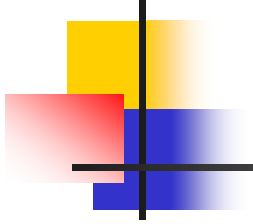




FY12 Budget Workshop

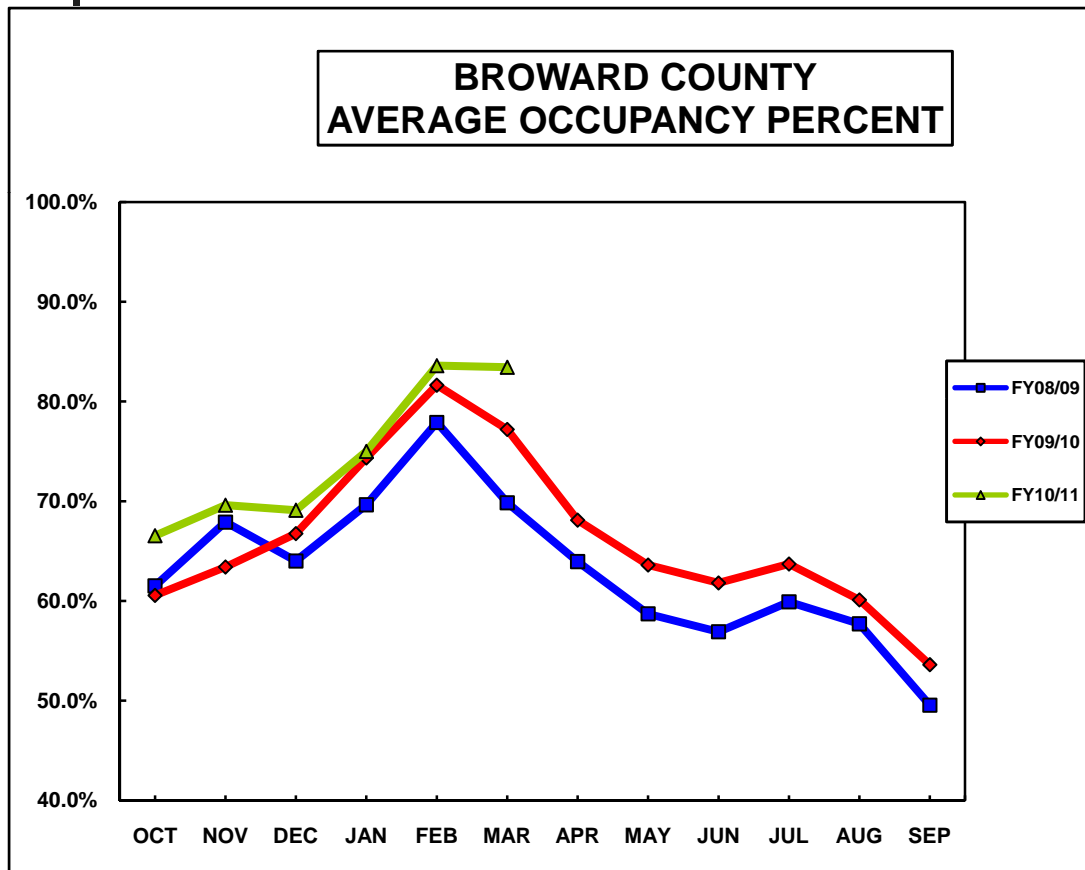
May 3, 2011

FY12 Proposed Tourist Development Tax- Supported Budgets



TOURISM UPDATE

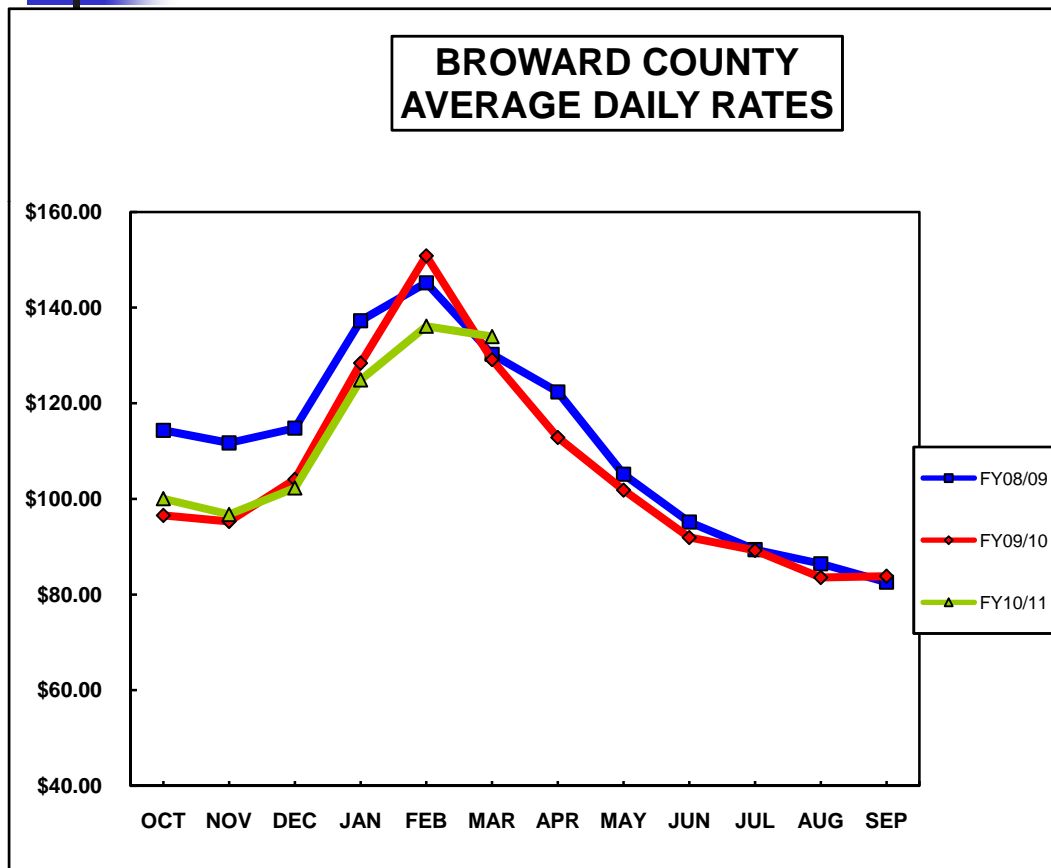
Greater Fort Lauderdale Average Occupancy Rate



	FY08/09	FY09/10	FY10/11
OCT	61.5%	60.6%	66.5%
