

FY24 Budget Workshop

Overview of FY24 Tourist Development Tax Program

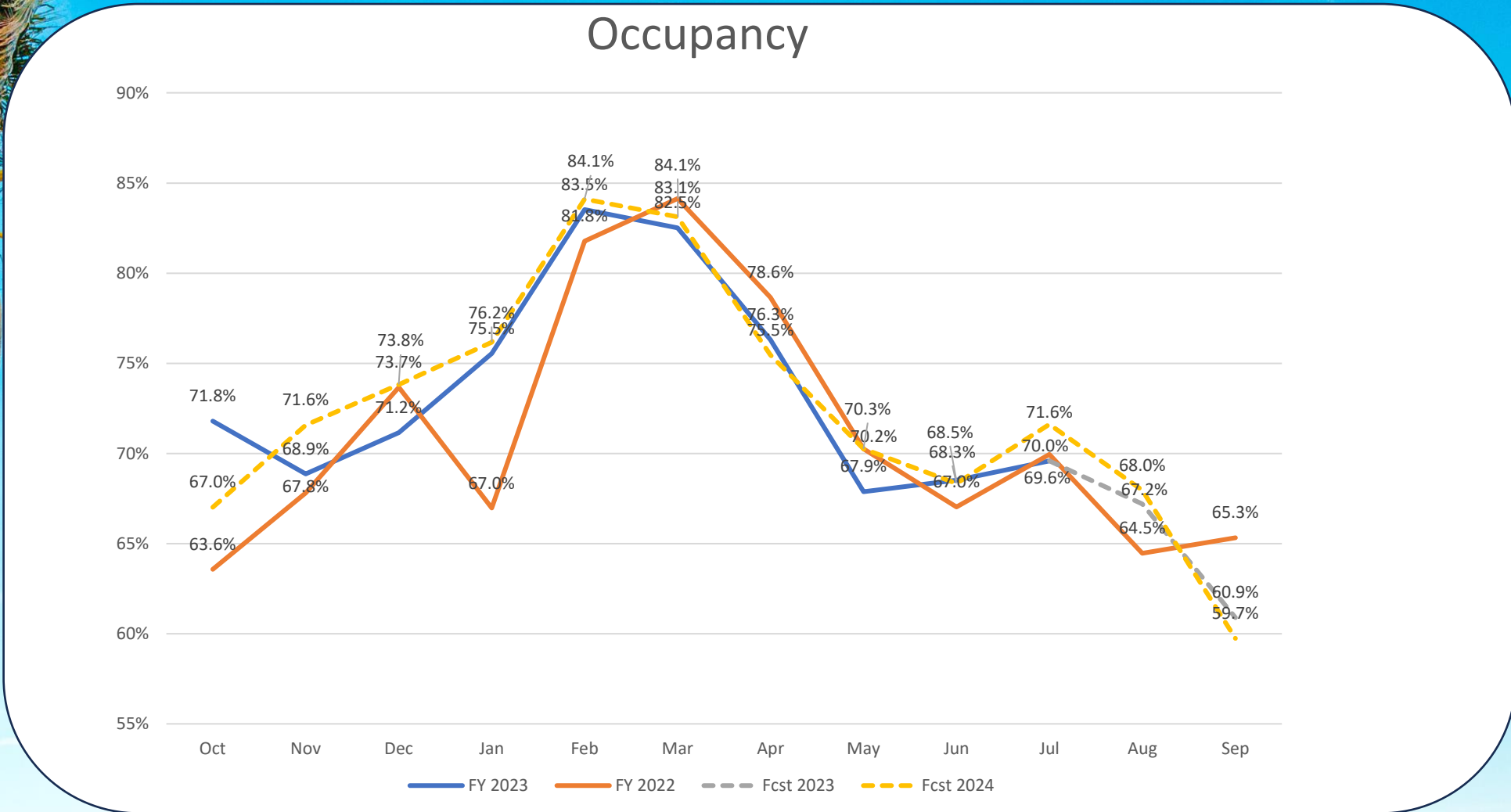
FY24 Recommended Operating and Capital Budget
August 29th, 2023

