

**BAL HARBOUR VILLAGE RESORT TAX COMMITTEE**  
**REGULAR MEETING MINUTES – JANUARY 10, 2013**

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, January 10, 2013, in the Conference Room at Bal Harbour Village Hall (655 – 96<sup>th</sup> Street, Bal Harbour, Florida).

The meeting was called to order at 9:00 a.m. by Mayor Rosenfield.

**1. CALL TO ORDER/ROLL CALL:** The following members were present:

Mayor Jean Rosenfield  
Gilberto Garcia-Tunon  
Bruce Gelb  
Michael M. Krop  
Sandra Lansing  
Richard Lodes

Others Present:

Councilman Martin Packer  
Marco Selva, St. Regis Bal Harbour<sup>1</sup>  
Raj Singh, Sea View Hotel  
Rikki Boparai, ONE Bal Harbour<sup>2</sup>  
Jay Smith, Acting Village Manager  
Ellisa L. Horvath, MMC, Village Clerk  
Matthew Pearl, Village Attorney  
Carolyn Travis, Director of Tourism Marketing

As a quorum was determined to be present, the meeting commenced.

**2. PLEDGE OF ALLEGIANCE:** The Pledge was led by Ms. Travis.

**3. APPROVAL OF MINUTES:**

Mr. Singh requested that a notation be made on the minutes of when he left the meeting.

*A motion was offered by Dr. Krop and seconded by Ms. Lansing to approve the December 13, 2012 Regular Meeting Minutes, with the requested notation. The motion carried (6-0).*

**4. CONSIDERATION OF RECOMMENDATION TO THE VILLAGE COUNCIL FOR THE APPOINTMENT OF RESORT TAX COMMITTEE MEMBERS FOR 2013:** The Committee members were advised that their current terms would expire at the end of the month. All of the current members indicated that they would like to continue serving on the Committee.

*A motion was offered by Ms. Lansing and seconded by Mr. Lodes to recommend that the Village*

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<sup>1</sup> Mr. Selva left during discussion under Other Business.

<sup>2</sup> Mr. Boparai left during discussion of Leasing.

Council re-appoint the current members to the Committee, for another one-year term. The motion carried (6-0).

Since Angelica Lenox, St. Regis Director of Sales and Marketing, was unable to attend the meeting, the Committee will consider a recommendation for her appointment, at the February meeting.

## **5. FINANCIAL UPDATE REPORT – CHRISTOPHER WALLACE:**

Mr. Wallace reviewed the new report format, provided in the agenda. Dr. Krop spoke in favor of the notations and changes to the report.

Dr. Krop requested that the second page (Monthly Resort Tax Revenue, Last Five Fiscal Years) be corrected to show the % change from the prior year as FY12 (the report showed it as FY11).

**Raj Singh, Sea View Hotel**, questioned how \$80,000.00 (Art Program revenue) could be treated as cash flow. Ms. Travis explained that was for the sales of the limited edition pieces for the public art project. She added that the Village maintained fifty percent of the large artwork when it was sold, as a guarantee. Mr. Singh clarified that the Village paid the \$80,000.00. Ms. Travis agreed, but explained that would be paid over the year and she expected to recoup that money through the sales of the limited edition pieces. Mr. Singh understood, but noted that the Village was currently out the \$80,000.00. He suggested that a summary be provided on what had been sold and what had not been sold, to know the liability. Ms. Travis explained that the first artist had been paid out of the prior year budget and the current artist would be paid out of the current budget (under Special Events/Programs). She reported that she had received reservations for \$10,000.00, but the push for sales would now be increased. Mr. Singh requested that a separate summary report be provided, to show whether or not the program was worth the \$80,000.00 investment. Mr. Wallace will work with Ms. Travis on that.

The meeting was temporarily paused due to a fire alarm at 9:10 a.m. and reconvened at 9:11 a.m.

Mayor Rosenfield suggested that another location be considered, other than Founder's Circle, for the art projects during the holidays, since anything would have to be removed for the Christmas tree and Menorah. She reported that the art project created a lot of press.

**Raj Singh, Sea View Hotel**, requested that the public art project be tracked, since it was a pilot project.

Ms. Travis reported that the next project would be installed mid March. She will be brainstorming for the next projects after that.

## **6. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN**

**TRAVIS:** Ms. Travis reviewed her report, provided in the agenda. The following items were discussed:

**Bal Harbour Art & Culture, Museum Partnerships – UPDATE:** Ms. Travis reported on contacting four local museums (MOCA – Museum of Contemporary Art, MAM - Miami Art Museum, Bass Museum, and the Wolfsonian Museum), to partner with on

something for the residents, as well as guests of Bal Harbour. She discussed the challenge in that the museums wanted to have separate benefits for residents and tourists.

