



TO: Mayor, City Commissioners and City Manager
FROM: Laura Simon, Exec. Director, Delray Beach Downtown Development Authority
DATE: Aug. 21, 2018
RE: Fiscal Year 2018-2019 Budget Memo Overview
CC: DDA Board of Directors

Overview:

On July 10, you, the City Commission approved to set the DDA Millage rate at the 1.0000 mills which equates to the following: $1/1000 * 1,094,040,883 * .95 = 1,039,339.00$ for the FY18/19 budget amount. The 1 mill is the highest that the DDA can set based on the State Statute and is recommended to fulfill the Fiscal Year budget requests outlined at the May, June DDA goal workshop meetings and August budget Workshop. The DDA will be presenting to the public at the Public Hearings at the September 6th City Commission Meeting.

The Fiscal Year 18/19 budget revenue has grown 11% over FY17/18 budget revenue which will allow the organization to continue to have a significant impact of investment back into the Downtown. As we prepare the budget detail for the coming year, it is our goal is to continue to be transparent with the financial details as well as be inclusive of the DDA district constituents. As you know all the programs and events that the DDA produces are all backed by merchant input and support. It is also critical for the DDA to continue to enlist sponsorship financial support either through cash or in-kind services to deliver bigger results.

To assist in the budget planning process, this memo will provide an overview of the budget detail sheets that are attached as well as provide a summary of the program areas. At the August 1 DDA Budget Workshop, the board reviewed each area of the budget in the following categories in detail and discussed items to be changed in any way or items that needed to be added to the budget.

Revenues:	Approved FY17/18	FY18/19
Ad Valorem Tax Revenue	\$934,584	\$1,039,547
Sponsorship/Misc. Revenue	\$32,000	\$45,025
Total Revenue:	\$966,584	\$1,084,572
Proposed Expenditures:		
Marketing the District	\$279,750	\$316,498
Economic Vitality	\$109,000	\$41,498
PlaceMaking	\$239,000	\$296,257
District Funding (PGAD/WARC)	\$10,000	\$10,000
Organizational	\$324,160	\$415,751
Total Expenses	\$961,910	\$1,080,005

FY18-19 BUDGET DETAIL WORKSHEETS:

Below is the outline of the Fiscal Year 18/19 budget worksheet and the details that will help clarify each line item. Notes have also been provided on each worksheet in areas of significant change or board priority driven changes. See below for more information:

- Seven worksheets make up the DDA budget financials and include the following columns:
 - Final FY16/17 Financials (blue)
 - Approved Amended Financials FY16-17 (purple)
 - Approved FY17-18 Budget (Pink)
 - Proposed Amended FY17-18 Budget (white)
 - Previous Year to date (purple)
 - Actual Year to Date (Pink)
 - Proposed Budget Financials for FY18-19 (Yellow)



- The first worksheet is the **Budget Topline Report** showing all the totals for each main category as well as showing the variance amount from FY18 approved to proposed FY19. It also includes a column of the percentage variance.
- **Page 2 & 3: Worksheet “A” or the Summary Worksheet** provides details on the following:
 - Revenues (tax revenue projections, other areas of income)
 - 6 Marketing elements and a total of the Marketing programs (Guidebook, VisitFlorida Welcome center, Website maintenance and updates, Digital signage/airport adv)
 - Totals of the Economic Vitality and Placemaking
 - DDA Grant Funding: - *[DDA Board consensus was to revised the application and change this to be designated as “DDA District Funding”]*
 - These line items are funds that have been designated to the Set and Pineapple Grove districts to use towards areas of marketing, placemaking or economic vitality
 - A sample Grant application was reviewed at the Budget Workshop meeting; this application is being revised
 - All Operation expenses: Payroll and benefits, all administrative costs
- **Page 4: Marketing and Advertising Summary page:** this page includes all totals from page 5 providing numbers at a glance
- **Page 5: “B” Marketing the DDA District page:**
 - This worksheet outlines the various categories of the advertising expenses including:
 - Creative development and graphic design for all programs and marketing materials
 - Printing – all printing of rack cards, posters, brochures
 - Newspaper advertising (event marketing)
 - Social Media management, content development, creative, advertising and planning
 - TV commercials ad contract and video production
 - Print publications: magazine advertisements
 - Downtown Programs and Events: all logistic costs for the programs and events – Shop Small, Orchid Giveaway, Holiday Décor contest, Fashion Week, Savor the Ave, Restaurant Week, Pineapple Grove Event, Brain Break, Art and Jazz
 - NOTE: Sponsorship Dollars raised to offset expenses for the events
- **Page 7: “C” Economic Vitality**
 - This worksheet was added in FY17-18 to outline in detail more of the expenses within this line item
 - For FY19 this area will not have as many expenses due to the completion of the Visitor Information Center renovation and the Gibbs studies
- **Page 8: “D” Placemaking**
 - This worksheet was added in FY18 to outline the detail in this line item
 - Banner Management: The DDA assumed responsibility for the Downtown Banner program management three years ago and hired Brandano who manages the decorative lighting downtown; the team does a maintenance check bi-weekly
 - This line item also includes the purchase of any new replacement banners as well as the installation of event banners approved by the DDA and City
 - Decorative Lighting: this line item includes the management of all the decorative lighting throughout the entire Downtown area; Brandano's team will fix and replace any and all materials with approval;
 - Holiday Lighting includes all the Christmas lights throughout the entire district and the Valentine's Day hearts that are put up at the end of January
 - Downtown Safety Ambassador program: the amount included in this line item covers a full year of the current contract that will automatically renew on May 15
 - Downtown Beautification project is a NEW program and outcome from the Shopability Study

