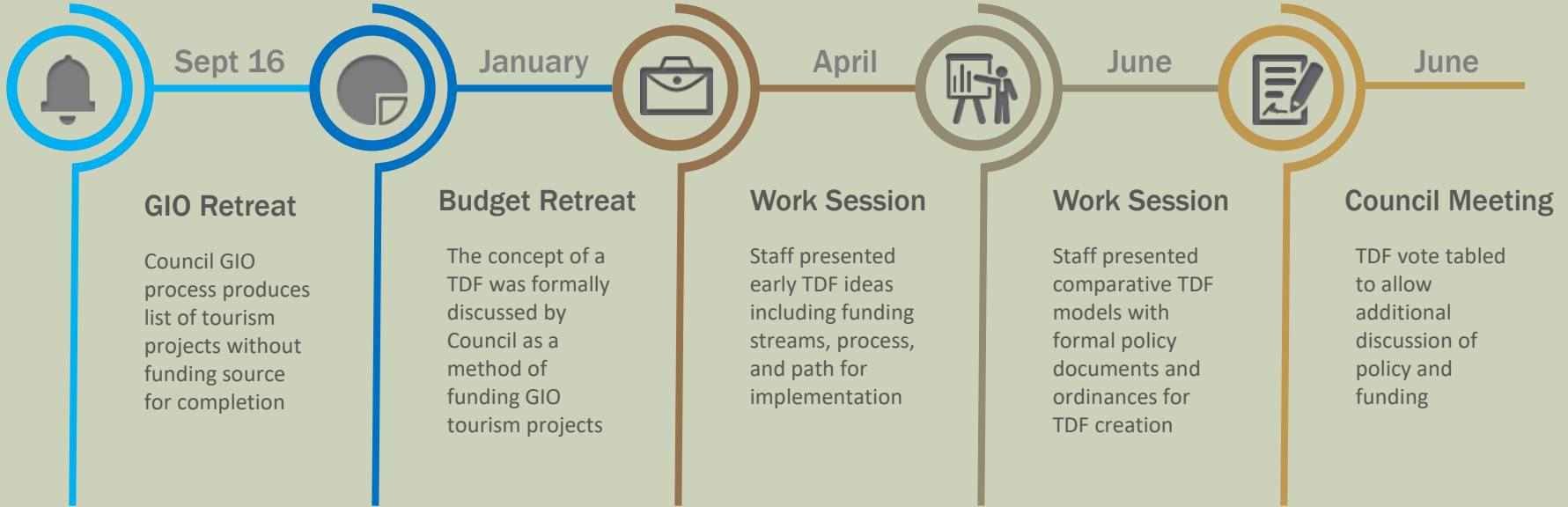


# TOURISM DEVELOPMENT FUND

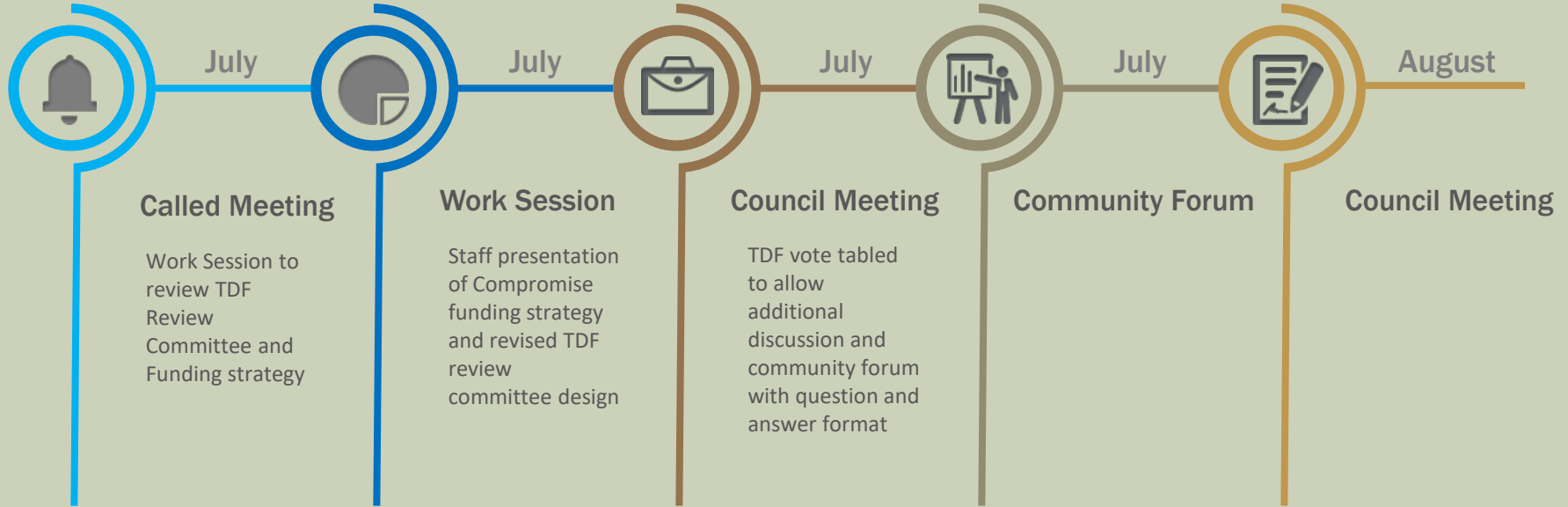
**Community Forum  
Review**

**July 27, 2017**

# TDF DISCUSSION TIMELINE



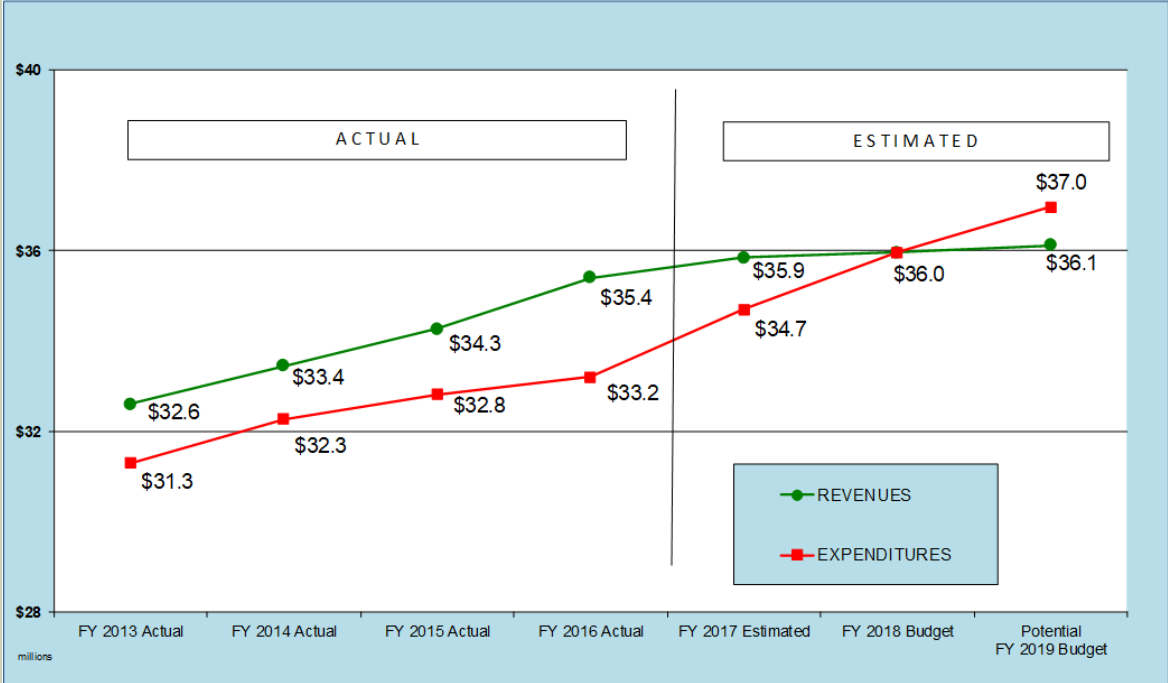
# TDF DISCUSSION TIMELINE



# TDF FUNDING STREAM

## EXISTING REVENUE & EXPENSE TRENDS

### General Fund – Revenue and Expenditure History – and Current Status



# TDF FUNDING STREAM

## EXISTING REVENUE & EXPENSE TRENDS

### General Fund – Revenue and Expenditure History – and Current Status

<u>Revenues:</u>	<u>FY 2018 Budget</u>	<u>Potential FY 2019 Budget</u>	
property taxes	13,821,900	13,977,900	1.5% increase for real estate taxes
local taxes	15,003,000	15,003,000	Flat - Includes Room & Meal taxes
intergovernmental	3,595,550	3,595,550	Level revenues
other	<u>3,545,445</u>	<u>3,545,445</u>	Level revenues
Total	35,965,895	36,121,895	Increase of: 0.43%
<u>Expenditures:</u>			
Total Expenditures	35,965,895	35,965,895	Base FY 2019 budget
<u>Add: Personnel (2% merit pay increase)</u>		215,632	
Healthcare (6% average 6 year increase)		98,906	
School operations (5% increase)		460,000	
New Middle School operating costs		<u>217,000</u>	
		36,957,433	Increase of: 2.8%
	<b><u>GAP</u></b>	<b><u>-835,538</u></b>	

