	3
David Neal	P	3	0
Brett Rose	A	1	2
Michael Stara	P	3	0
John Vratsinas	P	3	0

Staff

Michael Chen, City Liaison, Economic and Business Development Manager
Suzy Joseph, Economic Development Program Analyst
Krystal Permanan, Economic Development Program Analyst
Sarah Hannah-Spurlock, Nighttime Economy Manager
Jamie Opperlee, Recording Secretary, ProtoType, Inc.

Communications to the City Commission

None.

I. Call to Order & Determination of Quorum

Chair Yates called the meeting to order at 3:47 p.m. Roll was called and it was noted a quorum was present.

II. Approval of February 19, 2020 Meeting Minutes

Motion made by Vice Chair Kuchova, seconded by Mr. Stara, to approve. The minutes were approved by unanimous consent.

III. Staff Updates – ECI Activities Since March

Ms. Joseph reported that the Economic and Community Investment (ECI) Division has supported Fort Lauderdale's business community by circulating a variety of COVID-19 business relief resources. In an effort to mitigate the possibility of a double hurricane and pandemic disaster, ECI has developed a disaster preparation and continuity plan, which is available on the City website.

ECI has participated in various business-related webinars held by organizations such as Florida International University (FIU), the Urban League, the Greater Fort Lauderdale Alliance, Florida Redevelopment Association, Broward County, and business organizations in order to keep abreast of the most recent economic development trends, best practices, and plans for post-COVID-19 recovery. A webinar is scheduled for September 16, 2020 in collaboration with Greater Fort Lauderdale Sister Cities International. This is intended to help connect Fort Lauderdale's small businesses to global business markets and opportunities. This webinar is in conjunction with the City's Business Engagement, Assistance, and Mentorships (BEAMs) program's Global Commerce Series, which was recently renamed Global Spotlight.

Ms. Permanan stated that while the BEAMs program has been in operation for a number of years, the City has never before undertaken this program on a virtual level. This change has been well-executed and well-received. While the first session began in March 2020, it was interrupted by the COVID-19 pandemic. The virtual program was rescheduled and held each Thursday during the month of August, at which time it served 385 registrants. Four sessions were held with an average of 175 attendees each, resulting in 122 graduates.

Mr. Stara, who attended and graduated from the recent BEAMs sessions, advised that the program had exceeded his expectations, with three of the four sessions focusing on sales, marketing, technology, and other aspects. He cited the following takeaways from the sessions:

- Sales and marketing tools for small businesses
- Assistance from the Service Corps of Retired Executives (SCORE)
- Emphasis on how to use technology
- Success stories from different types of businesses

Mr. Stara encouraged all the Board members to attend future BEAMs programs, particularly the technology module.

Mr. Chen noted that BEAMs is promoted on the City's economic development database, which includes approximately 22,000 contacts. Partner agencies such as SCORE also discuss the program and its results on their websites and networks. The City Commission often recognizes graduates of the program at meetings. ECI branding is prominent throughout the BEAMs program, and attendees included members of two other local municipalities' economic development departments. Mr. Chen pointed out that when other cities participate in and/or learn about the program and see how businesses are supported by the City, Fort Lauderdale can become a destination for business relocation.

Mr. Chen reiterated that throughout the COVID-19 pandemic, ECI has continued its messaging, including encouragement for businesses to identify and apply for government resources that can help sustain them. They have also been encouraged to learn new skills and management practices, develop a reopening strategy, and create a disaster mitigation plan.

Mr. Chen continued that as a result of the Mission-to-Market (M2M) program, he was contacted a number of times by the U.S. Department of Energy (DOE) requesting updates. The program has made Fort Lauderdale a reference source for DOE's local intelligence.

During the first half of April 2020, ECI conducted a COVID-19 business impact survey which was promoted on the City's website as well as throughout the ECI network. There were 576 responses from Fort Lauderdale companies, which showed the following results:

- 42% of businesses were closed in some manner
- 47% operated at reduced capacity or in alternative locations
- 10.5% continued operations at normal and regular hours
- 51% expected the greatest challenge of reopening to be insufficient capital

ECI has designed a COVID-19 business resource web page, which is one of four COVID-related pages on the City's main website. This page provides links to application forms for state and federal assistance. They also developed a disaster preparation web page so businesses were able to prepare for other emergencies, including storms.

Mr. Chen also participated in the Florida Economic Development Council (FEDC) and development of the Florida Chamber 2030 Plan. The latter is a planning strategy intended to bring Florida into the top ten global economies. He emphasized the number of deepwater seaports and international airports in the state, which can be leveraged along with other economic engines to bring Florida into the global economy.

