

2013-28364

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING AND APPROVING THE MIAMI BEACH VISITOR AND CONVENTION AUTHORITY (MBVCA) FY 2013/2014 BUDGET, IN THE AMOUNT OF \$2,664,000.

WHEREAS, the Miami Beach Visitor and Convention Authority (MBVCA) was created pursuant to Chapter 67-930 of the Laws of Florida, and Sections 102-246 through 102-254 of the City of Miami Beach Code; and

WHEREAS, the MBVCA's mission is to support, maintain and develop quality programs, which generate, satisfy and enhance the year-round tourist attractiveness of Miami Beach; and

WHEREAS, the MBVCA strategically focuses its funding investments in a balanced manner, fostering outstanding existing programs, stimulating new activities, and encouraging partnerships; and

WHEREAS, the MBVCA is committed to a careful, long-term plan for allocation of resources to build the uniqueness of Miami Beach as one of the world's greatest communities and tourist destinations; and

WHEREAS, pursuant to its enabling legislation, the MBVCA's budget for each FY shall be presented to the Mayor and Commission; and

WHEREAS, accordingly, the MBVCA recommends approval of the proposed budget for FY 2013/2014, in the amount of **\$2,664,000**, to continue implementation of its programs.

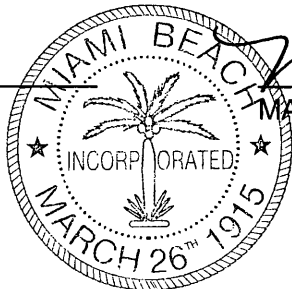
NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission adopt the Miami Beach Visitor and Convention Authority's FY 2013/2014 budget, in the amount of **\$2,664,000**.

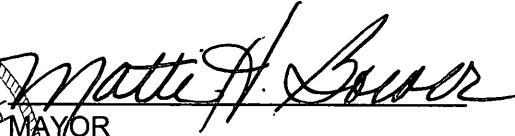
PASSED AND ADOPTED THIS 30th DAY OF September, 2013.

ATTEST:



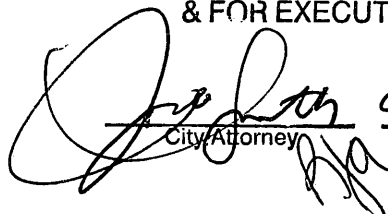
CITY CLERK





MAYOR

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

9/27/13
Date

Condensed Title:

A resolution adopting and approving the Miami Beach Visitor and Convention Authority (MBVCA) FY 2013/2014 budget in the amount of \$2,664,000.

Key Intended Outcome Supported:

Maximize Miami Beach as a destination brand.

Increase community ratings of cultural and tourism related activities.

Supporting Data (Surveys, Environmental Scan, etc.): According to the 2012 Survey, around two out of three businesses felt the number of restaurants and nightclubs was about right, while 60% of businesses thought there were too few museums (61% of residents thought the City had the right number of museums). Businesses' positive ratings for City's management of special events were down considerably from 74% in 2009 to 59% in 2012. Despite this result, the percentage of businesses that thought the City held the right number of major events increased from 50% in 2009 to 66% in 2012. Residents in 2012 reported visiting various venues and cultural activities more frequently in 2012 than in 2009. The typical resident ate in restaurants 77 times in the past year, went to the beach 67 times and visited City parks and recreational areas 58 times. Conversely, the typical resident went to museums and nightclubs only eight times in the past year.

Issue:

Shall the Mayor and Commission approve the Miami Beach Visitor and Convention Authority (MBVCA) FY 2013/2014 budget in the amount of \$2,664,000.

Item Summary/Recommendation:

This budget allows the MBVCA to continue its mission to support, maintain and develop quality programs, by strategically focusing its investments which generate, satisfy and enhance the year-round tourist attractiveness of Miami Beach. The MBVCA's budget funds programs and special events designed to promote the destination.

The MBVCA is committed to a careful, long-term plan for allocation of resources to build the uniqueness of Miami Beach as one of the world's greatest communities and tourist destinations.

Advisory Board Recommendation:

The Miami Beach Visitor and Convention Authority (MBVCA) board unanimously approved the FY 2013/2014 budget during its' August 7, 2013 board meeting.

