Tourism Industry

Palm Beach County Florida
THE BEST OF EVERYTHING.®

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Tourist Development Council

November 2013

CULTURAL COUNCIL of Palm Beach County

Palm Beach County Florida
THE BEST OF EVERYTHING.®
PALM BEACH COUNTY CONVENTION AND VISITORS BUREAU
PalmBeachFL.com

PALM BEACH COUNTY SPORTS COMMISSION

PALM BEACH COUNTY • FLORIDA •

PALM BEACH COUNTY FILM AND TELEVISION COMMISSION

Department of Environmental Resources Management

Palm Beach County Convention Center
THE BEST OF EVERYTHING FOR EVERY EVENT™

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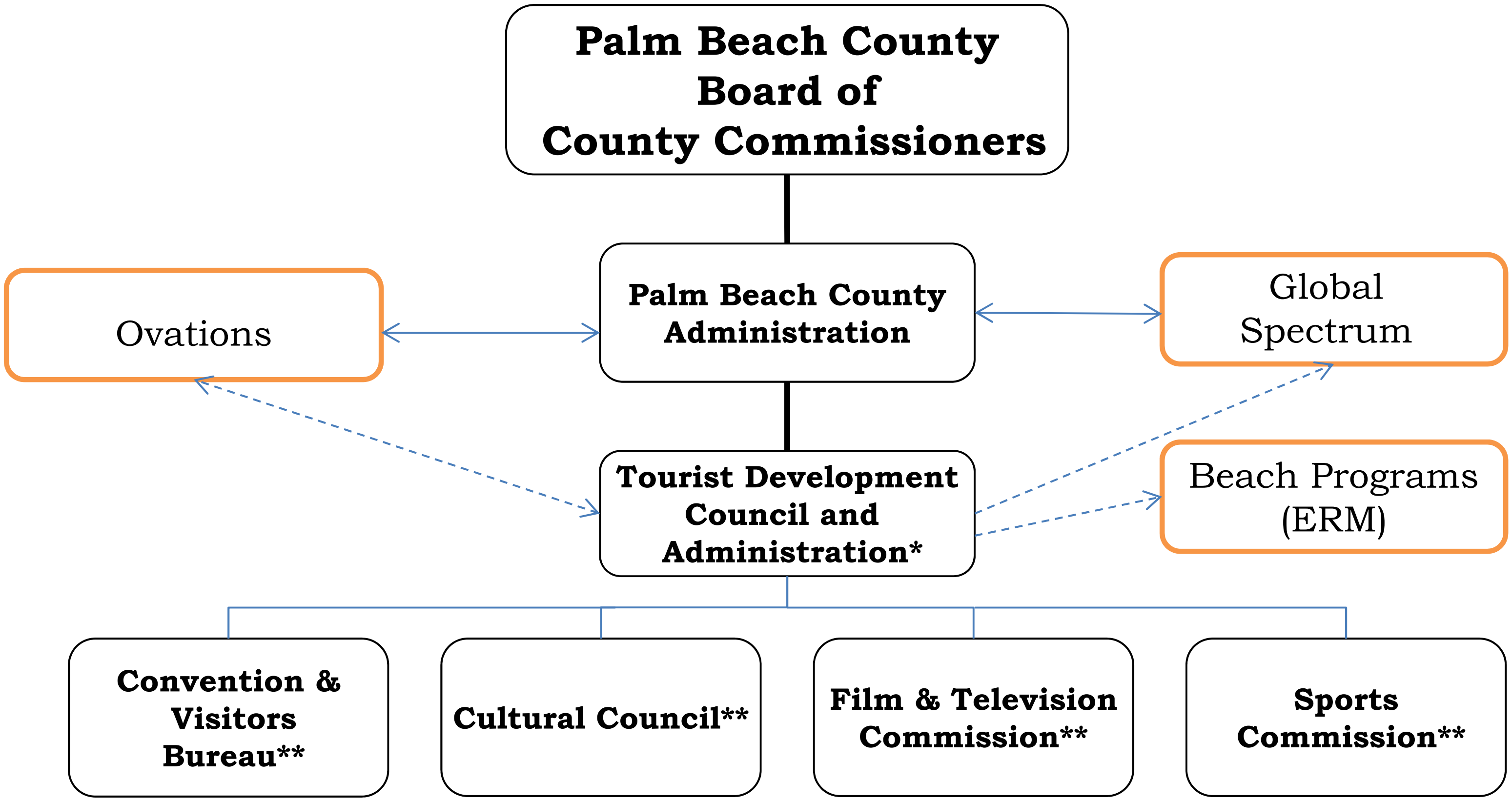
Palm Beach County Tourist Development Council
Table of Organization



** Agencies contracted with Palm Beach County, with oversight by TDC Administration

* TDC Administrates 4th Cent Fund, Special Projects, Beach Program

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Tourist Development Board Vision

Palm Beach County will be a globally recognized <u>destination</u> that <u>visitors</u> will want to <u>experience</u> because of its <u>culture</u>, <u>lifestyle</u> and <u>amenities</u>.

