

MINUTES

City Commission Fees Workshop

April 4, 2012

Minutes of the Fees Workshop of the City Commission of The City of Daytona Beach, Florida, held on Wednesday, April 4, 2012 at 4:00 p.m., in City Hall, City Commission Chambers, 301 S. Ridgewood Avenue, Daytona Beach, Florida.

1. Attendance.

Commissioner Edith Shelley	Present
Commissioner Pamela Woods	Present
Commissioner Kelly White	Present
Commissioner Robert A. Gilliland	Present
Vice Mayor Patrick Henry	Present
Commissioner Cassandra Reynolds	Present
Mayor Glenn Ritchey	Absent

Staff:

James V. Chisholm, City Manager
Marie Hartman, City Attorney
Jennifer L. Thomas, City Clerk

Vice Mayor Henry stated welcome to the April 4, 2012 Fees Workshop of The City of Daytona Beach City Commission. We are happy to have you with us this afternoon; Mr. Chisholm will introduce the staff who will be presenting the workshop information.

2. PRESENTATION

James V. Chisholm, City Manager stated Paul McKitrick would be presenting the fees workshop today and his staff will assist. The latest memorandum from Mr. McKitrick was given to the Commission that provided some corrections for the financial data and if they did not have it then staff would make sure they did receive it.

Paul McKitrick, Deputy City Manager/Administrative Services stated we have three sets of fees to discuss today; the planning and construction permitting fees, the proposed rental property inspection program fees and the motorcycle events fees. He would like to start with the proposed fee changes regarding planning and construction permitting. At the March 15, 2012 workshop, there was a short discussion about those particular fees. We have not had any significant fee increases since an ordinance was adopted in 2004. There is a letter from Sandy Bishop in your backup material where the Volusia Building Industry Association has accepted and endorsed the fees to a certain extent and has no objection. Most of the fee increases are incremental 10 percent fee increases. Some that were larger and they can be explained by the staff that helped prepare those changes. He would like to make note that

during the pre-meeting yesterday with Commissioner Shelley, she asked if we had a separate fee for Electronic Message Center (EMC) signs and my answer yesterday was no based on the fee schedule you and I had been given. He went back and talked to Rich Walton, the Planning Director, and we both thought we had remembered that a year ago when the EMC ordinance was adopted, there was a portion of that amendment that included fees and in fact there was but was never incorporated into the fee schedule. What we would like to do if there is no objection to proceeding with adopting the new fee schedule is bring that back to you on April 18th and it will clearly include the EMC sign fees that were adopted a year ago. He would like to thank Commissioner Shelley for that. One of the fees that stood out in the report from Ron Roberts was the new minimum building permit fee of \$50 and that is comparable to other communities and it is based on \$50 which is our hard cost to provide the processing of the permit and our inspection. We intend to come back with a fee schedule for adoption by resolution on April 18; that concludes this report and are there any questions on those particular fees.

Commissioner Shelley stated she still had a question on the tree removal; we have had a problem where people go in and clear cut because there is no real penalty; they just come back and say okay we'll pay that it's like a slap on the wrist and there really is no incentive to come in and get those permits.

Mr. McKittrick stated the City Attorney and he discussed that yesterday. In Article 18, in a section not related to the fee schedule, is a provision that says if somebody illegally removes a specimen tree without a permit, then they are to assessed a fine of \$1,500 for each six inches of trunk diameter that were removed. For example, in the code it states if they illegally remove a 12 inch trunk tree, the fine is \$3,000.

Commissioner Shelley asked how long that had been in there because I don't think we have been doing that.

Mr. McKittrick stated he couldn't speak to as whether we have been doing that.

Marie Hartman, City Attorney stated she pulled up the provision on her computer and it states if you cut without a permit, you have to prepare a restoration plan within a couple of weeks and replace the trees or as an alternative to replacing the trees, you can submit a fee of \$1,500 per restoration tree in the tree reserve account. The \$1,500 fee is per six inches of restoration tree that you would have to provide. You will not see in here that there is a penalty of \$1,500; it's provided for in terms of a restoration plan of replacement of the trees or alternatively pays this much per six inches.

