



# Tourism Industry



  
Palm Beach County Florida  
THE BEST OF EVERYTHING.®



  
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Tourist Development Council

November 2013



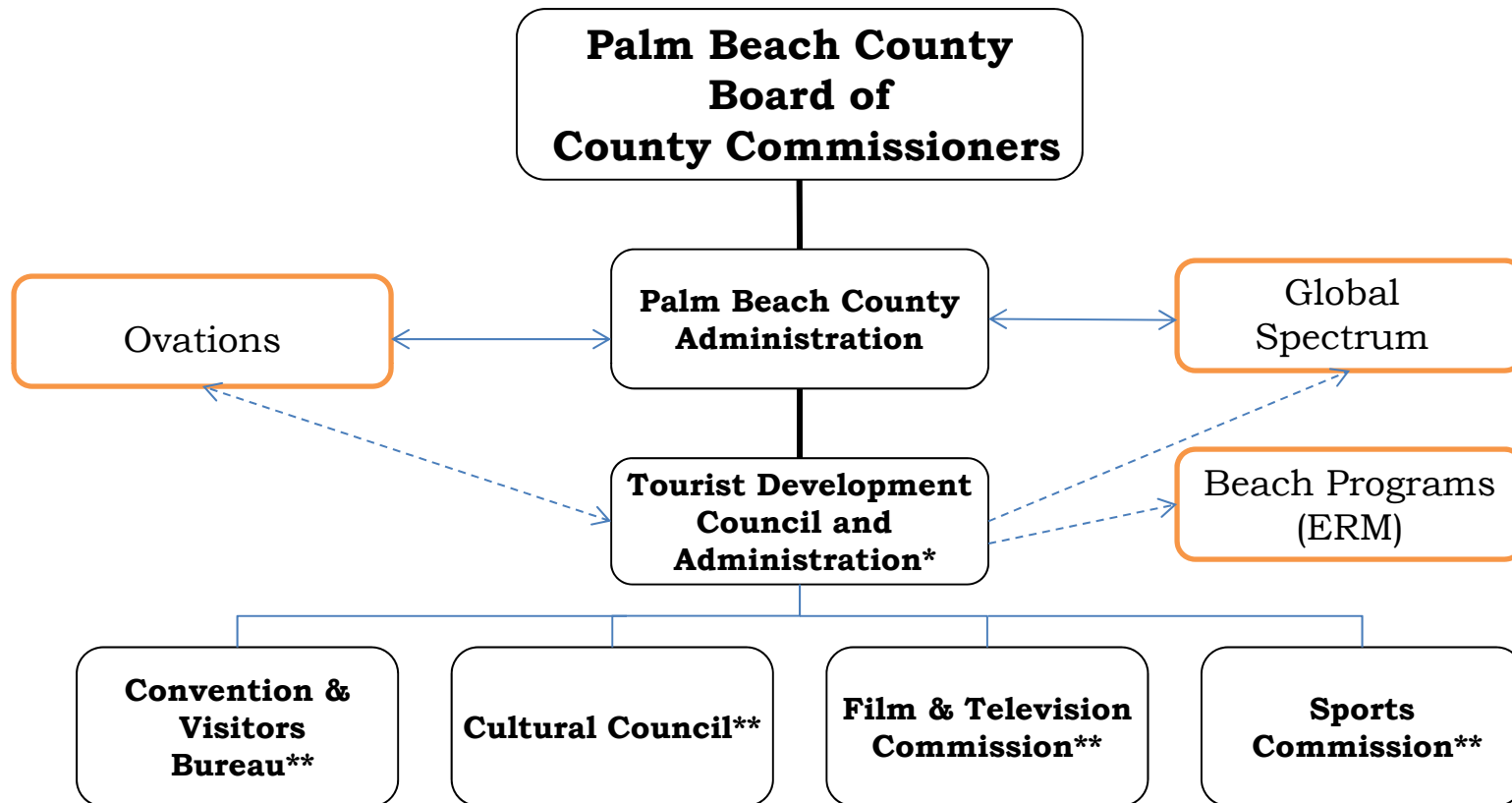


# Palm Beach County Convention Center

THE BEST OF EVERYTHING FOR EVERY EVENT™



# Palm Beach County Tourist Development Council Table of Organization



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

\* TDC Administrates 4<sup>th</sup> Cent Fund, Special Projects, Beach Program

# ***Tourist Development Board Vision***

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

# ***Tourist Development Mission***

- ***Invest Tourism Taxes to Generate a Maximum Return***
- ***Determine the Success of each tourism program***
- ***Provide leadership in marketing and development of local amenities for future economic benefit***
