



STRATEGIC TOURISM PLAN

PHASE ONE: AUDIT REPORT

MARCH 2013



TOWN OF SURFSIDE
TOURIST BOARD



305-864-0722

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1. [Executive Summary](#)

Nestled within the Greater Miami and the Beaches metropolis is a quaint oasis known as the Town of Surfside. With the world-famous Bal Harbour Shops bordering on the north and Miami Beach just to the south, somehow the Town of Surfside has escaped the limelight and, in fact, has very limited recognition outside of the immediate area of Miami-Dade County.

With a small community of approximately 5,000 residents and a two-block Downtown, in the past the town had just enough two- to three-star hotel product and subsequent resort tax revenue to give it some exposure to the travel and tourism world. In the past, there was representation by the Town of Surfside at some key travel trade shows, typically partnering with Best Western. This representation decreased at the time when much of the hotel product was converted to residential condominium.

While the initial purpose of this audit was to explore and analyze what had been done in the past to attract the visitor market to Surfside, in conducting this audit, it was found that not much is recorded from those days. Years ago, signature events such as “Jazz on the Beach” and “Shakespeare on the Beach” were held, but in recent years bed taxes have been primarily spent on special events for residents and visitors from local/regional markets.

Therefore, we will move forward and analyze the opportunities for the Town of Surfside, with new hotel product coming online. As a result of the new product, the Tourism Board retained CJFMI and RMA to research and write a five-year strategic tourism plan to recommend the most efficient and effective way to allocate the additional resort tax revenue that the town will realize starting in Fiscal Year 2013/14.

The travel industry has changed significantly over the last decade and will most likely continue to change and transform. It is important to keep up with the research, statistics and trends, and have a plan that is not only strategic, but also flexible.

This report begins with a review of budgets and Tourist Board organization. Then, we provide a global perspective, demonstrating the growth in travel and tourism worldwide and drill down to explore travel and tourism’s impact on the U.S., Florida and Greater Miami, culminating with how the Town of Surfside will once again be able to capitalize on the visitor market.

With the audit complete, we will begin work on the Strategic Tourism Plan, which will analyze the data presented in the audit and provide recommendations that will define how the Town of Surfside should move forward to brand itself. Specific strategies and tactics that tie back into the increased budget will become the roadmap for both pre-arrival and post-arrival visitor programs targeted to the travel trade and consumer over the next five years beginning in Fiscal Year 2013/14.

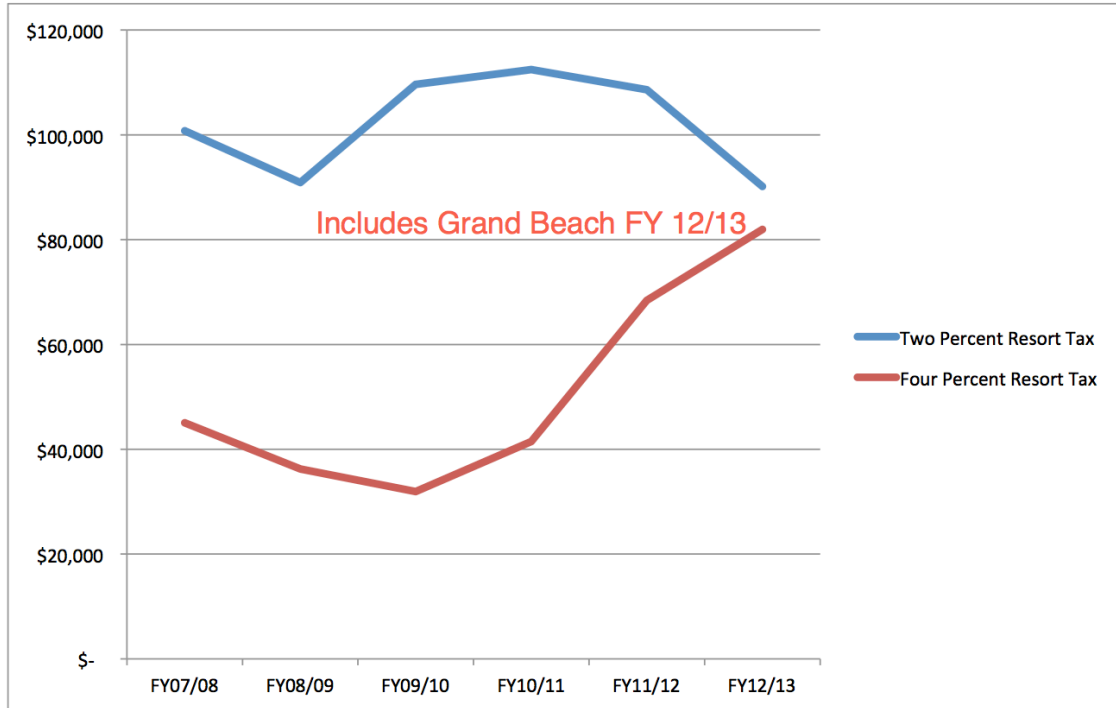
2. Resort Tax Projections/Tourist Board Budget

		FY 07/08 Actual	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual	FY 12/13 Adopted
SOURCE:							
Line Item Prefix 102-0000-							
312-1200	Two Percent Resort Tax	\$100,796	\$90,922	\$109,635	\$112,453	\$108,624	\$90,152
312-1400	Four Percent Resort Tax	\$45,065	\$36,220	\$31,910	\$41,486	\$68,438	\$81,940
	Total Resort Tax (34%)	\$145,861	\$127,142	\$141,545	\$153,939	\$177,062	\$172,092
361-1000	Interest Earnings	\$4,813	\$412	\$511	\$387	\$27	
369-8500	Resort Registration Fees					\$2,300	\$3,000
369-9000	Other Miscellaneous Revenues	\$7,780	\$10,891	\$3,294	\$3,413	\$5,804	\$28,530
392-0000	Use of Restricted Fund Balance		\$75,757				\$27,189
	Total Other Funds	\$12,593	\$87,060	\$3,805	\$3,800	\$8,131	\$58,719
	TOTAL FUNDS	\$158,454	\$214,202	\$145,350	\$157,739	\$185,193	\$230,811
USES:							
Line Item Prefix 102-8000-552							
1210	Regular Salaries			\$9,808	\$13,482	\$18,623	\$38,720
1410	Overtime			\$1,038	\$389	\$68	
2110	Payroll Taxes			\$831	\$1,099	\$1,419	\$2,963
2210	Retirement Contribution				\$1,115	\$754	\$1,801
2310	Life & Health Insurance				\$1,287	\$1,484	\$4,428
2410	Workers Compensation			\$78	\$44	\$53	\$111
	Total Personal Expenses			\$11,755	\$17,416	\$22,401	\$48,023

