

**REVISED ITEM #128(2)**  
**DUE TO MISSING PAGES**

**ADDITIONAL MATERIAL**  
**10:00 A.M. REGULAR MEETING**  
**AUGUST 22, 2017**

**SUBMITTED AT THE REQUEST OF**  
**MAYOR BARBARA SHARIEF**

# CITY OF MIRAMAR

## Revenue Enhancement Strategic Business Plan

### Miramar Regional Park



Prepared by:



Norman E. Taylor & Associates  
[www.netallc.com](http://www.netallc.com)



**City of Miramar  
Revenue Enhancement Strategic Business Plan  
Miramar Regional Park**

**TABLE OF CONTENTS**

<b>EXECUTIVE SUMMARY</b>	<b>4</b>
City of Miramar	7
<b>OVERVIEW: MRP Revenue Enhancement Opportunities</b>	<b>15</b>
Amphitheater	15
Corporate Pavilion	16
Promenade	16
Digital/Electronic Signage	17
<b>MARKET ANALYSIS</b>	<b>18</b>
Amphitheater	19
Corporate Pavilion/Conference Center	24
Promenade	28
<b>DIGITAL/Electronic Signage</b>	<b>31</b>
<b>PRODUCTS AND SERVICES</b>	<b>34</b>
Amphitheater	35
Corporate Pavilion/Conference Center	38
Promenade	41
Digital/Electronic Signage	43
<b>MARKETING AND SALES</b>	<b>45</b>
<b>MARKETING</b>	<b>46</b>
Amphitheater	52
Corporate Pavilion	53
Promenade	54
Digital/Electronic Signage	55
<b>SALES</b>	<b>56</b>
Amphitheater	56
Corporate Pavilion/Conference Center	57
Promenade	57
Digital/Electronic Signage or Marquee	57
<b>FINANCIAL PROJECTIONS (PRO FORMA)</b>	<b>59</b>
Amphitheater	61
Promenade	64
Corporate Pavilion	64
Electronic Signage	66
Pro Forma Summary	67
<b>ECONOMIC BENEFITS ANALYSIS</b>	<b>68</b>
<b>MIRAMAR IMPACT ANALYSIS</b>	<b>69</b>
<b>STRATEGIC DEVELOPMENT PLAN</b>	<b>70</b>
<b>OVERALL BUSINESS PLAN ENTERPRISE OPERATIONS</b>	<b>80</b>
<b>KEY PERFORMANCE METRICS</b>	<b>87</b>
<b>RESEARCH AND SOURCE DOCUMENTATION</b>	<b>90</b>

## EXECUTIVE SUMMARY

The City of Miramar, located in southwest Broward County, Florida just north of the Miami-Dade County border, has held the distinction of being one of the fastest growing municipalities in Broward County, the State of Florida and the nation. The City's balanced economy is testimony to both the vision of city leaders dating back to 1955 when the City was created as a suburb of Fort Lauderdale and Miami. Today, the City population has grown from a population of less than 200 residents to approximately 122,000; and it grew in size from 2.9 square miles to 31 square miles. The City has been a planned community since its inception.

The City of Miramar has been on a continuous path towards achieving its vision of becoming a community that is highly competitive in the global economy, capitalizing on its diverse business climate and sustainability. The City's mission, as stated in its Economic Development Strategic Plan, is "to promote Miramar's position as a premier location with the provision of business, housing, redevelopment and marketing services for the enhancement and sustainability of its neighborhoods". This plan is driven by the City of Miramar's Vision 2030 Plan.

In late 2013, the City hired Norman E. Taylor & Associates, LLC, an economic development consulting firm, to perform work related to key priorities tied to its Revenue Enhancement Program. The objective was to align City of Miramar revenue-producing enterprise operations that serve the Miramar community and its region with the City's economic development strategic priorities. These priorities involve sports, arts, entertainment, food & beverage as focal areas of the City's Revenue Enhancement Program.