Financial Information:

Source of Funds:	Amount	Account	Approved
1	\$2,289,000	2% Resort Tax Revenue	
2	\$200,000	Rollover from FY 2011/12 year	
3	\$175,000	Unrestricted Reserve	
4			
Total	\$2,664,000		



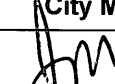
OBPI

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Grisette Roque Marcos

Sign-Offs:

Department Director	Assistant City Manager	City Manager
		

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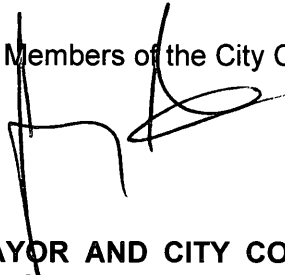


MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy Morales, City Manager 

DATE: September 30, 2013

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE MIAMI BEACH VISITOR AND CONVENTION AUTHORITY (MBVCA) FY 2013/2014 BUDGET IN THE AMOUNT OF \$2,664,000.**

ADMINISTRATION RECOMMENDATION

Adopt the Budget

ANALYSIS

BACKGROUND

The Miami Beach Visitor and Convention Authority (MBVCA) was created and exists pursuant to Chapter 67-930 of the Laws of Florida and Sections 102-246 through, and including 102-254 of the Code of the City of Miami Beach (CMB).

According to Sec. 102-251, the MBVCA is to take "all necessary and proper action to promote the tourist industry for the city, including but not restricted to causing expert studies to be made, promotional programs, the recommendations and development of tourist attractions and facilities within the city, and to carry out programs of information, special events, convention sales and marketing, advertising designed to attract tourists, visitors and other interested persons." The MBVCA also has the duty of making all necessary rules and regulations for the efficient operations of the authority.

The MBVCA is a seven-member authority. Each member is appointed by the City of Miami Beach Commission, with the goal of encouraging, developing and promoting the image of Miami Beach locally, nationally and internationally as a vibrant community and tourist destination. To this end, the MBVCA strategically focuses its funding investments in a balanced manner, fostering outstanding existing programs, stimulating new activities, and encouraging partnerships. The MBVCA is committed to a careful, long-term plan for allocation of resources to build the uniqueness of Miami Beach as one of the world's greatest communities and tourism destinations.

A budget revenue projection is provided to the MBVCA by the City of Miami Beach Budget Office annually based on 5% of the 2% Resort Tax, less 4% for administrative allowance. On an annual basis the MBVCA must provide the City with a budget, on City forms, based on this projection as outlined in Sec. 102-252, before October 1st.

The MBVCA normally budgets funding below the City's projection, as the collection of funds can differ substantially from projection, such as the result of unanticipated problems like an airline strike, terrorism, economic issues or storms. In 2008, revenue collections came in \$48,000 under estimated projection, and in 2001 the revenue collection was down approximately \$300,000 from projection. When and if there are unallocated funds remaining at the end of the budget year, those funds are either rolled over and allocated in the next budget year, or retained in MBVCA accounts for future reserves, endowment funding, to address any funding reductions in future years; in 2001, by statute, the MBVCA began investing into the creation of an

endowment fund.

The MBVCA is required by law to maintain reserve bank accounts in approved public depositories, with sufficient reserves to cover one year of funding, which it does. Reserves are maintained to pay grant recipients (contracted) for the previous program funding cycle, and to ensure that sufficient funds can be invested to stimulate tourism in the future. The level of reserves was modified in 2011 in order to maximize the value and impact of tourism directed funds.

The MBVCA submits an annual Program of Work to the CMB as required by Sec. 102-281, and is audited annually by the City of Miami Beach as required in Sec. 102-281. **MBVCA audits have been positive for the past 13 years.**

FY 2012/2013 REVIEW/TOURISM ADVANCEMENT PROGRAM (TAP)

The MBVCA Tourism Advancement Program (TAP) was established to promote Miami Beach as a sophisticated tourist destination by increasing the number of visitors; through enhancement of visitors' experiences; through the allocation of funds granted to events or programs that bring visitors to the CMB and strengthen the CMB brand. In fiscal year 2012/2013, the MBVCA funded TAP in eight categories, including: Cultural Tourism, Film Incentive, Initiatives, Major One Time Special Event, Special Events Recurring, Special Projects, Special Projects Recurring, and Tourism Partnerships. In 2012, the MBVCA continued to fund investments, utilizing funds rolled over from several years past.