Tourism Overview by



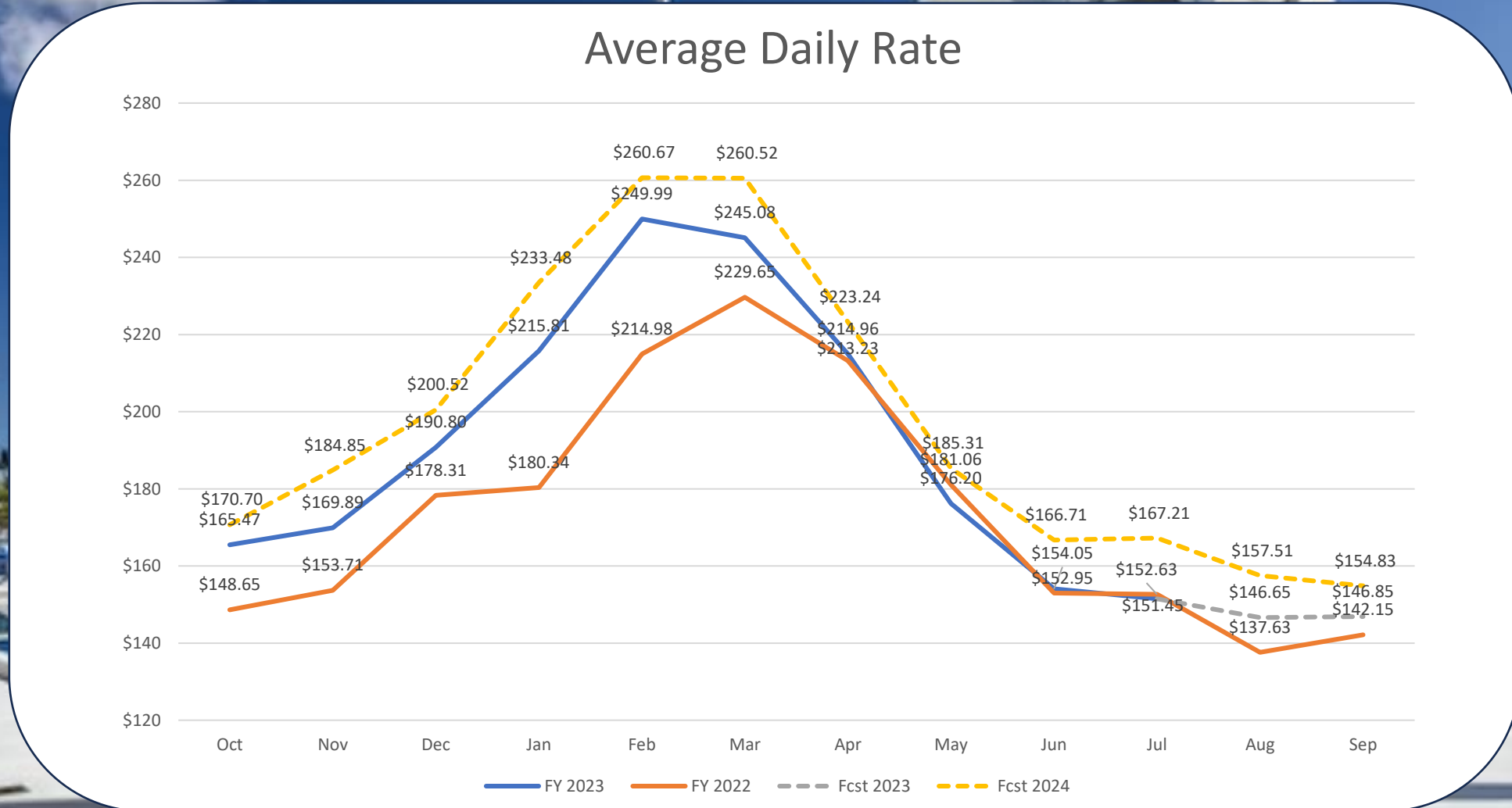
Hotel Occupancy

