

A horizontal bar with three segments: yellow, orange, and blue.

Convention Center Hotel and Expansion Update

April 1, 2014

Accomplishments Since Last Workshop



Accomplishments



- **Site Environmental** – Completed Phase II Study of project site
- **Traffic Study** – Concluded Phase I Study. Phase II has commenced during Master Plan Project
- **Underground Utilities** – Assembled all available documents and maps outlining known underground utilities and infrastructure
- **Marine Environmental** – Completed for possible land reclamation

Accomplishments *cont.*



- **Developer Outreach** – Reached out to largest developers who have done Convention Center projects over past 7 years to determine industry interest
- **Stakeholder Meetings**– Conducted multiple Stakeholder Meetings, including with City of Fort Lauderdale, to gain input and create dialog with relevant parties
- **Master Planning** – Initiated planning process

Accomplishments *cont.*

- **Economic Impact Analysis** – HVS conducted an economic impact analysis to determine new spending, job creation and resulting tax revenues
- **Financial Advisor**– PRAG has developed financial models to illustrate the key financial terms of the two main development models
- **Project Schedule** – Created preliminary project development schedule illustrating the main phases of the project for planning purposes

CVB Customer Advisory Board Workshop Findings



CVB Customer Advisory Board Workshop Findings



Ideas generated from the Meeting Planner workshop include:

- Physical connection of hotel to Convention Center, preferably at meeting space level
- Column free exhibit space
- Access to fresh air – balcony space
- Outdoor reception space
- Large fitness center/gym;
- Spa/Marina secondary to development