NOV	67.9%	63.4%	69.6%
DEC	64.0%	66.8%	69.1%
JAN	69.6%	74.3%	75.0%
FEB	77.9%	*81.6%	83.6%
MAR	69.8%	77.2%	83.4%
APR	63.9%	68.1%	
MAY	58.7%	63.6%	
JUN	56.9%	61.8%	
JUL	59.9%	63.7%	
AUG	57.7%	60.1%	
SEP	49.5%	53.6%	
ANNUAL AVERAGE	63.1%	66.2%	

*Pro Bowl/Super Bowl

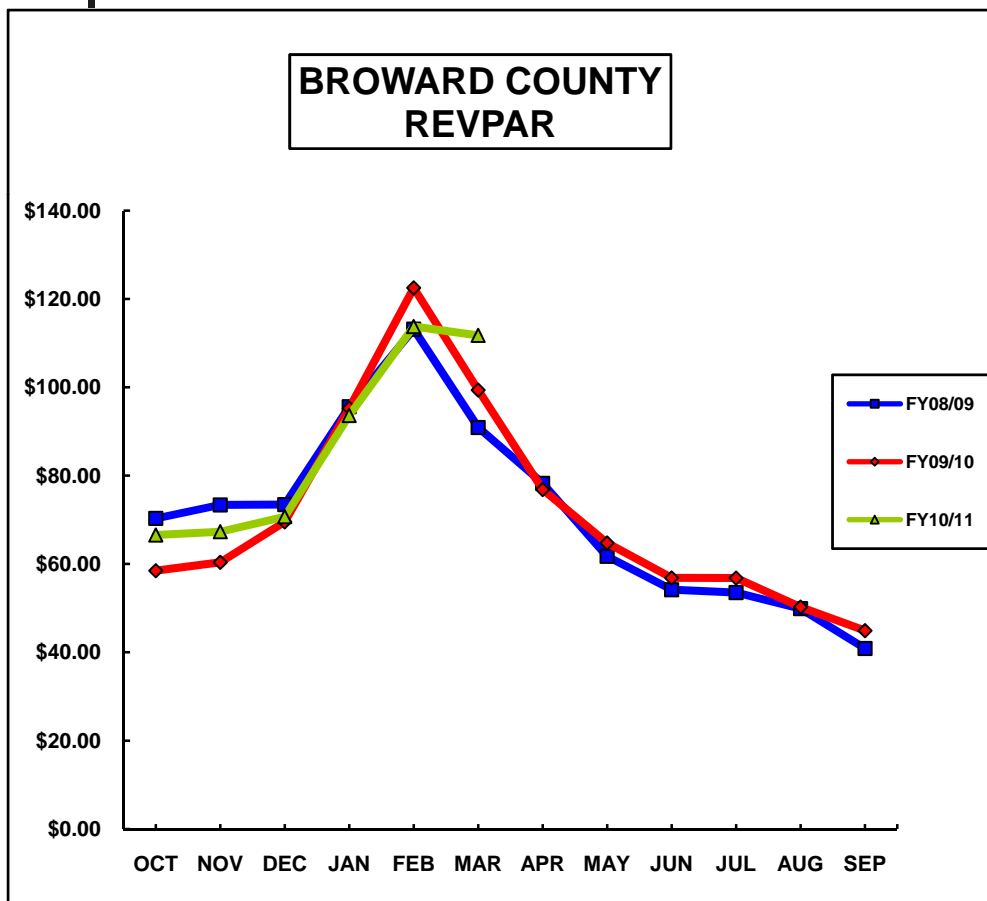
Greater Fort Lauderdale Average Daily Rates