Commissioner Shelley stated she knew that what they had done, and she would mention it again and then let it go seeing it was not going anywhere, the point being that was done and then that plan would come back and it usually was approved whether the board thought it was good to approve or not; meaning, there was a clear feeling that we would like people to really take consideration before they go forward doing something like that. The feeling in the community is we can do that, come back; put together a restoration plan; put them where we want them and not have to deal with the other. She knows that that has been a problem in the past.

Commissioner Woods stated if it was in there we could do something different and it sounded to her that it was more of an issue of them not doing what the code allows them.

Commissioner Shelley stated it said that if they bring the restoration plan they do not have to have the fine.

Mr. Chisholm stated he thought he did and they still have to ...

Mr. McKitrick stated he was mistaken and Ms. Hartman is correct. It would be a restoration plan or a fine. The \$1,500 per six inches was based on what the cost was at that time for a six inch tree planted in the ground for labor, materials, etc. To the best of his knowledge, they have only levied a substantial fine one time in the last 15 years to a beachside property owner and that fine was approaching \$10,000. He did not have any other direct experience with the collection of fines for the processing of restoration plans.

Commissioner Shelley stated when she was on the Planning Board; it was seen as a problem.

Mr. McKitrick stated we're here and we are rewriting the Land Development Code (LDC) so the suggestion might be instead of a restoration plan, let there be a substantial penalty.

Commissioner Woods stated a consequence or both.

Mr. Chisholm stated or both.

Commissioner Shelley stated she would like to see ... because it was important ... she did not like ... and they have seen it with other things we do in our community. She wants to encourage development and would like it to go forward but sometimes things happen because people think they can do certain things and the consequence would not be bad.

Mr. McKitrick stated they have taken note of it.

Commissioner Woods stated she had a property in her neighborhood that was an undeveloped lot, they went in and performed a clear cut and the neighborhood was very upset about it for the fact that they just went and did it. There were some very large trees on the property. She did not know if the owners knew they had to get a permit but once the trees were down, they're down. There definitely should be a consequence.

Mr. Chisholm stated we are talking about changing Article 18 that deals with either or in whether they consider ...

Commissioner Woods stated she would like to see it come back.

Commissioner Shelley stated she would be comfortable with that also even just to look at the language.

Vice Mayor Henry asked what constitutes a restoration plan regarding the process and what would happen.

Mr. McKitrick stated first the offending party would have to hire a landscape architect because a plan would not be accepted by anyone else besides them. The person would consult with the staff and a determination would be made based on the number and size of the trees removed, the number of trees that would have to be planted to replace in some sort of equivalent fashion and then the location of the trees would have to be agreed to. He did not think it would require Planning Board approval but would be a staff level approval.

Commissioner Shelley stated she thought part of the restoration plans, for example, we did not ... and she understood that and did not want to be onerous here, she just wanted people to understand and encourage them to go from the front door instead of the back door ... but in the restoration plan, a lot of times they were not enforced. If they pulled out a very large tree, they did not replace it with the same caliber. We allowed them many times to put in a much smaller one, maybe a six inch tree when they took out a 24 inch tree.

Vice Mayor Henry stated ...

Ms. Hartman stated the code states they have to provide at least one replacement tree for every six inch diameter tree that they take out. If they removed a 24 inch tree they would need to provide four replacement trees.

Mr. McKitrick stated the challenge for staff was when the trees are removed they are not sure of what size the trees were.

Commissioner Shelley stated she remembered it caused lots of discussion and concern.

Ms. Hartman stated in that instance it stated eight trees per acre have to be planted.

Mr. McKitrick stated the impression he got from the City Manager and the City Commission was that they do not want to wait for the Clarion code and we can put it on a Planning Board agenda as soon as possible and move forward with this amendment. That is what we will do.

Mr. Chisholm stated this will start pretty soon.