**Marco Selva - St. Regis Bal Harbour**, suggested only partnering with MOCA. Ms. Travis spoke in favor of partnerships with the other museums as well.

Mr. Garcia-Tunon spoke in favor of partnering with the museums, as an amenity to the hotels.

Dr. Krop suggested that Ms. Travis see what MOCA would provide for \$10,000.00 from the Village, such as a community membership for residents and guests, for a year trial period. Ms. Travis reported that she had proposed that and MOCA had suggested a separation of benefits for the tourists and residents, which the Village couldn't do. She further explained that MOCA had proposed that the Village would pay for resident membership, but once it reached that \$10,000.00 amount, then the offer would end. Dr. Krop suggested access for the exhibit shows. Mr. Pearl noted that any offer using resort tax funds could not just be for the residents, but also had to be for the tourists. Ms. Lansing spoke in favor of contacting all of the museums, including the other museums at FIU. Ms. Travis will contact all of the museums again, including FIU, to see what they would offer for \$5,000.00. Mr. Smith suggested a program for the Village to be a Platinum donor and, in exchange, the Village would receive free admission for guests and exhibit access for the residents.

**Village Bus and Tourism Bus:** Mayor Rosenfield suggested that the Village sell transportation on the two buses (approximately 44 seats), to the museum exhibits.

**Marco Selva - St. Regis Bal Harbour**, questioned if the locals used the buses. Mr. Smith reported that 1800 riders used the Village bus monthly, but didn't know if they were locals. Ms. Travis reported that the tourism bus cost \$75,000.00 - \$85,000.00 yearly. Mr. Smith reported that the County reimbursed a percentage for the Village bus. Mr. Selva suggested a month study, to see who was using the tourism bus, because he didn't think that it was being used. Ms. Travis will provide the information on the tourism bus ridership to Mr. Selva. She reported that the St. Regis did not use the bus and the Sea View Hotel did not have a big volume of ridership. Mr. Selva noted that the St. Regis was not receiving any value from the bus. Ms. Travis reported that the ONE Bal Harbour and the Quarzo used the bus. Mr. Selva noted that the St. Regis clientele did not want to use the bus. He requested that it be placed on the agenda for discussion. Ms. Travis will provide the ridership numbers.

**Quarter 2 – Sales Actions:** Ms. Travis will send the monthly activities for the Representatives for December, since they were received late. The markets that were covered were included in the agenda.

**Audits:** Mayor Rosenfield questioned if the additional audits had started. Mr. Wallace reported that two were being finished and two more would be started. He noted that they may wait until after the season, in May, to start. He reported that he was working with Mr. Pearl on some interpretations of the Code. Mayor Rosenfield requested that the Council be updated on the audits and when they should be completed. Mr. Wallace reported that the audits would be ongoing (each property would be audited once every three years). He noted that he may recommend not auditing the smaller properties.

**Leasing Issues:** *Raj Singh - Sea View Hotel*, questioned if anything was done to properties that leased apartments for less than six months, such as at the Harbour House.

Mayor Rosenfield explained that code enforcement handled that, but noted that it was difficult to police and the Village relied on the buildings and their management to report that. Mr. Smith explained that the cost to investigate the problem wasn't worth the money gained. He reported on the process followed by code enforcement officers, to catch violators.

*Raj Singh - Sea View Hotel*, suggested payment for those who reported a violator. He noted that his guests were being solicited, to lease at the Harbour House.

Mr. Garcia-Tunon questioned the procedure to follow, if he received a copy of a contract to lease for less than six months. Mr. Pearl directed Mr. Garcia-Tunon to contact the Village, since that would be a code violation. Mr. Smith agreed, but noted that the contract would have to be signed and money paid. Mr. Lodes noted that the Condominium Association should police that. Mr. Singh agreed. Mayor Rosenfield explained that the Village needed to rely on the people to advise the Village that it was happening. Mr. Pearl discussed the difficulty in enforcement.

*Raj Singh - Sea View Hotel*, questioned the fine for someone violating the Code. Mr. Wallace discussed code violations for business tax receipts, resort tax, etc. He added that the State would also go after them for not collecting sales tax. He discussed the difficulty in enforcement. Mr. Singh discussed the possibility of having a whistle blower fee. Mr. Wallace agreed that may be something to look into.

Mr. Boparai left the meeting.

The meeting was temporarily paused due to a fire alarm at 9:45 a.m. and reconvened at 9:46 a.m.