# TDF FUNDING STREAM EXISTING CIP FORECAST

## City of Williamsburg - Capital Improvement Program Summary - Fiscal Years 2018 - 2022

	FY 2016	Estimated FY 2017	FIVE YEAR CAPITAL IMPROVEMENT PROGRAM					Five Year Total
			Adopted Budget FY 2018	FOR PLANNING PURPOSES				
				FY 2019	FY 2020	FY 2021	FY 2022	
Beginning Fund Balance (General & Sales Tax Funds)	33,121,053							
Add Revenues, Grants, and Bond Proceeds		5,313,866	11,610,083	16,965,000	7,115,000	4,615,000	12,894,860	53,199,943
Less CIP Projects & Debt Service		-12,062,419	-14,349,451	-17,000,469	-11,829,149	-3,205,854	-12,557,685	-58,942,608
Less FY 2017 Carryover Projects		-8,095,310						
Subtotal		18,277,190	16,037,822	16,502,353	12,288,204	14,197,350	15,034,525	
<i>Estimated Operating Fund Surplus each year</i>		500,000	500,000	500,000	500,000	500,000	500,000	
Estimated Fund Balance at June 30th:		18,777,190	16,537,822	17,002,353	12,788,204	14,697,350	15,534,525	
35% Operating Revenue Reserve Policy			\$12,588,000	\$12,588,000	\$12,588,000	\$12,588,000	\$12,588,000	
Excess Reserves over Policy			\$3,949,822	\$4,414,353	\$200,204	\$2,109,350	\$2,946,525	
Excess Reserves over Policy - without adding Operating Surpluses			\$2,949,822	\$2,914,353	(\$1,799,796)	(\$390,650)	(\$53,475)	

# A TALE OF GIO PROJECTS

## ■ CIP – Unfunded projects

### ■ Kiwanis 4<sup>th</sup> Lighted Field

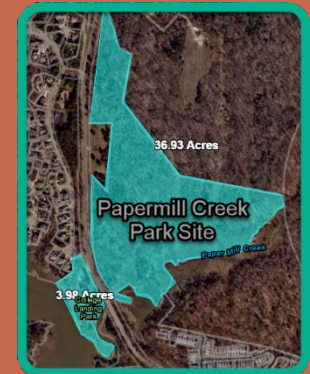
- Introduced 1998 CIP – FY01 \$25,000 for planning – Not completed
- FY09 4<sup>th</sup> field budgeted in FY12 - \$825,000
- FY10 4<sup>th</sup> field budget year removed
- FY14 4<sup>th</sup> field budgeted in FY18 - \$900,000
- FY18 4<sup>th</sup> field removed – funding required for EMS/Fire equipment

### ■ Quarterpath Expansion

- Introduced 2013-2014 GIO
- FY14 Recreation center addition budgeted in FY17- TBD Cost
- FY17 Project moved to FY18 – TBD Cost
- FY18 Project removed – lack of CIP funding

### ■ Papermill Creek Park

- Introduced 1997-1998 GIO from 1996 Open Space Study
- FY98 Papermill Creek Park design funding budgeted in FY2000 - \$25,000
- FY07 after delay of 9 years, project removed from CIP
- FY18 Papermill Creek Park Construction budgeted in FY20 - \$2,550,000
- FY19 Park to be removed – funding required for Fire Station



# A TALE OF GIO PROJECTS

- Tourism Promotion Contingency Fund – 2015, no funding
- Country Road Multiuse Trail – 2009, no funding
- Capital Landing Road Park – 1997, no funding
- Historic Area Street Resurfacing – 1997, limited VDOT
- Aquatic Center – 2017, no funding
- Indoor Field House – 2015, no funding
- Outdoor Performance Venue – 2015, no funding
- Capital Trail Connection – 2017, no funding

2017-2018 GIO Process

*Goal III – Economic Vitality*

*Increase Placemaking Product – Seek funding methods, to include the redirection of funding from other programs and investment in public infrastructure, to accelerate the development of tourism product.*



