

City of Coral Gables City Commission Meeting
Agenda Item K-1
June 13, 2017
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Pat Keon
Commissioner Vince Lago
Commissioner Frank Quesada
Commissioner Michael Mena

City Staff

City Manager, Cathy Swanson-Rivenbark
Assistant City Manager, Peter Iglesias
City Attorney, Craig E. Leen
Deputy City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia

Public Speaker(s)

Taciana Amador

Agenda Item K-1 [0:00:00 a.m.]

A Resolution of the City Commission of Coral Gables, Florida, creating a Special Assessment District to be known as the Business Improvement District (“BID”) of Coral Gables, for a period of ten years, subject to approval by a majority of the affected property owners; providing for electronic voting as the method for ascertaining whether a majority of the affected property owners approve continued existence of the BID; providing for levy of special assessments thereof; providing for location, nature and estimated cost of services to be provided; providing for an expansion of duties and responsibilities; providing details of

assessment procedure; and providing for publication of legal notice.

Mayor Valdes-Fauli: We will go -- we will take Item K-1, which is the BID, which is time certain for 10, I think. The BID.

City Attorney Leen: Mr. Mayor, just because this is an election item, I'd like to read the title...

Mayor Valdes-Fauli: What?

City Attorney Leen: Just in the abundance...

Mayor Valdes-Fauli: Yes.

City Attorney Leen: Of caution, I'd like to read the title. A resolution of the City Commission of Coral Gables, Florida, creating a Special Assessment District to be known as the Business Improvement District ("BID") of Coral Gables, for a period of ten years, subject to approval by a majority of the affected property owners; providing for electronic voting as the method for ascertaining whether a majority of the affected property owners approve continued existence of the BID; providing for levy of special assessments thereof; providing for location, nature and estimated cost of services to be provided; providing for an expansion of duties and responsibilities; providing details of assessment procedure; and providing for publication of legal notice. I would just note that two things that are different in this one is that it's for a period of ten years. And also, there is an authorization of using an electronic -- I guess, electronic voting method, computer voting method. There's a City Attorney opinion on both of those issues. As to the electronic voting, Cristina Suarez looked at that and determined that the statute does not prevent that. It seems to serve a public purpose, and that's generally the question that you ask. So, in our opinion, it can be done. In addition to that, also, my understanding is the Supervisor of Elections has approved that method, and he has a certain degree of discretionary authority over those sorts of things. In addition to that, as to the ten years, the statute that impacts this

issue does not put a limit of five years. It doesn't say anything about it. So, in our opinion, once again, under the City's home rule authority, the City could do it for ten years, if it wishes.

Mayor Valdes-Fauli: Is there any discussion, any presentation? Any...

Commissioner Lago: My only concern is what is the reason behind pushing it to ten years? Is there -- you know, is there an issue why we can't remain at five years so it has to come before the Commission? I mean, ultimately, we are responsible for the BID and for what occurs through the BID, correct?

Mayor Valdes-Fauli: That's right.

Commissioner Lago: So, I just -- always, always looking to make sure there's oversight. And I don't know if we have a representative before the BID, but I just want to get an understanding of what is the actual purpose of the doubling of the time. Also, let me ask you a quick question. Do we get certified financial statements on a yearly basis from the BID?

Vice Mayor Keon: We do.

Commissioner Lago: We do?

Vice Mayor Keon: I think so.

City Manager Swanson-Rivenbark: That's an excellent question, sir. I will get you the answer. I don't have it right now.

Commissioner Lago: I mean, from my understanding, the BID has a budget of close to about a million dollars or \$800,000 a year.

Mayor Valdes-Fauli: You want to...

Commissioner Quesada: That's roughly correct.

Mayor Valdes-Fauli: Do you have the answers? Please come up, yeah. Please come up.