**Beach Renourishment:** Mr. Gelb requested an update on beach renourishment. Mayor Rosenfield reported that the total beach renourishment project had been delayed until May/June. She noted that a temporary project to truck sand in was being considered. Mr. Smith reported that once the tide subsided in two weeks, the County would evaluate the beach erosion, for a trucking project.

Mr. Garcia-Tunon questioned if the money earmarked for beach renourishment could be used and reimbursed once it was done. Mr. Smith didn't think that the Village could be reimbursed. Mr. Singh agreed with Mr. Garcia-Tunon and noted that had been done in the past. Mr. Garcia-Tunon discussed the complaints from guests and residents on the limited beach.

Mr. Smith will follow up on that. He reported that the Village's Landscape Architect had advised that alot of the dunes were lost and estimated a half a million dollar cost to replace the dunes and plantings alone. He added that Mr. Pearl was looking into whether or not resort tax reserves could be used for that.

Mayor Rosenfield suggested that the Village wait to hear from the County in two weeks and, if the County was not going to do it, then Mr. Smith would look into what to do with the

Village Attorney. Mr. Gelb discussed the importance of the beach and the urgency for renourishment for the Village's tourism. Mayor Rosenfield added that Mr. Smith would receive estimates on trucking in sand, but the approval for the project and its funding would have to come from the Council. Mr. Gelb wanted to ensure that something was done. Dr. Krop also spoke in favor of doing something and looking into the cost.

Dr. Krop spoke in favor of increasing the \$1 million in reserves, for beach renourishment. Mayor Rosenfield agreed that a \$1 million reserve was insufficient for beach renourishment and needed to be looked at, during the next budget process.

Mr. Gelb noted that a temporary fix was needed in the meantime, since tourism was being affected. Mr. Smith will contact the County and have Brian Flynn attend the Council meeting, to address the issue.

**Raj Singh - Sea View Hotel**, noted that the Village needed to put alot of pressure on the County, by contacting them and attending the Commission meetings. He suggested that the residents and businesses contact the County, Congresswoman Ileana Ros-Lehtinen, and County Commissioner Sally Heyman for political pressure.

Councilman Packer reported that he had written to Senator Rubio regarding the dire beach situation. He explained that the Council had already spent over \$100,000.00 looking into a sand transfer station for the beach. He agreed that the process was too slow.

Dr. Krop discussed using the funds in the budget to do something, since the County and Federal Government were not focused on sand for the Village. He requested information at the next meeting, to make a decision. Mayor Rosenfield noted that the Council should have some information at their meeting.

**Raj Singh - Sea View Hotel**, suggested that the cap in the Village Code, for 1% of the resort tax revenue up to \$1 million, be removed. Mayor Rosenfield agreed and noted that would be discussed during the budget process.

## **7. OTHER BUSINESS:**

**Marco Selva - St. Regis Bal Harbour**, discussed marketing the tag line and questioned when the new campaign would start. Ms. Travis reported that it would start in March. Mr. Selva would like to see it beforehand. He also suggested that the web site show the Village's proximity to South Beach, etc. Ms. Travis will add the tag line, which was agreed to by the Committee, to the site.

**Marco Selva - St. Regis Bal Harbour**, requested Committee support, to create a weekend destination for Bal Harbour. Mayor Rosenfield spoke in favor of looking into that. Ms. Travis will meet with Mr. Selva regarding his ideas.

Dr. Krop questioned if the changes at Loehman's Plaza would affect Bal Harbour. Mr. Smith reported that they were changing the name to Town Center Aventura. Mr. Pearl reported that it would have Saks Off Fifth and restaurants. Dr. Krop questioned if it would be upscale. Ms. Lansing noted that it would not be.

**Raj Singh - Sea View Hotel**, questioned if resort tax had to be collected on complimentary

rooms. He thought that there had been a ruling by the State that they didn't need to collect resort tax on those rooms.

Mr. Selva left the meeting.

Mr. Pearl reported that he was waiting to hear back from the State Department of Revenue Attorney regarding that, but will report on that once the information was received. Mr. Wallace explained that it would be based on the nature of how that room was provided free of charge and if value was exchanged for it. He will assist Mr. Pearl.

**8. ADJOURN:** There being no further business, *a motion was offered by Dr. Krop and seconded by Ms. Lansing to adjourn the meeting. The motion carried (6-0) and the meeting was adjourned at 10:14 a.m.*

Attest:



  
Ellisa L. Horvath, MMC, Village Clerk

  
Mayor Jean Rosenfield