CVB Customer Advisory Board Workshop Findings *cont.*

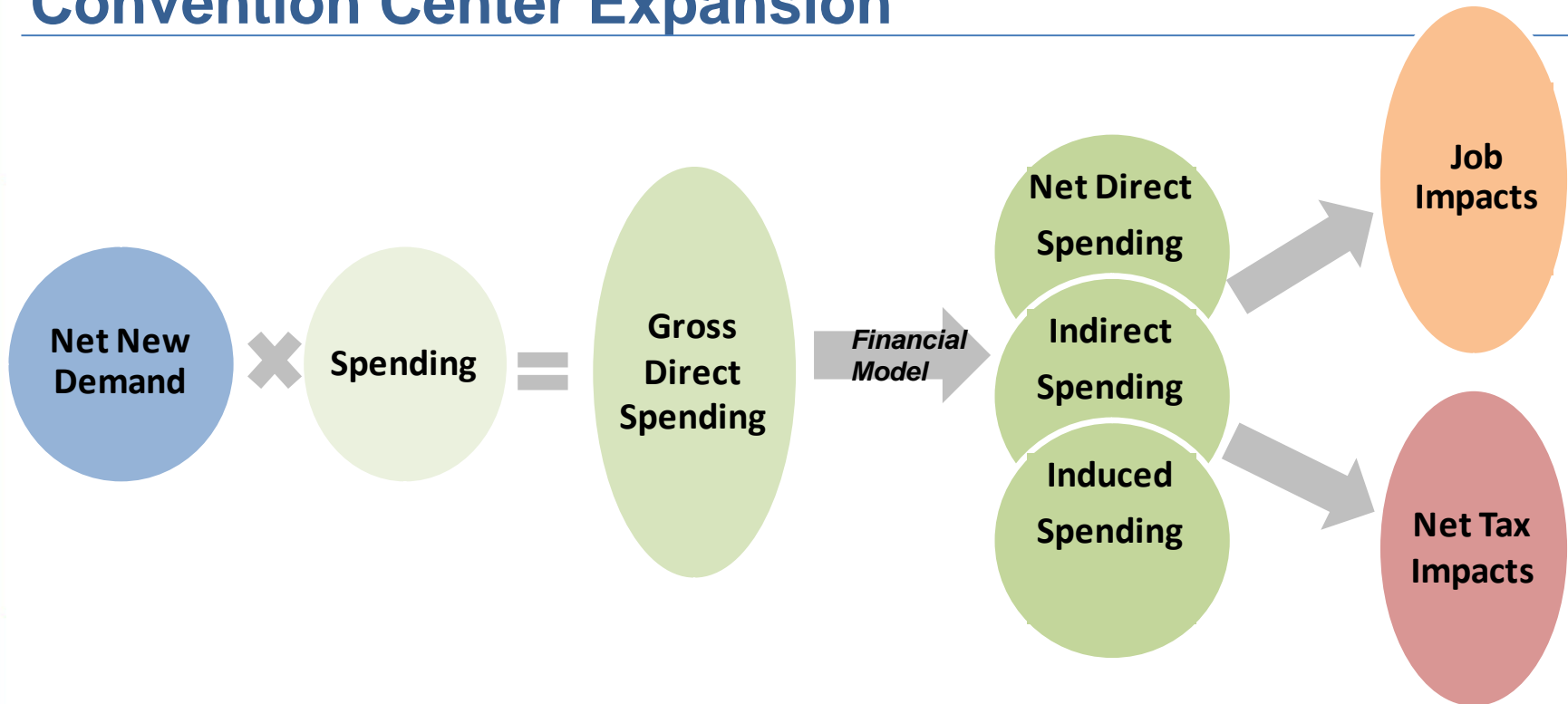


- Water view rooms
- Some suites; 2-3 large “presidential” style suites
- Large lobby with lobby bar
- Networking areas in lobby
- Three restaurants; ranging from low to high end
- Grand and junior ballroom on same level
- Three large boardrooms; meeting space
- Full service business center/shipping office

Economic Impact Analysis Results by



Economic Impact Analysis Convention Center Expansion

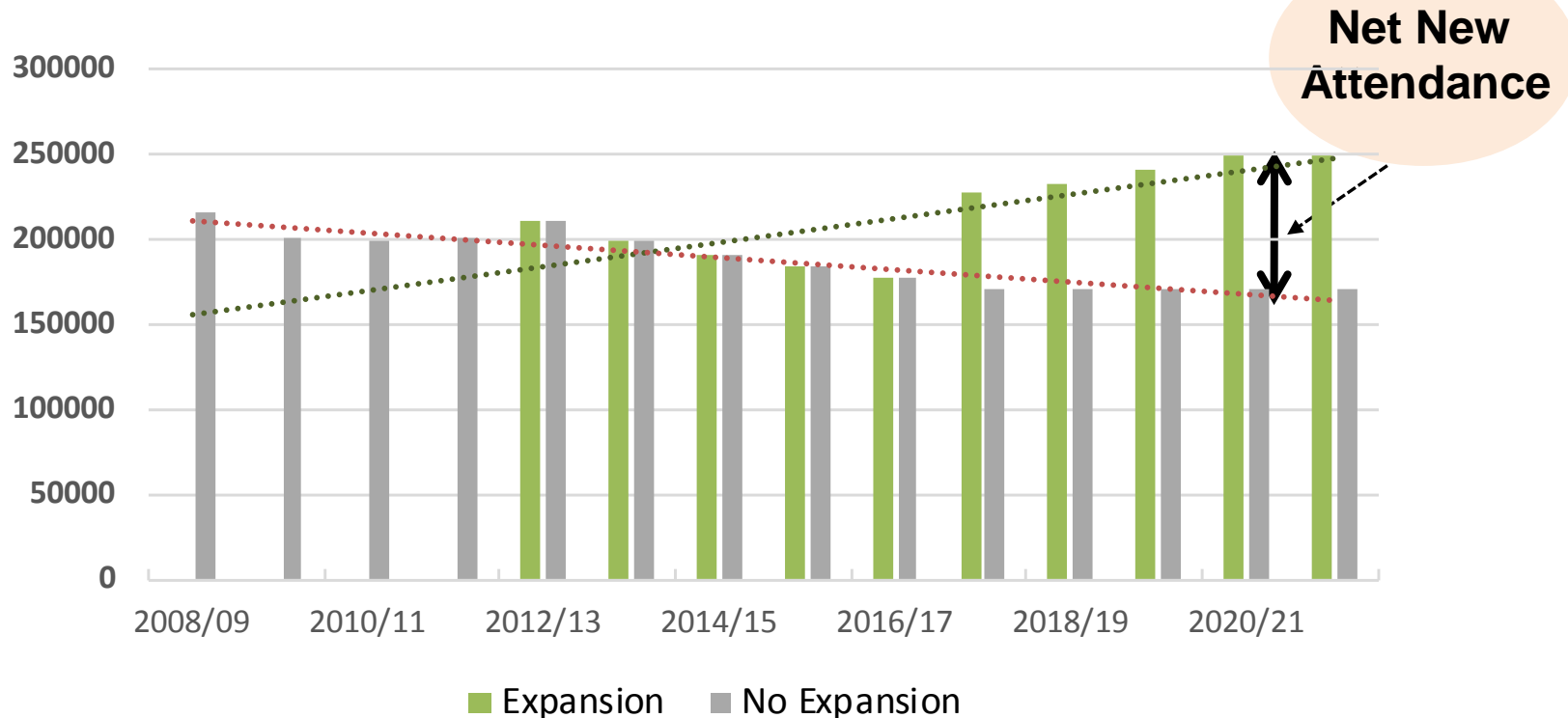


Gross Direct Spending provides the inputs into the IMPLAN model, which generates estimates of:

- 1) Net direct spending – adjustment of gross spending that remains in the local economy (e.g. franchise fees for chain restaurants).
- 2) Indirect spending – business spending needed to supply the direct spending (e.g. food purchased by restaurants from local sources).
- 3) Induced spending – new personal income that is spent in the local economy. (e.g. the increased income of food service staff).

Net New Demand Convention Center Expansion

ESTIMATED ATTENDANCE



Expansion would create:

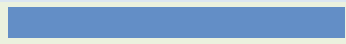


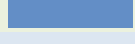


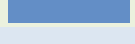


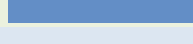




- 47 more events
- 80,000 more attendees (50% increase)

No expansion would result in an estimated 25% decrease in attendance

Spending Parameters

Convention Center Expansion

DAILY SPENDING PARAMETERS (STATED IN 2013 DOLLARS)

Daily Spending Per Overnight Stay	\$317.70	
Hotel Average Daily Room Rate	50%	
Food services and drinking places	17%	
Hotels and motels, including casino hotels	15%	
Other	18%	
Daily Spending Per Daytrip Visitor	\$97.96	
Food services and drinking places	56%	
Retail stores - general merchandise	26%	
Other	18%	
Exhibitor Spending Per Delegate	\$45.85	
Food services and drinking places	60%	
Lodging Costs	13%	
Other	28%	
Organizer Spending per Delegate Day	\$3.76	
Hotel Room Rate	34%	
Retail stores - general merchandise	30%	
Advertising and related services	24%	
Other	12%	

Sources: DMAI, CITI, STR, and HVS

Spending Estimates

Convention Center Expansion

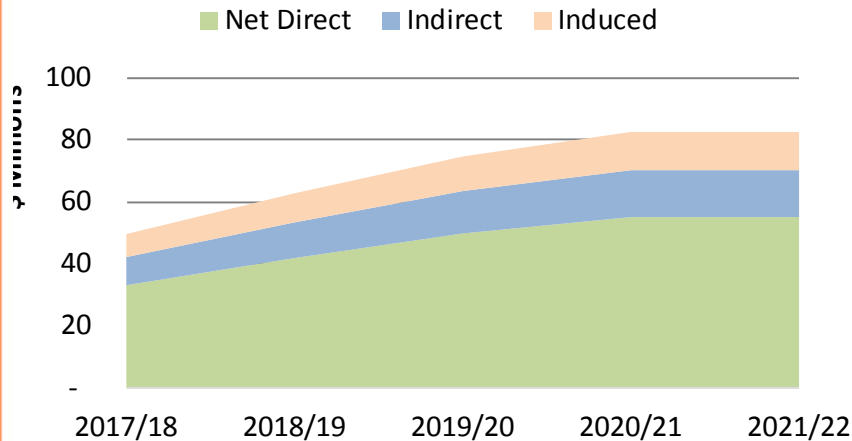
\$83.1 million in annual recurring spending and 721 new permanent jobs

NET ECONOMIC IMPACT

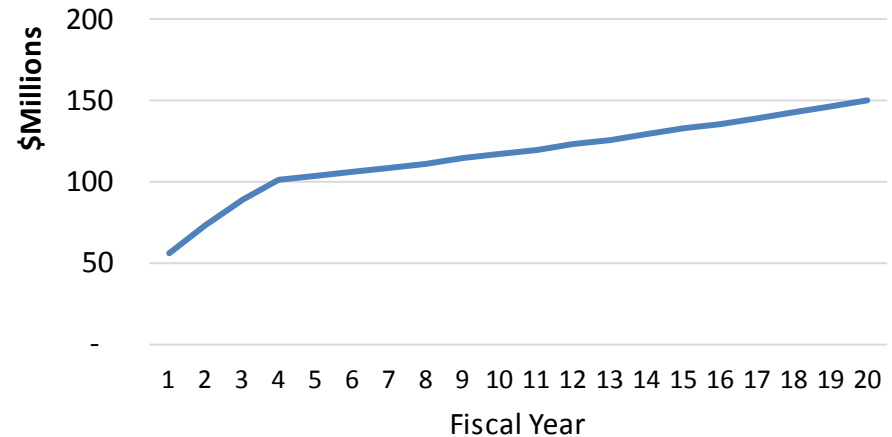
Impact in 2013 Dollars (millions)	Broward County
Spending Estimates	
Net Direct	\$52.7
Indirect	14.7
Induced	15.7
Total	\$83.1
Total Permanent Jobs	721