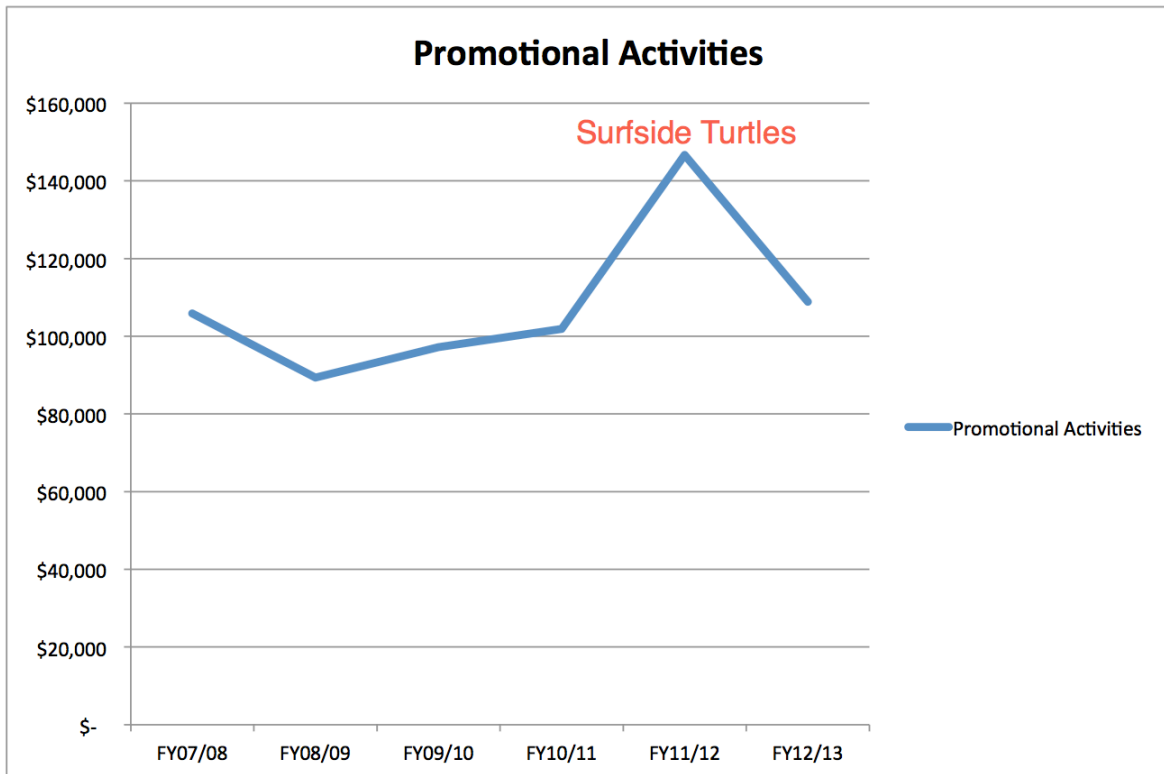
3110	Professional Services	\$37,493	\$11,700		\$2,588	\$17,592	<i>\$13,600</i>
3410	Other Contractual Services						<i>\$25,000</i>
4110	Telecommunications	\$2,174	\$856	\$844	\$1,078	\$245	<i>\$780</i>
4111	Postage	\$72	\$168	\$276	\$363	\$1,505	<i>\$1,000</i>
4403	Equipment/Vehicle Leasing		\$3,293	\$3,329	\$2,290	\$3,970	<i>\$2,495</i>
4601	Maintenance Serv/Repair Contracts	\$6,962	\$2,129		\$1,310		<i>\$1,500</i>
4611	Miscellaneous Maintenance						
4810	Promotional Activities	\$105,853	\$89,353	\$97,216	\$101,897	\$146,677	<i>\$108,913</i>
4911	Other Current Charges	\$16,790					<i>\$25,000</i>
5110	Office Supplies	\$3,231	\$2,001	\$2,244	\$3,863	\$5,586	<i>\$3,000</i>
5290	Miscellaneous Operating Supplies	\$305	\$70	\$60	\$48	\$411	
5410	Subscriptions & Memberships	\$250		\$594	\$895	\$395	<i>\$1,500</i>
5420	Conferences & Seminars				\$359		
	Total Operating Expenses	\$173,130	\$109,570	\$104,563	\$114,691	\$176,381	<i>\$182,788</i>
6210	Buildings				\$19,800		
	TOTAL EXPENSES	\$173,130	\$109,570	\$116,318	\$151,907	\$198,782	<i>\$230,811</i>
	NET	\$(14,676)	\$104,632	\$29,032	\$5,832	\$(13,589)	
	FUND BALANCE					\$173,018	<i>\$173,018</i>

During the planning process for the 5-Year Strategic Tourism Plan, we will project resort tax receipts for five years, including significant contributions from the Grand Beach Hotel, Surf Club and 92nd Street Hotel projects. It is not anticipated that the expansion of the Bal Harbour Shops will directly impact resort tax receipts, but the competitive impact will be further analyzed as a component of the Strategic Tourism Plan.

Resort Taxes



Budget for Promotional Activities



Tourism Advertising

Publication	Date	Cost	Notes
Welcome Channel Ad	Daily from February 2011-2012 in 27 hotels	\$6,000	Plus Visit FL promo for \$2,500
Jewish Journal	2010	\$500	Focus on kosher restaurants
Welcome Magazine/Bienvenidos	July – September 2012	\$6,300	\$3,000 from General Fund
Welcome Magazine/Bienvenidos	February – May and June -September 2013	\$16,800	
GMCVB Visitor's Guide	Annual	\$12,500	
Ad budget for the Spice Restaurant Promo – Miami New Times	2012	\$18,000	

Promotional Events

Event	Date	Cost	
Farmers Market	2008 – 2009	\$5,000	
Arts Festival	March 2008-2010	\$25-30,000	
Surfside Spice Restaurant Promotion	July – September 2010~2011	\$10-12,000	
Culinary Event	2011	\$25,000	
Food Trucks Event	December 27, 2012	\$5,000	
Tales of the Surfside Turtle – viewing	January 12-13, 2013	Free	
Tales of the Surfside Turtle Public Art Event	January 2013 – June 2014	\$68,201	Paid out of Resort Tax Funds Reserve
Third Thursday	2008 through present	~\$25,000/year	4 or 6 events per year

Collateral Material

Description	Date	Cost	Notes
Surfside Directory	2010-2012	\$2,000	Sold ad space to help alleviate the cost
Restaurant Brochure	2012	\$1,000	
Surfside Directory	2013	\$2,000	Will not have ads
Hotel ~ Restaurant Brochure	2013	\$3,000	

Other

Web Site		\$2,500	\$150/month maintenance
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3. Review Resort Tax Ordinance/Tourist Board Mission Statement

We have reviewed the Town of Surfside Charter and Resort Tax Ordinance and the Mission Statement of the Resort Tax (Tourist) Board. The Tourist Board is responsible for bringing visitors into Surfside to patronize hotels restaurants, businesses and recreational amenities.

The Board has asked the Town Attorney to review provisions of the ordinance regarding "Continued Delinquency" and is currently reviewing Board policies and procedures.

Other than these issues, we have no recommendations for change to the resort tax ordinance as a result of the Audit. We will review the ordinance again in light of final recommendations developed in the 5-Year Strategic Tourism Plan and include any recommendations for amendment to the ordinance.

4. Tourism Marketing Opportunities for the Town of Surfside

There are some “givens” with the travel and tourism industry that are important to understand and adhere to:

- An effective Travel and Tourism Sales and Marketing program is a long-term commitment. Do not expect overnight results.
- Tourism strategies and tactics fit under the umbrella of the overall economic development plan for a community. After all, “tourists want to go where the locals go.” In the case of the Town of Surfside, as with many smaller communities, the economic development and tourism initiatives rightfully fall under the same office and staff.
- Tourism Sales and Marketing are based on two key strategies: partnerships and leveraging.
- Tourism Marketing = ROR - Return on Relationship.
- The “P’s” of Tourism – Product, Packaging, Partnership and Promotion.