A total of \$1,432,000 was awarded in FY 2012/2013, compared to \$1,683,650 in FY 2011/2012. The decrease in awards reflects a revision to the declining scale in place and less applicants. Grants funded in partnership with the CMB are critical, branded tourism-related programs, such as the South Beach Wine & Food Festival and Winter Music Conference, both examples of events whose beginnings in Miami Beach stem from grants provided by the MBVCA-events that could be recruited by other destinations.

FY 2013/2014 TOURISM ADVANCEMENT PROGRAM

The MBVCA strategically focuses funding to maximize tourism and brand, to improve Miami Beach by focusing on events and projects that generate significant publicity, strengthen brand and increase tourism (generating critical resort taxes for Miami Beach). The Board pays significant attention to marquee events.

Review process:

For over a decade, the MBVCA has used a multi-level review process for its grant program; the process is reviewed annually. The process includes a mandatory pre-proposal staff conference regarding MBVCA policies and procedures and TAP. During the interview, MBVCA administration advises each potential applicant regarding the eligibility and appropriateness of the proposed project and defines the grant category best suited to the potential applicant. If eligible, the applicant will then receive further detail of the process, including required attachments and meeting dates. All grant formats and policies are available on the MBVCA website. By Florida law, all MBVCA meetings are advertised and open to the public; all records are public records.

Annually, the MBVCA Board reviews and refines grant guidelines with respect to efficacy and effectiveness. In FY 2012/2013, the MBVCA implemented changes to its funding caps and declining scale. The new declining scale and funding caps allow the MBVCA to diversify their funding into other areas and initiatives as requested by the City administration and/or the Board. The MBVCA also increased the criteria in place for the Major One Time Special Event and Special Events Recurring grant categories requiring a total of 350 hotel room nights to be contracted, from the original 250 hotel room nights required and the media impressions up from 500,000 to a required 1,000,000. Although the declining scale was revised and the maximum request caps reduced, by splitting the Special Events Recurring and Major One Time Special Event grant categories, and the Special

Projects and Special Projects Recurring grant categories to each having their own maximum grant requests, each applicant was moved up by one year on the declining scale. This led to individual increases in their request caps for the 2012/2013 fiscal year, even though it reduced the percentage cap requests over time.

The MBVCA guidelines and application process places emphasis on defining and measuring the economic impact of each event, as well as considering the impact and value of marketing, publicity and television origination/viewership. Questions concerning the economic impact of the program, including requiring an explanation of various aspects of the marketing plan, and how the numbers of hotel room nights are calculated and where they are contracted, are also required as part of the application, as are the event's or organization's publicity plan, community and residential involvement, or special residents' considerations. Standardized recap sheets and point systems have been developed to give each applicant a score that rates potential success. Using this tool, the MBVCA can better evaluate the applicant's long-term commitment to the community, commitment to brand enhancement, value to tourism, and economic impact. The application requires contract confirmation for hotel room blocks; letters of media confirmation and/or viewership contracts to be attached to the completed application; that data must be confirmed before and after funding is awarded. The MBVCA votes on each specific and individual grant, and evaluates the grant request, funds available and possible extenuating circumstances after a formal presentation is made by the grant applicant. A question and answer period follows with further discussion as needed.

RECURRING PROJECTS:

The MBVCA has a current policy in place to fund recurring projects on a declining scale. The declining scale encourages recurring events to recruit corporate and private sponsorship and, therefore, not solely rely on MBVCA funds as a means of sustaining the event year after year. The award category establishes funding caps for recurring events, funding that can be reduced based on the maximum request for the specific grant category. Below is the current scale, implemented in FY 2012/13; applicable to not and for profit agencies.