	FY08/09	FY09/10	FY10/11
OCT	\$114.34	\$96.55	\$100.04
NOV	\$111.71	\$95.29	\$96.74
DEC	\$114.80	\$104.08	\$102.28
JAN	\$137.26	\$128.40	\$124.88
FEB	\$145.19	*\$150.83	\$136.10
MAR	\$130.23	\$129.12	\$133.94
APR	\$122.37	\$112.84	
MAY	\$105.16	\$101.83	
JUN	\$95.16	\$91.92	
JUL	\$89.39	\$89.23	
AUG	\$86.44	\$83.56	
SEP	\$82.58	\$83.84	
ANNUAL	\$111.22	\$105.62	
AVERAGE			

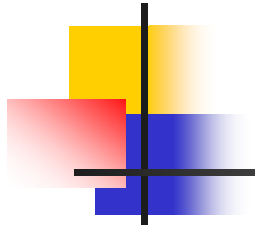
*Pro Bowl/Super Bowl

Greater Fort Lauderdale Convention & Visitors Bureau RevPAR Analysis



	FY08/09	FY09/10	FY10/11
OCT	\$70.32	\$58.48	\$66.56
NOV	\$73.37	\$60.37	\$67.31
DEC	\$73.44	\$69.54	\$70.72
JAN	\$95.60	\$95.28	\$93.63
FEB	\$113.16	*\$122.52	\$113.77
MAR	\$90.91	\$99.38	\$111.77
APR	\$78.26	\$76.85	
MAY	\$61.73	\$64.75	
JUN	\$54.17	\$56.85	
JUL	\$53.53	\$56.81	
AUG	\$49.88	\$50.25	
SEP	\$40.88	\$44.90	
ANNUAL AVERAGE	\$71.27	\$71.33	

*Pro Bowl/Super Bowl



TOURIST DEVELOPMENT TAX (TDT) OVERVIEW



BROWARD'S CURRENT FIVE CENTS OF TDT

- **3 Cents Tourist Development Tax**
- **2 Cents "Arena" Tourist Tax**



UN-LEVIED ONE CENT TDT

- “High Tourism Impact” : Enables an optional one cent tourist tax (\$7.8m)
- Used for Allowable Expenses Under Statutes
- Comparisons in the Region
 - Broward - Currently 5 Cents
 - Palm Beach County - Currently 5 Cents
 - Miami-Dade – Currently 6 Cents
 - Tampa – Currently 5 Cents
 - Orlando – Currently 6 Cents

TDT Revenue History and Projections (in millions \$)

	FY08 Act.	FY09 Act.	FY10 Act.	FY11 Est.	FY12 Est.	FY13 Est.	FY14 Est.	FY15 Est.	FY16 Est.
3 Ct	25.7	21.3	22.5	23.4	24.1	24.8	25.6	26.3	27.1
2 Ct	17.1	14.2	15.0	15.6	16.1	16.5	17.0	17.6	18.6
All	42.8	35.5	37.5	39.0	40.2	41.3	42.6	43.9	45.7



