



August 21 2018

Jeff Costello, Executive Director  
Community Redevelopment Agency  
20 N. Swinton  
Delray Beach, FL 33444

Re: Funding for Destination Marketing and marketing/production of the City's Special Events

Dear Mr. Costello,

In November 2017, the Delray Beach Marketing Cooperative Board (DBMC) took a proactive stance in succession planning. This was initiated due to concern of Florida legislative action that would forbid CRAs from paying for marketing and special event production. This would have effectively dismantled the DBMC.

Even though this did not take place in this year's legislative session, The DBMC Board felt that the scenario could come up again next year and thus the delay in this request. This scenario coincided with open positions at the Greater Delray Beach Chamber of Commerce in marketing and communications and thus has prompted action to absorb the DBMC and the functions performed including destination marketing and key City Hometown events. Due to this confluence of events, the GDBCC Board proposes the following scenario and request.

### **RECOMMENDATIONS**

The DBMC partnership, as it currently stands, disbands.

Current key staff members Stephanie Immelman and Tiffany Mazer become employees of the Greater Delray Beach Chamber of Commerce on October 1, 2018.

- Stephanie - VP of Marketing and Communications
- Tiffany – Operations/Communications Manager

The Chamber takes over the responsibility of Destination Marketing led by Stephanie and Tiffany. (Attachment A – Destination Marketing Responsibilities)

The Chamber would also be responsible for production, management, marketing and communications of the City of Delray Beach's Hometown events as specified and running the day to day operations of the Famous 100 Foot Christmas Tree during the month of December, New Year's Eve and the July 4<sup>th</sup> events.

By having part of the DBMC staff join forces with the Chamber, economies of scale will be realized and costs savings will result. By folding many of the communications responsibilities into one non-profit organization there will be savings in the areas of Audit, Legal, Payroll, Directors Insurance, bank fees and bookkeeping.

The Chamber Destination Marketing team will handle marketing of the City's Hometown events which entails development of creative including Website, collateral, ads, PR, special section,

**The Greater Delray Beach Chamber of Commerce**

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eblasts, and social media. In addition, the Chamber will take on the production and management of executing the specified events.

This will be funded in the following manner.

- \$125,000 – Current funding request by the Chamber to the City for Destination Marketing, Marketing and Production of the Hometown events as specified, including the day to day management of the Tree during the Holidays. This includes funding for marketing plus some administrative costs associated with event management.
- **\$125,000 –The Chamber is making this funding request to the CRA for this amount to cover some of the hard costs of producing the City’s Hometown events – Tree Lighting, New Year’s Eve, July 4<sup>th</sup>.**
- \$106,000 – This is the current commitment of the Chamber that will cover a large portion of the salaries and benefits. The Chamber also provides office space, tech support, computers, phones, office supplies, reception and other office related requirements.

The Chamber will:

- Organize volunteers to help decorate the inside of the Tree, Santa’s House, Ice Rink and Gift Shop during the month of November and breakdown in January.
- Run the Day to Day operations of the Tree and North Pole Village including organizing volunteers to man the Tree for the month of December, organizing part time employees to run the Ice Rink, Santa House and Gift Shop.
- Produce the Tree Lighting event
- Produce New Year’s Eve event
- Produce July 4<sup>th</sup>
- Provide Marketing all of these events
- Handle Destination Marketing for Delray Beach as a whole
- Deploy current Chamber employees, volunteers and board members to assist with the production of the Hometown Events in an effort to assist the transitioning DBMC staff. This provides for a larger workforce than originally in place when the DBMC was the sole operation.

This proposal does not include:

- Production of the CRA neighborhood events – Grove Week and the Frog Alley Festival
- The cost of the barge and fireworks for City’s 4<sup>th</sup> of July event.
- Construction of the Tree and utilities costs associated with lighting the inside of the Tree
- Street closure and City costs for the City’s Hometown events (Tree Lighting, NYE, J4) which includes PD, permitting, FD, Streets, Park Maintenance– (The DBMC did not historically pay for these costs)

## FUNDING REQUEST

### 2017-2018 Partner Financial Support of the DBMC

	<b>City</b>	<b>CRA</b>	<b>Chamber</b>
Administrative Support	\$23,000	\$305,910	\$38,500
Holidays – Build/Operate	\$24,000		
NYE event	\$35,000		
July 4 <sup>th</sup> Fireworks	\$38,000		
Destination Marketing	\$12,000	\$25,000	\$7,500
Frog Alley/Grove Week		\$25,000	
<b>Total Contribution</b>	<b>\$132,000</b>	<b>\$355,910</b>	<b>\$46,000</b>

The DBMC's total budget for 2017-2018 is \$763,092. The Partners' contribution equates to \$533,910 or 70% of the DBMC's funding.

