



CITY OF FORT LAUDERDALE

DRAFT

City of Fort Lauderdale
ECONOMIC DEVELOPMENT ADVISORY BOARD

April 13, 2022, 3:00 PM

Meeting Minutes

Board Members	Attendance	Present	Absent
Michael Stara, Chair	P	3	1
Jay Adams	P	3	1
Dudly Etienne-Harvard	P	3	1
Michael Lorigas	A	3	1
Katherine Koenig	P	3	1
William Feinberg	A	3	1
Aaron Baron	A	2	2
Ryan Reiter	P	2	0

Staff

Suzy Joseph, Economic Development Representative

Daphnee Sainvil, Government Affairs & Economic Development Manager

Communication to the City Commission

No Communication to the Commission.

I. Call to Order & Determination of Quorum

Chair Stara called the meeting to order at 3:09 PM. Roll was called, and it was noted that there was no quorum at the time. Therefore, minutes cannot be approved, nor official business be conducted. At 3:17 PM a quorum was determined.

II. Approval of the March 9, 2022, Meeting Minutes

Motion to approve the minutes was made by Member Ryan Reiter and second by Member Katherine Koenig. The motion was passed unanimously.

III. Old Business

1. EDAB Fiscal Year 2020 Goals: Will be disused during the next meeting

New Business

1. Ken Krasnow, Colliers International: Real estate market update

Chair Stara: Updated the board on the Vice Chair vacancy and announced that the position will be elected during the next meeting.

Ken Krasnow- Colliers International: Real Estate Market Update



**City of Fort Lauderdale
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April 13, 2022, 3:00 PM

Meeting Minutes

Ken Krasnow: Mr. Krasnow introduced himself to the board and stated that he works for Colliers International, a global commercial real-estate firm. Since quite some time, Colliers has been the city's Real-Estate advisor. During his presentation, he explained that he provides city staff, city commissioners with a quarterly market overview. His reports are mainly focused on the hospitality, retail, and multifamily markets. He mentioned that they charge the City an advisory fee and a transactional commission on specific tasks. As an example, he cited Bahia Mar's tenant wanting to renegotiate their lease, and the City sought Collier's advice as its real-estate advisor in this matter.

Chair Stara: Chair Stara asked if the city owned a great number of private buildings?

Ken Krasnow: Responded that the City does not own too many buildings, but specifically the riverwalk garage. The biggest property the city owns is an old landfill near 31st and Sunrise. Additionally, he mentioned the housing project in Sistrunk. He noted that the City's housing market is strong. In his presentation, he presented that multifamily construction is on the rise, primarily due to the relocation of workers. Multifamily properties are expensive because new products are being built, then leased, then sold for higher profits.

Board Members: Some members were dismayed by the outrageous price tag of Motif Flagler and the fact that the luxury rentals do not match the construction finishes.

Ken Krasnow: Multifamily developers are seeking a huge return on investment, so they're driving up rents, Krasnow says, and there are people willing to pay those prices.

Chair Stara: According to the Chair, developers are developing and making money, and investors are driving rents up.

Ken Krasnow: Grant Cardone is an investor who bought Las Olas Properties with Crown funding.

Member Reiter: Mr. Reiter referred to the Motif at Flagler buildings (one of the buildings from Colliers' presentation as not being of the highest quality. Additionally, he mentioned that the company he works for prides itself on moisture control, in contrast to the Motif Building, which has visible and felt mold. Las Olas Walk and Morrel, however, are both well-constructed buildings.

Ken Krasnow: As Ken Krasnow mentioned, investor demand and population growth are driving micro units' acceptance, as long as multifamily buildings offer community amenities. Further, he reported that the region north and south of Fort Lauderdale had the brand visibility and West Palm had the population of hedge funds with money, and those markets attracted the new companies that were moving to South Florida and then moved to Miami. Which caused the vacancy rate and rental rates in Fort Lauderdale to increase. Also, he stated that eventually these companies would relocate to Broward County and Fort Lauderdale. Questions have also been raised about how quickly people are returning to work. Office workers will return, but in what form, shape, and with what regularity? There is a consensus that commuter type work is no longer a desirable thing, and people will start to demand and expect flexible work and



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ECONOMIC DEVELOPMENT ADVISORY BOARD**

April 13, 2022, 3:00 PM

Meeting Minutes

workspace environments, which will continue to influence the office market and will determine where companies locate and what kind of office environments, they choose to be located in.

Member Reiter: Mentioned that he knows a lot of people from New York and the Northeast who live in South Florida but work for companies in the Northeast.

Ken Krasnow: In response to the cluster of employees, JP Morgan and Google are discussing opening satellite offices for those employees. The long-term trend indicates that as more people move to South Florida, companies like Yahoo and Google will establish footholds in this market, and Broward and Fort Lauderdale will reap the benefits.

Member Adams: Mr. Adams asked what the board can do to drive in remote workers for the benefit of the satellite offices of the tech companies?

Ken Krasnow: Mr. Krasnow responded, to attract young employers, the City must provide art, culture, open space, and lifestyle.