Mr. McKitrick stated unless there were any objections they were going to come back on April 18th with the resolution to approve the fees schedule with the changes that we had discussed. The next fees are the rental property inspection fees. We had quite a bit discussion at the meeting on March 15th. The principal that he was directed to use as they wrote the program and developed the fees was that the program had to be financially self-supportive, which is application fees, renewal fees and inspection fees. On March 15th it was commonly decided that annual inspections weren't necessary, inspections every two years would be adequate. Staffing costs for two full time employees, an inspector and a clerk would be \$85,000 so that is a solid number to use. The fees have been readjusted and outlined in the memo dated March 28, 2012. The memo dated March 28, 2012 also gives

examples of annual taxes and fees that would be imposed on a typical duplex or quadraplex so you can see what the total expense to the property owner might be. In addition the City Manager has directed the staff to evaluate opportunities to outsource inspections to lessen the costs and associated fees. They have begun the discussion and will complete that evaluation before the final program regulation and fees are adopted and obviously if they can save money on the administration side that will affect the fee side too. If the program today is determined to have merit Development Services will work with our Legal Department to finalize the regulations. What you have is a draft, there are some errors in it and Marie and I have talked about that and it will have to be reformatted a little bit to fit into the City Code of Ordinances. He suggested they come back in the next several months with this if this is their wish and if adopted those numbers, the revenues, the expenditures, the staffing might be able to be included in the FY 2013 budget.

Vice Mayor Henry asked if a person with 15 units would the application fee would be per unit.

Mr. McKitrick stated we are only regulating properties with one, two, three or four units the idea being is that anything with five or more units is already being inspected by the Department of Business and Professional Regulation. He has had contact with Gary Reed and if we have a problem with five or more units they have agreed on a joint inspection enforcement project for that.

Vice Mayor Henry asked if the application fee for a four unit property would be per unit.

Mr. McKitrick stated no, it's \$40 whether it's a single unit or four units, its \$40.

Commissioner Woods stated just so everybody understands, it's only up to where the state kicks in we're not going to duplicate it's to catch those that nobody is catching right now.

Mr. McKitrick stated that's correct, the original proposal was for everything and the significant revision several months ago was on the one to four.

Commissioner Woods stated she appreciates the changes. The last time we talked the Fire Chief spoke and was able to clarify ... so it was very helpful for her to be able to have heard him speak and then talk about how they want to be consistent on what they are doing with their regular businesses because that question came up and she said we are not going to do it every year we are going to be more consistent with what is already going on with businesses in the City. To her that is a defensible position because we are just being consistent with what we are already doing with our other businesses within the community.

Commissioner Gilliland stated ultimately the \$68 annual inspection fee and \$15 license renewal a total of \$83 is really what we are talking about after the first year its \$83 a year for a single unit rental.

Mr. McKitrick stated the license renewal is \$15 whether it is one to four units, then depending on the number of units; it is \$68 per unit.

Commissioner Gilliland stated that is why I said for a single unit and then it goes up \$68 from there. The first year there is the \$40 application fee and \$50 inspection fee so it is \$90 and then it goes down to \$83 in future years for a single unit.

Mr. McKitrick stated in the first few years as we ramp up 2,500 units, 1,900 properties are the best numbers they have been able to develop; it is going to take a year or two to collect and regulate all of those and the challenge here to make the program self-supporting the application fee is going to be heavily relied on as the numbers build up because our hard cost, unless we out source and save significant money is \$85,000 a year, that is the only sure number that we have.

Commissioner Gilliland stated if the property changes hands there would be a new application at that point.

Mr. McKitrick stated right.

Commissioner Woods stated good to go as far as she is concerned.

Vice Mayor Henry stated he wanted to be clear, on the renewal it is \$68 per unit.

Mr. McKitrick stated correct.

Vice Mayor Henry stated so if I have a four unit it's four times \$68, \$280.

Mr. McKitrick stated yes sir.

Vice Mayor Henry stated okay I'm clear.

Mr. McKitrick stated we will begin to work with our Legal Department to finalize the draft regulation and as he said before they will investigate any cost savings through out sourcing and come back in the next several months with something that is in a form for adoption.

Commissioner Woods stated she wanted to make one comment and that was the back-up given to the Commission by staff, was the whole back-up she had asked for a printed copy because there was a lot of information and her iPad moves too much sometimes. If they are asked questions as this goes forward, this gives you good documentation on why other cities have done it, the reason you do it and the impact it can have. Staff did deliver some great back-up information as we are asked questions from the community. She has two hard copies and was willing to share if someone would like a copy.