#### Requested funding from the CRA for Fiscal Year 2018-2019

Annual commitment of \$125,000 to the GDBCC for development, production, management and marketing of City Hometown events: Tree lighting, New Year's Eve and 4<sup>th</sup> of July. The Chamber's request represents reduced request of \$230,910 to the CRA from previous DBMC request.

#### Requested funding from the City of Delray Beach to the Chamber for 2018-2019 Fiscal Year

Create a five year funding agreement between the City of Delray Beach and the Chamber of Commerce. The funding will go towards administrative costs, Hometown event marketing and production costs, and Destination Marketing costs.

- Year 1 - \$125,000
- Year 2 – \$125,000
- Year 3 – \$100,000
- Year 4 - \$100,000
- Year 5 - \$100,000

Both parties will have the opportunity for an annual review if desired.

City requested amount would cover marketing costs (Attachment B) as well as some administration costs and event management costs.

In running the day to day operations of the Famous 100 Foot Christmas Tree, the Chamber would keep the revenue generated from donations, gift shop and activities such as the skating rink. The Chamber would incur costs such as part time employees and volunteer related supplies and costs. (Attachment C).

Both the DBMC Board and the Chamber Board believe that this arrangement will benefit all parties. There will be no diminishment of the current marketing responsibilities of the DBMC, yet the overall cost to taxpayers will be reduced.

We hope that the CRA will look favorably upon this request as we pursue a more efficient and effective solution to execute these key events and market the community.

Please don't hesitate to contact me if you have any questions or need any additional information.

**The Greater Delray Beach Chamber of Commerce**

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Sincerely,

A handwritten signature in black ink, appearing to read "Jeb A. Conrad". The signature is fluid and cursive, with the first name "Jeb" being the most prominent.

Jeb A. Conrad  
President and CEO

CC: Rob Posillico-Chairman, Greater Delray Beach Chamber of Commerce  
Mark Lauzier – Delray Beach City Manager  
Stephanie Immelman - DBMC

## Attachment A - Destination Marketing Responsibilities and Expenditure

- Maintain of [www.VisitDelrayBeach.org](http://www.VisitDelrayBeach.org) and Visit Widget trip planning tool
- Maintain social media channels for Visit Delray Beach (Facebook, Twitter, Instagram)
- Maintain [www.delraybeach.com](http://www.delraybeach.com) – and possible merge of these sites.
- Maintain [www.DelrayBeachCalendar.com](http://www.DelrayBeachCalendar.com)
- Create of printed calendar of events
- Eblasts to various audiences for special events, campaigns
- Issue press releases related to Destination marketing, City sponsored Hometown events
- Placement of media/articles in local publications (for Chamber and Destination) – Atlantic Ave, Delray Magazine, Delray Newspaper, TravelHost and Clubhouse Living
- Production of Destination marketing collateral – brochures, tote bags, giveaways
- Continued partnerships with: Visit Florida, Discover the Palm Beaches, Cultural Council, Sports Commission, Tourism Development Council, Florida Association of Destination Marketing Organizations (FADMO), Destinations International, Florida Festivals and Events (FFEA), International Festivals and Events (IFEA), Sister Cities of Delray Beach
- Create stronger ties with Business Development Board
- Handle all journalists inquires either direct or via Discover the Palm Beaches
- Handle all Familiarization tours with tour operators, meeting planners
- Run Visitors Information Center at the Chamber
- Initiate formal training model for volunteers with Visit Florida accreditation
- Develop summer campaign in conjunction with hoteliers and attractions
- Administer the Tourism Roundtable – Chamber Economic Development initiative
- Create comprehensive tourism plan for Delray Beach
- Handle marketing campaigns for the City's special events: Holidays, July 4<sup>th</sup>
- Oversee Build of the Famous 100 Foot Christmas Tree
- Run the day to day operations of the Famous 100 Foot Christmas Tree
- Maintain sponsor relationships
- Oversee production of Vacation Guide