# TDF FUNDING STREAM – EXISTING RATES

	Property	Meals	Room	Cigarette	Admissions
York	.795	4%	5%+\$2	-	0
JCC	.84	4%	5%+\$2	-	0
Poquoson	1.07	6%	0	.2	0
Newport News	1.22	7.5%	8%	.85	10%
Hampton	1.24	7.5%	8%	.8	10%
Norfolk	1.15	6.5%	8%	.85	10%
Virginia Beach	.99	5.5%	8%+\$1	.1	10%
Suffolk	1.07	6.5%	8%	.5	10%
Richmond	1.2	6%	8%	-	7%
Chesapeake	1.04	5%	8%	.5	10%
<b>Williamsburg</b>	<b>.57</b>	<b>5%</b>	<b>5%+\$2</b>	<b>.25</b>	<b>0</b>
VA City AVG	1.02	6%	6.4%	.47	7.9%

# TDF FUNDING STREAM – EXISTING REVENUES

Revenue Source	Current Rates	2016 Revenues	FY 18 Budgeted Revenues	1% or 1 Penny	Anticipated TDF Revenue (Option C)
Real Property	\$0.57	\$10,202,762	\$10,400,000	\$185,000	0
Meals	5%	\$7,022,994	\$6,995,000	\$1,399,000	2% = \$2,798,000
Lodging	5% + \$2	\$4,449,801	\$4,430,000	\$660,000	2% = \$1,320,000
Cigarette	\$0.25	\$134,640	\$150,000	\$6,000	0
Admissions	0%	\$0	\$0	\$314,000	3.5% = \$1,100,000
	<b>Totals</b>	<b>\$21,810,197</b>	<b>\$21,975,000</b>	<b>\$2,564,000</b>	<b>\$5,218,000</b>
				WADMC Funds	\$1,320,000
				Annual TDF Funds	\$3,508,200

# TOURISM MARKETS – EXAMPLE PROGRAMS

- State of North Carolina
  - Asheville
    - Buncombe County Tourism Development Authority (BCTDA)
- State of Tennessee
  - Gatlinburg
    - Special Revenue/Capital Improvements Fund
- State of South Carolina
  - Charleston
    - Accommodations Tax Grant
  - Myrtle Beach
    - Accommodations Tax Grant
- Commonwealth of Virginia
  - Loudon County
    - Restricted Transient Occupancy Tax Fund Tourism Grant Program
  - Virginia Beach
    - Tourism Investment Program



**South Carolina**

*Virginia is for Lovers* 

# TRAVEL & LEISURE TOP 15 CITIES

- |                               |                               |
|-------------------------------|-------------------------------|
| 15. Portland, Oregon          | 7. New York City              |
| 14. Boston, Massachusetts     | 6. Honolulu, Hawaii           |
| 13. Williamsburg, Virginia    | 5. Nashville, Tennessee       |
| 12. Chicago, Illinois         | 6. New Orleans, Louisiana     |
| 11. San Francisco, California | 3. Savannah, Georgia          |
| 10. San Antonio, Texas        | 2. Sante Fe, New Mexico       |
| 9. Asheville, North Carolina  | 1. Charleston, South Carolina |
| 8. Austin, Texas              |                               |

by Jacqueline Gifford

*“From New York to Santa Fe, Honolulu to Nashville, American cities represent some of the world’s most thriving hubs for art, culture, music, and incredible regional cuisine. When we asked T+L readers what urban centers stood out from the pack, they had one clear answer: Southern crowd-pleasers.”*

# TRAVEL & LEISURE TOP 15 CITIES

City	Program	Administrator	Funding Source	Budget
Chicago	Cultural Grants Program	City DCASE	HOT and Gen	\$1,759,192
San Francisco	Tourism Improvement District*	SFCVB	1% HOT	\$2,599,000
San Antonio	Unknown	-	-	-
Asheville	Tourism Product Development Fund	BCTDA (DMO)	1.5% HOT	\$3,930,000
Austin	Core Cultural Funding	City ED	1.05% HOT	\$834,189
New York City	Manhattan Cultural Tourism Grant	NYC&Co (DMO)	General Fund	Unknown
Honolulu	County Product Enrichment Program	State Tourism Office	HOT	\$3,300,000
Nashville	Metro Nashville Event Marketing Fund	NCVC (DMO)	\$ .5 HOT	\$3,440,000
New Orleans	Unknown	-	-	-
Savannah	Unknown	-	-	-
Santa Fe	Lodgers Tax Advisory Board	City of Santa Fe	3% HOT	\$3,112,423
Charleston	A-Tax Grants	City of Charleston	2% HOT	\$3,200,000

