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EXHIBIT
CITY MANAGER
REPORTS

The Gallery at
BEACH PLACE

December 2014

Security Needs Analysis

Jon D. Groussman, J.D., President, COO, CAP Index, Inc.

1. Methodology

- Interviews were conducted with members of Allied Barton Security, a representative sample of Tenant Managers, and members of The Gallery at Beach Place ("Beach Place") Management Team. A short discussion was held with representatives from the Fort Lauderdale Police Department. Continued discussions are desired, as their insight and cooperation is valued from a public safety perspective. In addition, on-site observations were conducted during all shifts and on multiple days to gain an understanding of the existing security operation.

Crime Risk Assessment - Findings

- Site event history known to management, as well as data provided by law enforcement, was assessed as part of the crime risk analysis phase of project. Inherent risks for a property of this type were also considered.
- Of the 169 incidents reported to have occurred at 17 South Fort Lauderdale Beach Boulevard ("Beach Place") between 01/01/2014 and 09/07/2014, as provided by the City of Fort Lauderdale Police Department, 61.5% (104) occurred on the Beach Place premises and 38.5% (65)

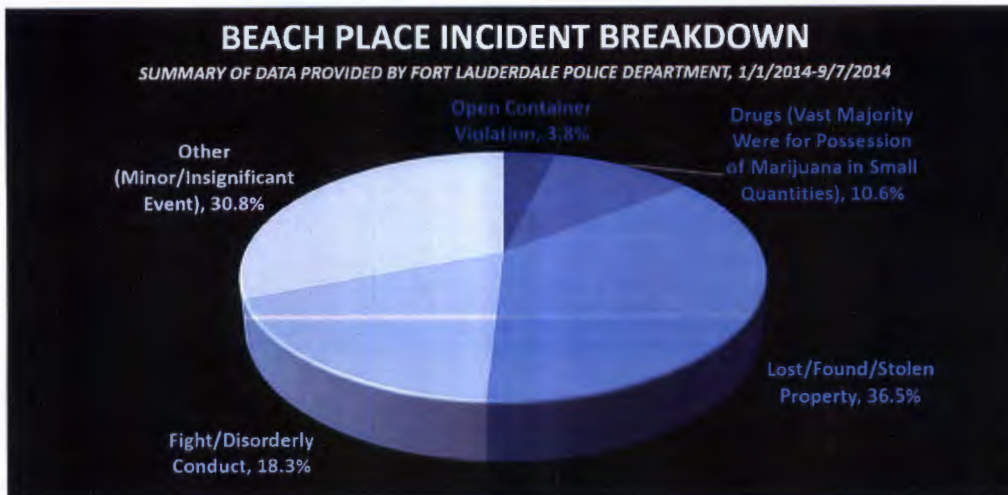
occurred *off property*. Below is a breakdown of these reported events by incident type:

- Of the 12 “Open Container Violation” incidents, 33.3% (4) occurred on the Beach Place premises and 66.7% (8) occurred *off property*.
- Of the 27 “Drugs” incidents, 40.7% (11) occurred on the Beach Place premises and 59.3% (16) occurred *off property*.
- Of the 66 “Lost/Found/Stolen Property” incidents, 57.6% (38) occurred on the Beach Place premises and 42.4% (28) occurred *off property*.
- Of the 25 “Fight/Disorderly Conduct” incidents, 76.0% (19) occurred on the Beach Place premises and 24.0% (6) occurred *off property*.
- Of the 39 “Other” incidents, 82.1% (32) occurred on the Beach Place premises and 17.9% (7) occurred *off property*.

Of the 104 reports at Beach Place, over half (70 of the incidents), were for either “Lost/Found/Stolen Property” or “Other”. The “Other” category was minor or an insignificant reported event, most not even criminal acts. Also noteworthy is that the “Drugs” category reflects possession of marijuana violations, the majority of which did not occur on Beach Place premises. While the majority of “Fight/Disorderly Conduct” reports occurred on premises, this is not surprising given the presence of off duty law enforcement and/or security personnel employed at the individual bar/restaurant establishments who on most occasions initiated the call for service.

Summary of data provided by Fort Lauderdale Police Department, 1/1/2014-9/7/2014





(Attached please find a spreadsheet with incident details.)

2. Substantive Findings

All initial findings have been contemplated with an understanding of actual and probable risk (e.g. event history, inherent risks), operational feasibility, generally accepted practices in the field of security for similar properties, and with the best interests relative to safety and service of tenants, staff and visitor's at Beach Place. Full implementation of items found in this overview will require some patience and a level of commitment by all parties. Adjustments may be necessary. Operational processes will be tracked continually and a quarterly audit will be conducted for quality assurance.