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PALM BEACH COUNTY FLORIDA

Tourist Development Mission

- ***Invest Tourism Taxes to Generate a <u>Maximum Return</u>***

- ***Determine the <u>Success</u> of each tourism program***

- ***Provide <u>leadership in marketing and development</u> of local amenities for future economic benefit***

- ***<u>Advisory</u> body to the Board of County Commissioners on Tourism***

- ***Ensure <u>compliance</u> with State & Local statutes governing Tourism***

Bed Taxes Collected from Visitors

With the assistance of our Hotel Partners:

Palm Beach County collects a nickel, or 5 cents on each dollar spent by <u>Visitors</u> who stay at hotels, motels, bed and breakfast inns, condo rentals, campgrounds and other short term over-night visits of six months or less.

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Bed Taxes – Performance Trend

2008 Collections $27.8M

Pre-Recession Height

2009 Collections $22.3M

Recession Down 20%

2010 Collections $23.2M

Slow Recovery Up 4%

2011 Collections $25.5M

Continued Recovery Up 10%

Bed Taxes –2012 & Beyond

2012 Collections $27.5M
Recovered to Pre-Recession Height

2013 Collections $30.5M
11.0% ahead of 2012 Fiscal Year

2014 Collections Forecast $31M+
4.0%+ above Last Year

County– Performance 2013

October Year to Date

Hotel Occupancy 71.6% vs. 67.4% Last Year

#1 in Occupancy Growth at 6.3% across the State of Florida

Average Daily Room Rate $145.72

3.1% Higher then 2012

Revenue per Available Room $104.39

9.6 % higher then 2012

45th consecutive month of ↑ REVPAR

Source: STR

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Bed Taxes – 31 Year Historical Timeline

1982-1983	1 Cent	70% Marketing/30% the Arts
1984-1988	2 Cents	70% Marketing/30% the Arts
1989-1994	3 Cents	55% Marketing, 25% Arts 17% Beaches, 3% Sports
1994-2006	4 Cents	40% Marketing, 17% Arts 11% Beaches, 4% Sports, 3% Film 25% Debt Service Stadium/Conv., Convention Ctr. Operating & RR
2007- Today	5 Cents	31% Marketing, 14% Arts, 8% Beaches, 4% Sports, 3% Film 20% Stadium/Convention Debt Service, 20% Convention Center Expansion, Operating & RR

Bed Taxes used for Bricks and Mortar

•**1st Cent** – To assist with payment of debt service for Roger Dean Stadium and the Convention Center. Cover the operational losses at the Convention Center and designated for construction, expansion, enlargement, remodeling, repair and/or improvement of the Convention Center and capital maintenance of Roger Dean Stadium.

•**4th Cent** – Pays debt service on Roger Dean Stadium and the Palm Beach County Convention Center.

Bed Taxes Used for Marketing & Promotion

The remaining 3%, or 3 cents on each dollar collected is then used for Marketing ,Promotion, Grants and Beach re-nourishment efforts.
(Per Local Ordinance)

•2nd Cent –3rd Cent –5th Cent

Funds distributed first to:

- Special Tourism Projects $150K
- Convention Center Operations $250K

<u>Remaining dollars allocated to:</u>

- Convention and Visitors Bureau
- Cultural Council
- Sports Commission
- Film and Television Commission
- Beaches and Shores Environmental Resources Management