Mr. McKittrick reported regarding the Motorcycle Events Fees; disregard his first memo, and refer to the one dated April 3, 2012 amended Motorcycle Events Fees some of his arithmetic was faulty. He asked the Commission to refer to the spread sheet first on page 42 of their packets. Because of comments that were made at the March 15, 2012 meeting; staff redacted the Chamber's Sponsorship Revenue in addition to the parking revenue and the Bike Week Thread Revenue. Also; if you look at the spread sheet under expenses for Police you're going to see a tiny asterisk (*) and a note that has been adjusted for 2012 staffing issues. The City Manager and Chief Chitwood asked this be adjusted so that we more properly staff the last weekend of Bike Week and that adjustment was made using some numbers from Chief Chitwood. Referring to the spread sheet again under revenues you will see a list of revenues which included vendor permits, outside areas surcharge, tent permits, TPA permits and Master Plan Application Fees. He was not recommending increasing tent permitting fees which was currently \$50 or the TPA fees which was \$75 or the Master Plan Application Fee which was \$300. As these permits and applications are used routinely throughout the year by permanent year-round businesses, and could be considered inappropriate to raise everyone's permit fees because of funding issues during the two motorcycle events. He gave a clarification stating, "The Master Plan Application Fee is technically a Conditional Use Permitting Fee" which we agreed a moment ago should be \$300. When someone makes an application for a Conditional Use Permit they will pay \$300 and for the Biker events we call it something else, but in actuality it's a Conditional Use Permit. He concentrated on the two fees that are always used during motorcycle events and they were the vendor fees and the outside activity fees. Currently the outside activity fees are 12 cents per square foot and the City is currently collecting \$12,480 dollars a year from that particular fee. In order to close the \$70,000 deficit it could be done either by raising the 12 cents per square foot fee to 25 cents per square foot and instead of collecting \$12,480 we would be collecting \$25,000, the remainder would require the vendor fees to be \$900 if we are going to close that \$70,000 gap. On March 15th Commissioner Gilliland suggested that maybe we should prorate the activity fee or have one fee for the four day event and a different fee for the ten day event. Whatever fee you choose that would be how you would adjust the vendor fees. He gave two examples of raising the activity fees by seven cents or eight cents per square foot, the vendor fees would be \$750 or \$800 dollars per square foot. If the Commission agrees the fees should be increased and you wish these fees to be imposed by Biketoberfest of 2012; the guidelines needs to be amended as soon as possible. As of right now the Convention and Visitors Bureau plans to submit Master Plan applications for Commission approval in July as it historically occurs. Depending on the feedback we get on today; if we end up agreeing on a fee increase, we will try to get back to the Commission by the first meeting in May with the proposed amendments to the guidelines and that concludes that report.

Commissioner Shelly asked if the tent permits were \$100 because she thought they were \$50 which was the same for Biketoberfest.

Mr. McKittrick responded they were \$50 for Biketoberfest and \$100 for Bike Week because it's more than seven days.

Commissioner Shelley stated she had a question concerning expenses. During Bike Week for Fire Department, there was a full engine with the engine company, not at a Fire Station but it was there with the engine crew because of not being able to get through the crowd. She asked Chief Bland if he could explain to her how that works.

Fire Chief Bland stated that was not a normal thing. They would be down there if they had just finished a call and they went down there, but they do not do it for standby purposes. They would remain at their stations, and we have the motor medics that would go out and handle the calls for the Seabreeze to Silver Beach blocks.

Commissioner Shelley stated that was not what she was told when she was down there. This past event they were down there and she was told they were not a standby crew.

Chief Bland stated a crew would normally be in a station however that is not normal for them to be down there. They were not directed to be down there by the Fire Department. If they were down there they were either finishing up a call and were in place down there because the Fire Department does not staff Main Street with on-duty resources, we hire out for that. He would need to speak with Commissioner Shelley to find out who gave her that information because that was not correct.

Commissioner Shelley asked and their response was they were there all day because they were concerned they would not be able to get there if a call came in and they had to respond.

Fire Chief Bland stated there was an exception to that rule. If it happens to be raining outside, we would take that mobile unit, and take those guys that are on motorcycles and place them into a vehicle. That is not a standard practice and that was the first time it occurred.