## Destination Marketing Costs – Baseline

Visit Delray Beach Website and Visit Widget - \$3,600

PR - \$1,000

Printed monthly calendar - \$12,000

Destination collateral - \$4,000

Visit Delray Beach tote bags - \$1,800

Giveaways - \$1,000

Memberships (Visit Florida, FADMO, Discover etc.) - \$1,200

Conferences and travel - \$6,000

Travel Writer accommodation, attractions, food - \$1,200

Summer Campaign - \$20,000

Total - \$51,800

Attachment B – Overview of Marketing Costs for Hometown Events

Costs for Marketing the Holidays

Special Section - \$3,000

Website - \$3,000

Digital ads - \$108

Marketing design and collateral - \$6,620

Stickers, T-shirts, buttons for volunteers - \$3400

Total - \$16,128

Costs for Marketing July 4<sup>th</sup>

Website - \$1,000

Marketing design and collateral - \$3,000

Total - \$4,000

Total Marketing Costs for Hometown Events- \$20,128

Total annual costs for Marketing (Destination Marketing and Marketing of Hometown Events) - \$71,928

Attachment C – Famous 100 foot Christmas Tree - Revenues and Expenditure

Costs for Tree Build

Signs - \$1700  
Sound inside the Tree - \$750  
Meals/supplies - \$365  
Volunteer appreciation/Santas - \$1000  
\$3,800

Costs for Running the Tree in December

Employees - \$10,500  
Security - \$5500  
Supplies/merchandise - \$3,000  
Total - \$19,000

Revenue for running the site in December

Gift Shop Sales - \$900  
Skating Rink - \$8,000  
Santa Photos - \$11,500  
Cookie Cruise - \$3,000  
Donations - \$22,000  
Total - \$45,400



August 26, 2018

Jeff Costello  
Executive Director  
CRA  
20 N. Swinton Avenue  
Delray Beach, FL 33444

Subject - Funding Request – Fiscal Year 2018-2019

Dear Jeff,

Per your request, I am providing you with additional information with respect to the request for CRA funding for the 2018-19 fiscal year from the Chamber of Commerce sent on August 21, 2018. This request is based on our conversations surrounding the Greater Delray Beach Chamber of Commerce absorbing the programs, events and initiatives of the DBMC, eliminating the historic CRA finding request from the DBMC for administrative support for destination marketing, production and execution of Tree Lighting and Holiday management, New Year's Eve event and the 4<sup>th</sup> of July celebration.

The request is targeted for administrative costs associated with those duties and objectives stated above and as outlined in our previous correspondence. The Chamber is committing to absorb the DBMC including 2 key staff members and increasing our financial commitment to partnership for destination marketing and the City-wide events referenced above.

2017-2018 DBMC Partnership Request to the CRA

Partnership Fee - \$305,910  
On The Ave events - \$25,000  
Destination Marketing - \$25,000  
Total - \$355,910

2018-2019 Chamber Requests to the CRA

Administration to help produce Hometown Events and Destination Marketing  
Total - \$125,000

This request represents a reduction of \$230,910 that the DBMC requested in 2017-18 and would commit \$125,000 in funding from the CRA for administrative costs to perform these duties to the Chamber. The Chamber is prepared to provide the staffing for the above mentioned duties and making a commitment to this agreement of \$106,000 in administrative cost support.

The Chamber believes that this partnership will not only reduce the CRA's financial commitment to destination marketing and the production/marketing/execution of these events, but will also provide additional support through the strength of the Chamber Board, staff and membership to



provide a more focused approach to these needs by relieving the DBMC staff leadership from historical administrative duties, while providing the Chamber with the needed expertise in the marketing and communications area.

On behalf of the Chamber and our leadership, we are excited about the potential of this new structure and partnership with the CRA. I have included the event cost budgets for you.

If I can provide any additional information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeb A. Conrad". The signature is fluid and cursive, with a large, stylized initial "J" and "C".