Product:

- For the Town of Surfside, the primary product is the hotels, both the existing hotels and the new ones coming on line.
- Second is the “what to do”, which is the beach.
- Third, statistics from the Department of Commerce show that shopping and dining are the number one and two activities of the traveler. The visitor is going to spend their money on shopping and dining somewhere, so the Town of Surfside needs to do all it can to make sure the Town received its share of those dollars being spent. This would result in a healthier Downtown Surfside and an increase in resort tax from restaurant food and beverage sales. To that end, the Commissioners approved the creation of a Business Improvement District (BID) Organization Plan to study what can be done in the Town of Surfside’s Downtown to create a consensus amongst commercial property and business owners regarding programs and improvements to the Downtown area.

Packaging: Dynamic Packaging, developing packages that far exceed just air and hotel, continues to drive the visitor market. Once we get into the tactical section, unique packages will be recommended.

Partnerships: No one destination or attraction can go after the visitor market in a vacuum; it takes support, leveraging and partnerships. Numerous potential partners will be explored locally with the Greater Miami and the Beaches Convention and Visitors Bureau (GMCVB) and Visit Florida, as well as nationally with BRAND USA, Shop America Tours, AAA, CAA, credit cards, etc.

Promotion: For a community like Surfside, promotions will always play an important role. However, their scope may change so that there will be more variety and include new signature events/festivals that can be tied into the packages.

It should also be noted that effective tourism initiatives are one of the most appealing set of tools for economic development of a community. It is a clean industry, it puts “heads in beds”, they pay taxes, they shop with very few returns and they eat out, a lot!

- The visitor market stays longer and spends more money in a destination than the local market.
- Typically visitors shop at home for price, but while traveling they shop for selection and quality while still seeking *value*.
- Visitors not only buy for themselves, they also buy for friends and family...all those left behind, including the dog sitter.
- International travelers spend 3-10 times more than the local shopper and the domestic traveler.

We have the opportunity to create a new brand that will resonate with today’s traveler, both those already coming to South Florida and travelers who will be experiencing the area for the first time!

What follows is an overview of the travel and tourism industry with statistics demonstrating the health of the industry from a global, national, state and local perspective.

The Global Tourism Perspective

World Tourism Organization UNWTO

The UNWTO World Tourism Organization is a specialized agency of the United Nations



As noted, this audit will first explore the outlook for global travel with information provided by the **World Tourism Organization (UNWTO)** in Madrid, Spain, which is the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism. By understanding what is happening on a global and national level for travel and tourism, it will aid us in determining the direction we need to take to reach out to and attract the visitor market, especially the over six million international visitors who arrive to South Florida. Also, that number is growing faster than domestic visitation.

UNWTO is the public sector entity that promotes tourism as a driver of economic growth, inclusive development and environmental sustainability and offers leadership and support to the sector in advancing knowledge and tourism policies worldwide. UNWTO generates market knowledge, promotes competitive and sustainable tourism policies and instruments, fosters tourism education and training, and works to make tourism an effective tool for development through technical assistance projects in over 100 countries around the world. (1)

For just the second time, UNWTO has conducted a very forward-looking outlook for the industry (the first one was in 2001) – originally going out 20 years to 2020 to see what the industry would look like, which they have recently updated to push out to 2030. They don't forecast at the country specific level, only at a world and world region level, but their work does give a good overview and helps make sense of what's going on in this very dynamic industry. They focus on two factors – changes in GDP in a country/region and trends in transportation costs. They assume very similar trends going forward as we've seen in the past for both developed and emerging countries. For the first time, however, they assume an increase in transportation costs. They now make the assumption that transportation costs will increase, both for land and for air – with air increases that would include higher fuel costs, higher labor costs, as well as increases in taxation of the industry.

According to a January 28, 2013, UNWTO press release, international tourist arrivals grew by 4% in 2012 to reach 1,035 billion. This is from the latest UNWTO World Tourism Barometer. Emerging economies (+4.1%) regained the lead over advanced economies (+3.6%), with Asia and the Pacific showing the strongest results. Growth is expected to continue in 2013 only slightly below the 2012 level (+3% to +4%) and in line with UNWTO long term forecast.

With an additional 39 million international tourists, up from 996 million in 2011, **international tourist arrivals surpassed 1 billion (1.035 billion) for the first time in history in 2012.** Demand held well throughout the year, with a stronger than expected fourth quarter. By region, Asia and the Pacific (+7%) was the best performer, while by sub-region South-East Asia, North Africa (both at +9%) and Central and Eastern Europe (+8%) topped the ranking.

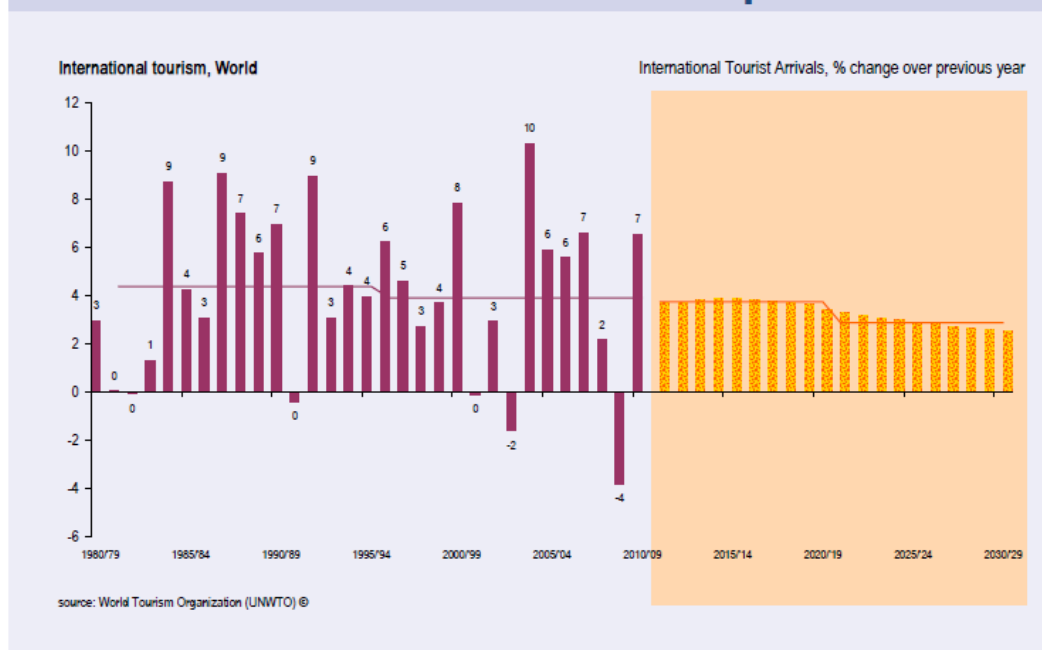
UNWTO forecasts international tourist arrivals to increase by 3% to 4% in 2013, much in line with its long term forecast for 2030: +3.8% a year on average between 2010 and 2020. This outlook is confirmed by the UNWTO Confidence Index. Compiled among over 300 experts worldwide, the Index shows that prospects for 2013 are similar to the evaluation of last year (124 points for 2013 against 122 for 2012). By region, prospects for 2013 are stronger for Asia and the Pacific (+5% to +6%), followed by Africa (+4% to +6%), the Americas (+3% to +4%), Europe (+2% to +3%) and the Middle East (0% to +5%).