- ***Advisory body to the Board of County Commissioners on Tourism***
- ***Ensure compliance 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 Visitors who stay at hotels, motels, bed and breakfast inns, condo rentals, campgrounds and other short term over-night visits of six months or less.

# 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

**45<sup>th</sup> consecutive month of**  **REVPAR**

Source: STR

# 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



• **1<sup>st</sup> 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.



• **4<sup>th</sup> 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)

## •2<sup>nd</sup> Cent –3<sup>rd</sup> Cent –5<sup>th</sup> Cent

Funds distributed first to:

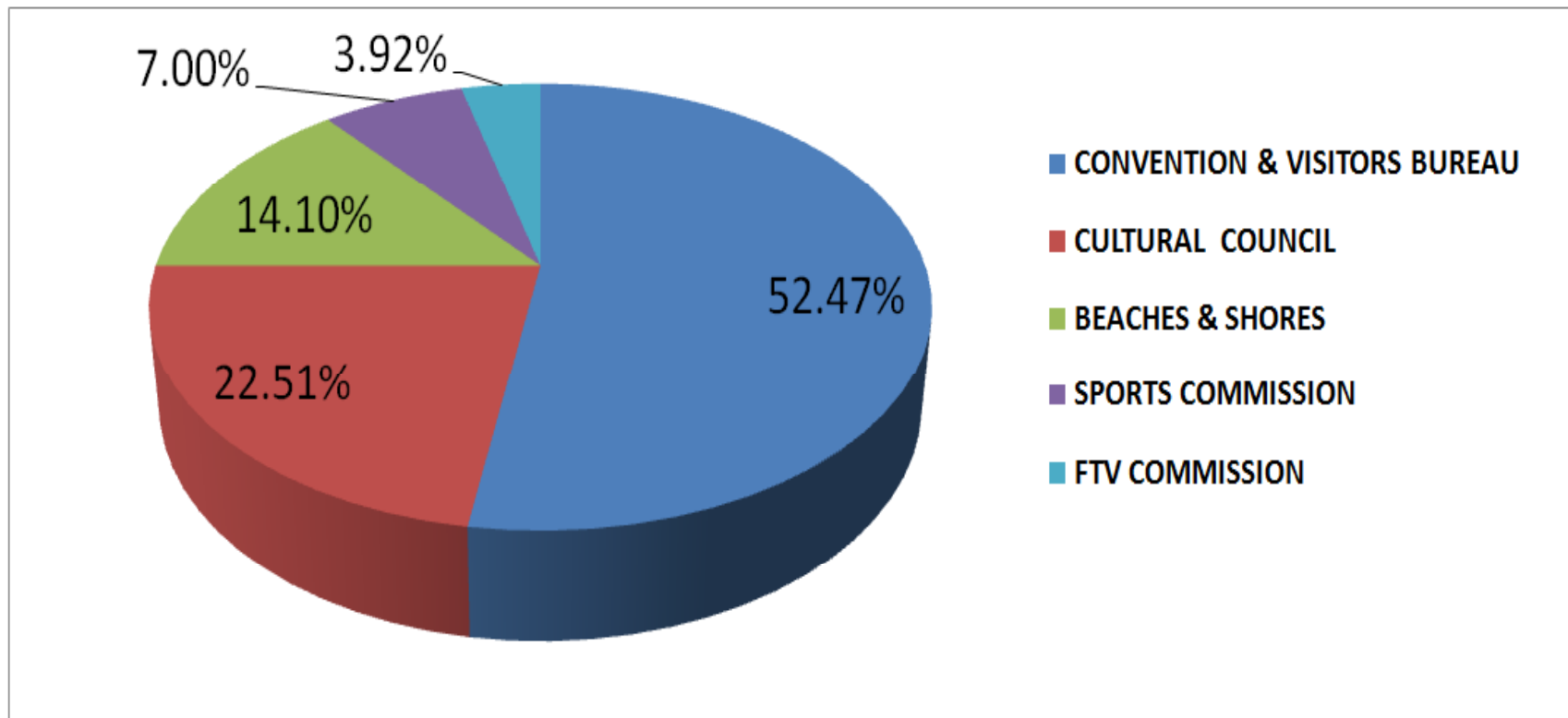
- Special Tourism Projects \$150K
- Convention Center Operations \$250K