Jeb A. Conrad  
President and CEO

## July 4th, 2018 Budget

<b>July 4th Celebration 2016</b>				
<b>Expenses</b>	<b>Company</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	
Brochures	Sack Lunch	\$1,000.00		
Tents, Tables, Chairs, Lights	Universal Fun Parties	\$3,870.00		
Inflatable/Water Activities (3)	Universal Fun	\$1,894.00		
Sound & Backline	Florida Sound			
Photographer	VMA Studios			
Insurance		\$1,700.00		
Supplies	Supplies	\$500.00	Estimates	
July 4th Website/Creative	Sack Lunch	\$2,000.00	Estimates	
Security	Security	\$982.94		
	I Heart Media	\$2,500.00		
	US Army	\$0.00		
	Solid Brass	\$1,600.00		
Travel / Meals		\$200.00	Estimate	
Hotel Rooms Bands		\$1,200.00		
Fireworks		\$35,000.00		
Additional Staff		\$100.00		
	<b>Total Cost: \$52,546.94</b>		\$0.00	

## July 4th, 2018 Budget

Revenue	Company	Amount	Tent Rental
Sponsor:	City of Delray Beach	\$38,000.00	
Sponsor:			
Sponsor:			
Sponsor:	Marriott	\$5,000.00	
Sponsor:	Putt N Around	\$1,000.00	
Sponsor:	Silverball	\$2,000.00	
Sponsor:	Delray Buick	\$3,000.00	
Sponsor:	Crane's	\$2,000.00	
Sponsor:	Bostons	\$2,500.00	
Sponsor:	Luna Rosa	\$2,200.00	
Sponsor:	Moving Kings	\$1,500.00	
Sponsor:			
Sponsor:			
Vendor:			
Sponsor			
Sponsor:			
Vendor:			
Vendor:	Tacos Vera Cruz	\$225.00	
Vendor:	Empanada Top	\$225.00	
Vendor:	Ron Rader	\$500.00	
Food Truck:	Melted Madness	\$225.00	
Food Truck:	Out of Many Café	\$225.00	
Food Truck:	Dilly Dally	\$225.00	
Food Truck:	Paradise Exteriors	\$225.00	
Food Truck:	Tikiz Ice	\$225.00	
Tent Rental Package			
Merchant:			
Revenue from Pineapple Ad Sales:			
	<b>Total Revenue:</b>	\$59,275.00	
	<b>Total Cost:</b>	\$52,546.94	
	<b>Revenue Remaining:</b>	<b>\$6,728.06</b>	

DBMC 8/26/2018

City	\$	125,000.00
CRA	\$	125,000.00
Chamber	\$	106,000.00
Holiday Income	\$	98,785.00
July 4th Income	\$	21,200.00
	\$	475,985.00

Expenses

NYE	\$	34,600.00	
Holiday Expenses	\$	104,681.00	
July 4th	\$	52,546.00	This includes fireworks - \$35,000
Destination Marketing	\$	52,000.00	
	\$	243,827.00	

Net Income	\$	232,158.00
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Additonal Admin	\$	100,000.00
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Net Income	\$	132,158.00
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8/26/2018

**Holiday Income 2017-2018**

City	\$	24,000.00	Holidays
City	\$	35,000.00	New & Year's Eve
Gift Shop	\$	12,211.00	Including NYE revenue
Ice Skating	\$	8,003.00	
Santa Photo	\$	11,532.00	
Donations	\$	22,658.00	
Cookie Cruise	\$	3,000.00	
Sponsors	\$	39,280.00	
Vendors	\$	1,100.00	
Other	\$	1,001.00	
	\$	157,785.00	

**Holiday Expenses**

**Marketing**

Special Section	\$	3,000.00	
Digital ads	\$	356.00	
Website	\$	3,000.00	
Design & collateral	\$	9,984.00	

**NYE Event**

NYE	\$	34,600.00	
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**Tree Site Management**

Part Time Employees	\$	10,041.00	
Security	\$	5,561.00	
Supplies	\$	6,052.00	
Signs	\$	1,711.00	
Sound for Tree	\$	750.00	
Electricity for Tree	\$	11,406.00	Meisner - should not have to pay this in 2018
Volunteers	\$	972.00	
Gift Shop	\$	1,000.00	
Travel, meals	\$	531.00	

**Tree Lighting Event**

Entertainment	\$	3,100.00	
City	\$	200.00	
Insurance	\$	480.00	
Photographer	\$	475.00	
Sound and Lighting	\$	9,971.00	
Tent, tables, chairs	\$	1,491.00	
	\$	104,681.00	

<b>Net Revenue</b>	\$	53,104.00	
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