Commissioner Shelley stated she was looking at the cost and said it had to be more than \$7,000 so she wanted to know where the engine was from.

Commissioner White asked Paul McKitrick the question for clarification concerning their conversation about Bike Week a couple of months ago; it seemed to her as if they were talking about charging the bars. If most of our costs are in policing, she wanted to know if there were some costs that could be deferred by the bars. It seemed to her the strategy had been changed totally to the vendor thing.

Commissioner Shelley interrupted by saying the discussion she had with Marie and Paul at her meeting she brought that issue up and talked about revamping and how we address bars in general. She asked Marie Hartman if she would expound on that issue.

Ms. Hartman stated yes, we had been talking about attaching some additional regulations to the afterhour's permits to say every bar that wants to remain open after midnight had to get an afterhour's permit. This would be those businesses where you tend to encounter those extra police services throughout the year around closing time where the extra police officer would be needed etc. We looked into putting something into the afterhours permit fees for security which would cover those cost.

Commissioner Woods stated that this was a larger issue than just Bike Week, the afterhours permits to her you can certainly require outside details as part of your condition of having the afterhours permit. She felt that it in itself was a whole separate conversation that the Commission needed to have to address the year-round problem.

Mr. Chisholm stated that was exactly where we were headed and it would entail more than just a fee, there would be some performance requirements as well.

Commissioner White stated that if the Commission addressed that as a holistic strategy for year-round, would that offset some of the costs for Bike Week. She felt like a lot was being passed on to the vendor fees.

Mr. McKitrick stated the Chief could respond to this because he personally wasn't sure about Bike events. He did feel that a substantial amount of these cost were not related to drinking problems in bars afterhours. For example there is traffic, crowd control and other activities throughout the City because of traffic congestion throughout the City. As far as having to go into any bar throughout the City and having to deal with a drunk, he felt that was a small number.

Mr. Chisholm stated the Main Street bars aren't any different from any of the other bars as far as afterhour's problems the City encounters with maybe a few minor exceptions. The issue we are trying to address with the fees are the issues that Paul McKitrick is talking about which is broader than just the bars.

Commissioner Shelley stated she knew on Mary McLeod Bethune Boulevard (MMB) parking and traffic control and was a huge issue as well as people parking in our parks and places there was no oversight. Looking at additional fees for bars on Main Street was another issue that came up in our discussion.

Mr. McKitrick stated the flaw with the original proposal was that it only affected properties that were participating in the Master Plan and we have at least one bar on Main Street that has no outside area, and therefore was not in the Master Plan. He felt the system that Marie Hartman spoke on today was more inclusive and captures everyone that might be a problem.

Commissioner Shelley stated getting back to Commissioner White's point, we need to address the extra police that we have and how do we cover those expenses.

Commissioner Gilliland agreed the afterhour's situation needed to be addressed. He also felt it needed to be a performance piece included into the permit. To him it wasn't a flat fee where if you have an afterhours permit you had to pay this cost. The vast majority that has this fee don't put any additional burden on City resources. With users' fees, a cost is associated with City services. We are trying to figure out who is creating the burden and then access them a fee for using those services. He did not feel it was right to be pulling those funds out and be honest and say they are revenues, but we have made the decision to divert the profits from those revenues to Peabody or Cultural Services. You could say the same thing for the Chamber's Scholarship Revenue Fund which is also a wash and would still be the same \$20,000 profit the City is making now. In his mind the City was over allocating to Cultural Services and the Peabody Auditorium if you truly wanted to talk about the events and who are the users that are really causing the burdens and consuming the City resources. He wanted to see a breakdown of the \$100,000 for Police fees, which he stated is an awful lot of money. At this point he was not ready to move forward with any changes in the fees however; he did believe they should do the per square foot, move from a flat fee to a per square foot fee per day to make sure they are not charging the same amount for Biketoberfest as we do for Bike Week. We are headed in the right direction we just still need some additional vetting before we get to what he thought was a reasonable yet defensible change in the fees structure to cover the cost of services incurred by the City.

Mr. Chisholm asked Mr. McKittrick to address the parking fees and the Biker Thread fees.

