

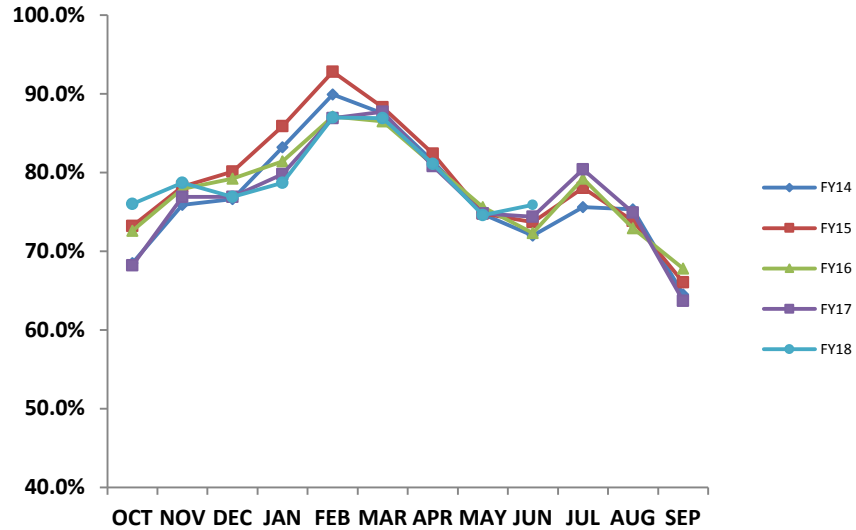
# **Tourist Development Tax Funded Programs**

**FY19 Recommended Operating Budget and  
Capital Programs**

**August 21<sup>st</sup> 2018**

# Tourism Overview

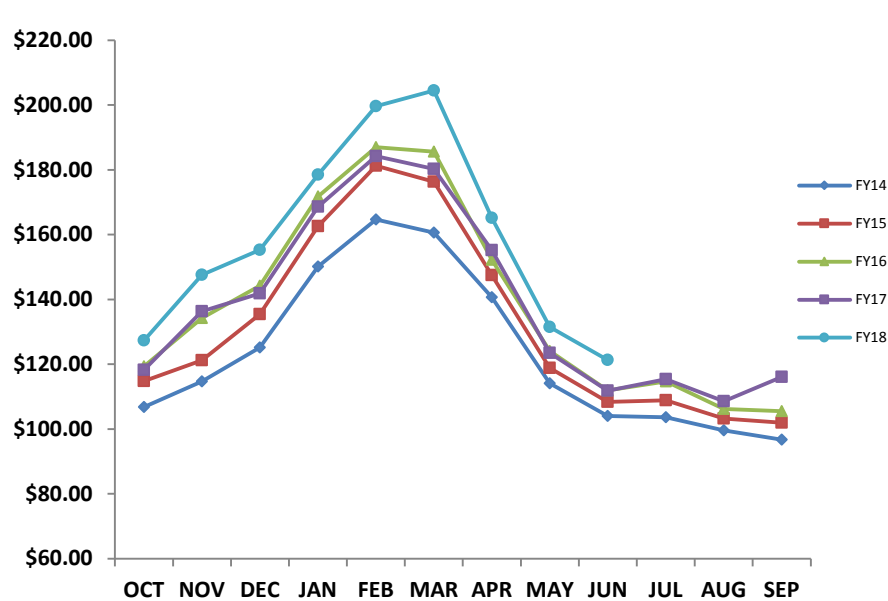
# Greater Fort Lauderdale Average Occupancy Rate



