

HILLSBOROUGH COUNTY HOTEL & MOTEL ASSOCIATION
TOURISM MARKETING DISTRICT

FY2021
ANNUAL REPORT

OCTOBER 1, 2020 – SEPTEMBER 30, 2021





HILLSBOROUGH COUNTY HOTEL & MOTEL ASSOCIATION
TOURISM MARKETING DISTRICT

Dennis Rogero
Chief Financial Officer
City of Tampa
306 E. Jackson St.
8th Floor
Tampa, FL 33602

SUBJECT: Transmittal of Downtown / Historic Ybor Tourism Marketing Special Benefit District
FY2021 Annual Report - October 1, 2020 – September 30, 2021

DATE: June 1, 2022

Dear Mr. Rogero:

You will find attached the Downtown/Historic Ybor Tourism Marketing Special Benefit District (TMD) Annual Report for the period of October 1, 2020 – September 30, 2021.

Please let our team know if there's any additional information we can provide for your review and/or assessment.

Best regards,



Bob Morrison
Executive Director
Downtown/Historic Ybor Tourism Marketing Special Benefit District

HILLSBOROUGH COUNTY HOTEL & MOTEL ASSOCIATION

TOURISM MARKETING DISTRICT

FY2021 ANNUAL REPORT

PREAMBLE

Pursuant to Sections 170.03 and 170.201, Florida Statutes, and Sections 24.5-8, 24.5-11, and 24.5-12 of the Code of Ordinances of the City of Tampa, the City of Tampa City Council adopted Resolution No. 2020-714 on October 15, 2020, to create the “Downtown/Historic Ybor Tourism Marketing Special Benefit District”.

Section 24.5-6, entitled Management of Funds for the District, directs that each year the Owner’s Association shall submit a report of activities and expenditures to the City.

The following report is submitted to ensure compliance with the Ordinance’s requirements.



HILLSBOROUGH COUNTY HOTEL & MOTEL ASSOCIATION

TOURISM MARKETING DISTRICT

FY2021 ANNUAL REPORT

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Exhibit 1	Visit Tampa Bay: FY22 TMD Strategy
Exhibit 2	FY22 TMD Media Recommendation
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In creation of the first Tourism Marketing District in Florida, the HCHMA has developed and/or identified a number of components to implement the required management structure of the Downtown/Historic Ybor City Tourism Marketing District:

GOVERNANCE STRUCTURE

A HCHMA Board Tourism Marketing Special Benefit District (TMD) Governance Structure has been established to provide a two-step assessment and approval structure. All marketing campaigns and related budgets will require the approval of the TMD Governance Sub-committee. This committee will be empowered to oversee any and all digital marketing campaigns as well as evaluation of any prospective conventions that are eligible for support through the convention concession program.

Governance Sub-committee Membership:

Downtown/Ybor City HCHMA Board Members

Joe Collier	Mainsail Development (Epicurean) Managing Partner HCHMA Past President
Ron McAnagh	Tampa Marriott Water Street / JW Marriott Tampa Water Street, GM HCHMA President

Non-HCHMA Board Members

Larry Collier	The Barrymore Hotel Tampa Riverwalk, GM
Ben Walters	Hampton Inn & Suites – Ybor City, GM
Mike Hurley	Aloft Tampa Downtown, GM
Peter Wright	Hotel Haya, GM

Ex-officio (non-voting)

Pat Ciaccio	HCHMA Secretary/Treasurer
Bob Morrison	HCHMA Executive Director

2022 HCHMA BOARD of DIRECTORS

Ron McAnagh	Tampa Marriott Water Street JW Marriot Tampa Water Street	President
Scott Selvaggi	Sheraton Tampa Brandon Hotel	Vice President
Pat Ciaccio		Secretary / Treasurer
Jim Bartholomay	Renaissance Tampa International Plaza Hotel	Director
Greg Brooks	Sunset Vistas Beachfront Suites	Director
Joe Collier	Mainsail Lodging and Development	Director
Santiago Corrada	Visit Tampa Bay	Director
Todd Kinney	Hyatt House Tampa Airport / Westshore	Director
Randy Kuiken	Hilton Garden Inn Tampa Airport Westshore	Director
Beverly Mogelnicki	Courtyard by Marriott Tampa Westshore / Airport	Director
Peter Wright	Hotel Haya	Director
Bill Giesecking	Tampa Bay Sports Commission	Allied Board Member
Troy Manthey	Yacht Starship	Allied Board Member
Ivy Peterson		Allied Board Member
Gina Thiemann	Florida Destinations	Allied Board Member

PARTICIPATING HOTEL PROPERTIES

1. Aloft Tampa Downtown	100 West Kennedy Blvd. Tampa, FL 33602
2. Embassy Suites Hotel Tampa Downtown Convention Center	513 S. Florida Avenue Tampa, FL 33602
3. Epicurean Hotel	1207 South Howard Tampa, FL 33606
4. Hampton Inn & Suites Ybor	1301 E. 7th Avenue Tampa, FL 33605
5. Hilton Garden Inn Tampa Ybor	1700 E. 9 th Avenue Tampa, FL 33605
6. Hotel Haya	1412 E. 7 th Avenue Tampa, FL 33605
7. JW Marriott Tampa Water Street	510 Water Street Tampa, FL 33602
8. Le Meridien Tampa	601 N. Florida Avenue Tampa, FL 33602
9. Sheraton Tampa Riverwalk Hotel	200 N. Ashley Drive Tampa, FL 33602
10. Tampa Marriott Water Street	700 South Florida Avenue Tampa, FL 33602
11. The Barrymore Hotel Tampa Riverwalk	111 W. Fortune Street Tampa, FL 33602

PROSPECTIVE HOTEL PROPERTIES

1. Hyatt Place & Hyatt House Tampa Downtown	325 N. Florida Avenue Tampa, FL 33602
2. The Floridan Palace Hotel	905 N. Florida Avenue Tampa, FL 33602
3. The Tampa EDITION	1000 Water Street Tampa, FL 33602

TOURISM MARKETING DISTRICT ASSESSMENT ROLL

Updated June 1, 2022

Assessment Rate: \$310.25 per room for FY2023

Total Number of Rooms: 3,382

STATUS	PROPERTY
1. Existing	Aloft Tampa Downtown , 100 West Kennedy Blvd., Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000000-00003.0, Folio No. 193666-0000, 130-unit hotel constructed on 21,648 square feet of land. Owner: Pharos CB Downtown Tampa Investors, LLC.
2. Existing	Epicurean Hotel , 1207 South Howard, Tampa, FL 33606, Parcel ID No. A-26-29-18-98H-000000-00002.0, Folio No. 117665-1204, 137-room hotel constructed on 57,975.00 square feet of land. Owner: MAINSAIL EPICUREAN HOTEL, LLLP.
3. New	Floridan Palace Hotel , 905 N. Florida Ave., Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000016-00003.0, Folio No. 193320-0000, 213-room hotel constructed on 22,050.00 square feet of land. Owner: 905 N FLORIDA AVE PROPERTY OWNER LLC.
4. Existing	Hampton Inn & Suites Ybor , 1301 E. 7th Ave., Tampa, FL 33605, Parcel ID No. A-18-29-19-50N-000028-00005.0, Folio No. 197047-0000, 138-room hotel constructed on 33,950.00 square feet of land. Owner: SUMMIT HOSPITALITY 101 LLC.
5. Existing	Hilton Garden Inn Tampa Ybor , 1700 E. 9th Avenue, Tampa, FL 33605, Parcel ID No. A-18-29-19-50N-000071-00000.0, Folio No. 197266-0000, 95-room hotel constructed on 33,250.00 square feet of land. Owner: IHP TAMPA FL OWNER LLC.
6. Existing	Hotel Haya , 1401 E. 7th Avenue, Tampa, FL 33605, Parcel ID No. A-18-29-19-50N-000035-00005.0, Folio No. 197098-0000, a 178-room hotel constructed on 6,650 square feet of land. Owner: YBOR TRIO LLC.

TOURISM MARKETING DISTRICT ASSESSMENT ROLL (cont.)