- **Page 9: Cash Flow**

- This worksheet shows the current cash available to the DDA on a monthly basis
- There are funds that have accrued and are available to bring forward and apply towards programs approved by the Board

Background Budget Detail:

At the May 17 and June 27 DDA Board Workshop, the following priorities and area of focus were identified and are set for review and discussion at the Aug. 1 workshop. At the meeting the board will review the proposed budget which will include estimated figures. Below are the priorities that align with the Strategic Plan and include projected estimated figures. The detailed Excel Budget Worksheet also contains the notes and priorities.



MARKETING INITIATIVES: \$316,498 vs \$279,750

- Merchant Driven Events and Programing
 - (First Friday Art Walk, Delray Beach Fashion Week, Savor the Avenue, Shop Small, Orchid Giveaway, Restaurant Week, Summer Sidewalk Sale – NEW EVENT IMPLEMENTATION)
- Multi-channel, year-round PR & Marketing plan (Local, National & International)
- Digital Signage (PBIA, FLL, VIC) and Miscellaneous Advertising
- Visit Florida Welcome Centers (Guidebooks and Signage)
- Website Design & Updates; DowntownDelrayBeach.com
- Social Media, Email Marketing, Online & Remarketing Advertising
- TV Commercials and Video Production
- Print Magazines & Newspaper Advertising
- Public Relations and Communications
- Creative Design and Printing
- Downtown Programs and Events

Downtown Goes Pink – October 2018

- Participants: **100+** Downtown businesses – raising funds for Susan G. Komen
- Placemaking initiative – Lightup Downtown
- Business mix: retail, beauty & wellness, arts & culture, restaurant, professional service
- Costs: \$3500 (decorative lighting) PR, program creative, Newspaper, Online social media, banner installation

Small Business Saturday – November 2018

- Participants: **100+** Downtown businesses
- Business mix: retail, beauty & wellness, arts & culture, restaurant, professional service
- Costs: \$5,450 = TV Commercial development, Ad creative, Newspaper, Online social media, banner installation, PR

Holiday Window Décor Contest – December 2018 & Beachside Stroll Shopping Event

- Participants: **70+** Downtown businesses
- Business mix: All business types
- Shopping event for Beachside merchants (business initiated event)
- Costs: \$2000 - \$2500 (prizes, printing, entertainment, online/social media)



Delray Beach Fashion Week – January 23-27, 2019

- Participants: **70** Downtown businesses and over 5000 attendees
- Charity Partner – Achievement Center for Children and Families
- Business mix: Retail, Art & Culture, Restaurant, Hotel, Professional services, Neighborhood engagement and promotions (PGAD/Beachside/The Ave)
- Costs: \$60k+: production logistics: city services, video production, staging, lights, music, chairs, labor, F&B, event support, giveaways, marketing and advertising (All outlets)– (Inkind support =\$60k)
- **Savor the Avenue – March 25, 2019**
 - Participants: **18-20** Downtown businesses and 1100 attendees
 - Business mix: Restaurant, retail
 - Charity Partner – (Living Hungry 2018)
 - Costs: \$20k: city services, tables, chairs, kitchen equipment, lighting, sound, tents, sound and music, marketing/advertising, video
- **Mother's Day Orchid Giveaway – May 1-13, 2019**
 - Participants: 100+ Downtown businesses
 - Business mix: retail, beauty & wellness, art & culture
 - Costs: \$5500: orchids, marketing materials (print, TV, PR)
- **Dine Out Downtown Delray – Restaurant Week – Aug.1-7*****
 - Participants: 41 Downtown businesses
 - Business mix: restaurants, hotel, retail
 - Over 20,000 attendees over 7 days
 - Costs: \$8,000-10k: creative, video, TV commercials, online, print, banners
- **First Friday Art Walk, First Friday of Every Month, Year-Round*****
 - Participants: 50+ Downtown businesses
 - Business mix: art & culture, restaurant, hotel
 - 300 attendees per Art Walk
 - Costs:\$3,000 estimate – propose adding entertainment – funds to be added
- **NEW Events and Programs: ART & JAZZ IS BACK! – Reinvigorate the famed program to showcase Downtown! APRIL or JUNE 2018**
 - Expand into Pineapple Grove (replacing the Grove Week program produced by DBMC)
 - Participants: 150 Downtown businesses –(Pineapple Grove Merchant Association is strongly pushing this and other events as well)
 - Business mix: retail, art & culture, beauty & wellness, Community
 - Costs: \$15,000 proposed for lighting, entertainment and marketing
- **NEW - Frog Alley Caribbean Festival May 2019**
 - Partnership with the SET Branding Committee and the NW/SW Neighborhoods
 - Neighborhood Branding and activation
 - Allocate the SET District Funding towards event activation and marketing - \$5000