	FY14	FY15	FY16	FY17	FY18
OCT	68.5%	73.2%	72.6%	68.2%	76.0%
NOV	75.9%	78.2%	77.9%	76.9%	78.7%
DEC	76.6%	80.1%	79.2% *	76.9%	76.9%
JAN	83.2%	85.9% *	81.4% *	79.8%	78.7%
FEB	89.9%	92.8% *	87.1% *	86.9%	87.0%
MAR	87.5%	88.3%	86.5%	87.7%	86.9%
APR	81.4%	82.4%	81.0% *	80.8%	81.1%
MAY	74.7%	74.8%	75.6%	74.8%	74.6%
JUN	72.0%	73.7%	72.3%	74.4%	75.9%
JUL	75.6%	78.1%	79.2%	80.4%	NA
AUG	75.3%	73.9%	72.9%	74.9%	NA
SEP	64.5%	66.1%	67.8%	63.7%	NA
ANNUAL AVERAGE	77.1%	78.9%	77.8%	77.1%	NA

\* Hotel occupancy in Greater Fort Lauderdale was the highest in the state.

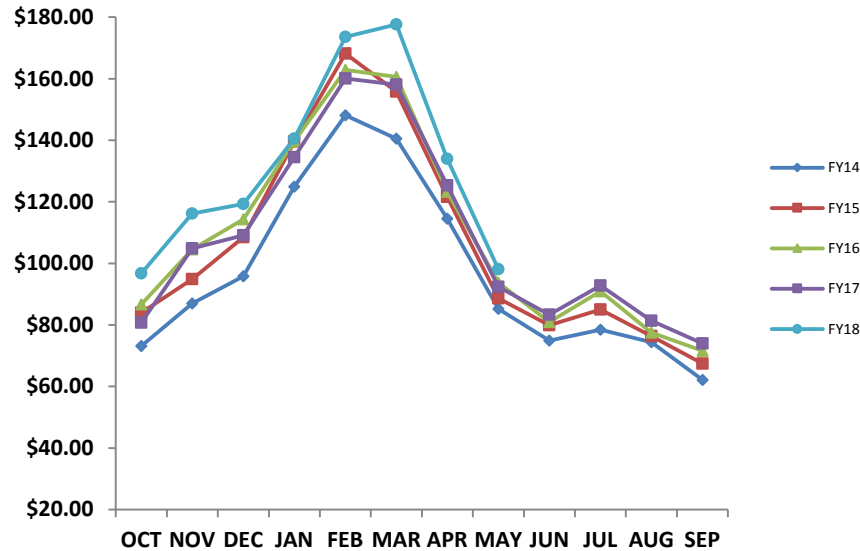
# Greater Fort Lauderdale Average Daily Rates



	FY14	FY15	FY16	FY17	FY18
<b>OCT</b>	\$106.80	\$114.74	\$119.34	\$118.29	\$127.34
<b>NOV</b>	\$114.67	\$121.20	\$134.29	\$136.33	\$147.58
<b>DEC</b>	\$125.13	\$135.38	\$144.25	\$141.80	\$155.30
<b>JAN</b>	\$150.15	\$162.59	\$171.75	\$168.59	\$178.51
<b>FEB</b>	\$164.70	\$181.26	\$187.01	\$184.18	\$199.61
<b>MAR</b>	\$160.58	\$176.36	\$185.57	\$180.31	\$204.44
<b>APR</b>	\$140.62	\$147.49	\$152.23	\$155.20	\$165.15
<b>MAY</b>	\$114.13	\$118.87	\$124.05	\$123.43	\$131.48
<b>JUN</b>	\$104.05	\$108.37	\$111.91	\$111.80	\$121.33
<b>JUL</b>	\$103.60	\$108.85	\$114.72	\$115.40	NA
<b>AUG</b>	\$99.62	\$103.27	\$106.17	\$108.59	NA
<b>SEP</b>	\$96.71	\$101.98	\$105.47	\$116.03	NA
<b>ANNUAL AVERAGE</b>	\$123.40	\$131.70	\$138.06	\$138.33	NA

Average daily rate is trending 8% higher for the first 9 months of FY18 compared to FY17.