Updated June 1, 2022

STATUS	PROPERTY
7. New	Hyatt Place & Hyatt House Tampa Downtown 325 N. Florida Avenue, Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000075-00002.0, Folio No. 193567-0000, 345-room hotel constructed on 44,100.00 square feet of land. Owner: URBAN TAMPA DB HOTEL OWNER LLC.
8. Existing	JW Marriott Tampa Water Street , 613 S. Morgan Street, Tampa, FL 33602 (510 Water Street, Tampa FL 33602), Parcel ID No. A-24-29-18-4ZM-000112-00002.0, Folio No. 193893-0000, a 519-room hotel constructed on 33,193 square feet of land. Owner: WST Block B2 LLC.
9. Existing	Le Meridien Tampa , 601 N. Florida Avenue, Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000047-00001.0, Folio No. 193452-0000, 130-room hotel constructed on 44,100.00 square feet of land. Owner: CITY OF TAMPA (OWNER/LANDLORD).
10. Existing	Sheraton Tampa Riverwalk Hotel , 200 N. Ashley Dr., Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000080-00000.0, Folio No. 193668-0000, 277-room hotel constructed on 93,729.00 square feet of land. Owner: INSITE TAMPA DT LLC.
11. Existing	Tampa Marriott Water Street , 700 South Florida Avenue, Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZM-000000-00049.0, Folio No. 193918-0000, 727-room hotel constructed on 108,021.00 square feet of land. Owner: MWS HOTEL LLC.
12. Existing	The Barrymore Hotel Tampa Riverwalk , 111 W. Fortune St., Tampa, FL 33602, Parcel ID No. A-13-29-18-4YP-000000-0007B.1, Folio No. 192605-0023, 331-room hotel constructed on 167,180.00 square feet of land. Owner: FORTUNE STREET HOTEL LTD.
13. New	The Tampa EDITION, 1001 Water ST., Tampa, FL 33602 , 1001 Water St., Tampa, FL 33602, Parcel ID No. A-19-29-19-B7J-G00000-00001.0, Folio No. 196305-2300, 172-room hotel constructed on 34,493.00 square feet of land. Owner: WST 1001 WATER STREET LLC.

TOURISM MARKETING DISTRICT ASSESSMENT ROLL (cont.)

Updated June 1, 2022

STATUS	PROPERTY
14. Inactive	Courtyard by Marriott Tampa Downtown , 102 East Cass Street, Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000019-00000.0, Folio No. 193333-0000, 141-unit hotel constructed on 24,514.00 square feet of land. Owner: Monarch Tampa LP.
15. Inactive	Embassy Suites Hotel Tampa Downtown Convention Center , 513 South Florida Avenue, Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZM-000107-00008.0, Folio No. 193864-0000, 360-unit hotel constructed on 50,000 square feet of land. Owner: RLJ III EM TAMPA DT, LLC.
16. Inactive	Residence Inn Tampa , 101 East Tyler Street, Tampa, FL 33602, Parcel ID No. A-24-29-18-4ZI-000019-00001.0, Folio No. 193333-0100, 109-room hotel constructed on 20,639.00 square feet of land. Owner: NF III Tampa DT LLC.

OPERATIONAL OR ADMINISTRATIVE ACTIVITIES

In FY2021, the Downtown/Historic Ybor City Tourism Marketing District (TMD) began the process of rebuilding the TMD programmatic infrastructure, after approval of the Amended and Restated Interlocal Agreement between the City of Tampa and the Hillsborough County Tax Collectors Office. In light of the suspension of any assessment collection between March thru December of 2020, the TMD administrative team established a series of communications in the first quarter of FY2021 to prepare the participating properties with the information needed to successfully and uniformly communicate the ordinance differences and process adopted by the Tax Collector's Office to receive the remittal of the monthly assessment invoices under the Special District ordinance which was operational on January 1st of 2021.

For ease of review, the key activities can be captured again this year in four functional areas.

First, the District administrative team dedicated a significant portion of quarter #1 and 2 in aligning both local and regional management offices of the participating hotel properties with the proper internal tracking and reporting protocols. Based upon the variety of financial software in some instances required by the hotel brand, the TMD administratively worked with each property to ensure that monthly reporting was consistent with the Tax Collector's direction.

Second, the TMD ordinance gave the option of assessment fee collection under the Special District's alternative collection method. This methodology was selected to align collection and reporting protocols that hotels had been utilizing currently with the Tax Collector's Office. The Tax Collector's team and the HCHMA worked to determine whether an electronic payment solution could be created to shift from the manual, paper-based process the Tax Collector initially instituted to facilitate the collection timeline desired by the TMD hotels. The HCHMA agreed with the Tax Collector's team that the Collector's office could engage the vendor who created the Collector's software system to allow a solution that could deliver a seamless integration with the existing technology utilized by the Collector's Office.

Third, it was necessary to reengage with the TMD's Tourist Enhancement Services provider, Visit Tampa Bay, to reexamine how to reposition the refreshed introduction of the TMD's brand...the Treasure Collection. In the 3rd and 4th quarter of FY2020, however, in the absence of the assessment dollars that were collected by the Tax Collector's office, transmitted to the city but not distributed to the HCHMA between October of 2019 and March of 2020, the TMD was not in a position to authorize Visit Tampa Bay to engage a digital marketing campaign without the capability to contractually secure the campaign resources needed to meet the preexisting objectives the TMD had established in FY19.

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OPERATIONAL OR ADMINISTRATIVE ACTIVITIES (cont.)

Fourth, the TMD was able, however, to collaborate with Visit Tampa Bay to review and reengage the previously established Convention Concession program. This initiative sought convention opportunities that met certain peak room night and minimum number of hotel requirements. The recommitment to this program meant that the opportunity to maximize convention center use not only was confirmed but was a tool that was in the arsenal of Visit Tampa Bay to seek other business that because of Covid cancellations in other markets around the country were seeking alternative destinations.

TOURISM ENHANCEMENT SERVICES ACTIVITIES

While the capacity of the Downtown/Historic Ybor City Tourism Marketing District (TMD) Tourism Enhancement Services in FY21 was significantly compromised in the face of an unprecedented public health crisis, FY 2021 became a time to renew its focus to a preventive phase...retain current business opportunity...as the pivot to how to restart the local tourist economy was an upfront and critical discussion.

What were the activities that characterized the Tourism Enhancement Services delivered by Visit Tampa Bay in FY 2021?

- **Develop the Key Branding Strategy**
 - The brand Tampa's Treasure Collection was developed to group the TMD properties not as individual hotels but as a collection of properties that are all located in our hip, urban downtown/Ybor City district and it emphasized a sense of exclusivity and high-end properties.
 - The word "treasure" pays tribute to Visit Tampa Bay's tagline "Treasure Awaits" which is our rally cry for all there is to see and do in Tampa Bay
- **Deliver the Creative Strategy**
 - Leverage existing Visit Tampa Bay assets with a focus on Downtown and Ybor activities
 - Increase sense of urgency - update CTA to "book now" message
 - Drive directly to a landing page with links to book
- **Funded Conventions – 2019-2026**
 - 12 Definite Events
 - \$51.6mm EEI

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TOURISM ENHANCEMENT SERVICES ACTIVITIES (cont.)

Visit Tampa Bay understood that its overall focus on securing convention business during the pandemic that could not be held in other destinations in the 3rd and 4th Quarter of FY 21 became a way to drive room nights to the TMD district hotels even in the absence of direct FY 21 TMD funding.