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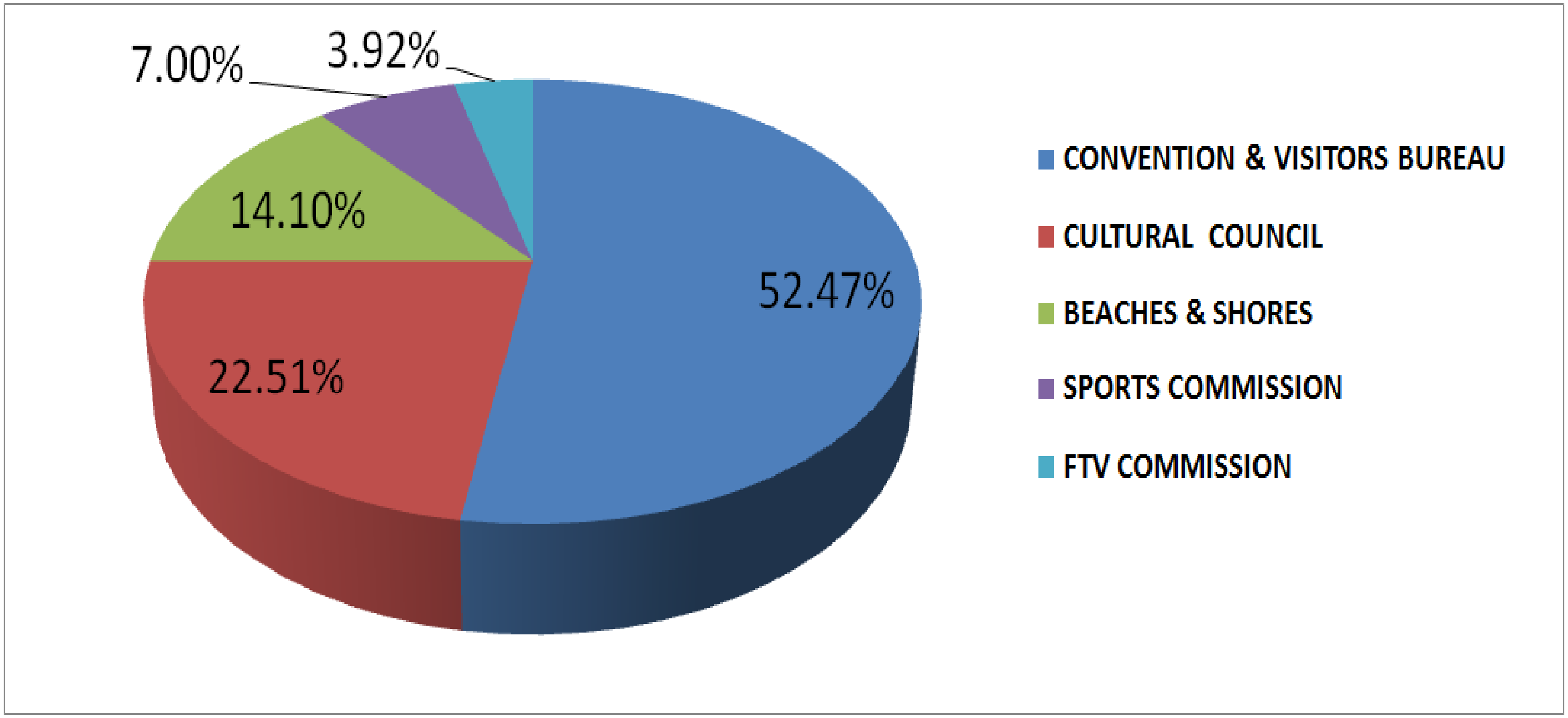
Bed Tax Revenues

CONVENTION & VISITORS BUREAU	CULTURAL COUNCIL	BEACHES & SHORES	SPORTS COMMISSION	FTV COMMISSION
52.47%	22.51%	14.10%	7.00%	3.92%