Specifically, there are four revenue enhancement enterprise, or proprietary, operations to be located at the 172 acre Miramar Regional Park. The four operations identified as strategic priorities include: a new amphitheater; an expanded Corporate Pavilion; a promenade; and electronic signage/marquee. Each has revenue-producing power that can be leveraged to become beneficial assets of the City. This Strategic Business Development Plan, or strategic action plan, accomplishes seven objectives:

1. Provides a *market analyses* including industry description and outlook;
2. Provides a description of *products and services* for each enterprise operation;
3. Provides an overall *marketing and sales* strategy;
4. Provides *financial projections* for each enterprise operation with forecasted income statements, balance sheets and roll-up financial statements;
5. Provides a *strategic (business) development plan* outlining key steps necessary for successful implementation of enterprise operations;
6. Provides an *operations and management plan* detailing critical policy issues and a recommended management structure; and
7. Provides initial *key performance metrics* for key business development functions.

Overall, the market analysis for the four revenue enhancement operations is very strong. For example, the amphitheater will fill a need in the Miramar region which includes a 50-mile radius of the City incorporating all of Broward County, most of Miami-Dade County and Palm Beach County. The tri-county population exceeds 5 million people.

Ticket sales in the live music segment of the entertainment industry, between 1999 and 2009 have tripled in value from \$1.5 billion to \$4.6 billion. The average cost per ticket is about \$60.00. The Miramar region has very few outdoor entertainment venues, but a young potential audience base living within the region. The City's cultural arts and entertainment programs have attracted a wide variety of patrons based on offerings at the Miramar Cultural Center ranging from opera and ballet to jazz and popular music, setting the stage, figuratively, for the amphitheater.

An expanded Corporate Pavilion with 16,000 square feet of new conference and meeting space is desperately needed in southwest Broward County and northwest Miami-Dade County. The Two consulting firms were retained by the City to, respectively, conduct a poll and interview local companies regarding their requirements for business meeting spaces in the general area. Their inquiries covered cost, location, capacity, parking, internet/technology availability, and catering among other subjects.

There two compelling findings: the majority of companies surveyed indicated that they plan for 500 or more persons per event; and most companies indicated that they could be approached for immediate business [utilizing City of Miramar conference facilities]. The City of Miramar is offering a product that has strong appeal to a local market for business meetings and conference space.

A beautifully landscaped promenade area comprised of 61,650 square feet in gross area including 14,390 sq. ft. of leasable spaces for vendors, artists, and related commercial uses holds great promise for South Florida where the average annual temperature outdoors is 76.5 degrees Fahrenheit. For outdoor event planners, this site offers predictability. Revenue boosters for the Regional Park Promenade include the Amphitheater and the Corporate Pavilion which are both adjacent.

The financial projections for all four Miramar Regional Park enterprise operations demonstrate great potential for profitability. From a revenue/expense roll-up perspective, the amphitheater will account for 63% revenue and 56% of total expenses. The remainder of the four enterprise operations follows: Promenade – 22%/11%; Corporate Pavilion – 12%/25%; and Electronic signage – 3%/8%. Return on investment analysis indicates that the City in five years will see a projected rate of return of 3.65%.

Based on the revenues forecasted for Miramar Regional Park enterprise operations, NETA conducted an analysis of economic impact, or the benefit that would result from implementing this business strategy. This analysis shows ten years of collective gross revenue generation, factors costs and applies a 2.5 economic impact multiplier. The result, after ten years performance would be return on investment of 441% on a net return of \$72,557,175 over that period.

A primary purpose of the Strategic Development Plan in this business plan is to identify factors that will ultimately lead to successful implementation of the City of Miramar's revenue enhancement enterprise operations within the Regional Park. Fund accounting principles and practice is a foundational requisite. Other important factors for success include aligning the City's revenue enhancement goals with its economic growth strategies; conducting a SWOTT analysis (a reality test); creating competitive advantages in the marketplace; establishing key performance metrics; and developing strategic partnerships.

This section focuses on venue policies and procedures to facilitate management and financial controls for all revenue enhancement operations. Also, suggested approaches for maximizing

revenues are recommended for consideration. Two revenue maximizing methods – minimum annual guarantee (MAG) and minimum annual rent (MAR) are treated in this section from the business and administrative law perspectives.

Operations and management is the logical nexus to strategic development of the City's revenue enhancement operations. The focus here is on addressing revenue enhancement initiatives through a comprehensive policy to guide implementation. Four additional foundation-building areas for treatment include establishing the purpose of enterprise/proprietary fund operations; designing an organizational structure and establishing legal authority; guides for the roles of key management and staff; accounting for enterprise or proprietary operations; and creating revenue enhancement financial policies and procedures.