Chair Stara: Chair Stara asked whether the City should continue to attract high-end development

Ken Krasnow: Responded that Fort Lauderdale competes with Chicago, New York, Boston, LA and San Francisco, Singapore and other thriving international cities, yet it is still the most affordable city against the other cities mentioned. Krasnow noted that, in the past, people chased employers, but now employers are chasing talent. The retail market is still on the rise, and Miami is leading the way in creating new retail buildings. Brickell City Center is a good example of this. Over the next couple of years, the City's vacancy rate is expected to rise, but will eventually adjust as new retail space is developed. Brick and mortar properties are sought after, preferably mixed-use developments.

Suzu Joseph: Mrs. Joseph was interested in hearing Mr. Krasnow's thoughts about why restaurants are closing frequently?

Board Members: Several board members stated that permits are an issue and that the company does not have enough capital to survive.

Ken Krasnow: Mr. Krasnow said that retail companies must go beyond the basics and incorporate experiences such as sight, sound, smell, taste, touch into their operations. Moreover, he said that companies should incorporate QR codes, digital wallets, live commerce, and metaverse. Online presence and strategies are essential for brick-and-mortar businesses to survive. Consumers are demanding a different level of experience. The retail market is thriving, but those who don't keep up with the trends will fail, and those who do will thrive. Additionally, he discussed the hospitality market, saying it is thriving, in contrast to what was predicted during COVID regarding the failure of the hospitality market.

Suzu Joseph: Asked about how is the hospitality market doing compared to short-term rentals?



**City of Fort Lauderdale
ECONOMIC DEVELOPMENT ADVISORY BOARD**

April 13, 2022, 3:00 PM

Meeting Minutes

Ken Krasnow: Mr. Krasnow explained that short-term rentals are a thriving market, but do not affect higher end hospitality. During COVID, people started questioning the sanitation of AIRBNBs and gravitated toward hospitality brands they were most comfortable with. As he continues to say, Flagler village, the new downtown courthouse and the Panthers stadium are what sell the city. Many people and companies are moving towards strategies that address climate change and resilience, and their efforts go beyond mere lip service, but focus on concrete policies. With their policies, Miami is setting the standard, and the City should follow suit. He added that people want to move to cities that are open to new ideas, cities that are evolving and investing.

Dudly Etienne- Harvard: Ms. Etienne- Harvard asked how the board can present climate control to the Commission. Broward County is always last to adopt changes, and she wishes to get the board on board with the changes.

Ken Krasnow: Ken Krasnow responded by explaining that Millennial workers are going to cities that share the same values they do, such as diversity, climate change, innovation, and creativity. He added that values are important deal makers and the City should continue to promote them, but also show their commitment to climate change, and implement programs and initiatives that will help attract talent. It is of great importance to create policies for climate change, diverse communities, affordable housing, and competitive wages that will support smaller businesses and industries.

Member Reiter: Mr. Reiter voiced concern that while there is an influx of workers from outside the state making higher salaries, the local population has not seen their wages increase.

Board Members: Several members mentioned increasing wages, affordable housing, and a diverse workforce as important topics.

Ken Krasnow: Government policies can be changed to make housing more affordable.

Chair Stara: Asked about the City's crime rate

Ken Krasnow: Responded that the City doesn't have a huge crime rate

Chair Stara: Ken Krasnow's presentation helped him reevaluate his perspective and understanding of Economic Development.

Action Item: Downtown Development Authority Presentation

A brief introduction to Ryan Reiter followed.

Chair Stara: The Chair provided member Reiter with a brief overview of the board and the vacant Vice Chair position. Additionally, he informed him about considering choosing an area of concentration that he would like to lead

Area of Concentration Updates



**City of Fort Lauderdale
ECONOMIC DEVELOPMENT ADVISORY BOARD**

April 13, 2022, 3:00 PM

Meeting Minutes

2. Area of Concentration updates:
 - a. Chair- LGBTQ and Community Reinvestment Act
 - i. **Update:** Contacted a finance CRA personal and will provide a report next month.
 - b. Member Lorigas- EDAB Liaison to relevant City board/committees' meetings
 - i. Absent, no report
 - c. Member Baron- Franchise Convention motion status
 - i. Absent, no report
 - d. Member Adams- Small business and CRA
 - i. **Update:** Will provide a list and presentation of things that is affected small businesses.
 - e. Member Feinberg- Restaurant industry and GFLCC Real Estate/Construction Council.
 - i. **Update:** Absent, no report
 - f. Member Etienne-Harvard-Web and Social Media Liaison
 - i. **Update:** Reiterated the assignment reading the business testimonials and wants to see how the results of the testimonials and EDAB videos to be posted on the City's website.
 - ii. Suzy clarified business testimonials process and the EDAB video recording that will be done at the NSU Innovation Center in June.
 - g. Member Koenig- Resources to Startups and Tech Hubs
 - i. **Update:** No further update for this meeting

IV. Discussion and Final Remarks

Motion to adjourn the meeting was made by member Koenig and second by member Reiter. The motion was passed unanimously.

Adjournment: Meeting adjourned at 4:33 PM.

The Colliers Presentation will be made available with the minutes.

V. Next Meeting: May 11th @ 3:00 PM; City Hall, 8th Floor Conference Rm.

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