(1) <http://www2.unwto.org/en/content/who-we-are-0>

The **Americas** (+4%) saw an increase of 6 million arrivals, reaching 162 million in total. Leading the growth were destinations in Central America (+6%), while South America, up by 4%, showed some slowdown as compared to the double-digit growth of 2010 and 2011. The Caribbean (+4%), on the other hand, is performing above the previous two years, while North America (+3%) did remain on par with the average.

<http://media.unwto.org/en/press-release/2013-01-28/international-tourism-continue-robust-growth-2013>

Growth in international tourism will continue, but at a more moderate pace



Looking at the first forecast by the UNWTO from 10 years ago, travel is up through 2012. The left side of the above chart in maroon is the actual Y2Y changes in int'l arrivals, and on the right is the forecast for the next 20 years. Arrivals is always greater than travelers as it reflects multiple visitations – so as an example, a German traveler going to 3 or 4 countries across Europe would be counted 3 or 4 times.

What we see in the orange bars for the next couple of years is growth of about 4.4%, which gradually decreases to about 2.8% growth. This reflects that the base is grown now up to nearly a billion travelers in any one year, producing nearly a trillion in spending – but also with increases in transportation costs.

What does that turn into? The average over the years will be 43 million travelers if this forecast holds up, and that would total about 1.8B arrivals by 2030, compared to just about a billion arrivals today. Even in the worst-case scenarios for GDP growth and for transportation costs, they would still end up with a forecast at the end of 2030 of about 1.4 billion.

National Tourism Perspective



A November 30, 2012, report from **The Office of Travel & Tourism Industries, OTTI**, offered a relative bullish forecast calling for 3.6 - 4.3% annual growth over the next five years, and 28% total growth from 2011 through 2017. In 2012 alone, over 66 million international travelers are projected to have visited the U.S., representing a 6% increase over the 2011 visitor volume. Top contributions to total growth from 2011-2017 are from Canada, China, Mexico, and Brazil.

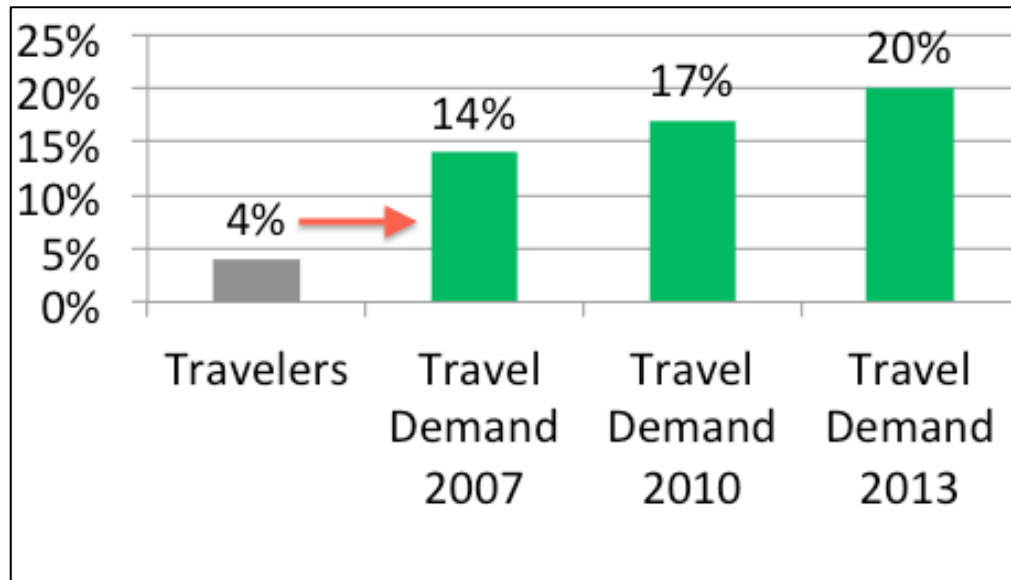
Positives:

- The BRIC(K) (Brazil, Russia, India, China and sometime South Korea) countries are exceeding expectations, in part due to efforts to decrease their visa wait times.
- Western Europe showed strong numbers YTD through June 2012, except for the U.K.
- The launch of Brand USA in May 2012 with strong multi-channel marketing campaigns in Canada, U.K., and Japan.
- ESTA (Electronic System for Travel Authorization) fees are not an apparent negative as originally thought they would be. ESTA fee collections, not taxpayer dollars, are used as matching grants for Brand USA contributions,

Negatives:

- Low air capacity growth through April 2013. Some of the growth numbers include Americans returning home.
- USA marketing levels abroad are low from U.S. state and city destinations, perhaps offsetting, or MORE than offsetting, Brand USA levels.
- Several key origin markets are closely tied to China economy.

Significant Impact of International Travel:



- The above chart from OTTI demonstrates that 4%-5% of travelers in the U.S. are from the international markets; and this figure is a much higher percentage for destinations like Miami Beach.
- However, this 4-5% represented 14% of travel demand (spend) in 2007, 17% in 2010 and is projected to be 20% by 2013
- This demonstrates the strong economic impact of the international visitor.

Visitation Chart to the U.S.

Rank Order 2011	Region / Country	2011 Actual	2012	2013	2017	% Change 11 / 10	% Change 12 / 11	% Change 13 / 12	% Change 17 / 11
	Grand Total	62.71	66.48	69.23	80.48	4.9 %	6.0 %	4.1 %	28.3 %
	North America	34.83	36.57	37.75	42.27	4.2 %	5.0 %	3.2 %	21.4 %
	Overseas	27.88	29.91	31.48	38.21	5.8 %	7.3 %	5.2 %	37.0 %
	Europe	12.66	12.92	13.25	15.03	6 %	2 %	3 %	19 %
	Western Europe	11.99	12.21	12.51	14.16	5 %	2 %	2 %	18 %
	Eastern Europe	0.67	0.71	0.74	0.86	11 %	6 %	4 %	28 %
	Asia	7.25	8.24	8.93	11.90	3 %	14 %	8 %	64 %
	South America	3.76	4.31	4.72	6.01	16 %	15 %	10 %	60 %
	Caribbean	1.09	1.11	1.11	1.12	-9 %	2 %	-1 %	3 %
	Oceania	1.24	1.33	1.40	1.75	14 %	7 %	6 %	41 %
1	Canada	21.34	22.40	23.30	26.48	7 %	5 %	4 %	24 %
2	Mexico	13.49	14.17	14.45	15.79	0 %	5 %	2 %	17 %
3	United Kingdom	3.84	3.84	3.91	4.53	0 %	0 %	2 %	18 %
4	Japan	3.25	3.54	3.65	3.91	-4 %	9 %	3 %	20 %
5	Germany	1.82	1.93	2.01	2.31	6 %	6 %	4 %	26 %
6	Brazil	1.51	1.78	2.03	2.76	26 %	18 %	14 %	83 %
7	France	1.50	1.58	1.64	1.83	12 %	5 %	4 %	22 %
8	Korea	1.15	1.28	1.39	1.73	3 %	12 %	8 %	51 %
9	China	1.09	1.54	1.94	3.91	36 %	41 %	26 %	259 %
10	Australia	1.04	1.12	1.19	1.51	15 %	8 %	6 %	46 %
11	Italy	0.89	0.88	0.89	0.99	6 %	-1 %	1 %	11 %
12	Spain	0.70	0.67	0.67	0.71	9 %	-5 %	0 %	1 %
13	India	0.66	0.74	0.78	0.98	2 %	12 %	5 %	47 %
14	Netherlands	0.60	0.62	0.63	0.68	5 %	3 %	2 %	14 %
15	Venezuela	0.56	0.65	0.70	0.81	14 %	16 %	7 %	45 %
16	Argentina	0.51	0.60	0.65	0.86	17 %	17 %	9 %	67 %
17	Colombia	0.50	0.57	0.59	0.71	0 %	14 %	5 %	43 %
18	Switzerland	0.48	0.50	0.52	0.61	22 %	4 %	5 %	28 %
19	Sweden	0.44	0.45	0.47	0.53	18 %	3 %	3 %	22 %
20	Ireland	0.35	0.33	0.33	0.36	-4 %	-4 %	-2 %	5 %