The Fort Lauderdale Community Redevelopment Agency (CRA) has created an Emergency Business Investment Program, which was approved by the City Commission in June 2020. This program uses CRA funds as well as the City's Community Development Block Grant (CDBG) dollars to provide small business loans, focusing on businesses with fewer than 10 employees. This effort sought to assist businesses that were unable to access state and federal programs.

Ms. Etienne-Harvard noted that the Emergency Business Investment Program does not provide assistance to home-based businesses. Mr. Chen advised that if these businesses indicated that they had employees, they would receive consideration. Most home-based businesses do not have employees, and supporting employees was a key part of this effort.

Mr. Chen continued that while working remotely, he has conducted significant analysis of the City's property tax base. Assessment year 2019 included a \$37.8 billion taxable base. Fort Lauderdale represents approximately 20% of all Broward County taxable value on an annual basis, although the City constitutes less than 10% of Broward's population. In the year 2020, 71.5% of the City's tax base is residential, with nearly 24% commercial. The remainder includes government, industrial, and institutional properties.

The analysis shows the growth of the City's taxable value from 2013-2019. This included strong linear growth of the usable area, which is defined as "the air-conditioned space" of all buildings. This space grew significantly in 2018 and 2019, totaling 261 million sq. ft. of usable space in Fort Lauderdale. New construction in the City has grown significantly since 2016.

The analysis included commercial properties only, which consist primarily of restaurants, retail, offices, and hotels. "Just value," while the equivalent of market value to the Broward County Property Assessor, is actually less than market value. Retail has the lowest dollar value per sq. ft., followed by office space. In 2016-2017, hotels improved significantly in dollars per square feet, which contributed to the volume of new hotel investment in the City.

Restaurants typically contribute the lowest amount to the City's tax base, which is due in part to the percentage they make up of the entire real estate market. The next-lowest contributor is retail, followed by hotels and office space. The office market constitutes the bulk of the City's taxable value. Since 2016-2017, Fort Lauderdale has seen significant increases in new construction values in the commercial sector. In 2019, there was \$1.8 billion in new construction added to the City's tax base.

An analysis of residential properties shows that the only two major categories of residential use in the Fort Lauderdale market are single-family and multi-family. Most residential growth comes from multi-family development. Multi-family properties also have a higher value to the tax base per square foot.

Mr. Adams commented that despite the economic growth experienced by Fort Lauderdale and the contribution from its tax base, Broward County does not seem to provide the City with its fair share for roadway and streetscape improvements. Mr. Chen explained that by far the biggest destination for roadway and transportation funding is Miami; however, many of the improvements to the interstate network in Miami also benefit Broward County. While Broward also receives significant funding from the Florida Department of Transportation (FDOT), most of these funds go toward the state and interstate highway systems.

Under the Broward County transportation surtax plan, every Broward municipality is supposed to receive its fair share of surtax dollars for local transportation, infrastructure, and roadway improvements. Mr. Chen emphasized that the surtax is a new program and not all results have been seen thus far.

Mr. Chen continued that he and Chair Yates have discussed inviting Broward County representatives to attend a Board meeting to discuss the transportation surtax and how it is distributed. He suggested contacting the County as well as to the City's Department of Transportation and Mobility for a presentation, as this Department has developed programming in anticipation of receiving surtax funds. He cautioned, however, that Fort Lauderdale generates roughly \$8.5 billion/year in retail sales in comparison to the County's total of \$45.5 billion/year.

Vice Chair Kuchova left the meeting at 4:45 p.m.

Mr. Chen continued that he has also analyzed the impact of the COVID-19 pandemic on retail sales in Fort Lauderdale. Approximately 50% of its retail sales are to individuals or entities outside the City. Impact factors on these sales include:

- Travel interruption/recovery
- Inhibited operations
- Forced closures
- Reduced household incomes
- Market confidence
- State of economy

A weighted analysis of these factors on different categories of retail showed that the largest reduced sales impact occurred in mail-ordered electronics, which caused \$433 million in lost sales. The next-greatest impact was on new cars, which have lost roughly \$430 million. Restaurants, motorcycles, boats, and clothing also experienced significant lost sales. The greatest percentage of losses occurred in drinking establishments, which took on approximately 30% in lost sales.