Mr. McKittrick responded the Biker Thread fee for the first 3 year term was \$75,000 per year, which was just re-negotiated to \$85,000 per year. To agree with what Commissioner Gilliland stated earlier, he wasn't sure that all the details on the revenues received from the promoter in addition to the \$85,000 are recorded here. The number for 2011 for both events for the Police Department was \$70,000. In talking to Chief Chitwood he was adamant about the fact that to do the job to a satisfactory level it needed to be \$100,000.

Mayor Ritchey asked for both events.

Mr. McKittrick stated no that is for Bike Week.

Commissioner Gilliland stated you said initially the 2011 number for both events was \$70,000.

Mr. McKittrick stated no it was \$70,000 for Bike Week and now it is \$100,000. He did not recommend any change to the \$30,312 number for Biketoberfest, apparently the staffing for that was adequate. He did acknowledge that we had an issue on the last weekend and he did not want to have staffing at that same level again so the recommendation is that we adjust the number appropriately.

Commissioner Gilliland stated or we speak to the Chamber and some other folks about not overlapping Spring Break and Bike Week because that would reduce the cost as well.

Commissioner Woods stated she doesn't know about that, we used to have a half million dollars in the fund for events and the fact that he has cut it down, we are using \$10 per hour people instead of \$30 per hour police officers; he has cut and cut and cut. We had major problems in the neighborhoods on the second weekend; she received a call while she was out of town and she had to call the City Manager. That should not be happening, we had gotten everything under control and we continue to cut back in staffing and then we had problems. She doesn't like getting phone calls when she is out of town and having to track the City Manager down to get officers into neighborhoods because they are overrun. That shouldn't be happening and if the Chief is saying this is what he needs to be sure those things aren't happening in the neighborhoods she trusts what he is saying to us because he has cut it and cut it and cut it.

Commissioner Gilliland stated but we didn't ask him if he didn't have to deal with Bike Week and Spring Break simultaneously, if they were separate weeks ...

Commissioner Woods stated it was motorcycles in her neighborhood.

Commissioner Gilliland asked if the officers were at the hotels dealing with Spring Break issues. He thinks that there is a very strong possibility that they were.

Commissioner Woods stated no they were on Main Street.

Mr. Chisholm stated these were Bike Week events.

Commissioner Gilliland stated the resources that were pulled away from the bike events to deal with Spring Break issues reduced the amount of resources available to police the bike events. There is no way anybody could argue that can't be true because they overlap this year for the first time. When he was talking to people about the problems they ran into the only problem was they had a Spring Breaker mouthing off to a Biker and something bad happened. Having both groups in town at the same time did not work very well. This year was unique.

Commissioner Shelley stated she was on Main Street at 1:00 a.m. in the morning and the issue was not Spring Breakers, they did not pull details to go to hotels. It was drunken people on Main Street.

Commissioner Gilliland stated they did not spend \$100,000 on the Saturday night that she was down there that was spread out over the course of the event.

Commissioner Shelley stated they did not spend \$100,000, they would have liked to have spent \$100,000 and the feeling was to maintain the bike event.

Vice Mayor Henry stated he thought Commissioner Gilliland was making a good point and he thought they were missing his point. The point is simply, the added event of Spring Break to Bike Week taxed the Police even more.

Commissioner Gilliland stated throw in the fact that it also turned out to be Saint Patrick's Day that Saturday night. Actually the Chief was quoted in the paper saying that things went very smoothly.

Commissioner Woods stated because he staffed up.

Commissioner Gilliland stated had it continued to be the week prior and we didn't have Saint Patrick's Day we don't know what the costs would have been but it's fairly obvious that it would have been less than \$100,000.

Mr. Chisholm stated they would look at the costs to see that they have got them down right. He wanted to go back to one thing that kind of got missed or he misunderstood what they had done. Biker Threads funds are to pay for Bike Week and not go anywhere else is that not happening.

Mr. McKitrick stated this is probably the third discussion about fees that we have had and he thought at the first meeting not the March 15th meeting but an earlier meeting it seemed to be the consensus of the Commission that the Biker Threads money and the parking revenue money should not be included as motorcycle events for the purposes of offsetting City service costs.

Mr. Chisholm stated that is not my understanding.

Mr. McKitrick stated and then at the March 15th meeting that was in his mind reiterated and there seemed to be a consensus that in addition to that we needed to go ahead and pull out the Bike Week Sponsorship funds also.