# Greater Fort Lauderdale Convention & Visitors Bureau RevPAR Analysis



	FY14	FY15	FY16	FY17	FY18
OCT	\$73.17	\$83.94	\$86.69	\$80.70	\$96.78
NOV	\$87.01	\$94.82	\$104.56	\$104.84	\$116.15
DEC	\$95.82	\$108.45	\$114.31	\$109.08	\$119.35
JAN	\$124.96	\$139.59	\$139.73	\$134.47	\$140.50
FEB	\$148.11	\$168.15	\$162.90	\$160.08	\$173.63
MAR	\$140.53	\$155.76	\$160.57	\$158.09	\$177.61
APR	\$114.51	\$121.55	\$123.28	\$125.34	\$133.98
MAY	\$85.23	\$88.60	\$93.75	\$92.36	\$98.05
JUN	\$74.88	\$79.86	\$80.90	\$83.34	NA
JUL	\$78.38	\$84.96	\$90.87	\$92.76	NA
AUG	\$74.33	\$76.32	\$77.46	\$81.31	NA
SEP	\$62.07	\$67.39	\$71.53	\$73.96	NA
ANNUAL AVERAGE	\$96.58	\$105.78	\$108.88	\$108.03	NA

# **Tourist Development Tax Revenue**

# Tourist Development Tax (TDT) Levies

- December 1<sup>st</sup> 1980 - 1<sup>st</sup> and 2<sup>nd</sup> TDT pennies tax levied
- August 1<sup>st</sup> 1987 - 3<sup>rd</sup> TDT penny tax levied
- July 1<sup>st</sup> 1996 - 4<sup>th</sup> and 5<sup>th</sup> TDT pennies tax levied
- January 1<sup>st</sup> 2018 – 6<sup>th</sup> TDT penny tax levied

# History of Tourist Development Tax Revenue

FYo8 Actuals	FYo9 Actuals	FY10 Actuals	FY11 Actuals	FY12 Actuals	FY13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Forecast	FY19 Proposed
\$42.8m	\$35.5m	\$37.6m	\$40.6m	\$44.6m	\$47.4m	\$53.0m	\$58.1m	\$61.9m	\$62.9m	\$81.6m	\$84.0m

- FY09 TDT revenues declined 17% due to the economic recession
- In FY12 TDT revenues rebound above pre-recession levels
- TDT revenues incrementally grew from FY10-FY17 and are forecasted to continue growth into FY18 and FY19
- Revenue growth starting in FY18 is primarily attributable to the collection of the 6<sup>th</sup> cent TDT penny in January 2018 and the levy of TDT on HomeAway/VRBO property rentals in December 2017 (Airbnb was May 2017)



# FY19 Tourist Development Tax Revenue

- 17% increase in FY19 TDT revenues over FY17 actuals, primarily due to one-time impact of vacation rentals, new hotel rooms and growth in revenue source
- 17% increase in FY19 TDT revenues over FY17 actuals primarily due to one-time impact of levy of additional penny
- 3% increase in FY19 TDT revenues over FY18 forecast

# **FY19-23 Recommended Recurring Tourist Development Tax (TDT) Revenues & Expenses**

# FY18-23 TDT Recurring Revenue Forecast

Recurring Revenues	FY18 Modified Budget	FY19 Recommended Budget	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
TDT 6 Cents*	\$70.4	\$84.0	\$86.5	\$89.1	\$91.8	\$94.6
Convention Center**	9.2	9.2	6.2	6.2	6.2	6.2
Arena Operator Rent	2.6	2.6	2.6	2.6	2.6	2.6
Sales Tax Rebate	2.0	2.0	2.0	2.0	2.0	2.0
Other Revenues	0.2	0.3	0.2	0.2	0.2	0.2
Less 5%	-4.2	-4.9	-4.9	-5.0	-5.1	-5.3
Fund Balance***	0	0	22.5	14.2	7.2	3.6
<b>Total Recurring Revenues</b>	<b>\$80.2</b>	<b>\$93.2</b>	<b>\$115.1</b>	<b>\$109.3</b>	<b>\$104.9</b>	<b>\$103.9</b>

\* FY18 includes 8 months of the new penny. FY19 is the first full year of the new penny.