Meanwhile, in the 4th quarter of FY 21, Visit Tampa Bay shifted its energy in anticipation of a partially funded FY 22 campaign...because the TMD lost the 1st quarter of FY 21 because collections did not begin until the 2nd quarter of FY 21. The highlights of the FY 22 strategic planning in the 4th quarter of FY 21 led to the following campaign foundation:

2022 MEDIA PLAN OVERVIEW

- **Objective**
 - Increase room nights and booking revenue for the 10 Treasure Collection hotels by converting active travel intenders

- **Strategy**
 - Extend reach across high potential markets efficiently by focusing on travel intenders at decision time of the booking journey through top OTA and travel data partners
 - Optimize campaign towards driving hotel bookings for the Treasure Collection hotels by targeting travel intenders and searchers to Tampa, competitive destinations, Florida and previous Hillsborough County visitors
 - Geo-targeting focused to East of the Mississippi + Texas to capture travelers in our key feeder markets unless total U.S. is needed to drive volume
 - Partners selected based on premium inventory and historically high ADR

- **Timing: December 2021 – September 2022**
 - Launch 12/23/21 with Adara, layer on Expedia in 1/5/22

- **KPI**
 - Booking room nights, Revenue, Return on Ad Spend (ROAS) - Goal: 4:1

VISIT TAMPA BAY

Performance Overview of FY2020

Projected Vision and Purpose or FY2022

TOURISM MARKETING DISTRICT (TMD)

Performance Overview of FY 2020

Executive Summary:

Visit Tampa Bay (VTB) provides tourism marketing and promotion services (tourism enhancement services) for the Tourism Marketing District (TMD), branded under the name “Tampa’s Treasure Collection.”

The brand Tampa’s Treasure Collection was developed to group the TMD properties not as individual brands or hotels but as a collection of properties that are all located in our hip, urban downtown/Ybor City district and it emphasized a sense of exclusivity and high-end properties. The word “treasure” pays tribute to Visit Tampa Bay’s tagline “Treasure Awaits” which is our rally cry for all there is to see and do in Tampa Bay.

The launch of the campaign “Tampa’s Treasure Collection” has been hugely successful, a fact underlined by actual incremental sales. This report covers a performance overview of FY 20 (October 2019) and the projected digital marketing plan for FY 2022.

VTB was directed to conclude the media contracts early in FY20 due to the challenge of the State’s authority to create the District. We cancelled media in October 2019. The Travelport campaign was non-cancelable, so the campaign ran through completion (November and December 2019) all other invoices were voided.

The messaging, advertisements, and other services focused on destination marketing and attracting visitors from areas at least seventy-five miles from the TMD boundaries. The following information is a recap of successful FY20 destination and marketing promotions programs.

VTB used actual hotel bookings and impressions as the leading measurements for this campaign. Impressions are a media measurement that indicates how many times the advertising campaign message was seen by the target audience. The more impressions increase awareness about the hotel properties and can lead to a conversion from a person learning about the Treasure Collection to making a reservation. The more impressions a campaign has, the more revenue it can achieve.

The short FY20 campaign delivered over 2.6M+ impressions and drove positive booking revenue for the TMD co-op properties. An estimated \$82K+ in booking revenue was received from trackable marketing initiatives in October 2019 thru Adara and Expedia (primary campaign). The smaller Travelport campaign ran November – December 2019 and sourced +629 room nights generating \$62.9K+ in room revenue.

Note: As contractually agreed, Visit Tampa Bay did not accept any funds for any of the efforts or activities put forth on behalf of the TMD.

Fiscal Year 2020 Spending:

1st Quarter (October-December)

Campaign / Advertising Marketing; \$166,998.51

Convention Sales Incentives: \$0

2nd Quarter (January-March)*

Campaign / Advertising Marketing: \$0

Convention Sales Incentives: \$0

3rd Quarter (April-June)*

Campaign / Advertising Marketing: \$0

Convention Sales Incentives: \$0

4th Quarter (July-September)*

Campaign / Advertising Marketing: \$0

Convention Sales Incentives: \$0

*VTB was directed to conclude the media contracts early in FY20 due to the challenge of the authority to create the District.

Projected Vision and Purpose for FY 2022

Executive Summary:

Visit Tampa Bay (VTB) provides tourism marketing and promotion services (tourism enhancement services) for the Tourism Marketing District (TMD), branded under the name "Tampa's Treasure Collection."

VTB has defined the strategy and planning parameters for FY22 as follows:

- Objective: Increase room nights and booking revenue for the 10 Treasure Collection hotels by converting active travel intenders
- Key Performance Indicators (KPIs)
 - Booked nights
 - Booking revenue
 - Return on ad spend (ROAS)
- Timing: October 2021 – September 2022
- TMD Brand Platform: Florida's Most Hotel Hotspots
- Call-to-Action (CTA): TampaTreasureCollection.com

The FY22 strategy will focus on digital display. With digital display we will extend reach across high potential markets efficiently by focusing on travel intenders at decision time of the booking journey through top Online Travel Agent (OTA) and travel data partners.

VTB will optimize the campaign towards driving hotel bookings for the Treasure Collection hotels by targeting travel intenders and searchers to Tampa, competitive destinations, Florida and previous Hillsborough County visitors. VTB will use geo-targeting media focused to East of the Mississippi + Texas to capture travelers in our key feeder markets.

The media partners VTB recommends are Expedia and Sojern. These partners were selected based on premium inventory and historically high average daily rate (ADR). In addition, these partners can provide incremental booking information like booking location, hotel property name and booked ADR. VTB projects a total revenue of \$1M+ for the length of this campaign FY22. The projected revenue is based off a 2.5:1 return on ad spend (ROAS) goal. The campaign will be optimized on an ongoing basis based on return on ad spend (ROAS) performance. As reference, previous TMD campaigns generated return on ad spend (ROAS) of 4:1 to 12:1.

TMD funding for convention concessions has secured 3 conventions in FY22 with a combined estimated event impact of \$7.9 million. During the period of FY22 – FY26, TMD convention concession funding is currently projected to generate \$52.8 million in estimated event impact from 11 citywide conventions.

Funding Usage for Convention Sales Concessions

Tourism Marketing District Funding can be applied towards booking meetings and conventions based on the following criteria:

- Outside of 18 months leads should have a minimum peak night of 1,200 rooms
- Within 18 months of arrival a peak night of 800 rooms will apply
- Leads should affect a minimum of 4 contributing TMD hotels

Exceptions to the above qualifying criteria will be considered with approval by TMD steering committee:

- Booked short term
- Lead fills an identified need date or an existing hole between groups
- Lead falls over holiday, or chronically challenging dates

Additional considerations:

- Funds should only be applied to secure new business
- Visit Tampa Bay must source the lead
- Leads should be otherwise cost prohibitive
- Tourism Marketing District participating hotels shall have first priority on any TMD funded leads

DISTRICT ACCOMPLISHMENTS

- Adoption and Signing by the City of Tampa of the Amended and Restated Interlocal Agreement between the City of Tampa and the Hillsborough County Tax Collector for Collection of the Downtown / Historic Ybor Tourism Marketing District
- Adoption and Execution of the Amended and Revised Ordinance that created the modified Downtown/Historic Ybor Tourism Marketing District as a Special District under Florida law and the City of Tampa Charter
- Official Launch of the revised Downtown/Historic Ybor Tourism Marketing District with ten participating hotels
- Coordination with Hillsborough County Tax Collector's Office of collection process for Special District using the Alternative Method to facilitate a collection process which aligned with existing hotel processes.
- Renewal of TMD Convention Concession Program to confirm commitment to 12 definite events with an economic Impact of over \$51.5M between 2019 – 2026
- Alignment of Participating Properties Accounting Processes to reflect Assessment Guidelines connected to City of Tampa Special District Revised Ordinance and Interlocal Agreement
- Establishment of Digital Marketing Campaign Objectives and Media Plan for FY 2022

ANY REQUESTED INCREASE TO SPECIAL ASSESSMENT RATE

There is a requested increase in the FY 2023 Downtown/Historic Ybor City Tourism Marketing Budget. The budget for assessment purposes will be expanded to \$1,049,266 for the fiscal year because of the addition of three new participating properties in FY 2023.

TMD NEW HOTEL ADDITION(S)

Consistent with current Ordinance, the Association has the capacity to request the City to add additional hotel properties within the boundaries of the Downtown/Historic Ybor City Tourism Marketing District.

The property owners of the Hyatt House Hyatt Place, the Floridan Palace and the Edition have signaled their interest in becoming participating members in the District.