Year 1	Initial Grant Award
Year 2	No more than 80% of Eligible Request
Year 3	No more than 70% of Eligible Request
Year 4	No more than 60% of Eligible Request
Year 5	New Cycle Begins

CATEGORIES:

Tourism Advancement Program funds are currently awarded in eight categories, including: Cultural Tourism, Film Incentive, Initiatives, Major One Time Special Event, Special Events Recurring, Special Projects, Special Projects Recurring and Tourism Partnerships. The MBVCA has developed pre-eligibility criteria for grants within these categories. The criteria allow staff to determine eligibility and the appropriate grant category. Applicants must meet two of three of the criteria noted.

Grant Category	Hotel Room Nights	Impressions	Viewership
Cultural Tourism	200	500,000	1,000,000
Film Incentive*	250	N/A	N/A
Initiatives**	N/A	N/A	N/A
Major One Time Special Event	350	1,000,000	1,000,000
Special Events Recurring	350	1,000,000	1,000,000
Special Projects	2,500	250,000,000	15,000,000
Special Projects Recurring	2,500	250,000,000	15,000,000

MBVCA FY 13/14 Budget
 City Commission Meeting
 September 30, 2013

Tourism Partnerships	200	500,000	5,000 (visitors/attendees/participants)
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* Industry specific eligibility criteria in place for this program

** Initiatives are specifically targeted towards organizations chosen by the MBVCA to carry out the designated initiative

Budget

Budget (TAP) FY 2013/2014:

The MBVCA has budgeted \$1,589,500 for FY 2013/2014 for its Tourism Advancement Program which reflects 61% of the total budget. This grant funding reflects a decrease of \$81,667 from FY 2012/2013. This decrease is due to the decrease in the total grant amount being requested due in part to the declining scale.

- The *Tourism Partnerships* category is budgeted at \$120,000, reflecting 5% of the total budget for FY 2013/2014. The category currently includes applicants at the maximum request cap of \$30,000. Four applications are anticipated to be received.
- The *Cultural Tourism* category, a joint grant with the City’s Cultural Arts Council (CAC) is budgeted at \$30,000 with the CAC contributing an additional \$30,000. A total of three applicants are expected, each at a \$30,000 request.
- The *Major One Time Special Event* category, representing 8% of the total budget, is budgeted at \$225,000 in FY 2013/2014, which reflects an increase from FY 2012/2013. The MBVCA expects five new events to apply at a maximum request of \$45,000. The MBVCA works tirelessly to stimulate and recruit new events and is willing and prepared to fund valuable tourism and brand related events. In fact, the MBVCA works with all partners, city leadership and media to solicit appropriate new projects. New applicants are expected to include Scope Miami Beach, Sweat Miami Beach, Live Ultimate Run South, Miami Beach Jazz Festival, and Nature Capitale.
- The *Special Events Recurring* category, reflecting 24% of the total budget, has been calculated at \$616,000 for FY 2013/2014 based on the established declining scale and the number of applicants anticipated to return.
- The *Special Projects* category is budgeted at \$180,000 with a total of two applicants expected at the maximum request of \$90,000 each.
- The *Special Projects Recurring* category is budgeted at \$433,500 and represents 17% of the total budget. Anticipated applicants include the Orange Bowl Marketing Campaign; South Beach Comedy Festival; Miami Marathon and Half Marathon and Tropical 5K; the Food Network South Beach Wine and Food Festival; the Miami International Film Festival; FUNKSHION Fashion Week Miami Beach; and Miami Beach International Fashion Week. These events, recruited and sustained by the MBVCA, are all marquee events and annually fill the City’s hotel rooms.
- The *Film Incentive* category is budgeted at \$30,000 for FY 2013/2014, which represents 1% of the budget; budgeting for a total of 1 possible applicant.

Destination Marketing

The Destination Marketing allocation reflects a 2% of the total budget for FY 2013/2014. This allocation provides for the additional placement of stories and press releases on the PR Newswire.

New Initiatives

The MBVCA expects to support new initiatives in FY 2013/2014. Strategic plans, goals and initiatives are developed through consultation, the result of ongoing communications with the Mayor, Commission and City Administration. Some of these initiatives include Code for America, in conjunction with the City of Miami Beach and the continued support of The Customer and You – Certificate Program in Service.