Remaining dollars allocated to:

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

# Bed Tax Revenues

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

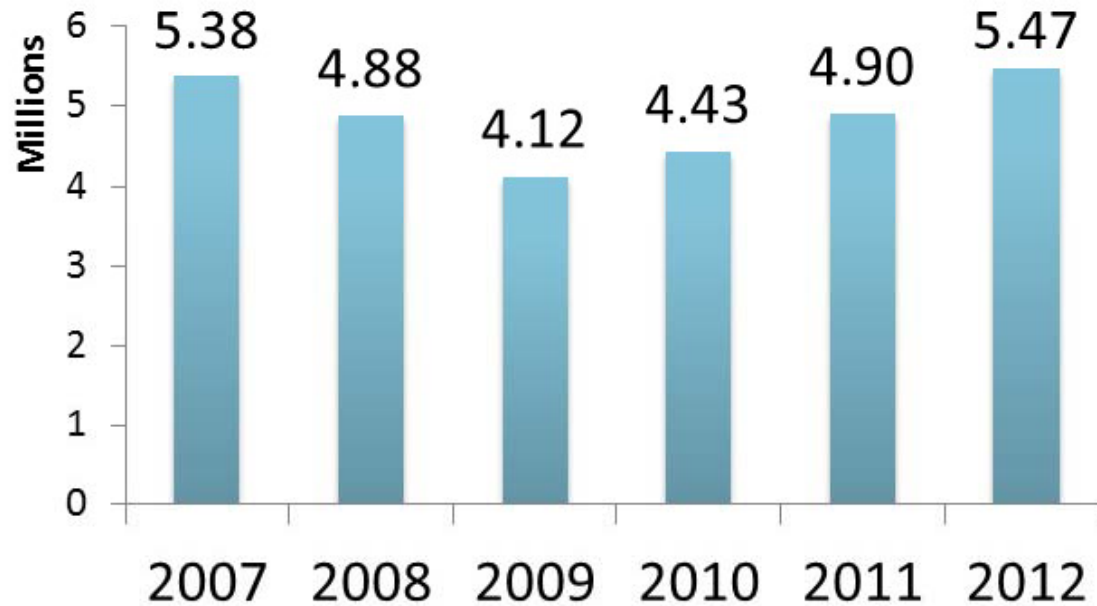


## Use of 2<sup>nd</sup>, 3<sup>rd</sup> & 5<sup>th</sup> Cents

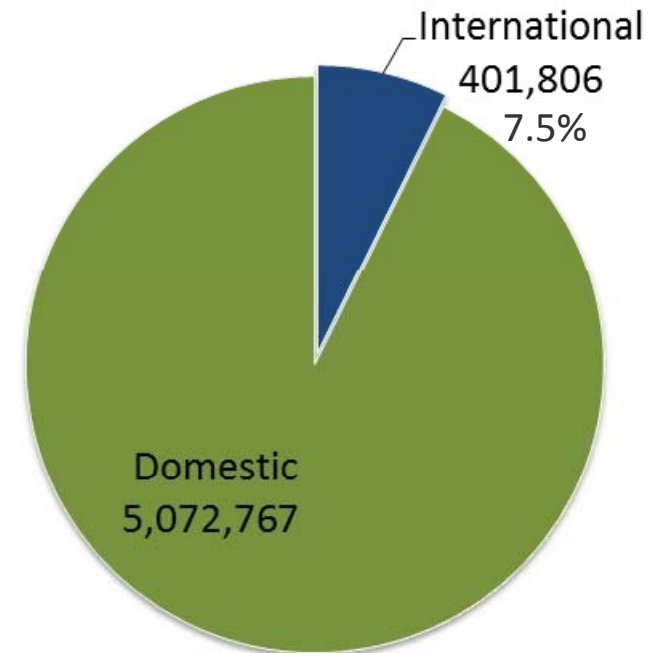
# Volume of visitors

Volume of PBC visitors has recovered to 2007 levels.