According to an April 2012 press release from the Office of Travel & Tourism Industries (OTTI) the U.S. can expect a 4-5% average annual growth rate of international travel over the next five years! That equates to 65.4 million foreign travelers who are projected to visit the U. S. this year!

The largest growth potential over the next five years will come from:

China	198%
Brazil	70%
Argentina	46%
Australia	45%
Korea	35%
Venezuela	35%

The following chart is the 2011 visitation figures to the U.S. The ones in bold are top international markets to Miami:

Country	Visitors	%up/down from 2010	Ranking for Miami
Canada	21.03M	5%+	#2
Mexico	13.41M	Flat	#16
UK	3.84M	Flat	#7
Japan	3.25M	Flat	
Germany	1.82M	6%+	#6
Brazil	1.51M	26%+	#1
France	1.50M	12%+	
S. Korea	1.15M	3%+	
China	1.09M	36%+	
Australia	1.04M	15%+	

The following chart is the visitation figures to Miami, again showing the countries that are also top countries to the US in bold:

Ranking	Top countries to Miami
1	Brazil
2	Canada
3	Argentina
4	Colombia
5	Venezuela
6	Germany
7	UK
8	Bahamas
9	France
10	Costa Rice

In summary, four out of the seven top markets to the U.S. are also top markets for Miami, and three of them are on the increase.

- The 62 million international visitors who traveled to the U.S. in 2011 generated a record \$153 billion in receipts and a \$43 billion trade surplus.
- International and domestic tourism spending increased 8.1%, supporting an additional 103,000 jobs for a total of 7.6 million Americans employed in travel and tourism industries or in industries that support them.
- Further, 1.2 million jobs are supported directly or indirectly by international traveler spending within the U.S. and on U.S. carriers.

Source for the above:

<http://tinet.ita.doc.gov/view/f-2000-99-001/forecast/Forecast-Summary.pdf>

According to the OTTI publication “International Visitation to the U.S.: A Statistical Summary of U.S. Visitation”, **while only 4% of the visitation is international, it represents 17% of traveler spend.**

More detail can be found at:

http://tinet.ita.doc.gov/outreachpages/download_data_table/2011_Visitation_Report.pdf

From the United States Travel Association's (USTA) Power of Travel 2012 report, the following is an overview of the travel industry to the U.S.:

- Direct spending on leisure travel by domestic and international travelers = \$564 billion in 2011 (up from \$526 billion in 2010).
- Spending on leisure travel generated \$86 billion in tax revenue.
- 3 out of 4 domestic trips are for leisure (77%).
- Top leisure activities for U.S. domestic travelers:
 1. Visiting Relatives
 2. Shopping
 3. Visiting Friends
 4. Fine Dining
 5. Beaches

Compared to the previous year, the top three were the same, but fine dining replaced rural sightseeing. Now shopping and dining are in the top five activities for the domestic traveler.

- Top leisure activities for the international traveler:
 1. Shopping
 2. Dining
 3. City Sightseeing
 4. Visiting Historic Places
 5. Amusement Parks

Source:

http://www.ustravel.org/sites/default/files/page/2009/09/USTravelAnswerSheet_June2012.pdf

Travel Facts and Statistics:

- Domestic Leisure Traveler:
 - 76% traveled by auto (preferred method for domestic traveler)
 - 42% traveled by air
 - Note: more than 100% - many take more than one trip a year
- Business Travel in the U.S. remains flat.
- Family Travel – multigenerational – make up 30% of leisure travel.
- Gen X – make up 31% of leisure travel.
- Older Boomers (1946 - 1954) take an average of 4.4 leisure trips per year.
- Mature travelers (pre-1946) take an average of 4.1 leisure trips per year.
- 18% travel with their pets.
- Solo travel is growing – 11% of U.S. adults take a trip by themselves
- The Stay-cation is being replaced with trips to destinations further from home, but consumers are seeking cost-savings with their travel.

Resource and more details:

<http://www.ustravel.org/news/press-kit/travel-facts-and-statistics>

This chart demonstrates the steady rise in international visitors projected for the U.S.:



Corporation for Travel Promotion

The Travel Promotion Act of 2009 has significant operational, managerial and funding impacts on the Department of Commerce. It established the Corporation for Travel Promotion, a nonprofit entity, to communicate U.S. entry policies and otherwise promote leisure, business and scholarly travel to the U.S.

For the first time, this allows the U.S. to have a public/private partnership to market the U.S. to the world. The goal is to generate \$200 million to spend on marketing and sales to become more globally competitive.

BRAND USA is the marketing arm of the Corporation for Travel Promotion

Brand USA was established by the Travel Promotion Act in 2010 to spearhead the nation's first global marketing effort to promote the U.S. as a premier travel destination and communicate U.S. entry/exit policies and procedures. Formed as the Corporation for Travel Promotion, the public/private entity began operations in May 2011 and does business as Brand USA. As already discussed, travel and tourism plays an important part in economic growth and vitality to the U.S. In fact, BRAND USA research shows that, an incremental increase of just 1% travel to the U.S. results in 500,000 more visitors, demonstrating that the BRAND USA efforts are...a good investment! Brand USA works in close partnership with the travel industry and through its call-to-action, DiscoverAmerica.com, Brand USA inspires travelers to explore the United States of America's boundless possibilities.

Additionally:

- Travel is the largest export for the US accounting for 25% of all services exports in 2011.
- Travel supports 14.4M workers in the private sector.
- In 2011 spending by International travelers supported 1.2M jobs.
- Every 33 travelers equal one new U.S. job!