NOTE: Sponsorship funds enlisted to assist with marketing and implementation efforts; Ticket revenue not applied towards the events

ECONOMIC VITALITY INITIATIVES: \$41,498 vs \$109,000

1. **Driving the development within The Set – Funding to reallocated from the Grant funding**
 - a. Activate the space (event, pop-up market, etc.)
 - b. The SET Branding implementation – human resources
 - c. Events and Programing – Frog Alley Festival – see Marketing
 - d. Business Development; Create and Advocate for business activity and opportunities

2. Shopability Report Priorities – Funding estimates provided = \$11,282

- a. Initiate a National Chain Ordinance with the City Planning and Zoning and OED team; [Funding for consultant and legal support]
 - b. New Business leasing and recruitment: Guide property owners to make educated decisions on what retailers/merchants come into the downtown
 - c. Downtown Development – promote progress/recruitment
 - d. Advocate for sign ordinance changes
 - e. Advocate for Clear Glass Sunset
 - f. Downtown Development – Review Downtown Master Plan
 - g. LDR recommendations and oversight
- 3. Visitor Information Center** – new center services and activation – Funding outlined based on actual operation costs \$12,000 (internet, cleaning, water, electric, IT)
- 4. Brand the Downtown. Revitalize “Village by the Sea” vibe – [Funding needed for consultant and to be partnership with City – To Be Reviewed as part of Wayfinding project]**
- 5. Downtown Business Onboarding, Merchant Meetings and Advocating**
- 6. Research & Data Collection** – [Pedestrian counts; Employee counts; Nighttime Economic Impact study] – \$6000 funding estimates provided based on current counts
- 7. Team Delray** (continued area of focus) – human resources

PLACEMAKING INITIATIVES: \$299,257 vs \$239,000

- 1. Downtown Safety Ambassador Program – [Funding allocated based on the current contract to May 2019 \$200,557]**
- 2. Parking Management [Funding estimates: \$6,000 & \$3200 for Kiosk updates]**
 - a. Downtown Parking Management – DDA = Parking Authority
 - b. Management Agreement – [Funding – legal services]
 - c. Wayfinding and Downtown Signage – Shopability [Human Resources – leading project with CRA and City – Livability Team of Teams project]
 - d. Parking Utilization and Capacity Study – Shopability [Funding from FY18]
 - e. Parking Garage Enhancements for both Downtown Garages (Art projects or signage) Funding and human resources
 - f. **Additional Parking spaces** – Shopability – Human Resources
- 3. Downtown Beautification – Shopability – Funding – recommend \$10,000**
 - a. Potted Plant Program with Merchants; DDA and the City team to create and provide outline and proposed resources for the program; allocating funding for planter support and maintenance
- 4. Downtown Lighting Program and Holiday Lighting – [Funding \$20,000 proposed for decorative lighting and \$41k for Holiday]**
 - a. Downtown Goes Pink lighting for October would be included in the \$20,000; also reviewing the Café lighting for Pineapple Grove and Libby Plaza
- 5. Street Pole Banner Program** (Welcome Banners, July 4th new banners and PGAD Banners) – **Funding – Proposed \$18,000**
- 6. Public Safety – Nighttime Management** – disaster preparedness – Human Resources
- 7. Construction in Downtown** – Communications and Messaging – Human Resources



CONNECT: \$415,751 vs \$324,160

1. **Human Resources – Office Space and expanding the DDA Team – [Funding]**
 - a. Grow team to 4 FTE's with benefits; cost spreadsheet provided in addition to the DDA financials outlining the team payroll options
 - b. Office rental increase estimates for current space \$1800/month for 800 sq ft. (\$27/sq ft)
Parking expense should be allocated for team due to paid parking program
2. **Management Agreement – [Funding for legal services];** proposal to produce a DDA/City agreement outlining all the areas, responsibilities and functions that the DDA provides and the City partners on (sample agreements provided)
3. **Board and Team development – [Funding for IDA Conference]**
4. **Legal and Audit services [Funding increase based on FY18 actuals]**

Please review these documents and if you have questions and would like to discuss prior to the meeting we will make ourselves available. The DDA is committed to providing a solid plan of excellence that will deliver amazing results for the Downtown community. The DDA will continue to partner closely with the City of Delray Beach and the Community Redevelopment Agency along with all the partner organizations to strengthen and enhance Team Delray and raise Delray Beach to be the top destination for all to live, work and visit in our Village by the Sea.

Sincerely,

Laura

Laura Simon
Exec. Director, Downtown Development Authority

Attached:

- Cover memo
- DDA 2018-2019 Approved Budget Workbook