PBC Visitation 2007-2012



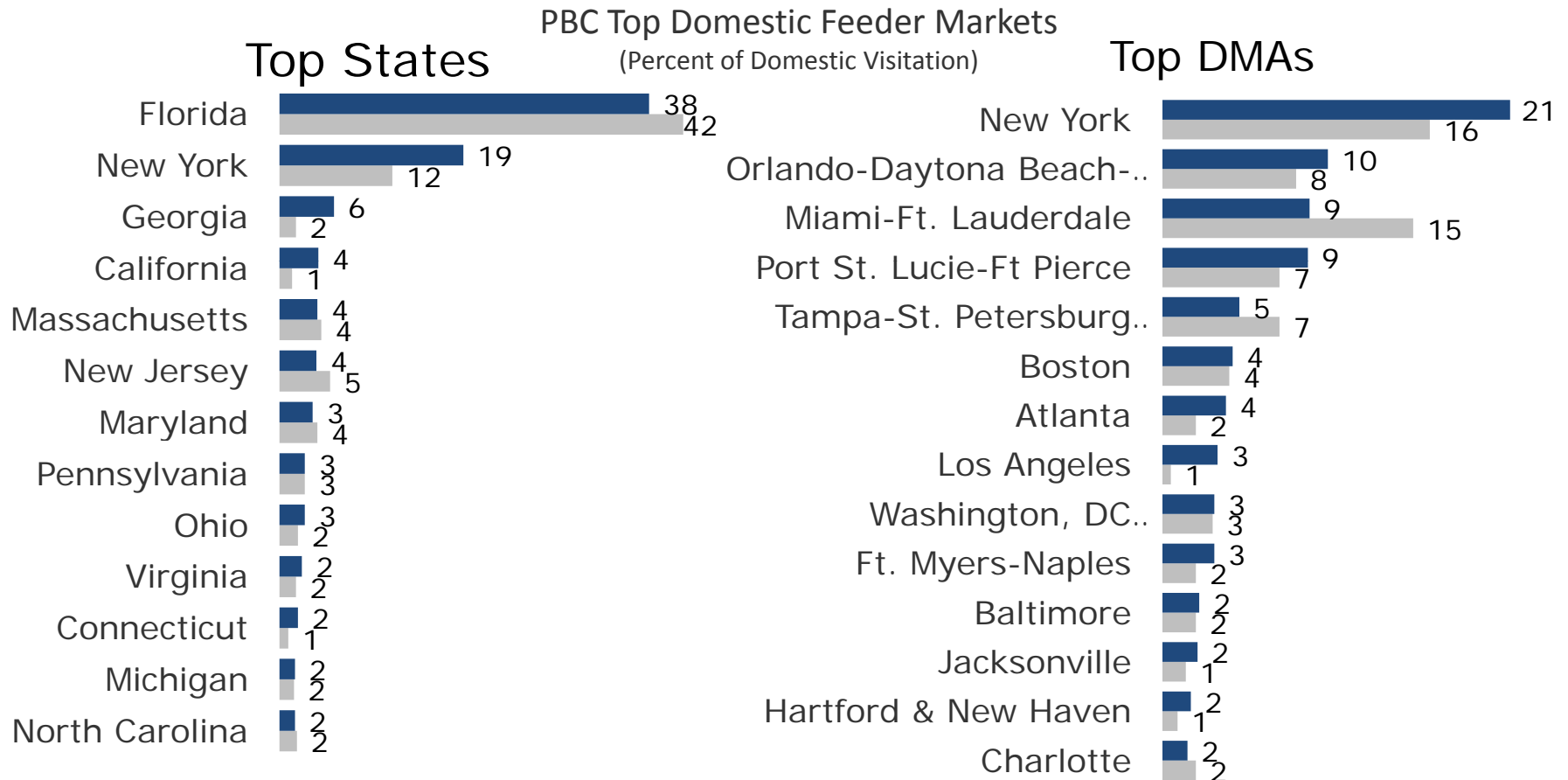
PBC International Visitation - 2012



\*International estimate from Department of Commerce

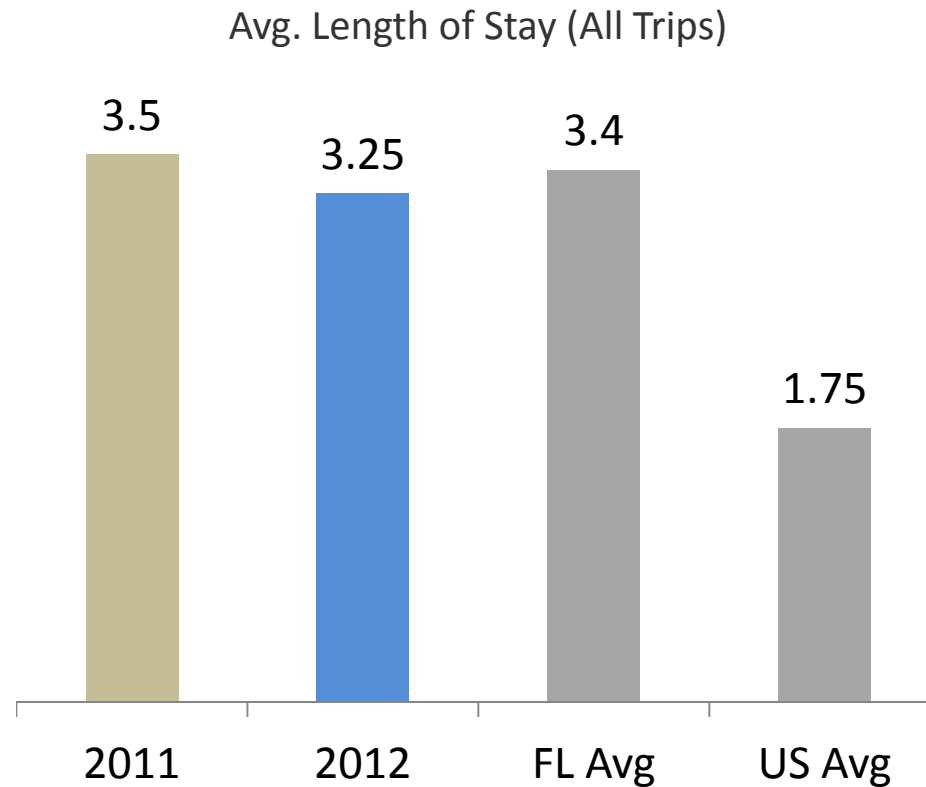