Monthly - Fiscal Years 2022-2023



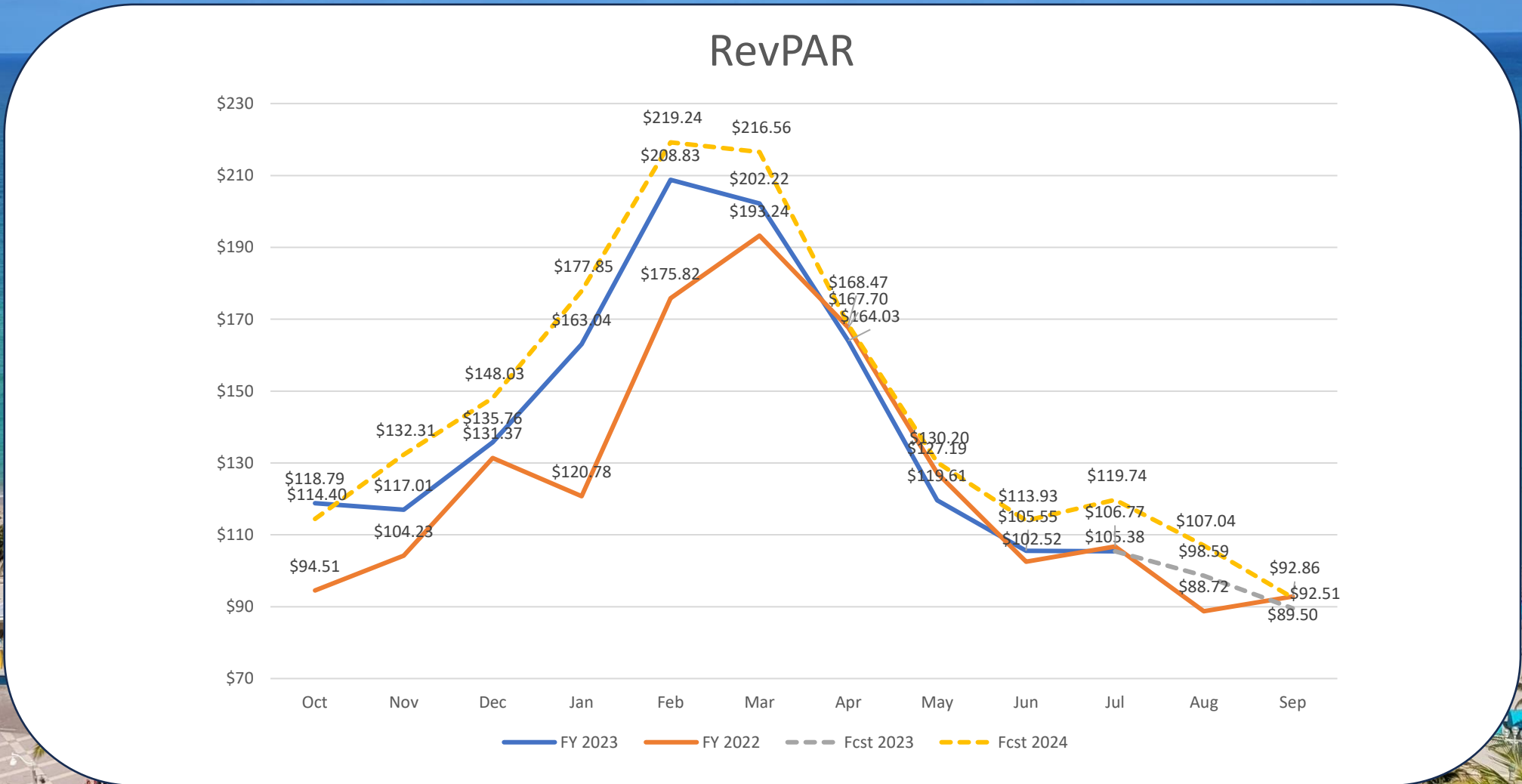
Hotel Average Daily Rate (ADR)