Mr. Chisholm stated the Biker Threads funds are clearly a Bike Week activity, those funds ought to stay in the revenue picture for Bike Week. The funds for parking even though it's bike related it is staffed largely by the Peabody Staff and some of the parking area uses the Peabody parking lot, at least part of it needs to go to the Peabody if not all of it. There's a rationale for that.

Commissioner Gilliland stated he is fine with it staying on there but he thinks we want to show the crossed out numbers on the revenues and expenses but there needs to be an additional expense which offsets the profit to say that that \$20,000 went to the Peabody. It all needs to be on here so we are looking at the whole picture because that's a benefit this community gets and would not get if we did not have the bike events.

Mr. Chisholm stated exactly.

Commissioner Gilliland stated he went back through the ancient October 2001 Soskin report that the Chamber had done related to bike events and when you look at the numbers this is the biggest economic driver that we have in east Volusia. This is a big economic engine for us but he does not want to lose sight of Commissioner Shelley's comments that we have got some work to do. There are some improvements to be made and Commissioner Wood's comments are right it is unacceptable that there were some problems in the neighborhood. We need to be fair and honest about when we look at the expenses and revenues and the burdens that are out there when we are making policy decisions on who should pay for those expenses and the burdens that are being created.

Commissioner Reynolds stated she totally agrees with Commissioner Gilliland. She knows a lot of our residents look forward to Bike Week and it is an economic engine in the community. We don't want to tax ourselves out of what we have a lot of other communities are garnering for Bike Week and Bike Week activities and we do not want to push them away. She agrees that we should look at what we are doing. We should increase something or look at ways that we can get revenues to cover Bike Week, especially because the City is doing it but The City of Daytona Beach is not the only one benefitting. The citizens benefit a lot from it. A lot of them just try to hold on until Bike Week or Biketoberfest comes around. We do not need to be a donor per se, we do need to find revenues to cover costs but we need to look at how we are going to be doing that. She wished we had some other options. Maybe we are giving too much to the Peabody and Cultural Services out of the Bike Week funds or maybe we should even do more events within Bike Week that would cover our costs, more sponsorship's perhaps. She does not want to tax ourselves out of our golden egg.

Mr. Chisholm stated the only point he would make is to agree that all of the revenues ought to be shown whether it is a profit or loss. We do make money in certain areas and it should be shown. A task he has yet to accomplish and bring back to the Commission is a staff review of all of the activities of Bike Week, the problems and the things that work well and if changes are needed to be recommended they will bring that back to the Commission.

Commissioner Shelley stated from her standpoint she thinks it goes back to her comments regarding Bike Week on Mary McLeod Bethune (MMB) and Bike Week on Main Street in the same hours of the evening. MMB she felt safe, it was a different atmosphere, it was a very good experience for her; the core community was very supportive of the event. There are some issues but they are not the issues that we have on the beachside. By seeing the way the event was managed on Main Street it was a totally different atmosphere. From being accosted by drunk, after drunk, after drunk, she did not have that happen on MMB during the same time frame. The street was dirty the smells were different. As people say we need to go forward, she is not saying that we don't but she thinks it is important that we look at how it is managed on the beachside that has led to this outcry from the residents and the event on MMB which the residents embrace and would like to see expand. Destination Daytona they say is pulling away, it's pulling away because they provide something that is higher class and a better event. They don't stay open as late as we do they shut it down at Destination Daytona, that is what we need to look at as a community to make it an event that becomes acceptable. The music was not as loud on MMB you could talk; the bands were not

competing with each other and as she has said before she thought it was a great event, she enjoyed it very much. We need to look at how we manage an event over here versus how it is managed there.

Commissioner Woods stated with Biker Threads she has no problem that is directly related to Bike Week. The Peabody has to operate as an Enterprise Fund and we all need to remember that and if you are going to take revenue from them that they have counted on, we have to realized that revenue source has to come from somewhere else.

Commissioner Gilliland stated he is not advocating that we take the revenue; he just thinks it needs to be on the sheet ...

Commissioner Woods stated it's in the Enterprise Fund.

Commissioner Gilliland stated he thinks it should stay there.