BRAND USA successes to date:

- Achieved FY2012 Funding Target
- Maximized the 2:1 Match = \$100 Million in Federal Funds
- Launched Successful Campaigns in Canada, the UK and Japan
- These campaigns are designed to motivate travel to the U.S.
- Established International Representation in eight markets
- Began Tourism Exchange Year with Japan
- Completed First Sales Mission to India
- Significantly Increased Global Tradeshow Presence
- Developed Successful Partnership Programs...and Strong and Growing Partnerships with more than 260 Leading Brands in the Travel Industry

What Brand USA does versus U.S. Travel Association is best described as follows:



State of Florida Perspective



Historic Visitor Numbers (in millions)				
Year	Domestic	Overseas	Canadian	Total
2002	67.9	4.4	1.6	73.9
2003	68.7	4.2	1.7	74.6
2004	73.4	4.4	1.9	79.7
2005	77.2	4.4	2.0	83.6
2006	77.6	4.1	2.1	83.9
2007	77.3	4.7	2.5	84.5
2008	76.1	5.2	2.9	84.2
2009	71.2	7.0	2.6	80.9
2010	71.2	8.0	3.1	82.3
2011	74.7	9.3	3.3	87.3

Calendar Year Visitor Numbers for 2011				
Visitors	Percent of Total	Most Recent	Value	Change
Total Visitors	100.0%	January-December	87.3 million	6.1%
Air Visitors	52.2%	January-December	45.6 million	5.1%
Non-Air Visitors	47.8%	January-December	41.7 million	7.2%

Seasonality of Visitation to Florida by Quarter (2011):

January to March (Quarter 1)	26.7%
April to June (Quarter 2)	25.0%
July to September (Quarter 3)	24.3%
October to December (Quarter 4)	24.1%

Top International Markets by Number of Visitors (2011):

Canada	3.3 million
Brazil	1.5 million
United Kingdom	1.3 million
Mexico	387,000
Argentina	375,500

Top Origin States - by Percentage of Total Domestic Visitors (2011):

Georgia	10.6%
New York	8.9%
Texas	5.7%
Illinois	5.6%
New Jersey	4.5%
Michigan	4.4%
Ohio	4.4%
Alabama	4.2%
North Carolina	4.1%
Pennsylvania	3.9%

Florida Travel Facts:

Domestic Visitors in 2011*¹

- Florida's domestic visitors said their primary reason for coming to the Sunshine State was for leisure (88%). The major type of lodging used by domestic visitors was hotel/motel (54%).
- The average length of stay for a domestic visitor to Florida was 4.9 nights. The top activities domestic visitors enjoyed while in Florida were shopping, beaches, touring/sightseeing, and going to a theme/amusement park.
- The top origin Designated Market Areas (DMAs) for total visitors to Florida was New York, Atlanta, and Chicago. Top origin DMAs for visitors who came to Florida by air were New York, Chicago, and Boston; for auto visitors to Florida, the top three origin DMAs were Atlanta, New York, and Chicago.

Canadian Visitors in 2011*²

- The primary purpose for Canadians was Pleasure/Recreation/Holiday (82.1%).
- The major type of lodging used by Canadian visitors was hotel (28.7%). The average length of stay for Canadian visitors was 18.0 nights, but the median length of stay was 9.0 nights.

Overseas Visitors in 2011*³

- The primary trip purpose for overseas visitors was leisure/recreation/holiday (68.5%).
- The major type of lodging used by overseas visitors was hotel/motel (75.7%).
- The average length of stay for overseas visitors to Florida was 11.2 nights, while the median length of stay was of 8.0 nights.

Sources:

¹ D.K. Shifflet and Associates; TNS TravelsAmerica, Travel Industry Association

² Statistics Canada

³ U.S. Department of Commerce, ITA, Tourism Industries

Economic Impact of Tourism to Greater Miami

The most recent study conducted for the GMCVB was in 2011 by Ipsos Loyalty, a global customer experience, satisfaction and loyalty research and consulting company. The methodology used included 4,502 intercept interviews with Miami visitors conducted at the Miami International Airport, the Fort Lauderdale-Hollywood International Airport and various attractions in Miami-Dade County.

In 2011, there was a 6.7% increase in overnight visitors (6.2% domestic and 7.3% international) to Greater Miami and the Beaches compared to the previous year, resulting in a record estimated 13.4 million visitors who stayed at least one night, resulting in a record spend of \$20.7 billion. This reflects direct expenditures. With the industry standard of an accepted multiplier effect of 1.5, the direct and indirect impact is \$31 billion added to the economy of Greater Miami and the Beaches. What is most significant is that the **international visitors accounted for 70% of total spend!**

The following shows the 2011 increases in spend over 2010 for specific categories:

Lodging	+2.4%
Meals	+1.0%
Transportation	+2.7%
Entertainment	+3.6%
Shopping	+2.6%

- The average daily spend per party is \$497.41, up 2.3%.
- The average daily spend per visitor is \$264.58, up 1.8%.
- The total dollars per person spent per visit is \$1,539.85, up 3.2%.
- The total overnight visitor spend is \$20,702.1 billion, up 10.1%.

Total tourist-related tax revenue collected in 2011 by Miami-Dade County was \$108,179,050, up 15.6% from the previous year. The City of Miami Beach collected \$51,289,024, up 16.4%, and the Village of Bay Harbour collected \$1,725,400, which actually was a decrease of 7.6% from 2010.

Total tourism-related taxes for 2011 were \$161,193,473 for 2011, up 15.5% from the previous year.

Leisure/Hospitality employment accounts for 11% of total employment for Greater Miami and the Beaches. The 2011 figure showed a slight increase of 0.6% over the previous year.

Total airport arrivals into MIA and FLL have been trending upwards since a dip in September 2011.

Note: The airport arrivals and hotel figures are only through 2011.

The following summary is the most recent data available from the GMCVB and provides a profile of the visitor to Greater Miami and the Beaches.

MIAMI-DADE COUNTY

2% TOURIST DEVELOPMENT TAX COLLECTIONS

January-December 2012	January-December 2011	% Change
\$20,327,005	\$18,706,586	+8.7%

3% CONVENTION DEVELOPMENT TAX COLLECTIONS

January-December 2012	January-December 2011	% Change
\$60,423,718	\$55,681,199	+8.5%

2% HOTEL FOOD AND BEVERAGE TAX COLLECTIONS

January-December 2012	January-December 2011	% Change
\$6,504,648	\$6,161,139	+5.6%

MIAMI BEACH

3% RESORT TAX COLLECTIONS

January-December 2012	January-December 2011	% Change
\$30,485,871	\$27,840,691	+9.5%

2% FOOD & BEVERAGE TAX COLLECTIONS

January-December 2012	January-December 2011	% Change
\$24,815,625	\$23,448,332	+5.8%

JANUARY 2013

AVERAGE DAILY ROOM RATE

Market	\$	% Change vs. 2011
1. Miami	\$211.11	+12.2%
2. Oahu Island	\$209.06	+15.0%
3. New York	\$196.59	+4.4%
4. San Francisco	\$166.67	+5.7%
5. Washington	\$151.75	+17.0%

REVENUE PER AVAILABLE HOTEL ROOM (REV PAR)

Market	\$	% Change vs. 2011
1. Oahu Island	\$179.96	+13.9%
2. Miami	\$174.26	+17.5%
3. New York	\$145.17	+16.3%
4. San Francisco	\$111.41	+5.1%
5. Los Angeles	\$92.65	+8.9%

AVERAGE DAILY OCCUPANCY

Market	% Occupancy	% Change vs. 2011
1. Oahu Island	86.1%	-1.0%
2. Miami	82.5%	+4.7%
3. New York	73.8%	+11.4%
4. Los Angeles	69.6%	+3.1%
5. Orlando	69.3%	+5.5%

Profile of the Visitor Market to Greater Miami & the Beaches

Total Market Overview

As previously noted, a record number estimated at 13.4 million visitors stayed at least one night in Greater Miami and the Beaches, resulting in \$20.7 billion in direct expenditures in the area.