\*\* Forecasted revenue decline of 33% due to construction activity in FY20-23. Increases to Convention Center operation revenues projected to begin in FY24, after the expansion is completed.

\*\*\* FY20-23 includes one-time funds to pay a portion of the Convention Center debt service costs over those years.

# FY18-23 TDT Recurring Expenditure Forecast

Recurring Expenses	FY18 Modified Budget	FY19 Recommended Budget	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
Marketing/Adv. & Promotions	*\$17.3	**\$18.6	\$19.1	\$19.7	\$20.3	\$20.9
CVB Staff and Expenses	6.7	6.9	7.1	7.3	7.5	7.8
<b>Subtotal CVB</b>	<b>\$24.0</b>	<b>\$25.5</b>	<b>\$26.2</b>	<b>\$27.0</b>	<b>\$27.8</b>	<b>\$28.7</b>
Convention Center Staff and Expenses	\$1.7	\$1.7	\$1.7	\$1.8	\$1.9	\$1.9
SMG Operating Expenses	12.3	12.0	10.5	10.8	11.1	11.4
<b>Subtotal CC</b>	<b>\$14.0</b>	<b>\$ 13.7</b>	<b>\$12.3</b>	<b>\$12.6</b>	<b>\$13.0</b>	<b>\$13.3</b>
<b>Cultural Contribution</b>	<b>\$0.6</b>	<b>\$0.6</b>	<b>\$0.6</b>	<b>\$0.6</b>	<b>\$0.6</b>	<b>\$0.6</b>
<b>Revenue Collection ***</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
<b>Arena/CC Debt Service</b>	<b>12.6</b>	<b>24.6</b>	<b>43.6</b>	<b>43.6</b>	<b>43.6</b>	<b>43.6</b>
<b>Convention Future Debt Service Costs</b>	<b>0.0</b>	<b>0.0</b>	<b>14.2</b>	<b>7.2</b>	<b>3.6</b>	<b>1.4</b>
<b>Sub-Total Recurring Exps</b>	<b>\$51.7</b>	<b>\$64.9</b>	<b>\$97.4</b>	<b>\$91.6</b>	<b>\$89.2</b>	<b>\$88.2</b>

\*Additional \$3.1 million in one-time marketing, advertising and promotional funding was added in the FY18 2<sup>nd</sup> supplemental budget for a total of \$20.4m.

\*\*In FY19, total CVB Marketing, Advertising and Promotions budget is \$19.8m, \$18.6m recurring & \$1.2m one-time. In FY19, 2 groups sales positions and 1 administrative assistant for group sales is added.

\*\*\* In FY19, an administrative position is added to TDT revenue collection associated with vacation rentals.

# FY18-23 TDT Recurring Capital Expenditure Forecast

Recurring Expenses	FY18 Modified Budget	FY19 Recommended Budget	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
Beach Projects	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0
Convention Center Maintenance	2.9	2.0	2.0	2.0	2.0	2.0
Arena Operations/ Capital Repairs	8.1	8.7	6.7	6.7	4.7	4.7
Convention Center Capital Maint. Reserve	1.0	1.0	1.0	1.0	1.0	1.0
Capital Challenge Grant	1.0	1.0	1.0	1.0	1.0	1.0
CC Expansion Project	0.7	8.6	0.0	0.0	0.0	0.0
6 <sup>th</sup> Penny FY18 Levy	7.8	0.0	0.0	0.0	0.0	0.0
<b>Sub-Total Recurring Expenses</b>	<b>\$28.5</b>	<b>\$28.3</b>	<b>\$17.7</b>	<b>\$17.7</b>	<b>\$15.7</b>	<b>\$15.7</b>
<b>TOTAL</b>	<b>\$80.2</b>	<b>\$93.2</b>	<b>\$115.1</b>	<b>\$109.3</b>	<b>\$104.9</b>	<b>\$103.9</b>