Monthly - Fiscal Years 2022-2023



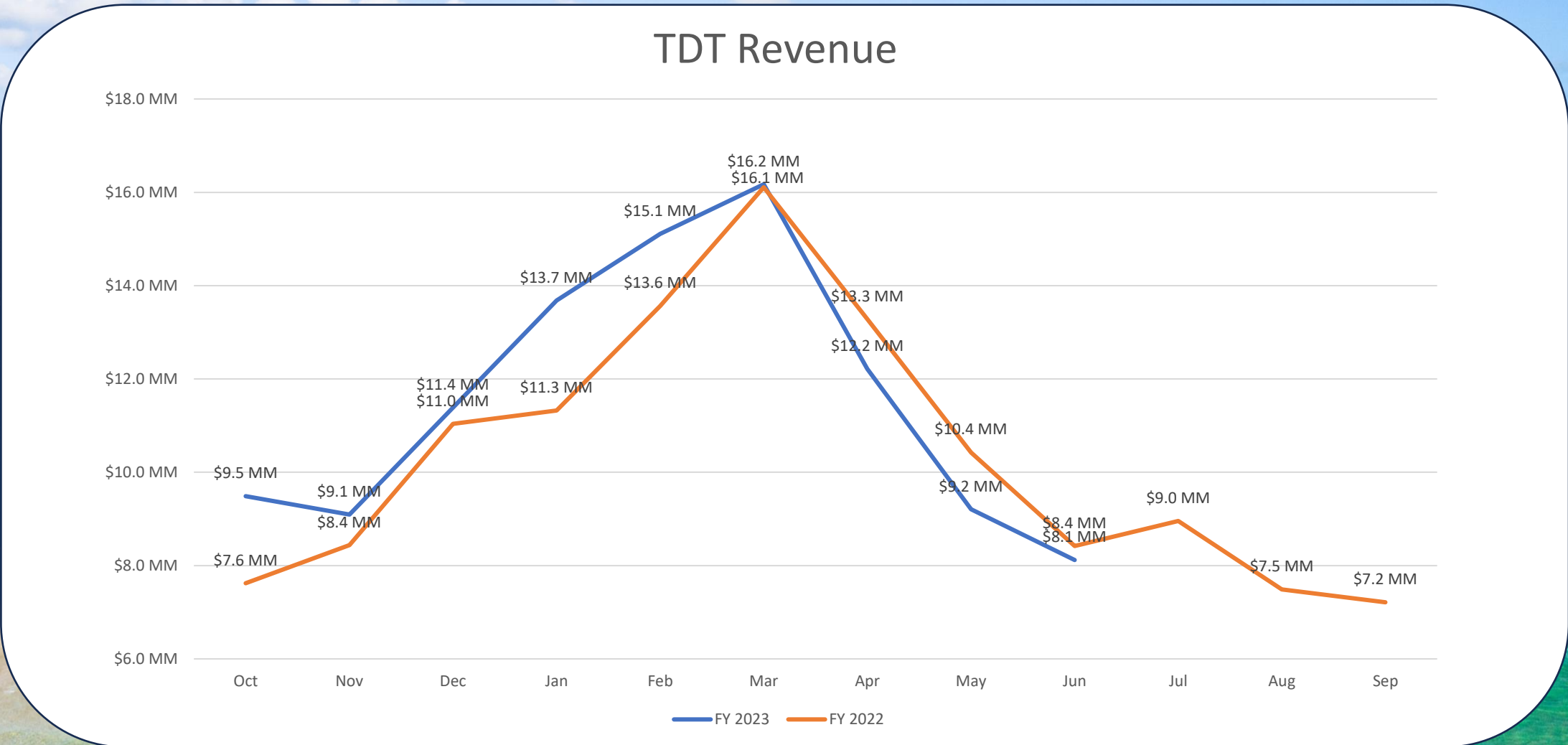
Hotel RevPAR (Revenue per available room)