An overwhelming 70.8% came for leisure/vacation, 12.5% for business/convention, 7.1% for a cruise and the balance for personal/other reasons. Most, 41.2%, stayed in Miami Beach.

More than half of the visitors, 53%, stayed in a hotel/motel during their visit, with the balance staying with friends and family. No surprise that the VFR (visiting friends and relatives) has increased since the economic decline.

As noted, the most popular place to stay for all visitors is Miami Beach, with 41.2% of the visitors staying there, which of course is good news for the Town of Surfside. Additionally, another 9.8% stay in North Dade/Sunny Isles Beach, again another opportunity.

Although as a nation-wide trend, solo travel is up, this is not the case for our area. Solo travel was down to 33.7% in 2011 from 35.8% in 2010. However, for that same time period, parties of two are up to 52.4% from 48.8%. The vast majority, 96.9%, arrived by air, due to the higher visitation by the international traveler.

An incredible 90.4% of overnight visitors were extremely or very satisfied with their visit in 2011. The figure does not fluctuate much between domestic (89.4%) and international (91.7%). Also, 91% intend to return to Miami. It is this second-time visitor who may be more apt to try a new destination such as the Town of Surfside. Already, four out of five travelers are repeat visitors.

When surveyed about the features most liked about Miami, weather was number one, at 49.2%. This was followed by attractions, which includes both gated attractions and unpaid attractions such as the many festivals that are held. Third was South Beach/Ocean Drive, followed by the beaches, nightlife, sun bathing, shopping, restaurants, international ambiance, friendly people, and cultural activities. As noted below, this is very different between the domestic vs. the international traveler.

Interesting to note that not only was Art Deco/South Beach listed as the number one most visited area; but also out of the top ten, six favorite places were actually destinations within Miami instead of attractions. That indicates that our visitor to Miami likes to go and experience “places” vs. just going to the attractions. This is another opportunity for Surfside.

The average age of all visitors is 43 years, and 61.8% are between the age of 35 and 64.

Domestic Market

Domestic visitors accounted for almost 52% of overnight visitors, up 6.2% over 2010. The majority come from the Northeast region of the country resulting in 3.3 million visitors which set the record in 2011. However, the South showed the greatest growth, up 8.4%, generating 1.7 million visitors. Both the Midwest and western regions were also up in 2011.

TOP 10 DOMESTIC MARKETS	2011 VISITORS	% CHANGE 2011 VS. 2010
New York	1,758,046	5.4%
Chicago	409,586	6.6%
Philadelphia	397,463	5.0%
Boston	301,428	8.2%
Atlanta	264,542	8.6%
Washington DC	193,419	4.9%
Dallas/Ft. Worth	183,931	9.0%
Detroit	148,660	6.6%
Los Angeles	136,190	6.8%
Houston	121,665	8.4%

Sixty six percent of domestic travelers come for leisure, and 60.6% stayed in a hotel/motel with the rest staying with friends and family.

Favorite features by the domestic market are weather, beaches, South Beach/Ocean Drive, Attractions, night life, sun bathing, international ambiance, friendly people, restaurants and cultural activities.

Eighty-two percent said they did not find anything that they disliked. The other 18 percent mentioned items that included traffic, prices, service, too crowded and weather.

International Market

While domestic visitation was up 6.2%, the international markets showed even greater strength as they were up 7.2% accounting for 48% of all visitors. International visitors are drawn to Miami due to the rich culture and diversity and remain one of the top U.S. cities visited by international travel. Latin America accounted for 4.4 million visitors in 2011 – a 9.2% increase

TOP 10 INTERNATIONAL MARKETS	2011 VISITORS	% CHANGE 2011 VS. 2010
Brazil	634,155	14.2%
Canada	627,931	6.9%
Argentina	417,981	9.5%
Colombia	394,395	8.5%
Venezuela	354,311	8.3%
Germany	338,785	2.0%
England	285,592	(1.8%)
Bahamas	229,752	1.4%
France	192,004	3.5%
Costa Rica	181,063	2.8%

While 70.8% of all overnight travel is for leisure, that figure is even higher for the international traveler, 83.1%. More international travelers (54.9%) than domestic (38.9%) stayed with friends and family.

Favorite activities for the international traveler are the attractions, South Beach/Ocean Drive, shopping, weather, night life, restaurants, beaches, international atmosphere, culture, and friendly people.

Niche Markets

The cruise business is growing and many people enjoy a pre- or post-cruise opportunity. There will be opportunities to package pre/post cruise stays at the hotels in Surfside.

Due to a high percentage of VFR (Visiting Friends and Relatives) travel to Miami and the Beaches, especially from the international markets, this will be an important niche market to reach.

The meetings and convention markets may present an opportunity – not for onsite meetings, as there does not seem to be much product available in Surfside – but possibly as off-site venue functions utilizing our restaurants.

5. Target Markets Identified for the Town of Surfside

Throughout this Plan, we will consider the following target markets based on current market strengths.

Domestic Markets – trade and consumer

- DMOs
 - Group leisure travel tour operators
 - Meeting Planners
 - Affinity groups
 - Destination events (wedding, ceremonies, etc.)
 - Domestic Travel Media for PR (trade and consumer)
-
- The following are the domestic markets to target:
 1. New York – 1,758,046 visitors
 2. Chicago – 409,586
 3. Philadelphia – 397,463
 4. Boston – 301,428
 5. Atlanta – 264,542
 6. Washington, DC – 193,419

The International Markets – trade and consumer

- DMOs (GMCVB, Visit Florida, BRAND USA)
- RSAA-Receptive Tour Operators (RTOs) who contract with the overseas tour operators
- International Tour Operators
- On-line travel partners such as thetouroperator.com
- International Travel Media for PR (trade and consumer)

The following are the international markets to target:

1. Brazil - #1 growth market – 634,155 visitors
2. Canada – 427,931
3. South America (Argentina, Colombia, Venezuela) – 1,166,687
4. Germany, UK, France and Italy – 971,269
5. Central America – 537,600
6. Bahamas – 229,752

Types of Travel - International and Domestic

- Leisure – FIT and Group
- VFR (Visiting Friends and Relatives)
- Cruise ship Passengers – pre- and post- visitations

6. Travel and Tourism Trends

The link below is an interesting and entertaining look into the future. It is a YouTube video called “The Future of Travel” and is described as a fun look at how technology can help travel in the future become a little easier. While this technology seems very far off, in reality it may not be that far-fetched. Already tickets for space travel are being sold by Virgin Galactic, Richard Branson’s company - <http://www.virgingalactic.com>

Proximity Mobile Marketing is already here, too offering travelers real-time discounts at stores and restaurants via their smart phone as soon as they enter the destination. The phone knows you are there!