Use of 2nd, 3rd & 5th Cents

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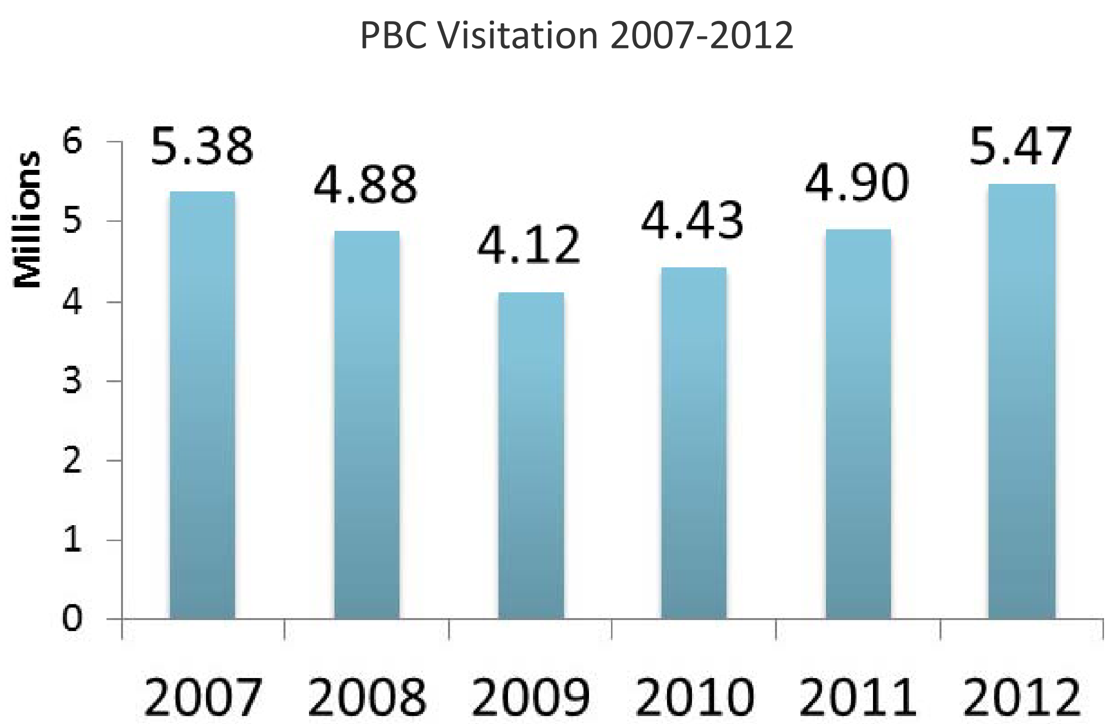
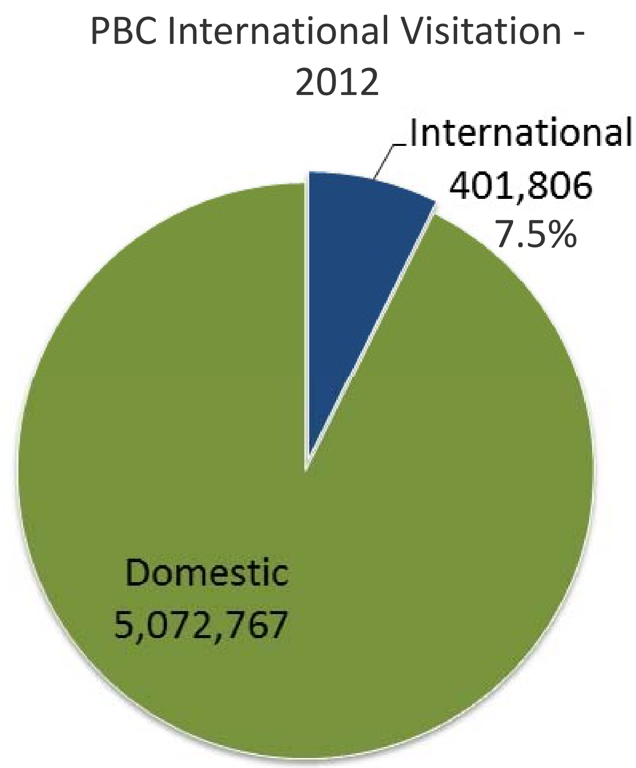
Volume of visitors

Volume of PBC visitors has recovered to 2007 levels.