Monthly - Fiscal Years 2022-2023



TDT Revenue Collections

Monthly - Fiscal Years 2022-2023

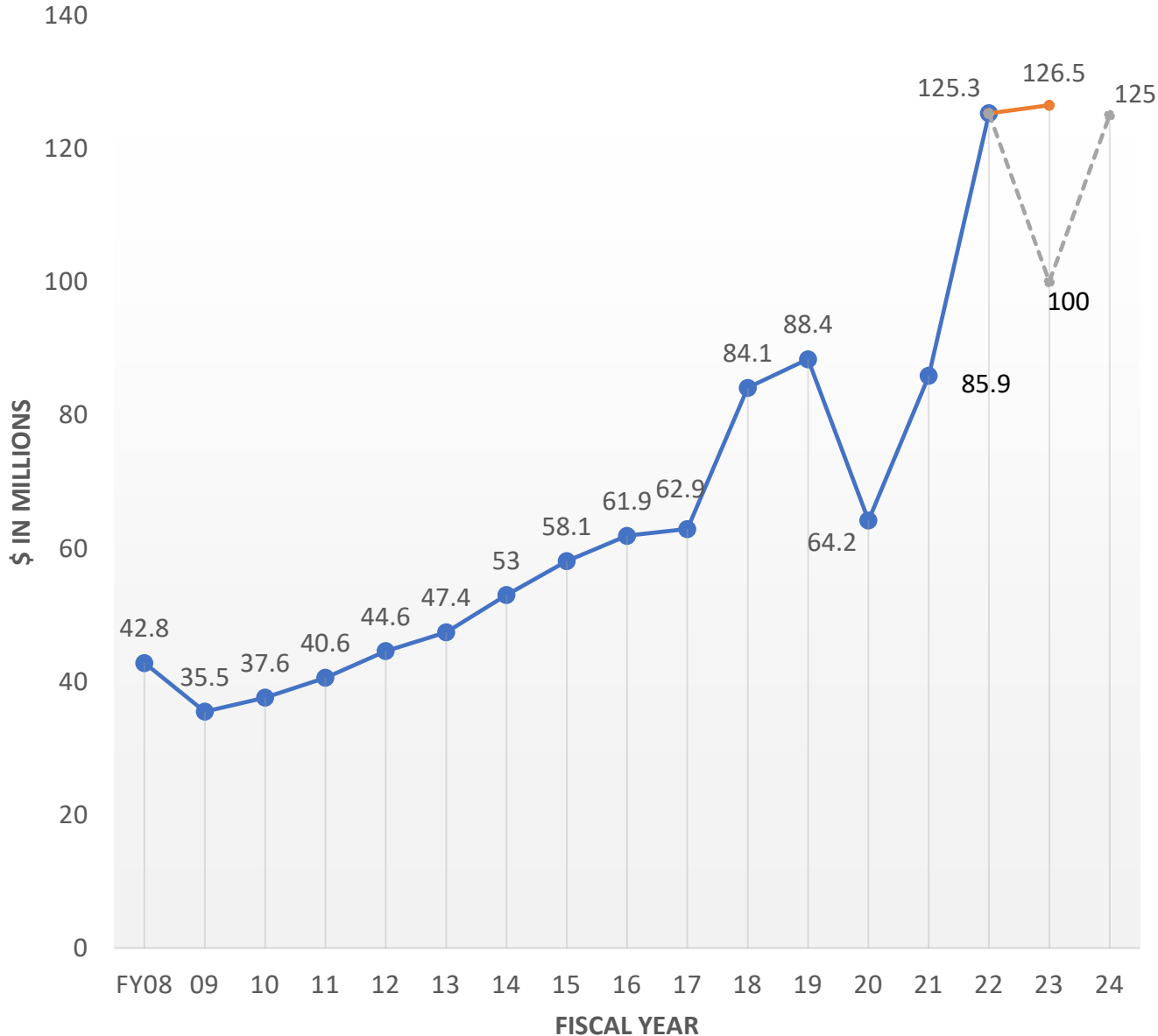


Tourism Development Tax Revenue

Tourist Development Tax (TDT) Levies

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

TDT Revenue FY08-FY24 REC



Tourist Development Tax Revenue

- In FY12 TDT revenues rebound above pre-recession levels
 - FY09 TDT Revenues decline 17% from FY08 actuals due to the recession
- The large increase in revenue growth in FY18 is primarily attributable to the collection of the 6th cent TDT penny in January 2018 & Airbnb, Vrbo, & HomeAway
- Revenues decline by 27% in FY20 due to COVID-19 pandemic
- Late FY21 through March 2023 sees record TDT revenues
- In FY23, \$126.5m is the projected total, as of July, of TDT collections