# **FY19-23 Recommended Tourist Development Tax (TDT) Supported Capital Project Details**

# FY19-23 Recommended Convention Center Capital Maintenance & Improvement Projects

Convention Center Projects	FY19	FY20	FY21	FY22	FY23
Air Handler Replacement	\$0.2	N/A	N/A	N/A	N/A
Kitchen & Operating Equipment	N/A	\$0.2	\$0.4	\$0.3	N/A
Restroom ADA Renovations	N/A	\$1.2	N/A	N/A	N/A
Roof Replacement (2002 Expansion Area)	\$1.5	N/A	N/A	N/A	N/A
Exterior Elastomeric Coating	N/A	N/A	\$1.5	N/A	N/A
Carpeting Replacement	N/A	\$0.4	N/A	N/A	N/A
Escalator Replacement	N/A	N/A	N/A	\$1.5	\$1.9
Elevator Controls Replacement/Upgrade	\$0.1	N/A	N/A	N/A	N/A
Minor Maintenance & Repair Projects	\$0.2	\$0.2	\$0.1	\$0.2	\$0.1
<b>TOTAL PROJECTS</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>

# Beach Projects Funding Strategy

## The County has to Upfront the Total Project Cost

Revenue Sources	Federal Projects: Segment 2 and Segment 3	Non-Federal Project: Sand Bypass
<b>Federal Grant Funding</b>	Up to 58% of total project costs	0%
<b>State Grant Funding</b>	Up to 50% of the non-federal share	Up to 75% of total project costs
<b>County Local Share</b>	67% of remaining costs after federal & state grants	100% of remaining costs after state grants *Includes Port Contribution
<b>City Local Share</b>	33% of remaining costs after federal & state grants	0%



# Recommended FY19-23 Beach Capital Appropriations

Appropriations	FY19	FY20	FY21	FY22	FY23
Segment 2 – Beach Monitoring	\$650,000	\$250,000	\$250,000	\$250,000	\$250,000
Segment 2/3 - Hotspot Projects	\$3,780,000	\$4,314,440	\$9,754,310	\$9,701,980	\$5,872,660
Segment 3 – Beach Construction	\$10,478,450	\$7,042,550	\$0	\$0	\$0
Sand Dune Restoration	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Post Storm Survey	\$225,000	\$0	\$0	\$0	\$0
Sand Bypass - Monitoring	\$250,000	\$258,000	\$265,000	\$273,000	\$280,000
Sand Bypass – Sand Recovery	\$1,522,340	\$1,566,680	\$1,611,020	\$1,655,360	\$1,699,700
Beach Program Support	\$528,000	\$528,000	\$528,000	\$528,000	\$528,000
<b>Total Appropriations</b>	<b>\$17,458,790</b>	<b>\$13,984,670</b>	<b>\$12,433,330</b>	<b>\$12,433,340</b>	<b>\$8,655,360</b>

# Major Beach Capital Projects Total Project Costs

Project	Expenses + FY18 Budget	FY19 CIP	FY20-23 CIP	Total
Segment 2	\$59.8m	\$0.6m	\$1.0m	\$61.4m
Sand Bypass	\$36.6m	\$0.3m	\$1.1m	\$38.0m
Segment 3	\$40.5m	\$10.5m	\$7.0m	\$58.0m

# Recommended FY19-23 Beach Capital Revenues

Revenues	FY19	FY20	FY21	FY22	FY23
City Reimbursements Segment 2	\$5,080,000*	\$0	\$0	\$0	\$0
State Grant Segment 2	\$81,100	\$0	\$0	\$0	\$0
State Grant Sand Bypass	\$5,297,690	\$0	\$0	\$0	\$0
City Reimbursements Segment 3	\$0	\$5,433,330	\$5,433,330	\$5,433,340	\$0
City Reimbursement Sand Bypass Dredging (operations)	\$0	\$1,551,340	\$0	\$0	\$1,655,360
Tourist Taxes	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
<b>Total Revenues</b>	<b>\$17,458,790</b>	<b>\$13,984,670</b>	<b>\$12,433,330</b>	<b>\$12,433,340</b>	<b>\$8,655,360</b>

\* FY18 is the 3<sup>rd</sup> year of budgeted City Reimbursement revenues for Segment 2. Total reimbursement is \$13.5m.