TMD – STATEMENT OF FINANCIAL POSITION

TMD Statement of Financial Position
 As of September 30, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Checking Account	150,450.00
Reserve Account	62.77
Total Bank Accounts	\$150,512.77
Other Current Assets	
Assessments Receivable	711,078.64
Uncategorized Asset	0.00
Total Other Current Assets	\$711,078.64
Total Current Assets	\$861,591.41
TOTAL ASSETS	\$861,591.41
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	11,361.70
Total Accounts Payable	\$11,361.70
Other Current Liabilities	
Accrued expenses	19,530.62
Due To HCHMA	0.00
Due To Visit Tampa Bay	0.00
Total Other Current Liabilities	\$19,530.62
Total Current Liabilities	\$30,892.32
Total Liabilities	\$30,892.32
Equity	
Retained Earnings	473,671.11
Net Income	357,027.98
Total Equity	\$830,699.09
TOTAL LIABILITIES AND EQUITY	\$861,591.41

TMD – STATEMENT OF REVENUE AND EXPENSES

For the period of October 1, 2020 – September 30, 2021

	<u>Budget</u>	<u>Actual</u>
REVENUE		
TMD Revenue	660,000.00	532,686.61
Interest	0.00	0.10
Total Tourism Marketing District Revenue	660,000.00	532,686.71
TMD EXPENSES		
<u>Agreement Mandated Support Costs</u>		
GrayRobinson (Tri-Party Agreement Litigation Costs)	175,000.00	75,170.81
City of Tampa Administrative Fee	7,650.00	5,273.59
Tax Collector Administrative Fee	7,650.00	5,326.87
Total for Agreement Mandated Support Costs	190,300.00	85,771.27
<u>Contractors</u>		
Total for Administrative Assistant Services	13,500.00	13,500.00
Total for Executive Director Services	36,000.00	40,850.00
Total for Contractors	49,500.00	54,350.00
<u>Legal & Professional Services</u>		
GrayRobinson TMD Legal Advisory Services	7,000.00	5,361.70
Miscellaneous Legal & Professional Expenses	20,000.00	2,500.00
Frazier & Deeter	20,000.00	6,000.00
Total for Legal & Professional Services	47,000.00	13,861.70
<u>Office/General Administrative Expenses</u>		
Bank Charges & Fees	0.00	1,049.25
General Administrative Expense - QuickBooks	0.00	425.00
Miscellaneous Office/General Administrative Expenses	0.00	201.51
Total Office/General Administrative Expenses	1,000.00	1,675.76
<u>TMD Tourism Enhancement Services</u>		
TMD Tourism Enhancement Services - Digital Marketing	275,000.00	0.00
Concession / Convention Center Buy-Down	95,000.00	20,000.00
Total for TMD Tourism Enhancement Services	370,000.00	20,000.00
Total for Expenses	657,800.00	175,658.73
Net Income	2,200.00	357,027.98

Accrual Basis

TOURISM MARKETING DISTRICT FY2022 BUDGET

For the period of October 1, 2021 – September 30, 2022

	<u>Budget</u>	<u>Actual</u>
REVENUE		
TMD Revenue	880,000.00	0.00
Interest	0.00	0.00
Total Tourism Marketing District Revenue	880,000.00	0.00
TMD EXPENSES		
<u>Agreement Mandated Support Costs</u>		
GrayRobinson (Tri-Party Agreement Litigation Costs)	0.00	0.00
City of Tampa Administrative Fee	10,200.00	0.00
Tax Collector Administrative Fee	10,200.00	0.00
Total for Agreement Mandated Support Costs	20,400.00	0.00
<u>Contractors</u>		
Total for Administrative Assistant Services	18,000.00	0.00
Total for Executive Director Services	48,000.00	0.00
Total for Contractors	66,000.00	0.00
<u>Legal & Professional Services</u>		
GrayRobinson TMD Legal Advisory Services	60,000.00	0.00
Miscellaneous Legal & Professional Services	20,000.00	0.00
Frazier & Deeter	10,000.00	0.00
Total for Legal & Professional Services	90,000.00	0.00
<u>Office/General Administrative Expenses</u>		
Bank Charges & Fees	700.00	0.00
General Administrative Expense - QuickBooks	500.00	0.00
Miscellaneous Office/General Administrative Expenses	500.00	0.00
Total Office/General Administrative Expenses	1,700.00	0.00
<u>TMD Tourism Enhancement Services</u>		
TMD Tourism Enhancement Services - Digital Marketing	550,000.00	0.00
Concession / Convention Center Buy-Down	150,000.00	0.00
Total for TMD Tourism Enhancement Services	700,000.00	0.00
Total for Expenses	878,100.00	0.00
Net Income	1,900.00	0.00

TOURISM MARKETING DISTRICT FY2023 PROPOSED BUDGET

For the period of October 1, 2022 – September 30, 2023

	<u>Budget</u>	<u>Actual</u>
REVENUE		
TMD Revenue	1,049,266.00	0.00
Interest	0.00	0.00
Total Tourism Marketing District Revenue	1,049,266.00	0.00
TMD EXPENSES		
<u>Agreement Mandated Support Costs</u>		
GrayRobinson (Tri-Party Agreement Litigation Costs)	0.00	0.00
City of Tampa Administrative Fee	10,493.00	0.00
Tax Collector Administrative Fee	10,493.00	0.00
Total for Agreement Mandated Support Costs	20,986.00	0.00
<u>Contractors</u>		
Total for Administrative Assistant Services	18,000.00	0.00
Total for Executive Director Services	48,000.00	0.00
Total for Contractors	66,000.00	0.00
<u>Legal & Professional Services</u>		
GrayRobinson TMD Legal Advisory Services	60,000.00	0.00
Miscellaneous Legal & Professional Services	20,000.00	0.00
Frazier & Deeter	10,000.00	0.00
Total for Legal & Professional Services	90,000.00	0.00
<u>Office/General Administrative Expenses</u>		
Bank Charges & Fees	700.00	0.00
General Administrative Expense - QuickBooks	500.00	0.00
Miscellaneous Office/General Administrative Expenses	500.00	0.00
Total Office/General Administrative Expenses	1,700.00	0.00
<u>TMD Tourism Enhancement Services</u>		
TMD Tourism Enhancement Services - Digital Marketing	650,000.00	0.00
Concession / Convention Center Buy-Down	200,000.00	0.00
Total for TMD Tourism Enhancement Services	850,000.00	0.00
Total for Expenses	1,028,686.00	0.00
Net Income	20,580.00	0.00

Accrual Basis

EXHIBIT 1

**VISIT TAMPA BAY
FY22 TMD Strategy**




FY22 TMD Strategy

1

Planning Parameters

- Objective
 - Increase room nights and booking revenue for the 10 Treasure Collection hotels by converting active travel intenders
- KPI
 - Booking nights, Revenue, Return on ad spend (ROAS)
- Timing
 - October 2021 – September 2022
- TMD Brand Platform
 - Florida's Most Hotel Hotspots
- CTA to TampaTreasureCollection.com
- Planning Budget: \$500k
 - \$425k – Digital display
 - \$50k – Reserve for special opportunity
 - \$25k – Creative development



2

Strategy – Digital Display

- Extend reach across high potential markets efficiently by focusing on travel intenders at decision time of the booking journey through top OTA and travel data partners
- Optimize campaign towards driving hotel bookings for the Treasure Collection hotels by targeting travel intenders and searchers to Tampa, competitive destinations, Florida and previous Hillsborough County visitors
- Geo-targeting focused to East of the Mississippi + Texas to capture travelers in our key feeder markets
- Partners selected based on premium inventory and historically high ADR

Recommended Media Partners



3

3

Projected Revenue

- Total media investment: \$425k
- Total projected revenue: \$1M+
 - Projected revenue is based off a 2.5:1 return on ad spend (ROAS) goal
 - Campaign to be optimized on an ongoing basis based on return on ad spend (ROAS) performance
 - Previous TMD campaigns generated return on ad spend (ROAS) of 4:1 to 12:1