Taciana Amador: Good morning, again. You asked if there are certified financial statements, Mr. Lago, and we present to our stakeholders at an annual meeting, an annual report every single year. And to -- with financial documents included. To answer your question about the ten-year, our board had been studying the five-year/ten-year incentive provision for awhile now. And sometime last year decided that they would like to go forward with their upcoming election with a ten-year sunset provision. And the majority of the reasoning behind that has been that the projects that we, as a BID, have been working on for several years don't just take two or three years. In some cases, when we were talking about streetscape, that we all know that has been taking and that was an initial project that came before us as an organization very early on. It would afford us the opportunity to take on longer-term projects. It gave us a little bit more time without having to stop for another reelection. And we're also following suit with all the BIDs that have been created modeled after our BID that have all gone forward with a ten-year sunset provision -- Lincoln Road, Coconut Grove. All the new ones have established ten years. It is a vote by the affected property owners, so they have to vote us in place for that amount of time. The resolution before you is a formality to let us go forward with the election to seek their vote.

Commissioner Lago: You know, I'm personally in favor of five years.

Mayor Valdes-Fauli: So would I.

Commissioner Lago: And I think that that's a better situation for the City.

Mayor Valdes-Fauli: Yeah, I think...

Commissioner Lago: I mean, it's just similar to what the situation we have as elected officials. The Mayor's got to run every two years. I've had to run every four years. I think it offers accountability.

Mayor Valdes-Fauli: I'm for -- I am for the five years, too.

Commissioner Lago: And trust me, we're dealing...

Commissioner Quesada: Have you had -- I'm sorry.

Commissioner Lago: We're dealing with -- as a Commission and as a City, we're dealing with projects -- for example, streetscape has been a 30-year ongoing process. Sidewalks, park projects -- I mean, there's a litany of projects are -- our fire stations -- that don't sunset within one, two, three, four or five years. They're extensive projects.

Mayor Valdes-Fauli: Would you like to make the motion?

Commissioner Lago: And Commissioner -- I'm sorry.

Commissioner Quesada: Hold on. Just a quick point. Because I don't -- I honestly don't have an opinion one way or the other, just some considerations when I was on the BID. Because, again, it's a little bit different in the sense of -- we're dealing with their existence as a whole.

Commissioner Mena: Right.

Commissioner Quesada: As related to this. It's not just whether who's going to continue in control. It's the existence of the organization. My concern was, if I recall correctly, when I was the representative to the BID, sometimes there were issues with some of the property owners that

were going to be subject to the BID, you know, increases or charges or what have you, any of those, that they may not want to be involved or not. I don't know if -- were there ever any concerns that, you know, the BID is fleeting or it is that it's a short tenure organization, why should we support it? I mean, has that ever come up in any of the conversations? I mean, what has been the drawback from members of the BID? What kind of complaints do you hear related to its existence? I don't know if that's the right question. Do you know what I'm getting at?

Ms. Amador: I mean, there's always -- there could be some property owners that may not totally agree with our leadership organization, and we always welcome the opportunity to sit with them and go over their issues and see how they can be resolved. We have had a favorable reelection process three times over already, so we felt confident in going forward with the ten year, giving them that option that we would have a favorable result once again.

Commissioner Quesada: Did you have something?

Commissioner Mena: Yeah, but I guess, to Commissioner Lago's point, I think...

Commissioner Lago: And I should have, out of respect, by the way -- and I apologize.

Commissioner Mena: No, no, no.

Commissioner Lago: I should have, out of respect, deferred to Commissioner Mena, who serves us on the BID.

Commissioner Mena: I've been to one -- there's only been one BID meeting since I was elected.

Commissioner Lago: And I went with you. And I went with you.

Commissioner Mena: So, I understand. But I think the distinction sort of between the comparison you drew about us coming up for reelection or whatnot, you know, they're elected by their own members. And so, I guess my question is, if their own membership wants a longer term, you know, and they're okay with that and they're not asking for their board to be accountable on a shorter-term basis, why do we have an issue with that?

Commissioner Quesada: Yeah, but it's a term...

Commissioner Lago: Yeah, but did it go -- did it go -- yeah, I mean, we're elected by our membership, which is the residents of the City of Coral Gables. Did we -- did they go to a referendum and...

Commissioner Mena: That's a fair question.

Commissioner Lago: Did they go to a referendum and state, okay, are you in favor of this, which is completely the way things are done...

Commissioner Quesada: Yeah, but...

Commissioner Lago: In a democracy.

Commissioner Quesada: I think that goes back to -- this is the term of the existence of the organization, not the term of the leadership of the organization.