FY23-FY28 Revenues (in millions)

Revenues	FY23 Adopted	FY23 Projected	FY24 Recommended	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
TDT - 6 Cents	\$100.0	\$126.5	\$125.0	\$126.2	\$127.5	\$128.8	\$130.1
Convention Center	\$8.0	\$9.7	\$7.8	\$8.0	\$8.2	\$8.3	\$8.5
Arena Operator Rent	\$2.6	\$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	\$2.0
Other Revenues	\$0.4	\$11.7	\$12.4	\$4.0	\$4.1	\$4.2	\$4.3
Less 5%	-\$5.6	\$0	-\$7.5	-\$7.1	-\$7.2	-\$7.3	-\$7.4
Recurring Subtotal	\$107.4	\$152.5	\$142.3	\$135.7	\$137.2	\$138.6	\$140.1
Beach Revenues	-	\$34.6	-	-	-	-	-
Fund Balance	\$87.5	\$553.7	\$126.3	\$4.5	-	-	\$4.0
One-Time Subtotal	\$87.5	\$588.3	\$126.3	\$4.5	-	-	\$4.0
Total Revenues	\$194.9	\$740.8	\$268.6	\$140.2	\$137.2	\$138.6	\$144.1

FY23-FY28 Expenditures from Recurring Revenues (in millions)

Recurring Expenses	FY23 Adopted	FY23 Projected	FY24 Recommended	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
VL Staff, Operating, & Capital	\$8.9	\$8.9	\$9.8	\$10.0	\$10.4	\$10.0	\$10.3
Marketing, Advertising, & Promotions	\$22.9	\$22.9	\$24.6	\$23.3	\$24.0	\$24.5	\$25.3
Cultural Support	\$0.6	\$0.6	\$0.6	\$0.8	\$0.8	\$0.8	\$0.8
Convention Center Operations	\$2.4	\$2.4	\$2.9	\$2.9	\$3.0	\$6.0	\$6.1
Convention Center - ASM	\$14.8	\$14.8	\$15.3	\$15.7	\$16.0	\$16.3	\$16.6
Convention Center Parking	\$0.7	\$0.7	\$1.2	\$1.2	\$1.2	\$1.2	\$1.3
Revenue Collection - RTT	\$0.8	\$0.7	\$0.8	\$0.9	\$0.9	\$0.9	\$0.9
TDT Cost Allocation	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Recurring Operating Expenses	\$51.2	\$51.1	\$55.3	\$54.9	\$56.4	\$59.8	\$61.4
Arena Debt Service	\$12.7	\$12.7	\$12.6	\$12.6	\$12.6	\$10.6	\$6.6
Convention Center Debt Service	\$29.1	\$29.1	\$28.2	\$29.1	\$29.1	\$29.1	\$29.1
Reserve for Future Debt Service	-	-	\$7.7	\$22.0	\$22.0	\$22.0	\$22.0
Convention Center Operations Reserve	\$2.7	-	-	-	-	-	-
Reserve for Future Sponsorship	-	-	\$4.5	-	-	-	-
Reserve for Cultural Contribution	-	-	\$0.2	-	-	-	-
Recurring Debt Service/Reserves	\$44.5	\$41.8	\$53.2	\$63.7	\$63.7	\$61.7	\$57.7

FY23-FY28 Expenditures from Recurring Revenues (in millions)