TREASURE COLLECTION

4

4

Creative Examples

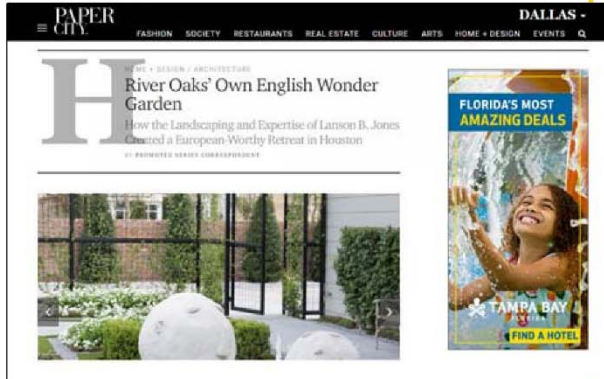
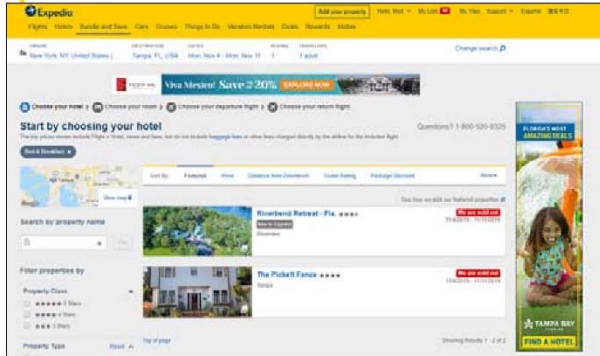


EXHIBIT 2

**VISIT TAMPA BAY
FY22 TMD Media Recommendation**

FY22 TMD Media Recommendation



1

Planning Parameters

- Objective
 - Increase room nights and booking revenue for the 10 Treasure Collection hotels by converting active travel intenders
- KPI
 - Booking nights, Revenue, Return on ad spend (ROAS)
- Timing
 - October 2021 – September 2022
- TMD Brand Platform
 - Florida's Most
 - www.TampaTreasureCollection.com
- FKQ Planning Budget: \$500k
 - \$400k – Digital display
 - \$50k – Reserve for special opportunity
 - \$50k – Creative development



2

2

Strategy – Digital Display

- Extend reach across high potential markets efficiently by focusing on travel intenders at decision time of the booking journey through top OTA and travel data partners
- Optimize campaign towards driving hotel bookings for the Treasure Collection hotels by targeting travel intenders and searchers to Tampa, competitive destinations, Florida and previous Hillsborough County visitors
- Geo-targeting focused to East of the Mississippi + Texas to capture travelers in our key feeder markets unless total U.S. is needed to drive volume
- Partners selected based on premium inventory and historically high ADR

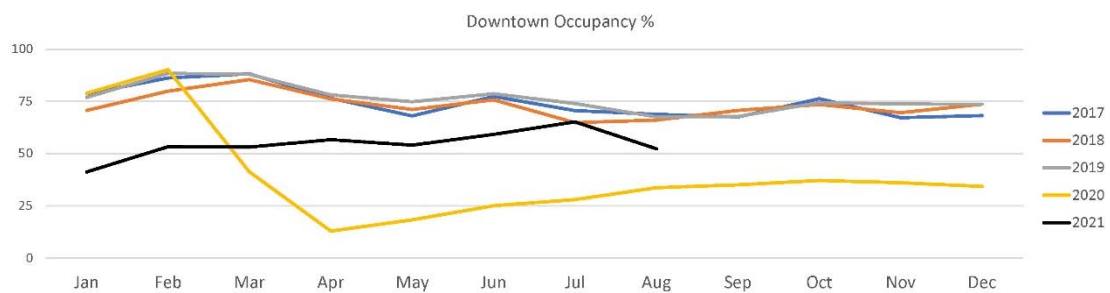
Recommended Media Partners



3

3

Seasonality



- Historic need periods, in order of priority: July-September; April-June; October-December, January-March
- High occupancy periods need to focus on weekday bookings and future months

Source: STR August 2021 Report, Downtown+

4

4

Media Plan –Flighting Strategy

Digital: \$ 500,000													Total Year
Media Plan	Oct21	Nov21	Dec21	Jan22	Feb22	Mar22	Apr22	May22	Jun22	Jul22	Aug22	Sep22	Total Year
Expedia	\$ -	\$ 26,450	\$ 26,450	\$ 11,500	\$ 11,500	\$ 11,500	\$ 33,350	\$ 33,350	\$ 33,350	\$ 34,500	\$ 34,500	\$ 34,500	\$ 290,950
Adara	\$ -	\$ 11,500	\$ 11,500	\$ -	\$ -	\$ -	\$ 12,650	\$ 12,650	\$ 12,650	\$ 16,033	\$ 16,033	\$ 16,033	\$ 109,050
Reserve (TBD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Media Subtotal:	\$ -	\$ 37,950	\$ 37,950	\$ 11,500	\$ 11,500	\$ 11,500	\$ 96,000	\$ 46,000	\$ 46,000	\$ 50,533	\$ 50,533	\$ 50,533	\$ 450,000
FKQ Creative	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total Cost:	\$ -	\$ 72,950	\$ 37,950	\$ 11,500	\$ 11,500	\$ 11,500	\$ 111,000	\$ 46,000	\$ 46,000	\$ 50,533	\$ 50,533	\$ 50,533	\$ 500,000

Maximize bookings for need periods:

Oct21-Dec21

Focus on booking through January 22

Jan22-Mar22

Travel Month February, March + Trip Type IS NOT Weekend
OR
Travel Month is April-September

Apr22-June22

Current and future bookings

Jul22-Sep22

Current and future bookings



5

5

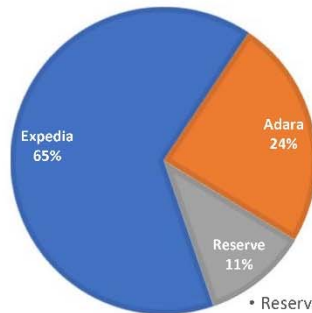
Media Plan – Allocation

Working Media Budget: \$450k

BUDGET ALLOCATION



- Historically, strongest partner ROAS
- 2018: 11, 2019: 18
- Among OTAs, tends to carry higher ADRs



- Historically, strongest non-OTA ROAS
- 2018: 6; 2019: 3
- Builds on premium, Treasure Collection brand
- Encourages direct bookings, tends to be higher ADR compared to OTAs

- Reserve for special opportunities, such as sport playoff support in competing markets

6

6

Media Plan - Expedia



- Drive strong booking volume, and deliver high ROAS with Expedia's 1st party real-time travel behavior data across key sites within their portfolio
 - Primary focus on Expedia.com and Hotels.com; extension into Travelocity.com and Orbitz.com for November and December only due to limited inventory. If performance on these placements outperform others, will shift funds to support into 2022
- Units: Display banners, including native marquee card
- Targeting: Current/Previous Shoppers for Tampa, St. Pete/Clearwater, Orlando Daytona, Ft. Lauderdale, Miami, Fort Myers or Sarasota; layered with (shifts based on season/need)
 - U.S. or Geo East of MS + TX + FL
 - Specific to travel month or travel day of week
- Landing Page: Customized landing page onsite that exclusively features only the Treasure Collection properties
- Total est. impressions: 9.7M

7

7

Media Plan - Adara

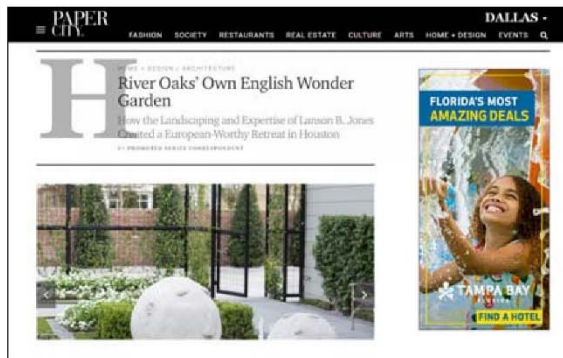
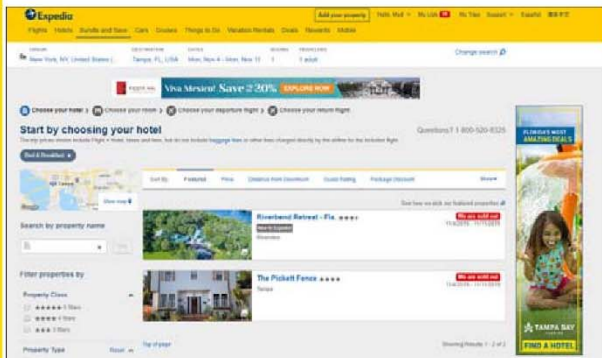