*International estimate from Department of Commerce

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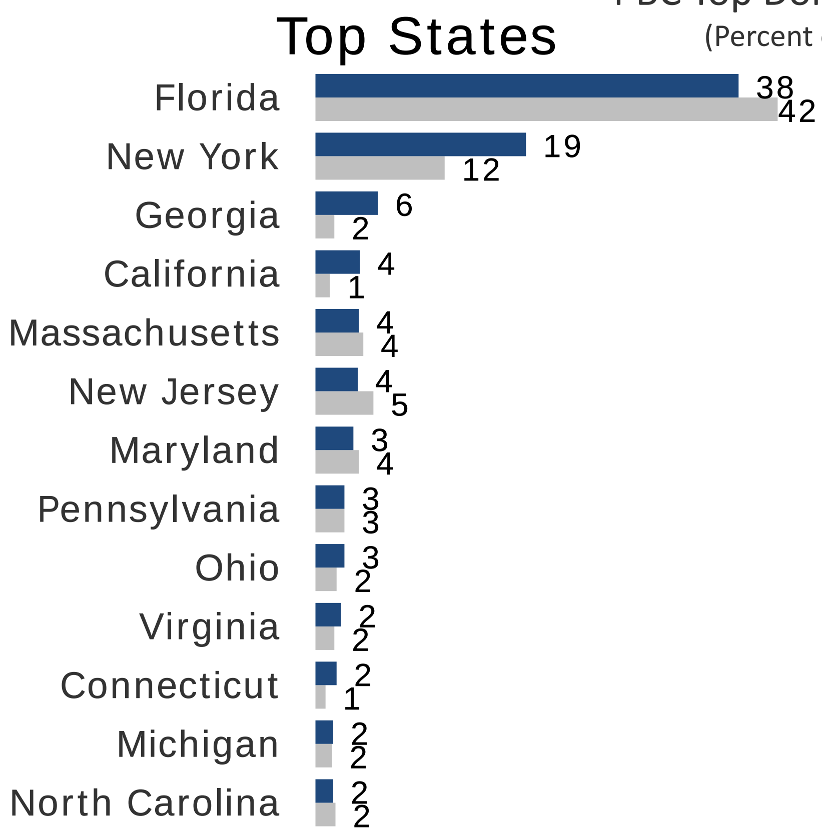
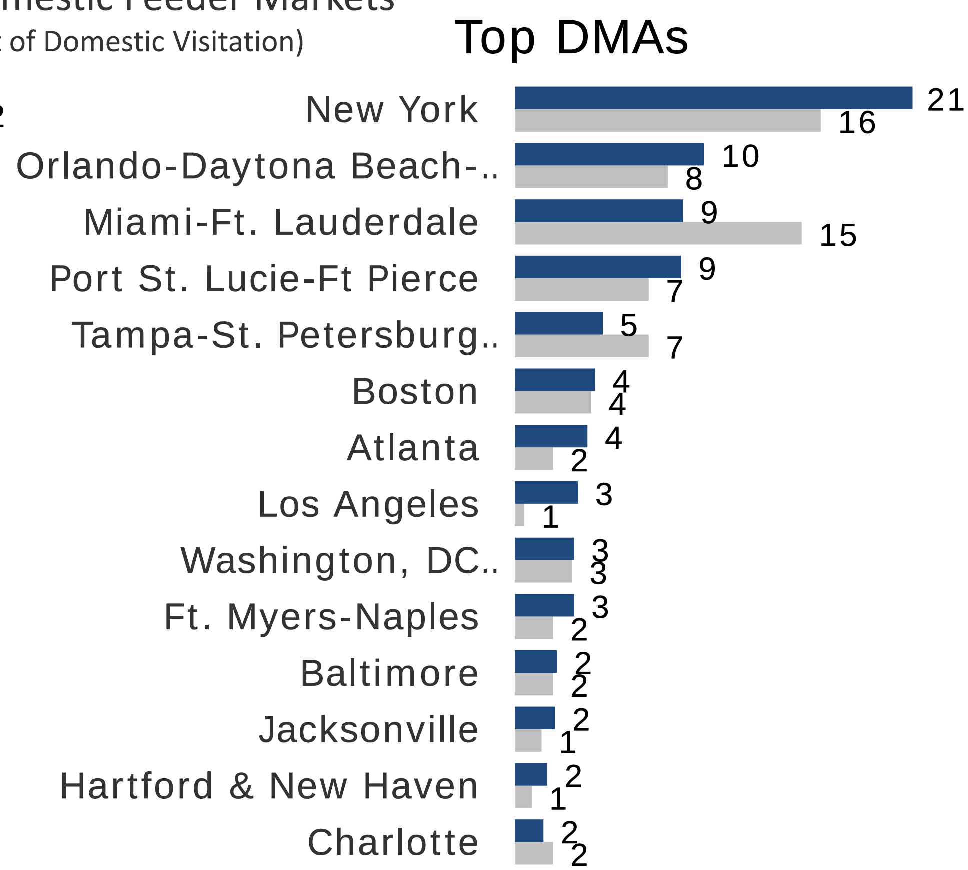
Source of visitors

New York visitation has significantly grown over the last year, while trips from South Florida have declined.

PBC Top Domestic Feeder Markets
(Percent of Domestic Visitation)