Commissioner Lago: I understand.

Commissioner Quesada: Which there's a distinction there. That's like saying we're going to shorten the timeframe that the City of Coral Gables is going to be in existence.

Commissioner Lago: We've been here 91 years.

Commissioner Quesada: I think there's a major difference.

Commissioner Lago: 91 years.

Commissioner Quesada: But, I'm saying that's a major difference there...

Commissioner Lago: I understand.

Commissioner Quesada: I don't -- again, I don't know what the right answer is.

Vice Mayor Keon: I don't either.

Commissioner Lago: I think, at the end of the day, we have the opportunity to have the BID before us, not that this is the only time that they come before us, but on this issue, it is. And we have the opportunity to discuss, like I mentioned before, that we get certified financial statements. At the end of the day, who's responsible for the BID? Are we responsible for the BID as a city?

Mayor Valdes-Fauli: We are. In effect, we are (INAUDIBLE)...

City Attorney Leen: Statutory...

Mayor Valdes-Fauli: Business Improvement District.

City Attorney Leen: It's a statutory -- I'm sorry, Mr. Mayor.

Unidentified Speaker: Go ahead.

City Attorney Leen: It's a statutory procedure. We have to approve it, but they're a separate legal entity. They're responsible for...

Mayor Valdes-Fauli: Fine. But if...

City Attorney Leen: What they do.

Mayor Valdes-Fauli: Anything happens...

City Attorney Leen: And they can sue and be sued.

Mayor Valdes-Fauli: We are responsible and the blame will fall on us.

Commissioner Lago: Yeah.

Commissioner Quesada: Which is the same thing. Mr. City Attorney, if they were -- if for any moment we wanted to dissolve the BID, will today's vote prevent us from dissolving the BID 30 days from now, hypothetically?

City Attorney Leen: Well, they've already established the special assessment district. I would want to look at that. But no, you're not binding future legislative acts, such as whether we have a BID.

Commissioner Quesada: So...

City Attorney Leen: There could be a reliance, though, that occurs that may -- where I might encourage you to wait until the end of the five-year period. But I want to look at that because I haven't...

Commissioner Quesada: Oh, no. I don't -- I -- again, I'm not...

Vice Mayor Keon: I had some questions.

Commissioner Quesada: I'm not advocating one way or the other.

Vice Mayor Keon: If you'd like -- to the BID itself.

Commissioner Quesada: I'm just honestly trying to think about it out loud here.

Vice Mayor Keon: You know, what is your budget? What's the total budget of the BID?

Ms. Amador: Approximately \$900,000 a year.

Vice Mayor Keon: How much of it is spent in salaries?

Ms. Amador: Well, I'd have to go back and look at our numbers to give you an exact percentage, but we tend to have an operating budget where the operating expenses versus marketing expenses usually fall from a 30 to 70 percent break. Thirty percent operating, 70 percent marketing is how we typically split.

Vice Mayor Keon: Well, you know, I think what I have a concern about is we sat this morning and listened to different people talk about the need to bring attention to Giralda, to bring attention to the Mile and advertising campaigns and what is the City doing to advertise, you know, this one-block stretch or this quarter-block stretch or whatever when it was my understanding that that is the mission of the BID. And we're -- I guess, I also want to understand exactly what is your mission statement.

Ms. Amador: The mission of the BID is to do marketing and advocacy for the downtown Coral Gables property owners and merchants of the -- within the affected district.

Vice Mayor Keon: Right.

Ms. Amador: So, currently, we're charged with marketing and advocacy, which is where the majority of our dollars go towards.

Vice Mayor Keon: Okay, so when they are sitting here telling us that they need additional dollars, is it that -- is it the type of advertising that you're doing, or is your budget not enough to cover the needs of those merchants or those property owners that you represent?

Ms. Amador: I don't want to speak exactly for them as to why that statement was made. Ultimately, our budget only goes a certain -- it only has a certain extent, and we can only do so many events, which is why we also look at additional options for sponsorship opportunities to augment our dollars. Ideally, they would want year-round programming that's more than we would be able to sustain with our budget.

Vice Mayor Keon: But what about just the advertising and the marketing? I mean, they -- what we kept hearing was that there has not been -- there isn't enough marketing. There's not enough advertising to be able to support the merchants on the Mile.