- Leverage Adara's data to position the Treasure Collection brand in front of potential hotel bookers, running across a variety of consumer sites
 - Adara's data consortium captures real time shopping and booking behavior from the world's leading travel suppliers, with over 300 brands (exclusive data partner with Marriott, United, American) and has success in driving new and incremental business
- Units: Display banners
- Targeting: Intenders to downtown Tampa area - high hotel consideration to drive bookings to ten (10) specific participation properties; high value leisure travelers to TPA/SW Florida, 3+ nights competitive conquering
- Reporting: Customized, total report across measured properties (6 of the 10) for enriched data
 - Option to add Adara pixel to the 4 unmeasured properties (*Barrymore, Hilton Garden Inn Ybor, Hampton Inn & Suites Tampa/Ybor, Sheraton Tampa Riverwalk*)
- Landing Page: www.TampaTreasureCollection.com
- Total est. impressions: 11.0M
 - Added Value: 10% Impressions (1M, Value \$9k) and Customize Report (Value \$15k)

8

8

Digital Placement Examples



9

Projected Revenue

- Total working digital media investment: \$400k
 - Does not include \$50k reserve media budget
- Total projected revenue: \$1.6M+
 - Projected revenue is based off a 4:1 return on ad spend (ROAS) goal
 - Updated to reflect heavier spend on Expedia and revised attribution data from Adara (enriched, specific to the collective total of the tracked properties – 6 of the 10)
 - Campaign to be optimized on an ongoing basis based on return on ad spend (ROAS) performance
 - Previous TMD campaigns generated return on ad spend (ROAS) of 4:1 to 12:1



10

10

Reporting Methodology

- Estimated hotel bookings and revenue as follows:
 - Expedia
 - Reported by Expedia, monthly
 - Based on Expedia site bookings within their platform post exposure to the TMD campaign on the Expedia site campaigns
 - Adara
 - Reported by Adara, monthly
 - Based on bookings for those hotel properties with Adara pixels (6 of the 10), post exposure to the TMD campaign on the Adara buy
 - Option to add Adara pixel to the 4 unmeasured properties (*Barrymore, Hilton Garden Inn Ybor, Hampton Inn & Suites Tampa/Ybor, Sheraton Tampa Riverwalk*)
 - Adara to report as collective, not property specific, with a custom-built model of estimated 'enriched' data to estimate room night and ADR levels in aggregate

11

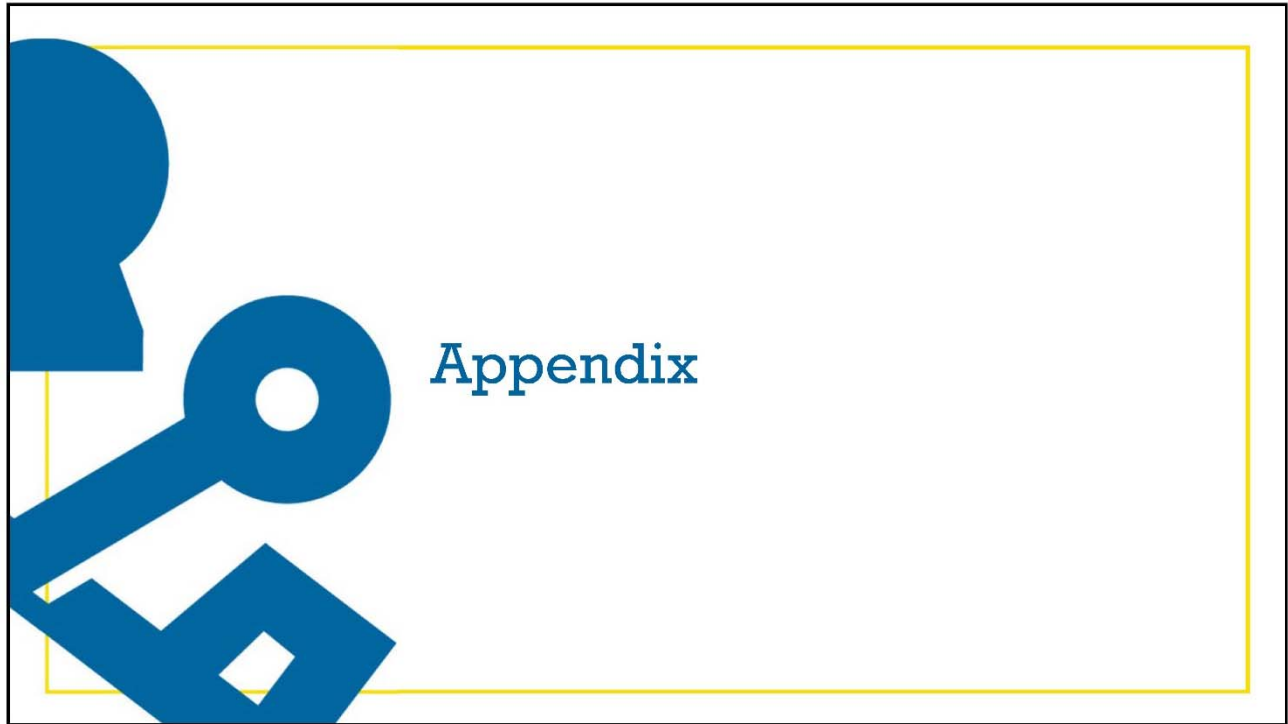
11

Next Steps

- 10/20: VTB to provide feedback
- TBD: Present to TMD Committee for approval
- 10/21: FKQ to provide Media Authorizations for placement approval
- ASAP: FKQ to secure media
- W/O 10/25: FKQ to send creative
- W/O 11/1: Launch campaign

12

12



13

Property List (10)

- JW Marriott Tampa Water Street
- Tampa Marriott Water Street
- Le Meridien Tampa
- Aloft Tampa Downtown
- Epicurean Hotel, Autograph Collection
- Hotel Haya
- The Barrymore Hotel Tampa Riverwalk
- Hilton Garden Inn Tampa Ybor Historic District
- Hampton Inn & Suites Tampa/Ybor City/Downtown
- Sheraton Tampa Riverwalk

14

EXHIBIT 3

FISHKIND LITIGATION SERVICES

**Special Assessment Methodology Report Downtown/Historic Ybor
Tampa Tourism Marketing District**

EXHIBIT "A"

**SPECIAL ASSESSMENT
METHODOLOGY REPORT
CITY OF TAMPA
DOWNTOWN/HISTORIC YBOR
TAMPA TOURISM MARKETING
DISTRICT**

Updated October 1, 2020

Prepared for

Hillsborough County Hotel & Motel Association

Prepared by

Fishkind Litigation Services, Inc.
12051 Corporate Boulevard
Orlando, Florida 32817
407-382-3246
Fishkindlitagionservices.com

**Special Assessment Methodology Report
Downtown/Historic Ybor
Tampa Tourism Marketing District**

1.0 Background

The City of Tampa established the Downtown/Historic Ybor Tampa Tourism Marketing District via Ordinance 2017-42 which amended the City Charter to include a new Chapter 24.5. Section 24.5-7 describes the services (“Services”)¹ the District provides including: destination marketing, promotional activities, and advertising to maximize incremental room nights for the assessed tourism properties in the District. According to Section 24.5-8, District Services are funded from the proceeds of special assessments levied on the lots or parcels of land in the District benefited by the Services. The District imposes its special assessments by adopting a District Assessment Resolution under Section 24.5-13, following a public hearing as specified in Section 24.5-9.

Table 1 lists the hotels in the District constituting the lots or parcels of land in the District that benefit from the Services. The benefits of the Services and the lots or parcels that receive special benefit from the Services is fully discussed later in this report. There are 11 hotels comprising 3,022 rooms.