Public Relations Initiative

MBVCA FY 13/14 Budget
City Commission Meeting
September 30, 2013

In FY 2013/2014, the MBVCA will again put out a Request for Proposals (RFP) for a P.R. agency of record to enhance Miami Beach's image. The selected agency will support the MBVCA efforts by increasing brand awareness through strategic media outreach to consumer and travel trades, major event recruitment, and business and corporate communications programs. There is an allotment of \$250,000, representing 9 % of the total budget, towards this effort.

The MBVCA renewed the contract with H+K in FY 2012/2013. The contract runs through June 30, 2014 in FY 2013/2014. Objectives include increased public relations or tourism related activities in CMB, recruitment of new events and meetings, and improvement of CMB global reputation. CMB leaders have been active participants in planning and in oversight. H+K has an extensive presence in the US and internationally. The agency's ability to network and leverage its global relationships is crucial to the growth of the 'Miami Beach' brand.

H+K created and distributed a total of 15 press releases during their first year as agency of record, garnering 4,630,690,127 media impressions and 12 press releases during their second year, generating 3,913,341,910 media impressions as of June 2013. In the third and final year of the present contract, H&K has generated 126,686,517 media impressions to date, through two press releases.

Visual Memoirs Project

The MBVCA issued an RFP for qualified entities to record, catalogue and warehouse personal and eyewitness accounts of the history of the City of Miami Beach in FY 2011/2012. The deliverables were to include a recorded detailed history of Miami Beach through personal interviews, creating collateral materials about the history of Miami Beach and identifying comprehensive exhibit concepts that can be implemented to execute a comprehensive visual memoir library and promotional campaign.

The Miami Design Preservation League in partnership with Close-Up Productions, was awarded a one year contract on October 1, 2011 in the amount of \$21,000, and the contract was renewed in FY 2012/2013 for an additional \$21,000, which represents 1% of the total budget. A total of forty interviews were conducted during the Project's first year.

The proposed exhibit opened to the public daily for its initial run from mid-October through late November 2012, free of charge from 10:00am until 4:30pm and reopened during Art Deco Weekend 2013. The documentary played on a loop in the lecture hall portion of the Art Deco Welcome Center. Seating was also placed near the screen and accommodated approximately 25 people at a time with standing room in the back. A total of twelve interviews have been conducted as of July 2013 with another eight interviews to be completed by September 2013.

An educational component was developed for FY 2012/2013 that included a video and guide for Miami Beach Middle Schools.

In FY 2013/2014, the videos will be prepared for archival as part of a statewide university consortium. MDPL will also collaborate with various institutions to create links to the online materials.

IT/API Development

The MBVCA wishes to provide visitors with timely and relevant information about the City of Miami Beach, its public and private attractions, services, hotels, businesses, and events in order to enhance visitors (and residents) experience. Visitors to Miami Beach - all visitors worldwide – are increasingly using technology to navigate cities or make decisions about leisure experiences, dining, parking, entertainment and travel in general. Worldwide, technology is king. Many visitors already use the free Miami Beach Wi-Fi service to access the information they need at locations around town.

Miami Beach visitors and residents are using smartphones and tablets to communicate and acquire information to make these kinds of decisions on-the-go. It is now critical for these visitors and residents to have access to mobile applications (Apps) that can help them obtain the information they need to make a timely and informed decisions.

The MBVCA's preliminary review of opportunities and needs was initiated in spring 2011 in consultation with area experts, and subsequent to a public meeting sponsored by the MBVCA, as a situational analysis. The MBVCA released an RFP in January 2012 and awarded a one year contract to Just Program LLC dba Solodev on May 22, 2012. The purpose of the RFP was to develop a Miami Beach-focused web-based digital content management system (CMS) and modifiable database to support 3rd party mobile applications via an application programming interface (API).

Currently, the API is fully functional with 230 different categories of businesses each averaging 90 different services and amenities. Web and App developers will be able to use these attributes to create new and exciting experiences for their end-users.