"3 Cent" TD Tax Overview

- **Current Use of Funds**

- CVB-Promotion/Marketing Expenses–FY11: \$13M
- Cultural Council Support – \$.6M annually
- Convention Center Debt Service - \$2.5m annually
- Convention Center Operations and Capital Projects
FY11 Estimate \$12.4m Operations and \$1m Capital
- FY11 estimated revenue - \$23.4m

- **Minimal Use of Reserves to Balance Budget**



2 Cents “Arena” Tourist Tax Overview

■ **Current Use of Funds**

- Arena Debt Service - \$8m annually
- Tourism Promotion and Marketing including Film and Entertainment Program – \$1m annually
- Beach Renourishment Projects – Annual Amount Varies (\$6m in FY11)
- FY11 estimated revenue - \$15.6m



SUMMARY OF RECURRING REVENUES FOR ALL PROGRAMS

Tourist Development Taxes	\$40m
Convention Center Revenues	\$ 5m
Payment from Arena Operator	\$ 4m
Sales Tax Rebate	<u>\$ 2m</u>
Total Recurring Revenues	\$51m



SUMMARY OF RECURRING TDT-SUPPORTED EXPENSES

Convention and Visitor's Bureau	\$14m
Convention Center	\$12m
Convention Center Capital Maint.	\$ 2m
Convention Center Debt Service	\$ 3m
Arena Debt Service	<u>\$14m</u>
Total Recurring Expenses	\$45m



SUMMARY OF RECURRING REVENUES VS. EXPENSES

REVENUES

\$51m

EXPENSES

(\$45m)

**RECURRING FUNDS
AVAILABLE FOR ALL
OTHER NEEDS**

\$ 6m



FISCAL YEAR 2010 FUND BALANCES AND CURRENT USES

- **Audited FY10 Fund Balances \$49.2m**
- **Funds are Currently Appropriated for the Following Uses:**
 - Beach Renourishment Projects
 - Convention Center Capital
 - Port Bypass Road
 - Debt Reserve Obligations
 - Revenue Stabilization
 - Major Events

CURRENT USES OF FUND BALANCE



Beach Renourishment Projects \$20.5m*

***Current budget of \$25.3 is also funded with approx. \$5m in FY11 revenue**

- Segment III - monitoring
- Segment II – design, portion of construction
- Port Sand Bypass – design, portion of construction

Convention Center Capital Projects \$ 3.2m

- Misc. Maintenance and Improvements

Spangler Bypass Project \$ 6.0m

Arena Operator Loan \$ 2.6m

CURRENT USES OF FUND BALANCE



Conv. Center Debt Reserve

\$ 2.5m

- Required by Bond Covenants

CVB Reserve

\$ 4.6m

- Revenue stabilization - \$2.6m
- Future major events (Super Bowl) - \$2.0m

Convention Center Reserves

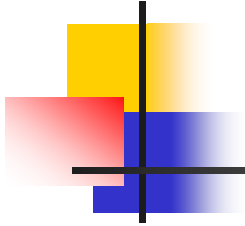
\$ 7.0m

- Revenue stabilization - \$3m
- Funding for Spangler in FY12-14 - \$4m

Beach Project Reserve

\$ 2.8m

- Offsets small portion of uncertain revenues/grants



FY12-16 TDT-SUPPORTED BUDGETS



CVB and Convention Center Operating Budgets

- FY12 Proposed Budget:
 - Budget restores \$950K to CVB and Convention Center for advertising and media buys (reduced in prior year budget) to remain competitive:
 - Expands “Defrost your swimsuit” campaign to major markets: Toronto, Boston, Chicago
 - Super Summer TV campaign
 - “Fort Lauderdale Convention Center Collection” – hotel consortium to attract and stem the loss of conventions



Convention & Visitors Bureau Film Commission - Overview

- 259 film & entertainment projects generated since the Office of Film & Entertainment transitioned in Mid-April 2010 to present (March 2011).
- Estimated Financial Impact \$46.9m Generated

Convention & Visitors Bureau Film Commission – Key New Initiatives



- Create new film reel to attract business
- Online advertising on entertainment sites
- Production, Canada mission
- Develop collateral piece to promote Film Program
- Public relations support for upcoming films
- Support of efforts at Tribeca Film Festival and Sundance or Emmys and in Toronto



FY 12-16 Convention Center Capital and Debt Service

- **Building Maintenance and Improvement Projects**
 - FY 12 – Outdoor Plaza \$850K, Chair Replacement \$600K, Re-carpeting \$400K, \$250K Re-pipe Cooling Towers, Curtain Wall \$152K
 - FY 13 – Exhibit Hall partition replacement \$500K, Chair Replacement \$400K
 - FY 14 – Exhibit Hall partition replacement \$350K
- **Spangler Convention Center Access Road**
 - \$6m currently budgeted and \$4m committed FY12 through FY14.