Finally, this strategic business plan provides recommended key performance metrics touching upon administration and management; policies and procedures; marketing and sales; revenue and expense targets; customer satisfaction, and strategic partners.

This strategic business plan provides a guide for the City of Miramar in proceeding with its efforts to expand its revenue enhancement initiatives and achieve success and sustainability.

## CITY OF MIRAMAR

One of the largest and fastest growing cities in Broward County, the City of Miramar, established in 1955, is a city with humble beginnings and steeped in the tradition of its motto – *Beauty and Progress*. When its founder, A. L. Mailman bought property and built 56 homes in 1953, it was with the intent of establishing a bedroom community that captured and built on the essence of an everything community. Its humble beginnings of 2.9 square miles have now grown to 31 square miles and approximately 122,000 residents is a testimony of planned and controlled growth.

Despite the boom and population explosion in South Florida over the last decades, Miramar's growth evidences the maxim that past is prologue. Before it was ever required, the City had adopted a Comprehensive Land Use Plan and embarked on planned and controlled land use – reminiscent of its founder – to effectively guide its progress and position itself as one of South Florida's premier communities. In 2008 and 2010, Miramar made the list of *CNN Money* magazine's "100 Best Places to Live in America."

The City of Miramar is situated in southwest Broward County and is bordered on the east by US 441 (State Road 7); on the west by US 27 on the fringes of the Florida Everglades; on the north by Pembroke Road; and on the south by the Broward/Miami-Dade County Line Road. The City prides itself as being the third largest in area in Broward County, with the county's fifth largest population, and the sixteenth largest in population size in Florida. In close proximity are the cities of Pembroke Pines and Hallandale Beach. However, within a six mile radius from its center, Miramar is connected to approximately 20 other municipalities.

Adding to its geographical appeal is its proximity and easy access to and from South Florida's international airports in Miami and Fort Lauderdale. Also close by are several smaller aviation centers including Opa Locka Executive Airport, Kendall-Tamiami Executive Airport, Homestead General Airport, Miami General Aviation Center, Dade Collier Training and Transition Airport, Fort Lauderdale Executive Airport, and North Perry Airport, which provide support for private jet services, commercial air cargo, flight training and related services. Broward County's Port Everglades and the Port of Miami are the state's largest cargo container seaports. Miramar's central location next to I-75, Florida's Turnpike, US-27, I-95, and other major arterial roadways, allow for convenient ground transportation.

The 2010 United States Census documented Miramar's population at 122,041, a 67.78% increase over 2000 census numbers. In July 2012, census numbers estimated the city's population at 128,729, a 5.5% increase over the 2010 numbers. Miramar is regarded as one of the United States' fastest growing cities largely due to its conveniences, offerings and diversity. Black or African American households alone account for 45.7% of the population, with 36.9% that are





Hispanic or Latino, 11.6% are non-Hispanic white, and 5.2% Asian. Adding to this rich mix of diversity is the fact that 42.9% of Miramar residents are foreign-born. Fifty-two percent of its population is female. Persons under the age of 18 account for 29.1% of the city's population; those between 18 and 65 years old account for 64% of the population; and 6.9% are 65 years and older. Of further significance is that 7.4% of the persons in Miramar are under 5 years old. The median age of Miramar residents is 33.6 years.

There are approximately 37,420 households with 3.3 persons per household; a homeownership rate of 75.3%; with 86.7% living in the same house one year or more. Between 2008 and 2012, a median household income of \$63,898 was reported. Approximately 33.4% of those over the age of 25 have completed some college, or have an Associate's degree and the overall education level is greater than the state and national averages.

Since March 1991, Miramar has had a City Manager-City Commission form of government. The Mayor and City Commission appoint a City Manager who reports directly to the elected body. The City Manager is responsible for overseeing personnel and operations; providing recommendations on policies and legislation; and provides administrative direction to the city. The City Commission is responsible for developing legislation and setting policies. Through its legislative powers, they enact resolutions and ordinances. The Mayor and four commission members comprise the City Commission. There are no district elections so the Mayor and all City Commissioners are elected at-large. They are elected to serve four-year terms and elections are held every two years – on odd number years – because of established staggered terms. At one election the Mayor and one commission seat are elected and at the next election, the other three commissioners' seats are elected. The city does not have term limits.