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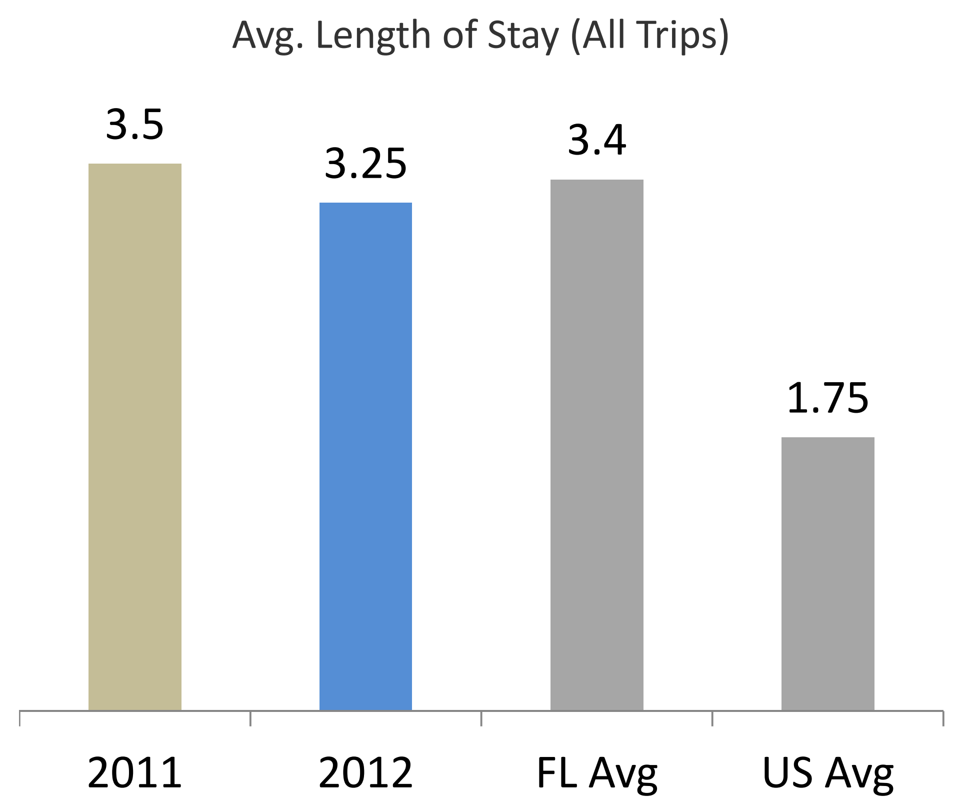
Information provided Discover Research & TNS Visitor Profile

2012
2011

Length of Stay

While visitation has increased length of stay has decreased about a quarter of a night. Still the average stay is much longer than the US.



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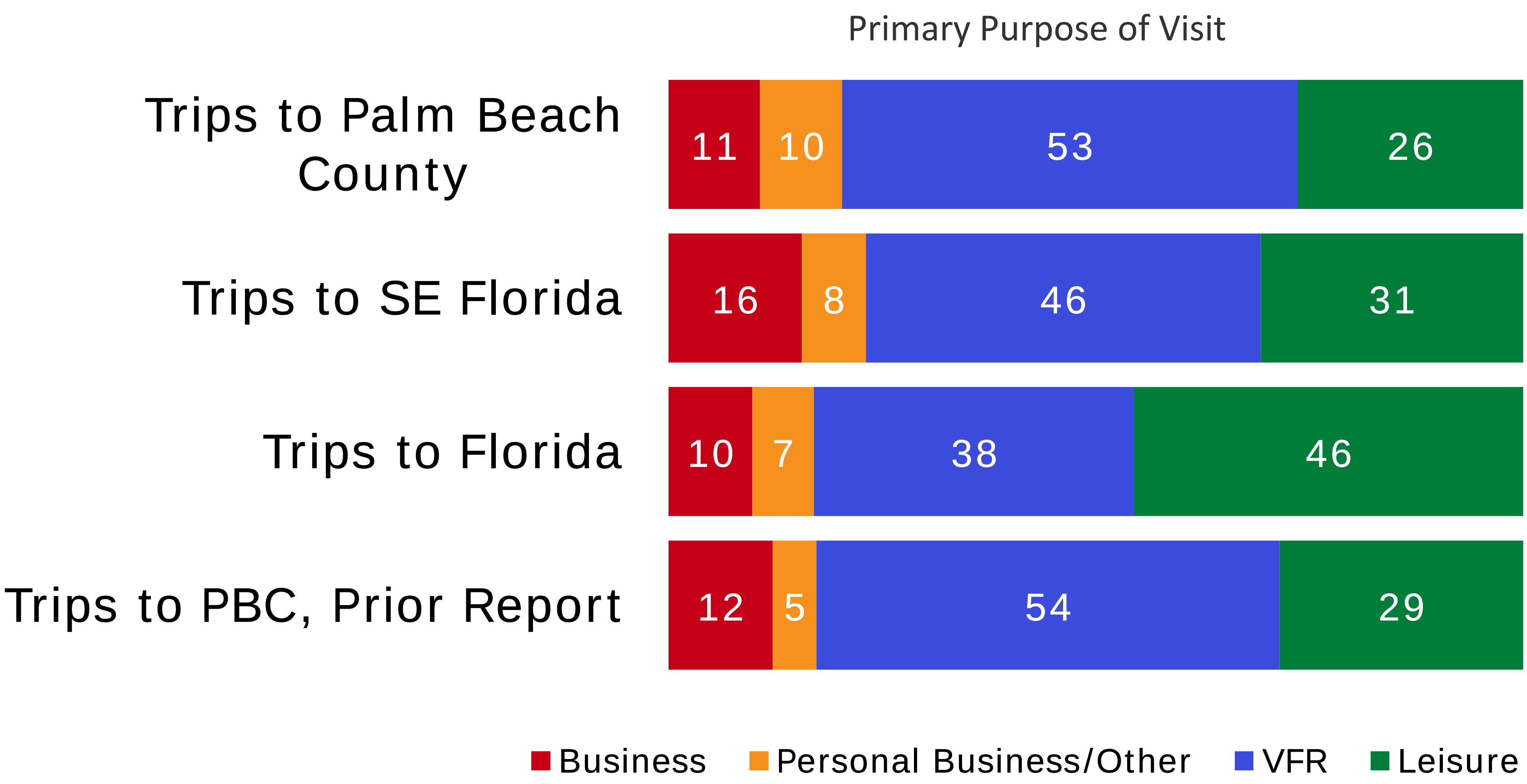
Purpose of Trip