Commissioner Woods stated the other comment she wants to make that she gets asked all the time is if all this money is being generated in this community by this event where is it being reinvested. Drive down Main Street its not there. If the money they are taking in is not being reinvested in this City then the residents that come to her and say I'm not seeing the benefit, at the end of the day there is a perception problem with where that money is going and they resent that there is an expense to the City when they don't see a return. If we had a thriving year round Main Street and thriving A1A year round I don't think you would hear half the comments that go on, on the beachside but they are not thriving and have not for a long time. The questions are going to be continued to be asked if it is such an economic engine it is not being reinvested in the areas where these funds are going.

Commissioner White would like a more detailed report from the Police Department as she feels there is a direct relation between some of the Police costs incurred because of the late night drinking. One of the biggest variables between what is going on, on MMB and Main Street is there are a lot of bars on Main Street and a lot of late night drinking going on, a lot of problems come with that.

Vice Mayor Henry stated it was obvious to him that we have a lot more work to do on the fees for Bike Week and Biketoberfest. We have to dig deeper and take a real good look at where and what we need to do.

Commissioner Gilliland asked if he could respond to Commissioner Woods. The number something over a half a billion dollars that is the economic benefit, that's not profit that is money that is recycling through the economy here locally. The people that are making those wages, the people that made the products that were sold, the people that worked the events; that's the money they make to pay the rent with, their car insurance, their utilities, they put food on the table and clothes on their kids. It gets cycled through the economy that way, its not profit that you're looking to be reinvested, that's the money that the people in this community make to live off of. That's the model that he thinks he has heard that they would like to move away from, to where we have an economy that is not quite as reliant upon

special events to where it is more stable year round but it is still going to have a significant hospitality, tourism component. Their wages for an annual period is not going to be greater than it is today. It isn't profit to be reinvested it's the money out there made by the little guy who is working; that's how these economic reports are being put together and that's what they are looking at. He does not want it to be misunderstood that there is a half billion dollars sitting in somebody's closet that could be reinvested because that is not the case at all, it's the wages that are being spent that are being put back into the community.

Commissioner Shelley stated she believed what Commissioner Woods is referring to, when you drive down Main Street and look at the main businesses that are there reinvesting in their own properties they look the same as, if not worse than when she moved here. It would be nice to see someone put a new façade on their building that is what she is talking about. The reinvestment by those who own the properties down there to reinvest in those properties and fix up that street, if your business is making money for instance the Speedway they reinvest in their own business. It would be nice to see somebody reinvest in their own building, instead it is like a time warp.

Commissioner Gilliland stated he agrees with that. He referred to the article in the paper with quotes by Dave LaMotte about the number of days he has where he is making money and the number of days he has where he is losing money, those bars on Main Street have an awful lot of net income days on Main Street. Some of that money, if there is enough of it, it should be reinvested into that corridor but if you look at the number of negative days that those businesses have it is an astronomical number which makes it ... he would never want to have a business on Main Street right now because of the fact that there are maybe 200 days a year where you have lost money by being open. He totally agrees with what they are saying and thinks they are doing the right things with all of their goals for where we want to be 10-20-30 years from now to move in that direction but what we have today in moving off the current environment to that is going to take some time and its going to take good policy. If you look at where we were five years ago, itinerant vending is 50 percent of what it was a few years ago; we are moving away from that model that it was a few years ago but we still have work to do.

Vice Mayor Henry stated this was good we had some good dialogue and discussion.

3. DISCUSSION – CITY COMMISSIONERS

No additional discussion.

4. ADJOURNMENT

There being no further discussion or comments the workshop was adjourned at 5:03 p.m.

PATRICK J. HENRY
Vice Mayor

ATTEST:

JENNIFER L. THOMAS
City Clerk

Adopted: June 6, 2012

RECORD REQUIRED TO APPEAL: In accordance with Florida Statute 286.0105 if you should decide to appeal any decision the City Commission makes about any matter at this meeting, you will need a record of the proceedings. You are responsible for providing this record. You may hire a court reporter to make a verbatim transcript, or you may buy a tape of the meeting for \$2.00 at the City Clerk's office. Copies of tapes are only made upon request. The City is not responsible for any mechanical failure of the recording equipment.