The city has approximately 850 full time employees and an annual budget of \$201,172,800.

### ***The City's Major Assets***

***Human Resources*** - Among its human assets are the approximately 129,000 citizens who call Miramar home and who have added to the legacy of this being one of the best places to live in America. The City is also fortunate to have a dedicated and committed staff of approximately 850 who are committed to civil service and the ultimate in hospitality.

***Parks and Recreation*** - The City has 36 parks that occupy an approximate 370 acres and together they cater to the recreational needs of the community and its neighbors immediately around, and in the region. Two of these with unique offerings include the Miramar Regional Park and Miramar Cultural Center/Arts Park.

Built on 172 acres, Miramar Regional Park is the City's largest park and provides a mixture of all things recreational/quality of life. The park's amenities cater not only to the City of Miramar residents, but to those of surrounding communities and neighboring regions who are eager to avail themselves of the City's affordable offerings. Among the amenities are:

- 6 lighted soccer/football fields
- 2 lighted cricket fields
- 2 lighted basketball courts
- 2 lighted baseball/softball fields

- 2 sand volleyball courts
- Horseshoe pit
- Olympic-sized pool
- Water park/playground
- Aquatic complex
- Pavilions – 1 Medium, 3 Large
- Art exhibit area
- Playgrounds with shade covers
- Concession area and stand



The Miramar Cultural Center/Arts Park is a result of partnerships formed with the common goal of advancing and showcasing the arts. Conveniently located in the midst of the city’s Town Center, the complex includes a library, shops, restaurants, and a fitness center and offers an artsy experience and a buffet of other services and amenities including:

- An 800-seat theater
- Two art galleries
- Banquet facilities
- Rehearsal halls
- Classrooms
- A botanical garden

The Miramar Cultural Center/Arts Park is funded by the Broward County Board of Commissioners with proceeds from 2000 Safe Parks & Land Preservation Bond. Additional support also comes from the State of Florida Department of State, Division of Cultural Affairs, the Florida Arts Council, and the National Endowment for the Arts.

### ***Education – Schools and Colleges***

- 11 elementary schools
- 3 middle schools
- 3 high schools
- 6 private schools
- 9 colleges and institutions of higher learning

### ***Public Safety***

Established in 1956, the Miramar Fire Rescue Department was originally staffed by volunteers. Today, given the growth and needs of the city, there is a full time professional staff of approximately 150. The City of Miramar Fire-Rescue handles approximately 12,000 requests for assistance and service each year.

Two hundred and one sworn officers and 70 support staff of the Miramar Police Department have stated a mission “to provide a safe and secure environment by working in partnership with the community, providing progressive police services, impartially enforcing the laws, preserving the

peace and protecting the individual rights of our citizens.” The department is accredited by the Commission for Florida Law Enforcement Accreditation and the Commission on Accreditation for Law Enforcement Agencies. In 2010 the department was awarded meritorious accreditation – the highest international accreditation given to an agency that has maintained the highest standards in professionalism and quality assurance for at least 15 years.

### ***Facilities and Infrastructure***

Also listed among the city’s assets is its impressive array of infrastructure inventory. Some of these include:

- East Water Treatment Plant: Regulated to produce 6 million gallons per day of potable water, this lime-softening water treatment plant uses the Biscayne Aquifer as its water source and serves the eastern section of the City.
- West Water Treatment Plant: This is a state-of-the-art-facility utilizing membrane treatment technology and producing 7.5 million gallons of water per day.
- Wastewater Reclamation Facility: In keeping with the best management practices of water conservation and recycling, this state-of-the-art facility collects, treats, and disposes of wastewater for irrigation purposes in the western section of the city.
- 197 miles of storm water lines
- 340 miles of water mains
- 295 miles of sanitary sewer lines
- 36 parks
- 109 lift stations
- 3,000 fire hydrants
- 900 acres of undeveloped land, two-thirds of which is slated for residential land use



### ***Financial Health***

Miramar’s financial health is sound. During the midst of the economic downturn, the City opted to be fiscally conservative in balancing its growth and resources, while still maintaining, managing and gauging the need for new services and enhancing infrastructure. Even over the past four years, as its revenues were reduced largely as a result of state mandated tax reform and the housing bubble, the City was able to weather the storm by adhering to its business plan and responding to projected shortfalls in its budget.