Annual Recurring Impacts Convention Center Expansion

5-Year Impact in 2013 Dollars



20-Year Impact (inflated dollars)



An initial capital investment in a BCCC expansion would generate long-term annual recurring economic impacts during the useful life of the project. Using a 5% discount rate, HVS estimates that the present value of annual recurring impacts over a cumulative 20-year period would be approximately **\$1.1 billion**.

Tax Revenue Impacts

Convention Center Expansion

Spending impacts provide the basis for estimating the tax revenue impacts of the project. The new spending will be subject to taxation and generate tax revenue for Fort Lauderdale, Broward County, and the State of Florida. These tables show the estimated new tax revenues for a stabilized year of operations in 2013 dollars.

Fiscal Impacts for the State of Florida in 2013 Dollars

Tax Category	Tax Base	Effective Tax Rate	Estimated Tax Revenue
State Sales & Use Tax	\$74,942,886	5.50%	\$4,122,000
Auto Fuel	55,618	7.46%	\$4,000
Communications	1,301,790	9.17%	\$119,000
Electricity	1,187,207	2.50%	\$30,000
Total			\$4,275,000

Sources: Florida Department of Revenue, IMPLAN, and HVS

Fiscal Impacts for Broward County in 2013 Dollars

Tax Category	Tax Base	Effective Tax Rate	Estimated Tax Revenue
Redistributed State Sales Tax	74,942,886	0.15%	\$112,000
Transient Lodging Tax	23,215,720	5.00%	\$1,161,000
Total			\$1,273,000

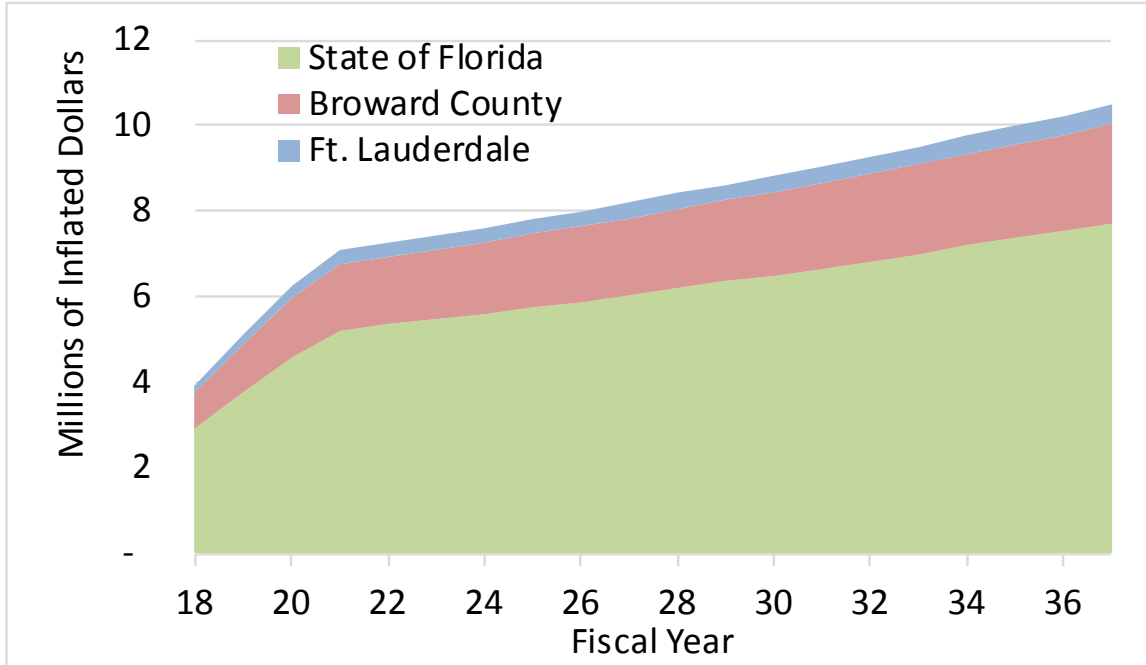
Sources: Broward County, IMPLAN, ESRI, and HVS