Recurring Expenses	FY23 Adopted	FY23 Projected	FY24 Recommended	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
Beach Projects	\$7.0	\$7.0	\$8.2	\$7.4	\$7.4	\$7.4	\$7.4
Convention Center Maintenance Program	-	-	\$4.0	\$1.0	\$4.0	\$4.0	\$4.0
Place Settings for West Expansion	-	-	\$5.0	-	-	-	-
Place Settings for East Expansion	-	-	-	\$3.0	-	-	-
Network License Renewal	-	-	-	-	\$0.5	-	-
Exhibit Hall Partitions	-	-	\$1.5	-	-	-	-
Electric Vehicle Charging Stations	-	-	\$0.4	-	-	-	-
Renovations to Existing Convention Center	-	-	\$9.0	-	-	-	-
TDT Challenge Grant Program	-	-	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Arena Capital Repairs/Operations	\$4.7	\$4.7	\$2.7	\$2.7	\$0.7	\$0.7	\$0.7
Arena Capital Program	-	-	-	-	\$0.5	\$1.0	\$2.9
Convention Center Maintenance Reserve	-	-	\$1.0	\$1.0	\$2.0	\$2.0	\$4.0
Performing Arts Center Improvements	-	-	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Recurring Capital Programs	\$11.7	\$11.7	\$33.8	\$17.1	\$17.1	\$17.1	\$21.0
Total Recurring Expenses	\$107.4	\$104.6	\$142.3	\$135.7	\$137.2	\$138.6	\$140.1

FY23-FY28 One-Time Expenditures (in millions)

One-Time Appropriations	FY23 Adopted	FY23 Projection	FY24 Recommended	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
Convention Center Maintenance Program	\$2.7	\$7.2	-	-	-	-	-
Convention Center West Expansion Project	-	\$27.1	-	-	-	-	-
Convention Center Roofing Project	-	\$2.4	-	-	-	-	-
Convention Center Network Equipment	-	\$0.1	-	-	-	-	-
Convention Center Waterproofing	-	\$0.1	-	-	-	-	-
Convention Center Revenue Generating Improvements	-	\$2.9	-	-	-	-	-
Convention Center East Expansion Project	-	\$331.4	-	-	-	-	-
Convention Center Restroom Replacement	\$3.1	-	-	-	-	-	-
Convention Center Ballroom Lighting	\$2.1	-	-	-	-	-	-
Renovations to Existing Convention Center	-	\$20.0	\$20.3	-	-	-	-
Temporary Marshalling Yard	-	\$4.5	-	-	-	-	-
TDT Challenge Grant Program	\$3.0	\$3.7	-	-	-	-	-
Beach & Sand Bypass Reappropriations	-	\$105.9	\$1.2	-	-	-	-
One-Time Capital/Operating	\$10.9	\$505.3	\$21.5	-	-	-	-

FY23-FY28 One-Time Expenditures (in millions) - continued

One-Time Appropriations (continued)	FY23 Adopted	FY23 Projection	FY24 Recommended	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
Convention Center Debt Service	-	-	\$0.9	-	-	-	-
Arena Debt Service	-	-	-	-	-	-	\$4.0
Reserve for Future Debt Service	-	-	\$14.3	-	-	-	-
Visit Lauderdale Reserve	\$10.8	-	\$11.0	-	-	-	-
FY2025 Use of One-Time for Future Sponsorship	-	-	-	\$4.5	-	-	-
Convention Center Reserve	\$6.0	-	\$6.1	-	-	-	-
Convention Center Maintenance Reserves	\$1.0	-	-	-	-	-	-
Arena Reserve	\$4.0	-	\$4.0	-	-	-	-
TDT Reserve for Revenue Fluctuation	\$25.7	-	\$39.4	-	-	-	-
Series 2021 Debt Reserve Fund	\$29.1	-	\$29.1	-	-	-	-
One-Time Debt Service/Reserves	\$76.6	-	\$104.8	\$4.5	-	-	\$4.0
Total One-Time	\$87.5	\$505.3	\$126.3	\$4.5	-	-	\$4.0
Grand Total (Recurring + One-Time)	\$194.9	\$609.9	\$268.6	\$140.2	\$137.2	\$138.6	\$144.1