The level of security presence and overall professionalism of recently contracted Allied Barton Security is excellent when compared to similar properties and service providers. This is especially apparent considering the safety/service demands placed on staff, and given the open public access/hours of operation at Beach Place. The current security posture and areas of improvement in the overall security program at Beach Place will be outlined in this overview.

- Continue to introduce a new culture of trust with security, tenants, visitors, law enforcement, and management. Productive and consistent communication will enhance the program. Everybody plays a role in a security program. This working relationship has been greatly enhanced with the addition of Allied Barton and the termination of the previous security services provider.

- Create balance with need to secure people and property while providing customer service elements that visitors have come to expect in a shopping center/entertainment environment. Enforcement of Beach Place rules of conduct (e.g. no open containers of alcohol leaving the premises, shirt and shoes required) needs to remain consistent and clearly articulated to patrons of Beach Place through the use of signs that provide notice of such rules and through education provided by security officers assigned to this property. Signs are conspicuously posted at main egress points on the property. Tenants who serve alcohol on the premises play a role in achieving the desired result. Most are cooperative, with the exception of Fat Tuesday, and are limiting or eliminating “to go” cups. Finally, crowd control barriers are used on Holidays and during special events that attract large groups of visitors to minimize the outcome of open containers being brought off-premises.

- Security staffing levels are more than adequate at present given the use type, size, and relatively low crime history at Beach Place. As previously discussed, many of the drug violations and stolen property reports are occurring off-premises on public beaches and sidewalks. Currently at Beach Place, there are over 520 security hours per week, not including a private K-9 narcotics patrol on Thursday through Sunday or the addition of one off-duty law enforcement officer on the weekends. It should be noted that the use of the private K-9 narcotics patrol in this environment is very atypical, unduly burdensome, and to date has shown no return on investment. Finally, some individual tenants that serve alcohol have their own security staff, including off-duty law enforcement officers on weekend nights and during special events. No additions are recommended at this time. Of course, for Holidays and some special events, Beach Place Management should consider contracting an additional off-duty Police Detail to be present in the common areas and to support the security already in place by the tenants serving alcohol and hosting the “festivities”.

- Continue to assign fixed posts at the front of the property beginning at 12:00pm as a visible deterrent and to enforce Beach Place rules of conduct. Also maintain current levels of roving patrols with the use of the existing security officers. While roving patrols currently include the parking garage owned and operated by Standard Parking, it is recommended that Standard Parking contribute to the cost of the garage patrols, at a

minimum. All patrols should continue to be documented through the use of a guard touring software system.

- Security currently has established communication links with Marriott Loss Prevention in the event of an emergency. It is recommended that a similar level of communication be initiated with Ritz Carlton Loss Prevention Department. In addition, off-duty law enforcement officers working at Beach Place on weekends are provided a two-way radio to allow for communication with security personnel. A “fix” to the radio frequency that will allow for direct, uninterrupted law enforcement communications is currently underway and has been given a top priority status by Management at Beach Place.

- Additional CCTV cameras (recorded via DVR) should be installed in both pedestrian hallways on the first and second levels leading from the plaza to the garage and loading dock double doors (hallways that lead to public restroom entrances). As of the date of this report, the first floor level CCTV enhancements have been completed. Also, add a CCTV camera to the pedestrian corridor along the Cortez Street walkway that leads to the loading dock and to the Security/Fire Control Room. Finally, rooftop cameras facing the plaza courtyard and front of the property (main stairs and landing areas) should be activated and recorded. All cameras in the parking garage are maintained and controlled by Standard Parking, and thus were not evaluated as a part of this assessment.

3. Conclusion and Security Plan for the Foreseeable Future

Based on the documented level of risk at and around Beach Place, the existing security program is reasonable and adequate in size and scope. The security program at Beach Place exceeds industry standards and best practices for a property of this type, given the relatively low risk of serious criminal activity on-site. The items mentioned in this overview, most of which have been implemented, will enhance the program and will result in a more effective security program at Beach Place. Quarterly audits and in-service communication skills training will ensure that the security will demonstrate ROI in all aspects. A renewed partnership with Law Enforcement will help to maintain a safe environment at and around Beach Place.

The findings highlighted in this Security Needs Assessment are consistent with the Security Plan that has been developed and is included in this report. (See **“Exhibit A”**). The Security Plan proposed recognizes past events and a desire to balance the interests of all parties who desire a sound and reasonable security program at Beach Place. In fact, the proposed Security Plan exceeds the standard of care for a property of this type, given the relatively low level of serious criminal activity as described earlier in the report.