# Source of visitors

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



# 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.

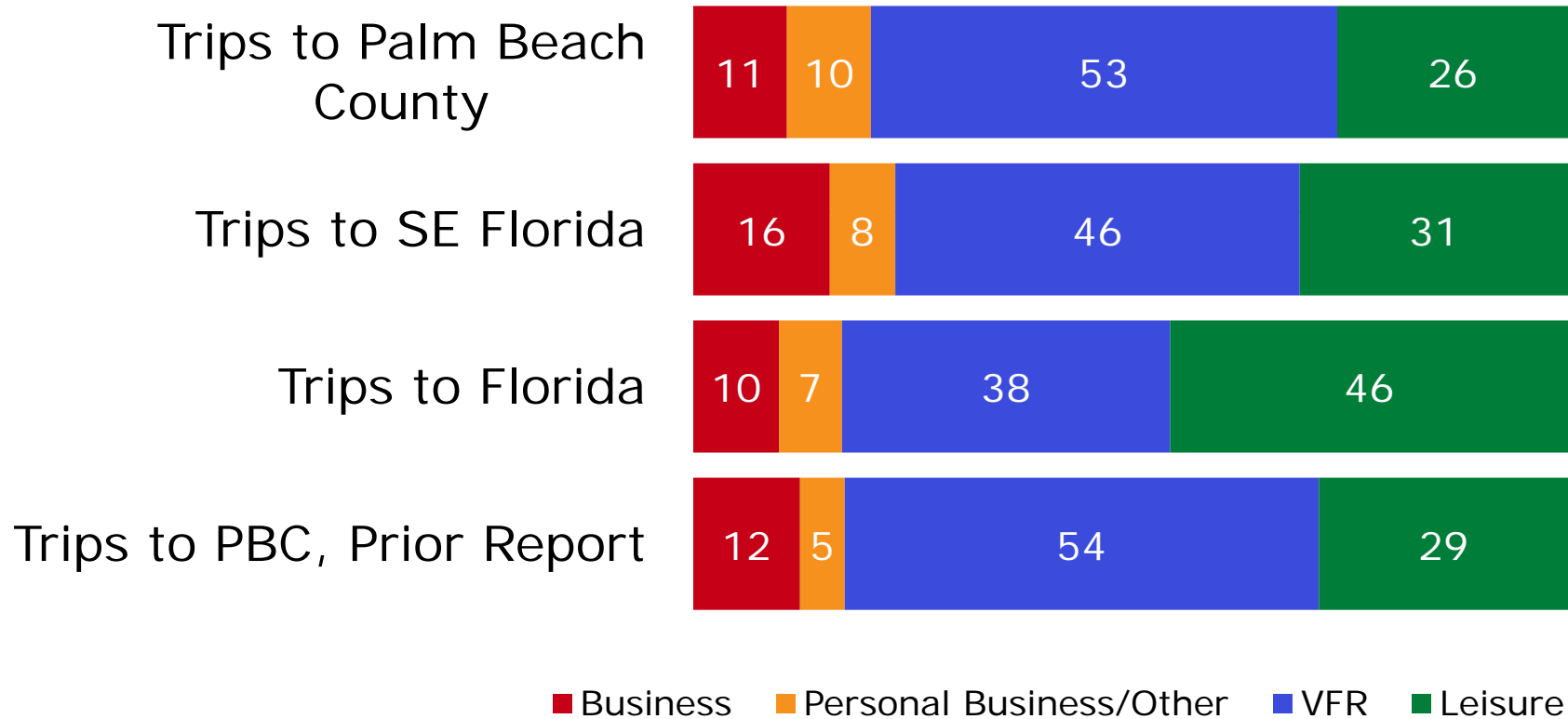