We have allocated \$124,000 or 5 % of the overall budget in FY 2013/2014, to undertake a fine tuning and release of a fully functional mobile App for the MBVCA API for both iPhone and Android platforms, expand the API data to include local non-business information that can be useful in app development such as beach access roads, public restroom, and life guard stands.

Research and Development

The MBVCA has budgeted \$21,235 for the FY 2013/2014, to be used toward the development of a business plan for the API. The allocation represents 1% of the overall budget.

Projected Cash Flow Reserve

The MBVCA has budgeted \$2,000, or 0% of the total budget, in the cash flow reserve for FY 2013/2014. The City of Miami Beach allots resort tax payments to the MBVCA a month after its collection. Therefore, as a fiscal responsibility, the MBVCA has built in a \$2,000 projected cash flow reserve to its budget to ensure that all grants awarded will have the necessary funds to be reimbursed upon proper request and documentation.

FY 2013/2014 Administration and Overhead

The MBVCA's administration and benefits costs are budgeted at \$311,265 for the FY 2013/2014. This figure represents 12% of the total budget and includes a 3% COLA.¹ The overhead allocation is budgeted at \$170,000 which reflects 7% of the overall budget. The increase from FY 2012/2013 is attributed to the hiring of an additional staff person; the build out of new office space, cloud information hosting and redundancy, and capital expenditures. The total administration and overhead is 19% of the total budget.²

FY 2012/2013 Rollover

A total of \$200,000 will be rolled over from FY 2012/2013 into the FY 2013/2014 MBVCA budget to fund special projects. This rollover of funds is primarily from the grants that were either not awarded and/or were rescinded for noncompliance.

CONCLUSION

At their August 7, 2013 meeting, the MBVCA Board recommended the Mayor and City Commission adopt the MBVCA Budget for FY 2013/2014 in the amount of \$2,664,000 as reflected in Exhibit A.

¹ Approved by the City Commission on March 21, 2012

² This is below the non-profit industry standard of 20% (Source: BBB)

**MIAMI BEACH VISITOR AND CONVENTION AUTHORITY
FY 2013/2014**

	ADOPTED BUDGET FY 2012.2013	PROPOSED FY 2013.2014	VARIANCE
REVENUES			
Unrestricted	\$ 269,331	\$ 175,000	\$ 94,331
Rollover	207,000	\$ 200,000	\$ (7,000)
Projected Resort Tax	2,118,361	\$ 2,289,000	\$ 170,639
TOTAL REVENUES	\$ 2,594,692	\$ 2,664,000	\$ 69,308
EXPENDITURES			
Administration & Benefits	\$ 314,000	\$ 311,265	\$ (2,735)
Operating Expenses	140,000	\$ 170,000	\$ 30,000
Capital	25,000	\$ 25,000	\$ -
Total Administration	\$ 479,000	\$ 506,265	\$ (27,265)
GRANTS - Tourism Advancement Program			
Tourism Partnerships	\$ 120,000	\$ 120,000	\$ -
Cultural Tourism	30,000	\$ 30,000	\$ -
Major One Time Special Event	190,000	\$ 225,000	\$ 35,000
Special Events Recurring	636,000	\$ 616,000	\$ (20,000)
Special Projects	155,167	\$ 180,000	\$ 24,833
Special Projects Recurring	510,000	\$ 433,500	\$ (76,500)
Film Incentive	30,000	\$ 30,000	\$ -
Total Tourism Adv. Program	\$ 1,671,167	\$ 1,634,500	\$ (36,667)
Reinvestment plan over 3 years			
Marketing/Communications and PR RFP	\$ 250,000	\$ 250,000	\$ -
Visual Memoirs	\$ 21,000	\$ 21,000	\$ -
IT Development	100,000	\$ 124,000	\$ (24,000)
Total	\$ 371,000	\$ 395,000	\$ (24,000)
Other			
Destination Marketing	41,525	\$ 45,000	\$ 3,475
Initiatives	30,000	\$ 60,000	\$ 30,000
R&D	-	\$ 21,235	\$ 21,235
Projected Cash Flow Reserve	2,000	\$ 2,000	\$ -
Total Other	\$ 73,525	\$ 128,235	\$ 54,710
TOTAL	\$ 2,594,692	\$ 2,664,000	\$ 69,308