FY12-16 Convention Center Capital and Debt Service (continued)

- **Reserve for Convention Center Expansion**
 - Need 165K sq. ft. expansion to meet projected demand
 - Estimated \$100m project would require approx. \$8-\$10m annually for debt service - \$5.5-7.5m more than the current debt payment for bonds retiring in FY13.
 - Recommend using combination of pay-as-you-go and bond financing in order to reduce future recurring debt obligation



Arena Debt Obligation

- Arena Bonds are secured with three revenue sources through 2028:
 - State Sales Tax Rebate (\$2m annually)
 - Arena Operator Rent Payment (\$4m annually)
 - Tourist Tax (\$8m annually)



Efforts to Assist the Arena Operator

- Arena Operator rent payment was reduced \$7.5m over a 3 year period (FY10-12) from \$12m to \$4.5m.
- Per agreement, Operator is required to repay \$7.75m (including interest) for a total rent of \$19.75m over 3 years (FY13-15)
- Operator submitted proposal for successor project to "OZ" in March.
- Operator requested County enter into MOU for development of the Arena property.
- County is pursuing the reactivation of a consultant to review new plans with the cost borne by Operator.

Beach Renourishment Project Overview FY11-16

(in millions \$)

	County (TDT)	State/ City	Arena	Port	Total
Segment II	20.6	10.0	7.8	--	38.4
Sand Bypass	8.1	9.0	--	3.4	20.5
Segment III	4.1	--	--	--	4.1
TOTAL	32.8	19.0	7.8	3.4	63

Beach Projects - Breakdown of Funds Needed FY12-16

(in millions \$)

	Current Budget	FY12-16			
		TDT	State/ City	Arena/ Port	Total
Segment II	17.4	3.2	10.0	7.8	38.4
Sand Bypass	3.8	4.3	9.0	3.4	20.5
Segment III	4.1	--	--	--	4.1
TOTAL	25.3	7.5	19.0	11.2	63



BEACH PROJECT FUNDING VULNERABILITIES

- **Level of County funding needed for Beach projects depends on:**
 - Whether other entities uphold their obligations
- **Level of County funding available for Beach projects depends on:**
 - Level of TDT Collections
 - Potential reallocation of TDT funds for other projects
 - Federal reimbursements for completed projects - 28



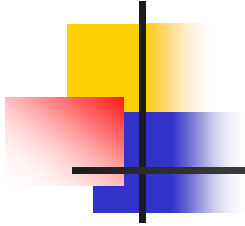
COUNTY SHARE OF BEACH PROJECTS

- Approx \$6m TDT available each year after recurring expenses **based on current collections**
- Need \$7.5m in TDT for FY12-16 if all entities meet their obligations
- Need up to \$19m more if State and Cities do not fund their full shares
- Need up to \$7.8m more if Arena doesn't fully repay loan
- Range of FY12-16 TDT Needs **\$7.5m-\$34.3m**



AVAILABILITY OF TDT FOR BEACH PROJECTS

- Unpredictable economic conditions - each 1% change in TDT results in a \$.4m gain/loss in funds available for beach projects
- Federal Government currently owes \$12m from Segment III - Potential for up to \$9m reimbursement in FY2012.



UNFUNDED NEEDS AND REQUESTS

County Tourist Tax Funding Needs



- **County Share of Current Beach Projects -**
\$7.5m to \$34.3m between FY12 and FY16
- **Long-term Beach Projects (FY17 and beyond) -** \$4m - \$6m @ yr
- **Convention Center Expansion Debt Service**
- \$5.5 - \$7.5m @ yr
- **Enhanced Promotional Activities**
- **County-wide Signature Event**
- **Convention Center Hotel**



Other Organizations Requesting Tourist Tax Funding

- Beach Renourishment – Municipal Projects
- Broward Center for the Performing Arts
- Broward Cultural Council
- Gospel Hall of Fame
- Super Bowl 2015/2016
- Other City Requests