# Purpose of Trip

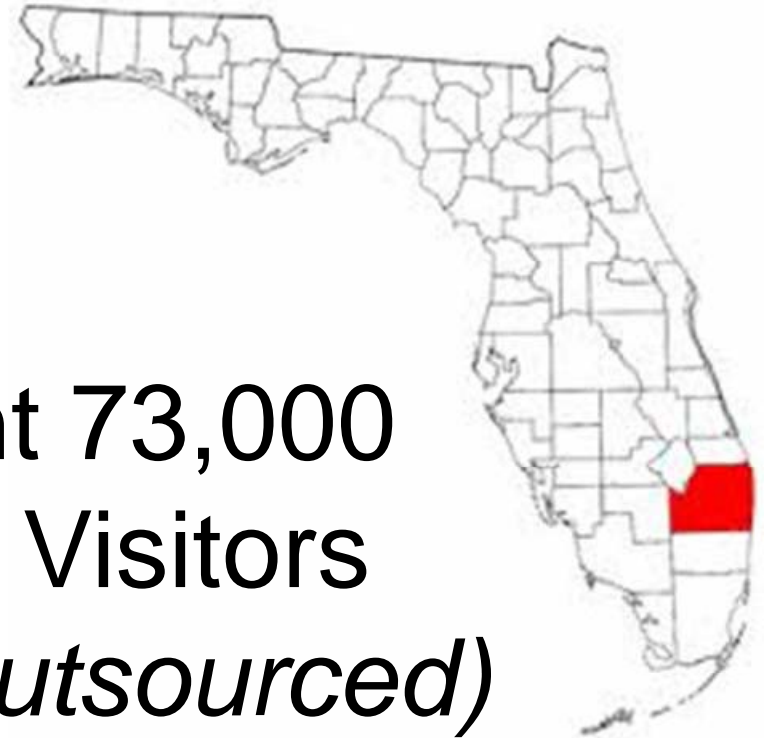
Most visitors to PBC travel to visit friends and relative. Other reasons for travel like SMERF have become increasingly important to PBC.