Mr. Neal asked how the City planned to focus on restarting its economy. Mr. Chen replied that there are several ways ECI hopes to assist with reopening, including emergency relief that will help businesses start once again. According to the business survey, the greatest problem most businesses are experiencing is the lack of short-term capital to reopen. The City does not have sufficient funds to offset the loss of this short-term capital. In addition, many industries are going through a rebound, with many chain restaurants and retailers not expected to survive the pandemic.

Mr. Chen noted that the City is working to determine how they can support reopening of businesses through land use, zoning, and other regulations. He cited the example of how regulations might be changed for restaurants and bars to provide for improved social distancing within existing premises. The support of retail and restaurants is the subject of ongoing discussions with the City's Department of Sustainable Development.

Mr. Chen advised that Fort Lauderdale ECI is a member of the Alliance of Entrepreneurial Resource Organizations (AERO) Partners, which presented to the Board in February 2020. This organization holds an economic expo each year to introduce businesses

across Broward County to various resources and efforts that can provide support to them. On Friday, September 25, 2020, the expo will be held online.

ECI has worked closely with Greater Fort Lauderdale Sister Cities International on an event that will promote the City's relationship with Romania. On September 16, 2020, the City will hold an online international forum, using the BEAMs Global Spotlight program branding.

Russell Weaver, representing Sister Cities, added that this bilateral program is being held in conjunction with the Sister City of Constanta, Romania. The forum will explore the industries and markets of Romania and feature how to do business in that country. Mr. Chen emphasized that this will be the first business platform that the City has co-hosted with Sister Cities. It is hoped that this will be a regularly occurring effort.

In 2018, the U.S. Congress approved \$190 million in funding for the construction of a new federal courthouse in Fort Lauderdale. Over the past six to eight months, the Government Service Administration (GSA) has identified roughly six prospective sites throughout the City. They are working with the City's Planning Department to ensure that these sites complied with underlying land use and zoning regulations, as well as whether or not there are any plans for nearby sites that would affect this decision.

Because GSA hoped to learn more about these prospective sites than the Planning Department could provide them, ECI became involved in the process, providing a demographic snapshot within one-half mile radius of the sites, including information about residents, the workforce, educational base, businesses, and other considerations. GSA completed their site evaluation report and submitted it in July. Mr. Chen estimated that the City will soon learn the preferred location for the new federal courthouse.

Mr. Chen addressed the M2M program, noting that FIU has identified a target location for a Mission-to-Market Entrepreneurship Center in Fort Lauderdale. This center will include workforce development programming with a focus on information technology and data processing. It will be in partnership with investment and industry entities and will include co-working office space as well as event space. It is intended to be mutually beneficial to its surrounding neighborhood.

Mr. Chen advised that he has reached out to Broward College to explore their interest in playing an active role in this Entrepreneurship Center. Broward College has established a task force to this end. Dr. Chris Ford of FIU will offer Broward College the opportunity to teach prospective DOE technology recipients how to commercialize these technologies and build companies using them.

FIU has developed a strategy for their approach to M2M in Broward County, which has been established as a center for this program. One underlying goal is the development of a science, technology, engineering, and mathematics (STEM) workforce. FIU has

identified a number of concepts related to the M2M program, including academic and educational collaboration.

There are four components to the M2M Total Innovation Center concept:

- Commercial space for health technology
- University programs and partnerships
- Entrepreneurship and co-working office space
- Business incubator with event space

The M2M program is focused on Broward County due to the memorandum of understanding (MOU) between the two entities. Municipalities being explored as potential sites include several cities across Broward County, each of which can include parts of the Total Innovation Center.

Mr. Chen stated that Dr. Ford has also identified a number of independent investors who hope to invest in the development of entrepreneurial lab space, with the primary criterion that the space should be located in an opportunity zone. Mr. Chen noted that the requirements for shared lab space are very different from the needs of shared office space; he was not aware of any such space that currently exists in Broward County.

Mr. Neal proposed beginning a fund toward this goal, for which federal funds could be solicited. He pointed out that Nova Southeastern University (NSU) has lab space in the town of Davie, as well as wet lab space in a separate building. Mr. Chen clarified that NSU's wet lab space is used for classroom needs and is not for rent. There is already a fund for M2M, and Dr. Ford has identified a federal grant program that may be able to support the Entrepreneurial Center.

IV. EDAB Members – Business Environment Observations

None.

V. Old Business

None.

VI. New Business

The next virtual EDAB meeting will be October 14, 2020.

There being no further business to come before the Board at this time, the meeting was adjourned at 5:20 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

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