Most visitors to PBC travel to visit friends and relative. Other reasons for travel like SMERF have become increasingly important to PBC.



Information provided Discover Research & TNS Visitor Profile

Impact of Travel
Palm Beach County

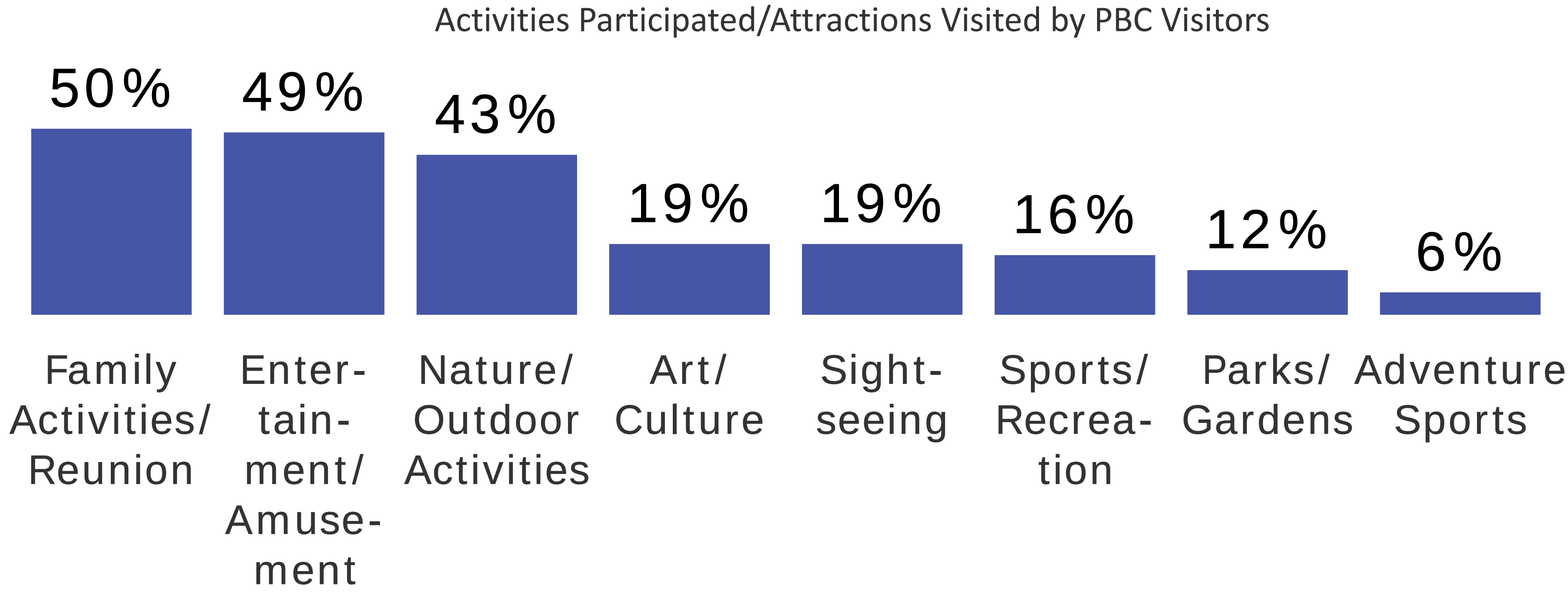
- 5+ Million Visitors
- $5+Billion Spending
- Industry Employment 73,000
- 45,000 Jobs serving Visitors

  (These cannot be outsourced)

Source: Palm Beach County Economic Impact Study May 2012

Activities

Family, Entertainment, and Outdoor Activities are by far the most popular activities among PBC visitors.