The Hillsborough County Hotel & Motel Association (“HCHMA”) commissioned this report (“Report”) to provide the data and analysis required under Section 24.5-9, the “Proceedings”, to impose special assessments to pay for the District’s Services. The Report discusses: (1) the Services to be funded from the assessments; (2) costs of the Services; (3) allocation of the Service costs among the benefiting properties (“Properties”); (4) the special benefits to the Properties provided by the Services; (5) analysis of the equitable nature of the allocation of Service costs; and (6) the assessment roll.

¹ Services are defined in the Ordinance in Section 24.5-2.

Table 1. Hotels Benefiting from the District’s Services

Hotel Name	# Rooms	Address
Aloft Tampa Downtown	130	100 West Kennedy Blvd., Tampa, FL 33602
Embassy Suites Hotel Tampa Downtown Convention Center	360	513 South Florida Avenue, Tampa, FL 33602
Epicuren Hotel	137	1207 South Howard, Tampa, FL 33606
Hampton Inn & Suites, Ybor	138	1301 East 7th Avenue, Tampa, FL 33605
Hilton Garden Inn Tampa Ybor	95	1700 East 9th Avenue, Tampa, FL 33605
Le Meridien Tampa	130	601 North Florida Avenue, Tampa, FL 33602
Marriott Tampa Waterside Hotel & Marina	727	700 South Florida Avenue, Tampa, FL 33602
Sheraton Tampa Riverwalk Hotel	277	200 North Ashley, Tampa, FL 33602
The Barrymore Hotel Tampa Riverwalk	331	111 West Fortune Street, Tampa, FL 33602
JW Marriott Tampa Water Street	519	613 S. Morgan Street, Tampa, FL 33602
Hotel Haya	178	1401 E. 7th Avenue, Tampa, FL 33605
	=====	
	3,022	

2.0 The Legal and Economic Requirements for Valid Special Assessments in Florida

2.1 Requirements for Valid Special Assessment

Non ad valorem special assessments are defined in Chapter 197.3632((1)(d) “as only those assessments which are not based upon millage and which can become a lien against a homestead as permitted in s. 4, Art. X of the State Constitution.” Although both property taxes and special assessments are compulsory levies on property, special assessments are distinguished from property taxes because special assessments must provide a special benefit to the assessed property.² In addition, unlike taxes, with special assessments there must be a connection between the governmental expense funded through the assessment revenues and the properties being assessed.³

² van Assenderp, Keza et al., “Dispelling the Myths: Florida 's Non-Ad Valorem Special Assessments Law”, Florida State University Law Review, Volume 20, Issue 3, page 831.

³ City of Boca Raton, v. State, 595 So.2d 25 (Fla 1992)

Valid special assessments under Florida law require two things. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments that exceeds the burden of the debt placed upon them. Second, the assessments must be fairly and reasonably allocated to the properties being assessed in proportion to the benefits they will receive.⁴

If these two characteristics of valid special assessments are adhered to, Florida law provides wide latitude to legislative bodies, like the City of Tampa, in approving special assessments. Indeed, Florida courts have found that mathematical precision is probably impossible, but if reasonable people disagree the assessment will be upheld. Only if the City was to act in an arbitrary, capricious or grossly unfair fashion would its assessment method be overturned.

One of the leading cases concerning special assessments is *City of Winter Springs v. State of Florida*.⁵ A number of aspects of the Supreme Court's decision bear on the special assessments contemplated here. First, concerning the special benefits the Court noted, "If reasonable persons may differ as to whether the land assessed was benefitted by the local improvement, the findings of the city officials must be sustained." Second, the Court stated that "... though a court may recognize valid alternative methods of apportionment, so long as the legislative determination by the City is not arbitrary, a court should not substitute its judgment for that of the local legislative body."

2.2 The Special Benefit Requirement

The Florida Supreme Court has provided clear guidance concerning what constitutes a special benefit in *Lake County v. Water Oak Management*.⁶ "In evaluating whether a special benefit is conferred to property by the services for which the assessment is imposed, the test is not whether the services confer a "unique" benefit or are different in type or degree from the benefit provided to the community as a whole; rather, the test is whether there is a "logical relationship" between the services provided and the benefit to real property. *Whisnant v. Stringfellow*, 50 So.2d 885 (Fla.1951); *Crowder v. Phillips*, 146 Fla. 440, 1 So.2d 629 (1941)(on rehearing).... It is not necessary that the benefits be direct or immediate, but they must be substantial, certain, and capable of being realized within a reasonable time."

⁴ *City of Winter Springs v. State*, 776 So.2d 255 (Fla 2003) and *City of Boca Raton, v. State*, 595 So.2d 25 (Fla 1992)

⁵ *City of Winter Springs v. State*, 776 So.2d 255 (Fla 2003)

⁶ *Lake County v. Water Oak Management*, 695 So. 2nd 667 (Fla. 1997)

Special benefits can be measured by: (a) an increase in market value of the property, (b) lower insurance rates, or (c) added use and enjoyment of the property.⁷

2.3 Special Benefits and General Benefits

The provision of the Services will create both: (1) special benefits to the Properties and (2) general benefits to other properties in the City and surrounding Hillsborough County. However, as discussed below, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to the Properties.

The provision of the Services confers special benefits in the Properties by increasing their market values. As discussed below, the Services increase the number of rooms nights sold by the Properties. This boosts their gross revenue and net profit thereby increasing the market value of the Properties.

There is no doubt that the general public, and other property owners in the City and in Hillsborough County are benefitted by the Services. However, these benefits are incidental. Other properties are not directly benefitted by the direct promotion and advertising supported by the Services. Instead, they receive indirect benefits if they receive any at all.

2.3 Equitable Apportionment Requirement

As noted above the Florida Supreme Court found that the precise manner used to apportion the costs are immaterial so long as the amount of the assessment is not in excess of the proportional benefits as compared to other assessments on other properties. Governments have used a wide variety of apportionment methods including front feet, property value, equivalent units, and trip rates.

3.0 Analysis of the Special Assessments Imposed by the District to Fund Provision of its Services

3.1 Analysis of the Services

As summarized above, the District is authorized to provide certain tourism marketing and promotional services pursuant to the authority granted in Section 24.5-7 reproduced for convenience below (emphasis added herein).

⁷ Van Assenderp, Op. Cit., page 861 and Indian Creek Country Club v. Indian Creek Village, 3rd DCA (Fla 2017)

The services to be provided within the District shall consist of any destination marketing or promotion related activities, advertisements, or services to promote and advertise tourism and the availability of accommodations, so long as the message and focus of the activities, advertisements or services is targeted primarily to attract customers from areas at least seventy-five (75) miles distant from the boundaries of the District.

These Services are defined Section 24.5-2 as follows (emphasis added herein).

"Services" means marketing and promotions which will enhance tourism to be funded from the proceeds of the assessment. Services shall be designed to maximize incremental room nights for the assessed tourism properties. Services shall not include any capital improvements including but not limited to: the acquisition, construction, installation or maintenance of any tangible public property, including parking facilities, parks, planting areas, fountains, benches, booths, kiosks, display cases, pedestrian shelters, signs, trash receptacles, public restrooms, ramps, sidewalks, plazas, pedestrian malls, lighting and heating of public facilities; and the closing, opening, widening, or narrowing of existing or new streets.

The District's annual report for FY2019 documented the range of Services provided.⁸ The District conducted an extensive digital marketing campaign in both the winter and summer seasons. The campaigns generated over 52 million impressions resulting in over \$5,000,000 of incremental room night revenue from trackable reservations at the Properties. The return on investment was in excess of 10:1. The District also promoted meetings at events in the Properties resulting in nearly 100 leads that produced two additional conferences. The District also promoted the NHL Playoffs held in Tampa along with other destination marketing initiatives.

3.2 Cost of the Services Proposed for Fiscal 2020-21

For FY2020-21 the District has proposed a budget of \$888,823. Preliminary plans indicate that these funds would again be focused on digital marketing and destination promotional activities similar to last year's efforts.

