



TO: Mayor, City Commissioners, Interim City Manger
FROM: Laura Simon, Exec. Director, Delray Beach Downtown Development Authority
DATE: August 16, 2019
RE: Fiscal Year 2019-2020 Millage Levy Recommendation and Proposed Budget Overview
CC: Interim Finance Director, DDA Board of Directors

Overview:

On July 9, the City Commission approved to set the DDA Millage rate at the 1.0000 mills which equates to the following: \$1,100,611 for the FY19/20 budget amount which is an addition of \$61,064 of revenue. The 1 mill is the maximum that the DDA can set based on the State Statute and is recommended to fulfill the Fiscal Year budget.

The Fiscal Year 19/20 budget revenue increased 6.70% over FY18/19 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.

To assist in the budget review process, this memo will provide an overview of the budget detail sheets that are attached.

| Revenues: | Amended FY18/19 | FY19/20 |
|----------------------------------|----------------------------|--------------------|
| Ad Valorem Tax Revenue +interest | \$1,039,547 | \$1,100,611 |
| Sponsorship/Misc. Revenue | \$ 97,520 | \$ 41,000 |
| Total Revenue: | \$1,137,067 | \$1,141,611 |
| Proposed Expenditures: | | |
| Marketing the District | \$ 387,864 | \$ 292,500 |
| Economic Vitality | \$ 24,412 | \$ 31,500 |
| PlaceMaking | \$ 291,902 | \$ 302,412 |
| District Grants | \$ 5,000 | \$ 0.00 |
| Connect/Organizational | \$ 419,906 | \$ 514,022 |
| Total Expenses | \$1,129,085 | \$1,140,434 |

Background Budget Detail:

At the June 17 DDA Board Workshop, the following priorities per area of focus were identified. 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.

FY19/20 BUDGET DETAIL WORKSHEETS:

Provide in addition to this memo is a detail worksheet is the detailed excel workbook which outlines the Fiscal Year 19/20 budget worksheet and the details that will help clarify each line item. Notes have also been provided on each line to identify changes based on priority from the Goal Setting meeting.

Budget Information:

- The **Budget Topline Report** showing the totals for each main category provides details on the following:
 - Revenues (tax revenue projections, other areas of income)
 - Sponsorship Dollars are not accounted for as a revenue number only actual guaranteed income



- Expenses are broken into four areas: Marketing the Downtown, Economic Vitality, District Funding, Placemaking and Operations
- All Operation expenses: Payroll and benefits, all administrative costs both with a new office space property

MARKETING THE DDA DISTRICT BUDGET & PRIORITIES:

- DDA team has reviewed and analyzed the current marketing plan along with events and have adjusted within certain categories.
- Reevaluation of the marketing events has taken place and based on the return of the investment with the programs the DDA has made adjustments on the investment
- Based on research and data provided, advertising mediums will be adjusted this year to better capture results from key feeder markets and show results (canceling Palm Beach Airport banner advertisement and investing in digital/online targeted marketing
- Downtown Programs and Events: all logistic costs for the programs and events – , Orchid Giveaway, Holiday Décor contest, Fashion Week, Savor the Ave, Restaurant Week, Pineapple Grove Event, Frog Alley
 - i. NOTE: Sponsorship Dollars raised to offset expenses for the events

MARKETING PRIORITIES:

1. Strategic Marketing and Advertising plan for the Downtown and Delray Beach (Tourism marketing plan)
2. National and Regional new summer tourism digital marketing program
 - a. Consistent Marketing and Advertising Plan for Downtown Delray Beach
 - b. Billboard Advertising Platforms – FLL Airport and Time Square
3. Build and Strengthen Marketing Programs and Events which have proven results
 - a. First Friday Art Walk
 - b. Holiday's Downtown
 - c. Delray Beach Fashion Week
 - d. Savor the Avenue
 - e. Pineapple Grove Art and Music Event
 - f. Mother's Day Orchid Giveaway
 - g. Frog Alley
 - h. Dine Out Downtown Delray Restaurant Week
 - i. Spa and Wellness program – new opportunity
4. Social Media—Build and strengthen engagement and enhance the online advertising plan
5. PR and messaging: Increase travel writer experiences and exposure with Discover the Palm Beaches and State Bureau
6. Downtown Events promotional support
7. Brand the Downtown. Revitalize "Village by the Sea" vibe – integrate into the PR and Marketing messaging

ECONOMIC VITALITY BUDGET NOTES AND PRIORITIES:

1. Driving the development within The Set – Partnering with property owners and organizations to drive West Atlantic economic development
2. Continued investment in the implementation of the Shopability study with Business Attraction and Business Development plans
3. Visitor Information Center – Invest in data collection and enhancing hospitality engagement
4. Business Retention and Attraction Programs
5. Legacy Business Program
6. Property Acquisition
7. Downtown Brand Development
8. Downtown Historic Preservation – Atlantic Avenue



9. Promote Progress and Development – Business Development Messaging
10. Research & Data Collection Pedestrian counts; Employee counts; Nighttime Economic Impact
11. Team Delray (continued area of focus)
12. Downtown Business Onboarding, Merchant Meetings and Advocating

PLACEMAKING BUDGET NOTES AND PRIORITIES:

1. Downtown Safety Ambassador Program – continue to enhance in training, reporting and partnerships
2. Parking and Mobility – support through partnerships and collaboration
3. Place branding and activation through Art – support through partnerships and collaboration
4. Downtown Signage – wayfinding – Member of the steering committee; assist in planning and implementation
5. Downtown Lighting Program and Holiday Lighting – funding contributions and management
 - o Additional funding included for the enhanced holiday lighting in Downtown - Holiday Lighting: Increase in funds is allotted to the addition of tropical holiday lighting – to be approved and replacement of the Sphere Tree lighting
 - o 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;
6. Street Pole Banner Program (Welcome Banners, July 4th new banners and PGAD Banners)
 - o Banner Management: The DDA assumed responsibility for the Downtown Banner program management This line item also includes the purchase of any new replacement banners along
7. Downtown Beautification – Shopability
 - o 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
8. Public Safety – Nighttime Management – disaster preparedness/active shooter – Human Resources
9. Construction in Downtown – Communications and Messaging – Human Resources

CONNECT:

Human Resources – Office Space Acquisition and expanding the DDA Team –

1. Office Center acquisition or leasing options
2. Strategic Planning 2025
3. DDA 50 Year Anniversary – 2021 planning
4. Enhanced professional services and strategic partnerships
5. Succession planning; Internship development
6. Development of standards for public policy advocacy
7. Level of Service and process management; training
8. Legal services

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.