Primary Purpose of Visit



# 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)*

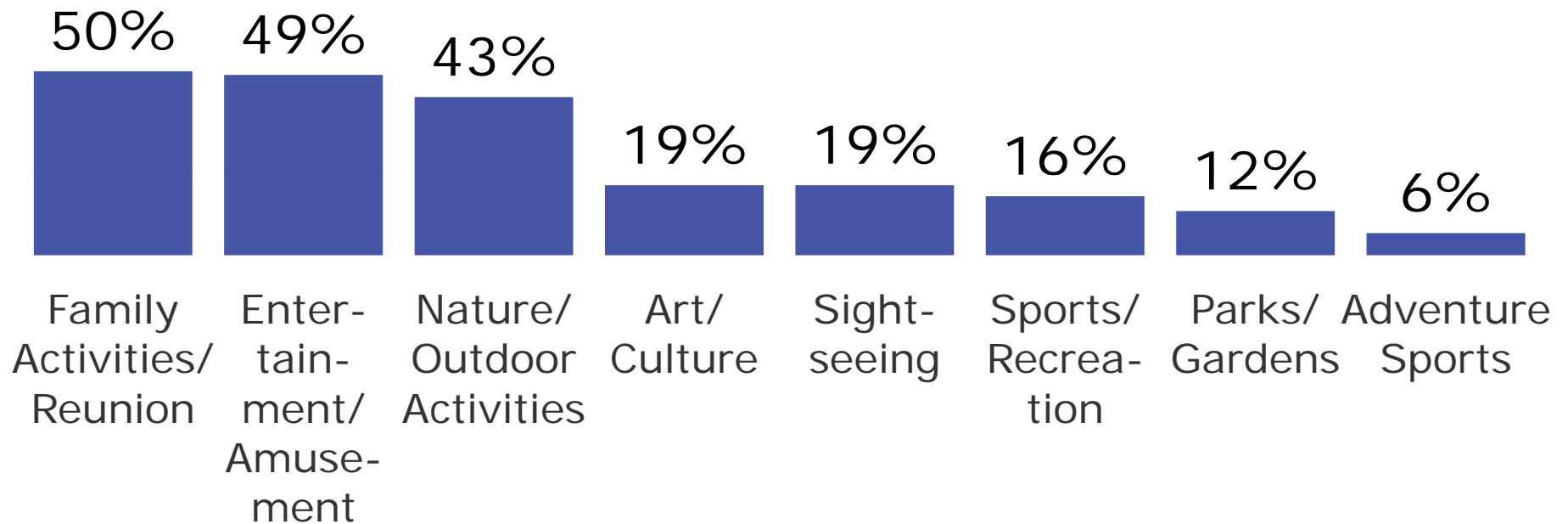


Source: Palm Beach County Economic Impact Study May 2012

# Activities

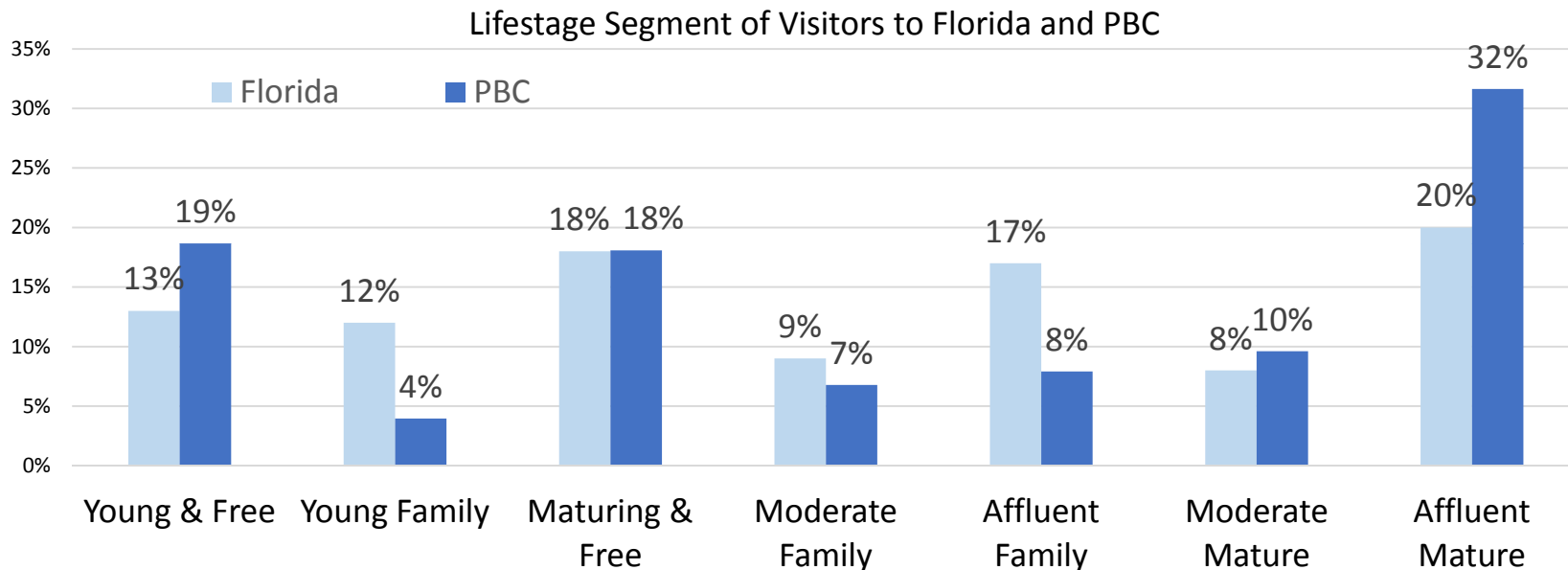
Family, Entertainment, and Outdoor Activities are by far the most popular activities among PBC visitors.

Activities Participated/Attractions Visited by PBC Visitors



# 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

# 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?