# TDF POLICY DOCUMENT - PURPOSE

## Section 2. Tourism Development Fund Purpose and Eligible Expenditures

**A. Purpose – The purpose of the Tourism Development Fund (TDF) is to increase patronage to restaurants, attractions, hotels, and events in the City of Williamsburg through financial assistance and reinvestment in tourism products, place-making projects, special events, public-private partnerships, and destination marketing.**

6. Funds can be used for project review activities and covering certain expenses of TDF projects.

7. Funds can be used for the audit and Comptroller Annual Report Report (CAR) process and preparation.

Section 2. Tourism Development Fund Purpose and Eligible Expenditures

8. Purpose – The purpose of the Tourism Development Fund (TDF) is to increase patronage to restaurants, attractions, hotels, and events in the City of Williamsburg through financial assistance and reinvestment in tourism products, place-making projects, special events, public-private partnerships, and destination marketing.

9. Types of Expenditures Allowed

1. Destination marketing and promotion
2. Place-making projects and events
3. Special events and activities of the destination in the Williamsburg Area
4. Destination marketing and promotion
5. Destination marketing and promotion
6. Destination marketing and promotion
7. Destination marketing and promotion
8. Destination marketing and promotion
9. Destination marketing and promotion
10. Destination marketing and promotion

10. Expenditures not Allowed

1. Expenditures for the purchase of real estate
2. Expenditures for the purchase of land
3. Expenditures for the purchase of buildings
4. Expenditures for the purchase of equipment
5. Expenditures for the purchase of vehicles
6. Expenditures for the purchase of furniture
7. Expenditures for the purchase of fixtures
8. Expenditures for the purchase of inventory
9. Expenditures for the purchase of supplies
10. Expenditures for the purchase of materials

11. Other Provisions

1. The TDF application process will consist of two phases of application. The first phase will consist of a complete application to the Tourism Commission in a complete form according to the TDF and the TDF rules contained in the TDF application form.
2. The TDF application form will be available for review and comment at the TDF office.
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# TDF POLICY REVIEW

## ■ TDF Policy Document - Example Projects

1. Bike Share Program
2. Duke of Gloucester Streetscape Renovations
3. Market House Entrance Enhancements
4. Historic Area Street Resurfacing
5. **Country Road Multi-Use Trail**
6. **Strawberry Plains & John Tyler Multi-Use Trail**
7. **Kiwanis Park - 4th Lighted Field Project**
8. Queen Mary's Port Tourism Site
9. Capitol Landing Road Park
10. **Citywide Public Art Program**
11. Capitol Landing Artistic Sidewalk
12. Bicentennial Park Performance Venue
13. **Visitor Center Performance Venue**
14. **Quarterpath Recreation Center Addition**
15. Special Event Grant (Public Safety Overtime)
16. Retail & Lodging Marketing
17. Downtown Vibrancy, Design & Marketing Implementation
18. Federal Liaison & Grant Writing Service
19. EDA Demolition Grant
20. Business Diversification Program
21. **Capitol Landing Road Test Kitchen & Brewery**
22. Capitol Landing Road Food Truck Court
23. Merchant Square Ticket Sales & Public Restroom Renovation
24. Property Enhancement at Capitol Landing & Bypass
25. Redevelopment Property Acquisition & Enhancement
26. Transportation Center Enhancements
27. **Aquatics Center (College of William & Mary)**
28. Bus Stop & Shelter Enhancements (WATA & CWF)
29. **Indoor Fieldhouse (JCC & YC)**
30. WISC Lawn Sport Green (JCC)
31. **Capital Trail Connection**
32. Additional Marketing Funds (GWTC)
33. Tourism Marketing Contingency Fund





# TDF FUNDING STREAM OPTIONS



## ■ Compromise

- Increase Meal Tax **2%** = \$2,798,000
- Increase Room Tax **2%** = \$1,320,000
- Admissions Tax **3.5%** = \$1,100,000
- Total Revenue = \$5,218,000
- Less WADMC Funding = \$3,898,000
- **Less 10% Admin. = \$3,508,200**
- Achieves most policy goals within 5 and 10 year windows
- Consistent with competitive investments
- Eliminates \$2 charge

# TOURISM DEVELOPMENT FUND

Learn more at: [www.williamsburgva.gov](http://www.williamsburgva.gov)

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