Ms. Amador: I don't know if that statement was made solely for the BID or as an entire citywide -- again, I don't want to speak for that -- why that comment was specifically...

Vice Mayor Keon: Well, it was members of the BID that had made that comment. Well, I'm sorry. It wasn't members of the BID because I don't think they own the property. I think they are merchants on the Mile. So, it's interesting that you really represent the property owners because that's who pays the fee to the BID. And yet, it is the merchants that are the ones that are

voicing concern about the marketing of their businesses to bring people and to draw people to those spaces, to Giralda and to the Mile. So, is it that -- is it the type of marketing that is being done? Is it -- or is it the expectation of those merchants is -- they are -- they're expecting more than is available to be done?

Ms. Amador: I believe...

Vice Mayor Keon: I'm having some problems with that. I mean, if we had no BID and there was an assessment for marketing and it could go into the whole marketing and whatever of the City that we could then add to for the City as a whole, you know, does that better serve them? Or do you need to increase whatever your fees are so that you can meet the marketing goals that the merchants have for you? It's like -- I don't -- because that's all we've heard is that there isn't enough marketing, and there's not enough advertising, and there's not enough planning, and there's not enough programming. So, how do we -- you know, if we -- you know, that's what the money is, you know, there for. Now, if you said to me, no, our mission is, you know, the maintenance of the street and our mission is, you know, a variety of other things, you know, I would understand that it's really spread around. But when your mission is solely, you know, marketing these services of these merchants and this place called Miracle Mile or Giralda Plaza, it seems that your mission is not being fulfilled in their eyes, from what we have heard. I don't know all of your merchants either, but that's what they keep telling us when they come here. And you went to the -- you go to -- you went to the board meeting. What's your understanding of their satisfaction with the amount of advertising, marketing and whatever else is going on?

Commissioner Mena: I mean, I think the people at their meeting obviously are working very hard to push those marketing efforts forward, and they seem happy with what the BID is doing. I mean, I think we need to be careful that -- you know, how many different property owners and merchants do we have in this area? And we had maybe three or four here today.

Vice Mayor Keon: Right, so that's...

Commissioner Mena: So, you know...

Vice Mayor Keon: What I'm asking.

Commissioner Mena: The fact that it may be a small handful are not satisfied with the marketing efforts doesn't necessarily mean that...

Vice Mayor Keon: That it's not...

Commissioner Mena: The broader group is.

Vice Mayor Keon: Coming true.

Commissioner Quesada: It's not a reflection of the whole.

Commissioner Mena: Yeah.

Commissioner Quesada: So, I'm going to make a motion.

Ms. Amador: Thank you.

Mayor Valdes-Fauli: Yes, please.

Vice Mayor Keon: Alright, thank you.

Commissioner Quesada: I'm going to motion to approve it. However, you know, I'm looking at the resolution. Historically, it's been for five-year periods, the second whereas clause. So, the only amendment I'm going to make here is for it to be continued five years, so the changes need

to be made in Section 2 and Section 6 of the resolution so that, instead of a ten-year sunset provision, a five-year sunset provision. I'm doing that based on historical needs and also, you know, I think the BID, just like us and just like everyone else, is -- you know, to be more accountable, to make everyone hustle, to get a better product.

Commissioner Lago: Can I get a friendly amendment?

Commissioner Quesada: Yeah.

Commissioner Lago: I'd like to also include a provision in reference to that we need to see yearly certified financial statements...

Mayor Valdes-Fauli: Yes.

Commissioner Lago: Before the Commission.

Mayor Valdes-Fauli: Very good idea.

Commissioner Lago: And that needs to be provided to the City Manager, and then, therefore, to the City Commission, City Clerk and City Attorney.

Commissioner Quesada: I accept that.

Mayor Valdes-Fauli: Alright.

City Attorney Leen: Is there a second?

Mayor Valdes-Fauli: It's been made and seconded.

Vice Mayor Keon: Second.

Mayor Valdes-Fauli: All -- can we call the roll, please?

Commissioner Lago: Yes.

Commissioner Mena: Yes.

Commissioner Quesada: Yes.

Vice Mayor Keon: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)