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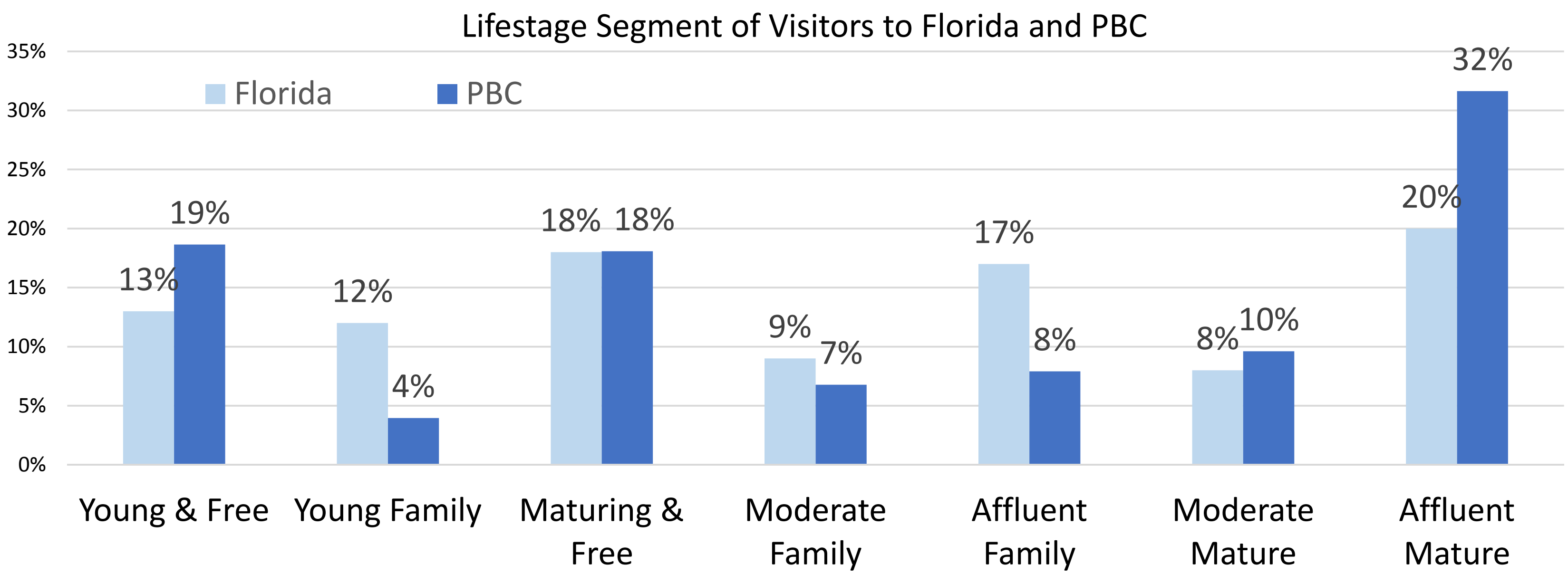
Demographics and Attitudes

PBC performs best in non-family segments
(Young & Free, Maturing & Free, Affluent Mature).



Young & Free - 18-34; any income; no kids
Young Family - 18-34; any income; kids in HH
Maturing & Free - 35-54; any income; no kids
Moderate Family - 35-54; <$75K; kids in HH
Affluent Family - 35-54; $75K+; kids in HH
Moderate Mature - 55 or older, <$60K; no kids
Affluent Mature - 55 or older; $60K+, no kids

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Opportunities

- Convert Visiting Friends and Family (VFR) segment; opportunity for future leisure/hotel visitation
- Longer stays are greater opportunities for local sales: shopping, cultural venues, attractions, restaurants
- Increasing demand for South Florida as a meeting/convention destination
  - great for PBC Convention Center/Hotel, and Hotels with significant meeting space
- Professional & Amateur Sporting venues provide significant room nights and economic impact

Challenges

- Our feeder markets are highly targeted by regional and international destination competition
- Tourism asset investment and development
  - Accommodations **(Inventory today 16,000)**
  - Attractions
  - Major Events
  - Communities Redevelopment
- PBIA Airlift Development Investment
- Maximizing our Return on Advertising Invested

Questions?