Fiscal Impacts for Ft. Lauderdale in 2013 Dollars

Tax Category	Tax Base	Nominal Tax Rate	Effective Tax Rate	Estimated Tax Revenue
Redistributed State Sales Tax	74,518,478	0.05%	0.05%	\$34,000
Communications	734,505	5.22%	5.22%	\$38,000
Electricity	1,113,419	16.00%	16.00%	\$178,000
Natural Gas	34,052	16.00%	16.00%	\$5,000
Water/Sewer	9,547	16.00%	16.00%	\$2,000
Total				\$257,000

Sources: City of Ft. Lauderdale, IMPLAN, ESRI, and HVS

Annual Tax Impacts Convention Center Expansion



PRESENT VALUE OF FISCAL IMPACTS*

	\$ Millions
State of Florida	\$70.6
Broward County	\$21.0
Ft. Lauderdale	\$4.2
*20 years of tax revenue discounted at 5%	

Over the life of the BCCC expansion project, the related spending would generate recurring annual tax revenues. The total present value of all tax impacts is over \$96 million with the State of Florida benefiting the most, with over \$70 million in fiscal impact while Broward County would benefit by \$21 million.

Summary of Estimates

- Expansion would generate over 115,000 new annual overnight stays and an estimated 80,000 in new attendees.
- In a stabilized year of operation, delegates, exhibitors, and event organizers would generate annual new spending of \$83.1 million in 2013 dollars.
- Present value of a 20-year stream of new spending is approximately \$1.1 billion.
- Annual spending associated with the expansion project would create 721 permanent full-time jobs.
- Present value of future tax revenues generated by the project would be over \$96 million. The State of Florida would benefit the most with over \$70 million in new tax collections during the life of the project with Broward County collecting an additional \$21 million in tax revenue.

Community Outreach Efforts



Outreach Efforts

- Stakeholders Taskforce Meetings
- Outreach to National Hotel Developers
- Meetings with various Community Groups
- Prominent Featured Item on County and CVB Web-site
- Development of Website for the Project (in process)
- Master Planning Outreach

Key Comments from Stakeholder Meetings



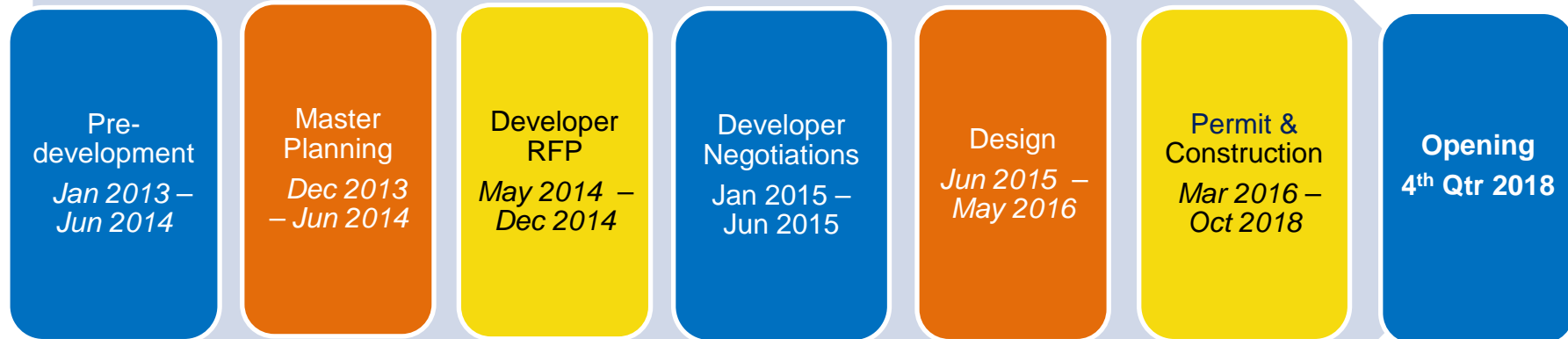
- Waterfront access and views
- Iconic destination
- Entertainment
- Connection to surrounding hotels and retail
- Outdoor space
- Iconic building
- Pedestrian Oriented Environment
- Access to boats
- Traffic improvement
- Incorporate cruise passengers
- Utilize the whole site
- Transit alternatives
- Sustainability

Preliminary Project Schedule



Preliminary Schedule

Taskforce - Ongoing





Questions