Recommended FY24-FY28 Beach Capital Revenues

Revenues	FY24	FY25	FY26	FY27	FY28
Interest Earnings	\$1,300,000	-	-	-	-
Less Five Percent	-\$65,000	-	-	-	-
Fund Balance	\$1,209,700	-	-	-	-
Transfer from Four Cent Tourist Tax Revenue Fund (11420)	\$7,000,000	\$7,400,000	\$7,400,000	\$7,400,000	\$7,400,000
Total Revenues	\$9,444,700	\$7,400,000	\$7,400,000	\$7,400,000	\$7,400,000

Recommended FY24-FY28 Beach Capital Appropriations

Appropriations	FY24	FY25	FY26	FY27	FY28
Beach Hotspot Project	-	-	-	\$4,309,750	\$4,309,750
Sand Dune Restoration	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Port Everglades Inlet Management Plan	\$8,774,660	\$6,729,960	\$6,729,960	\$2,420,210	\$2,420,210
Beach Program Support	\$620,040	\$620,040	\$620,040	\$620,040	\$620,040
Total Appropriations	\$9,444,700	\$7,400,000	\$7,400,000	\$7,400,000	\$7,400,000

Challenges & Needs Competing for TDT Funding

TDT Funding Challenges & Needs

- Economic uncertainty
- Travel to Florida reaching plateau
- Convention Center Expansion debt service costs
 - \$29.1m annually until 2051
- Future potential parking structure and related improvements
 - Associated debt obligations
- Cost Increases in Beach Renourishment
- Future maintenance/capital needs at Arena

Historical Visit Lauderdale Marketing/Advertising/Promotions

FY13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Budget	FY24 Recommended
\$12.9m	\$14.5m	\$16.0m	\$15.7m	\$15.4m	\$18.9m	\$18.6m	\$11.9m	\$12.4m	\$15.1m	\$22.9m	\$24.6m

- FY20 & FY21 Actuals reflect cost saving measures implemented by Visit Lauderdale during the pandemic
- FY24 Recommended Marketing Budget is \$24.6 million, exceeds pre-pandemic levels
 - Includes \$1.6m for one-time supplements

Convention Center Expansion

- The West Expansion (GMP 2)
 - \$302.7m spent year to date, \$17.1m remains encumbered, \$8.8m for remaining project costs (July 2023)
 - This portion of the project was substantially completed in October 2021
- The East Expansion
 - Total estimated cost \$369m
 - Pay-Go contribution: \$45m
 - Series 2021 TDT Revenue Bonds: \$324m
 - \$73m spent year to date, \$281.4 remains encumbered, \$14.6 for remaining project costs (July 2023)
 - Construction underway, estimated substantial completion is August 2025
- \$29.1m annual debt service began in FY2023 and lasts until 2051

Rendering of the Convention Center and Hotel







Headquarters Hotel

- The Headquarters Hotel project began construction in February 2022
- The total estimated cost of this project is approximately \$730.3m
- Estimated substantial completion date in July 2025



Convention Center Expansion and Hotel Project

Substantial Completion Dates Project phase

Nov 2019	GMP 1 – West Expansion, Utility Relocate
Oct 2021	GMP 2 – West Expansion, Convention Center Reopens
February 2022	GMP 3 – Hotel Piles
August 2025	GMP 4 – East Expansion
July 2025	GMP 4 – Plaza and CVB
	GMP 5 – Hotel

The Convention Center Expansion debt is supported by TDT revenues, and Hotel revenues are pledged to support the future new Headquarters Hotel debt.

GMP = guaranteed maximum price

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/Lauderdale-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-Present	Pompano/ Lauderdale-By-The-Sea/Fort Lauderdale (Seg II)*	73.7
2021-Present	Dr. Von D. Mizell-Eula Johnson & Hollywood/Hallandale (Seg III) **	62.3

*The Segment 2 2015/2016 was a 100% truck haul method for sand delivery.

** The Segment 3 2021/2022 is 100% truck haul for sand delivery. The project's construction (\$54.4M) is managed and funded by the Army Corps of Engineers, with an estimated completion in 2024. The County is responsible for design costs, funding the placement of sand dunes, and pre-construction and post-construction monitoring (\$7.9M).

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Overview of FY24 Tourist Development Tax Program

FY24 Recommended Operating and Capital Budget
August 29th, 2023