⁸ "Tampa Bay Florida FY2019 TMD Report"

3.3 Special Benefits to the Properties from the Services

The special benefits to the Properties from the Services was empirically demonstrated last year. As noted above in Section 3.1, the Services generated over \$5,000,000 in directly attributable, incremental, room night revenues for the Properties last year exclusively from the District's digital marketing campaign. The total incremental impact of the complete compliment of Services on room nights will certainly be far higher. Even so, the documented \$5,000,000 in incremental room night revenues will increase the market sale of the Properties far in excess of the assessments that funded the Services.

Incremental room night revenue of \$5,000,000 is meaningful for the Properties. According to data from STR, the authoritative source for the hospitality industry, the Properties generated total revenue of \$159,541,943 in 2019.⁹ The \$5,000,000 incremental contribution increased total revenues by 3.2%.

The hotel industry has high fixed costs and relatively low variable costs.¹⁰ In general, the fixed costs as a percentage of revenue is generally higher than 60% for most hospitality-based operations and variable costs are 40% or less. Thus, a \$5,000,000 increase in incremental room revenue will translate into at least \$3,000,000 in increased profit.

The market value of a hotel property is generally estimated by the properties net operating income divided by a capitalization rate ("Cap Rate"). CBRE's latest survey of Cap Rates indicates an 8% Cap Rate for all hotels.¹¹ Based on these metrics, the Services increased the market value of the Properties by at least \$62,500,000 (\$5,000,000 / 8%).

3.4 Allocation of the Service Costs among the Properties

There are a variety of potentially equitable methods to allocate the cost of the Services among the Properties. Considering that the special benefit of the Services is the incremental room night revenue resulting from the Services, the two most logical alternatives would be: (a) the

⁹ STR, "STR Trend Report"

¹⁰ Stringman, et al. (2015), [A Profile of the Hospitality Industry](#), BEP: New York, Chapter 2. Wood, Roy (2013), [Key Concepts in Hospitality Management](#), Sage: New York, pages 56-68 <https://businessecon.org/2015/07/07/hospitality-industry-characterized-by-high-fixed-costs/>

¹¹ CBRE (January 2020), "U.S. Cap Rate Survey" <http://cbre.vo.llnwd.net/grgservices/secure/H2%202019%20US%20Cap%20Rate%20Survey%20Advance%20Review.pdf?e=1582906332&h=a561562f9e77cfd73232d27b171ff0ba>

number of rooms or (b) the market value of the Properties. Each method was carefully considered.

Allocation based on the number of rooms is recommended as most equitable and proportionate to the special benefit for the following reasons. First, incremental room night revenue is first a function of the number of available rooms. Second, comparing data for: (a) the actual incremental room night revenues generated per hotel room from Expedia to (b) the average incremental room night revenue for the Properties as a whole demonstrated that there was little difference. In other words, the average incremental room night revenue for the entire group of properties was reasonably representative of the Expedia data for each of the individual hotels.

4.0 Assessment Roll

Based on the proposed budget of \$888,823 for FY2020-21 the number of rooms per hotel property, Table 2 presents the assessment roll.

Table 2. District Assessment Roll for FY2020-21

Parcel ID Number	Hotel Name	Rooms	Assessment
A-24-29-18-4ZI-000000-00003.0	Aloft Tampa Downtown	130	\$38,235
A-24-29-18-4ZM-000107-00008.0	Embassy Suites Hotel Tampa Downtown Convention Center	360	\$105,882
A-26-29-18-98H-000000-00002.0	Epicuren Hotel	137	\$40,294
A-18-29-19-50N-000028-00005.0	Hampton Inn & Suites, Ybor	138	\$40,588
A-18-29-19-50N-000071-00000.0	Hilton Garden Inn Tampa Ybor	95	\$27,941
A-24-29-18-4ZI-000047-00001.0	Le Meridien Tampa	130	\$38,235
A-24-29-18-4ZM-000000-00049.0	Marriott Tampa Waterside Hotel & Marina	727	\$213,823
A-24-29-18-4ZI-000080-00000.0	Sheraton Tampa Riverwalk Hotel	277	\$81,471
A-13-29-18-4YP-000000-0007B.1	The Barrymore Hotel Tampa Riverwalk	331	\$97,353
A-24-29-18-4ZM-000112-00002.0	JW Marriott Tampa Water Street	519	\$152,647
A-18-29-19-50N-000035-00005.0	Hotel Haya	178	\$52,353
		=====	=====
		3,022	\$888,823

EXHIBIT 4

**FRAZIER & DEETER
City of Tampa Downtown/Historic Ybor
Tourism Marketing District**

Compiled Financial Statements

**CITY OF TAMPA DOWNTOWN/HISTORIC YBOR
TOURISM MARKETING DISTRICT**

COMPILED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

CITY OF TAMPA DOWNTOWN/HISTORIC YBOR TOURISM MARKETING DISTRICT

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September 30, 2021

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Statement of Revenue and Expenses - Budget and Actual	4



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Tampa, Florida 33602
813.559.6400
www.frazierdeeter.com

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Hillsborough Hotel & Motel Association, Inc.
as Owners' Association for the
City of Tampa Downtown/Historic Ybor Tourism Marketing District
Tampa, Florida

Management is responsible for the accompanying financial statements of City of Tampa Downtown/Historic Ybor Tourism Marketing District (the "District"), which comprise the balance sheet as of September 30, 2021, and the related statement of revenues, expenses, and changes in fund balances, and the statement of revenues and expenses - budget and actual for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

May 31, 2022

Frazier & Deeter, LLC

**CITY OF TAMPA DOWNTOWN/HISTORIC YBOR TOURISM
MARKETING DISTRICT**

Balance Sheet

September 30, 2021

Assets

Assets:

Cash	\$	150,513
Assessments receivable		<u>871,978</u>
Total Assets	\$	<u><u>1,022,491</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$	11,362
Accrued liabilities		<u>19,531</u>
Total liabilities		30,893
Fund Balance		<u>991,598</u>
Total Liabilities and Fund Balance	\$	<u><u>1,022,491</u></u>

See independent accountant's compilation report.

**CITY OF TAMPA DOWNTOWN/HISTORIC YBOR TOURISM
MARKETING DISTRICT**

Statement of Revenues, Expenses, and Changes in Fund Balance

For the Year Ended September 30, 2021

Revenue	\$ 695,211
Expenses:	
Tri-party agreement litigation costs	75,171
City of Tampa administrative fees	5,274
Tax Collector administrative fees	6,952
Administrative assistant services	13,500
Executive director services	40,850
Legal and professional services	13,862
Bank charges and fees	1,049
General administrative expenses	626
Tourism enhancement services	<u>20,000</u>
Total expenses	<u>177,284</u>
Changes in Fund Balance	517,927
Fund Balance - September 30, 2020	<u>473,671</u>
Fund Balance - September 30, 2021	<u><u>\$ 991,598</u></u>

See independent accountant's compilation report.

CITY OF TAMPA DOWNTOWN/HISTORIC YBOR TOURISM MARKETING DISTRICT

Statement of Revenues, Expenses - Budget and Actual

For the Year Ended September 30, 2021

	<i>Budgeted Amount</i>	<i>Actual Amount</i>	<i>Variance From Budget</i>
Revenue	\$ 660,000	\$ 695,211	\$ 35,211
Expenses:			
Tri-party agreement litigation costs	175,000	75,171	(99,829)
City of Tampa administrative fees	7,650	5,274	(2,376)
Tax collector administrative fees	7,650	6,952	(698)
Administrative assistant services	13,500	13,500	-
Executive director services	36,000	40,850	4,850
Legal and professional services	47,000	13,862	(33,138)
Bank charges and fees	1,000	1,049	49
General administrative expenses	-	626	626
Tourism enhancement services	<u>370,000</u>	<u>20,000</u>	<u>(350,000)</u>
Total expenses	<u>657,800</u>	<u>177,284</u>	<u>(480,516)</u>
Changes in Fund Balance	<u>\$ 2,200</u>	<u>\$ 517,927</u>	<u>\$ 515,727</u>

See independent accountant's compilation report.

Hillsborough County Hotel & Motel Association

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