# FY19 Reserves

(Funded by Forecasted FY19 Fund Balance)

Reserves / Project	FY19	Notes
Arena Trustee Reserve	\$4.0m	Required by bond covenants
CVB Reserves for Revenue Stabilization & Contingencies	\$8.0m	Three months of budgeted expenses and contingencies for market fluctuations in tourist taxes
Convention Center Reserves for Revenue Stabilization & Contingencies	\$4.6m	Three months of budgeted expenses and contingencies to ensure sufficient resources are available to operate Convention Center during challenging economic conditions
Convention Center Expansion Debt Service Reserve	\$31.0m	Required by bond covenants

# Needs Competing for TDT Funding

# TDT Funding Needs

- Convention Center Expansion debt service costs
- Convention Center Expansion operating subsidy
- Bypass Road
- Additional Marketing, Advertising and Promotions
- Cost Increases in Beach Renourishment

# Convention Center Expansion

- As of July 2018, remaining available budget for the pay as you go portion of the expansion is \$19.4m
- \$10.6m is encumbered for the design portion of the project with Matthews Southwest
- Project is currently in the planning/design stage
- Construction cost estimate and project scope to be updated in Fall/Winter 2018
- Approximately \$31m is needed in TDT revenues as the funding source for the annual debt service expected to begin in FY20
- In FY19, the debt service reserve of \$31m is established per the bond covenants
- Projected debt service amount does not include the Bypass Road project of \$35m, County will pursue FDOT grants to offset the Road Bypass project costs

# Historical CVB Marketing/Advertising/Promotions (MAP)

FY09 Actuals	FY10 Actuals	FY11 Actuals	FY12 Actuals	FY13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Modified Budget	FY19 Recommended Budget
									Includes Non- recurring	Includes Non- recurring
\$11.0m	\$9.2m	\$8.0m	\$10.6m	\$12.9m	\$14.5m	\$16.0m	\$15.7m	\$15.4m	\$20.4m	\$19.8m

- FY18 Adopted MAP Budget \$17.3m
- FY18 Modified MAP Budget \$20.4m - includes mid-year adjustment of one-time \$3.1m to increase our events and marketing efforts during the remainder of FY18
- FY19 Recommended MAP Budget \$19.8m, \$2.5m increase over FY18 adopted (recurring funds \$1.3m and one-time funds \$1.2m)



# History of Beach Renourishment Total Project Costs

Year	Project	Total (\$M)
1970	Pompano Beach (Seg II)	1.76
1971	Hallandale ( Seg III)	0.78
1976	John U Lloyd (Seg III)	2.96
1979	Hollywood/Hallandale (Seg III)	7.83
1983	Pompano/Laud-By-The-Sea (Seg II)	9.99
1989	John U Lloyd (Seg III)	5.68
1991	Hollywood/Hallandale (Seg III)	9.47
2005 & 2006	John U Lloyd & Hollywood/Hallandale (Seg III)	44.5
2015 & 2016	Pompano/ Laud-By-The-Sea/Fort Lauderdale (Seg II)	61.4
2020 & 2021	Dr. Von D. Mizell-Eula Johnson & Hollywood/Hallandale (Seg III)	58.0

The Segment 2 2015/2016 is 100% truck haul method for sand delivery. The Segment 3 2020/2021 is a combination method of truck haul and dredge for sand delivery.