<http://www.youtube.com/watch?v=VsjfA1K6ELo>

The point is that technology is rapidly changing. To keep up with this changing technology and how it will affect travel in the future, it is important to stay on top of the trends in travel. The following are the current trends affecting today’s travel.

Top Tourism Trends of the Day...

- The New Frugal – drives the majority of travelers’ planning and shopping behavior
 - Always seeking “a good deal”
 - Determined to find good value
 - 75% of U.S. consumers have become smarter shoppers
 - 64% will pay full price if guaranteed quality AND service

Significance to The Town of Surfside – Business Improvement goals of Downtown businesses and proposed BID need to take this into consideration.

- Social Media and Mobile Marketing - must be integrated and used. Keep on top of new developments such as Pinterest.

Significance to The Town of Surfside – Social media is the way to engage the traveler at all touch-points...when they are planning their trip, while they are at their destination and after they have returned home. Mobile Marketing provides real-time offers to the traveler as they approach the destination.

- Culinary
 - Departure from signature chef restaurants
 - Focus on regional specialties – BBQ, Cajun, seafood
 - Food trucks and exhibitions
 - Tastings expand from wine and tequilas to teas and fresh juices
 - Agriculture tours - planting and harvesting - from field to table
 - Do it yourself gourmet kits - rolling sushi, confectionaries, etc.
 - Cooking, grilling, canning and baking classes or workshops

Significance to The Town of Surfside – Knowing this provides opportunities to create culinary events to attract today’s traveler.

- Cultural Travel Immersion
 - Not just viewing...creating. Museums and galleries offer art classes.
 - Travel photographers offer landscape photography classes.
 - Performing arts offer dance and theatre classes.
 - Orchestras and regional artists teach music classes.
 - Authors teach writing for travel or short stories, then publish books.
 - Local artisans teach crafts.

Significance to The Town of Surfside – Adding art, music and cultural programming could enhance the tourism program and offer diverse choices for individuals on group trips. Special events will play an important role.

- Health and Wellness
 - More than a spa - Mind and Body
 - “Deprivation Vacations” – for those who feel “deprived” during their everyday life and need a change.
 - Cleanses, wraps and detox
 - 37% of international travelers seek spa treatments
 - “Spiritual”, faith-based and religious studies and cultural immersions
 - Yoga

Significance to The Town of Surfside – The addition of a spa would give The Town of Surfside another attraction for the visitor market. Some of the hotels, including the Surf Club, may have a spa component.

- Friends and Family
 - Family travel is multi-generational.
 - Travel with kids is up 17% since 2000.
 - Girlfriend Getaways and Bro-cations are still popular (usually spa and sport related, with shopping).
 - Solo travel is increasing.
 - “Ceremonial Travel” takes the place of weddings, anniversaries, graduations, reunions and includes GLBT commitments and Ash Releases/Celebrations of Life.

Significance to The Town of Surfside – These are all trends that can be taken advantage of with different tourism programs.

- Pet Friendly – The Town of Surfside should be pet-friendly as traveling with pets is very popular.
- Cruising – A growing industry, notwithstanding the recent Carnival Cruiseline incident.

7. Other Information

E-Surveys

In early February, an e-survey (attached) was emailed to Downtown Surfside business owners to identify current and future advertising strategies. There has not been a significant response to the survey.

We will facilitate completion of this survey and identify more specific objectives as part of the 5-Year Strategic Tourism and Business Improvement District (BID) planning processes.

Business & Property Owner Meeting – February 13, 2013

On Wednesday, February 13th, “kickoff” meetings were scheduled for business and commercial property owners at 9:00am and 6:30pm. Invitations to the meetings were emailed to business owners and mailed to property owners. Town staff members distributed invitations to business owners by hand.

In addition to staff, seven people attended the 9:00am meeting:

Olga Brismendi – Hair & Body New Dimensions

Barbara Cohen – Tourist Board

Andy Labrada – Event X llc/Downtown Vision Action Committee

Pauline Johnson – Property Owner

Bill Reynolds – Amtrust Bank

Walid Sfeir – Surf Club

Andre Shambley – Real Living/First Service Realty

The meeting started with a presentation outlining the Strategic Tourism and Business Improvement District (BID) planning processes. The presentation was followed by question and answer and a brainstorming session. Results of the brainstorming session are included in the next section.

Only Barbara Cohen and Andy Labrada attended the evening session. As they had both attended the meeting in the morning, discussion was informal.

8. Brainstorming Session – February 13, 2013

Strengths

What do you love about Downtown Surfside?

- Great walking/pedestrian-friendly experience
- Prime for growth
- Vibrant, young & eclectic
- Offers a variety of price ranges
- Relaxed, touristy
- Reasonably priced shopping - like Mason Blanc/ other retail in the past
- Location
- Small town feeling
- Feels like resort – far away, but you're not
- Community/people visiting with each other
- Starbucks coming
- Resident \$10 parking program

Why do people come to your store?

- Traveling between Aventura and South Beach
- Personal service – long term clients
- Bank customers are strictly local

What would you say to promote Downtown Surfside?

- Variety of shops
- “Affordable Luxury”

Weaknesses

What things do you love less about Downtown Surfside? (Problems)

- Parking “times 10”
 - Price for employee parking
 - Lack of ease
 - Hate the meter system
- One-way traffic “pairs”
- Current environment not conducive to retail leasing
- Not enough trees
- Not enough businesses advertise – no outreach
- Undesirables/quality of some clientele
- Business mix – so many salons in a two block area

Opportunities

What events might bring more potential customers/visitors to Downtown Surfside?

- Art Festival– signature event
- Other annual signature event
- Third Thursdays – commitment to continually increase quality
- Daytime events
- Farmers Market (like previous – in different location)
- Business-to-Business – “Come have wine in my place” during Third Thursdays
- Need to:
 - involve businesses in events
 - build consensus with businesses to support events
 - advertise events

When visitors return home, what do you wish they would tell others about Surfside? (Initial Branding discussion)

- WOW!
- I want to move here!
- I’ve been here before; what a change!
- Must stop! (South Beach visitor going to Bal Harbor)
- Must stop! (Visitor just passing through South Florida)
- It’s a charming town and a charming experience.

Questions/Comments from Participants

- Who is our competition and how are we going to position ourselves in the South Florida market?
- How can we attain a proper merchandise mix?
 - We cannot control but can we can influence.
 - “Sometimes the accident can be more interesting that the intentional.”
- BID Questions:
 - What do property owners think of the BID?
 - Property owners will want to know the Return on Investment (ROI)
 - Are other BIDS successful?
 - How are BIDs staffed?
 - Will residents be represented on a BID Board?

9. Outline of Phase Two – Surfside Strategic Tourism Plan

With the Audit completed, we will begin work on the Strategic Tourism Plan, which will define how the Town of Surfside should move forward to brand and market itself. The objectives of the 5-Year Strategic Tourism Plan are:

- Develop Target Markets
- Develop a Situation Analysis
- Identify Strengths & Weaknesses
- Set Goals & Objectives
- Determine Appropriate Message Points
- Determine the Strategies
- Identify Specific Marketing Tactics
- Develop Systems for Measurement/Evaluation
- Determine 5-Year Budget
- Review Governance & Structure
- Determine Staffing Needs
- Identify “Buy in” & Approval Process
- Define a process for Annual Update of the Strategic Tourism Plan