The City’s strengths are in its satisfactory cash and reserves; a favorable level of non- *ad valorem* revenues which affords sound protection, and affordable debt burden and manageable near-term capital plan. The Business and Capital Improvement plans are carefully synced to ensure that equipment replacements, infrastructure repairs and improvements, park expansions, and facility renovations are never compromised. Miramar’s enviable position is that while many cities are

built out and development has stalled, if not ceased, Miramar continues to gain new residents largely as a result of its services and sense of community. Among some of its recent Capital Improvement projects are the following:

- Historic Miramar Redevelopment – Improvements to the City’s underground utilities were made, making central sewer service available to residents and businesses. Larger sized water lines were installed to accommodate increased flow that would support additional fire hydrants.
- Reclaimed Water Distribution Expansion – The system to deliver reclaimed water to the City’s large users was expanded. The City was able to retire 44 private irrigation permits issued by the South Florida Water Management District.
- Vizcaya Park – The Park opened to the public on June 2, 2012.
- Commercial Rehabilitation - Businesses made improvements by leveraging grant funds.
- Neighborhood Stabilization Program (NSP) – prevented economic blight and the impact of foreclosures.
- Enterprise Resource Planning System (ERP) – replaced over 13 non-integrated software systems.
- Miramar Boulevard Street Lights – Working with Florida Power and Light (FPL)
- Energy Efficiency and Conservation Block Grant (EECBG) – A total of \$959,000 was acquired to fund seven projects including purchasing a hybrid bus and 10 hybrid SUV/Sedan vehicles, installation of Smart Building Energy Management System (to reduce energy consumption); conversion of the City’s transit fleet from petroleum diesel to bio-diesel; retrofitting street and park lighting with induction lighting fixtures and a solar panel system that involves the installation of a photovoltaic system (including inverters); FPL grid tie-in and remote monitoring.
- Single Stream Recycling Grant – A project which makes recycling more convenient, Single Stream recycling allows for all recyclables to be placed into one bin and then separated at the recycling plant, as opposed to separating glass, cans, and newspapers and placing them into different bins. This also reduces the amount of bins needed per household/business.

### **Customers**

Miramar’s customers continue to be a very diverse mix of residents, corporations, neighboring cities and vendors wanting to take full advantage of their goods, services, and overall amenities. According to the AMS Market Analysis, the estimated total of the city’s primary market population in 2013 was 1,150,524 while its total trade area population numbered 2,707,829. Its core based statistical area (CBSA), which takes into consideration the entire Miami-Fort Lauderdale metropolitan and micropolitan areas, is 5,761,850. The median household income in the primary market is \$49,836, \$42,824 in the Miramar total trade area, and \$43,763 in the CBSA. In its primary market 31.3% has a median household income over \$75,000, while approximately 25% of the other two sectors earn over \$75,000. While baby boomers dominate as the largest group among all sectors, there is less than a 1% separation between them and the Generation Xers across all three markets. Approximately 33% of all households across the sectors have children. Approximately 40% of the households in the primary market have children. Census numbers and projections show that the largest growth in population is largely in the primary market.

### **Business and Industry**

Miramar has a strong mix of businesses and industry that allows for commerce and employment in all sectors. Several Fortune 500 companies make their homes in Miramar, including the locally-

based Comcast and United Health Care Inc. and national companies American Express and Humana Medical Plan Inc. of Louisville, Kentucky. Within its business and industry inventory are:

- More than nine million square feet of industrial space
- Three million square feet of office space
- More than three million square feet of retail space in community and neighborhood level centers with one or more anchor stores and retail and service businesses
- Various revitalization and redevelopment programs to assist this sector

### ***Key Economic Drivers***

There are several economic drivers contributing to Miramar's overall success. Miramar continues to grow in size, indicating not only the availability of land to expand, but also the expansion of goods and services that are sought by the residential and business communities. Proximity to trade and overall transportation are drivers that have stood the test of time. Miramar is dissected by, and in close proximity to, major highways, and is also less than half an hour way from major seaports and international airports.

The businesses that call Miramar home represent a wide variety of sectors including retail, communication, medical, travel, industrial, aerospace, and technology, and range from small businesses to Fortune 500 companies. In addition, Miramar is also a part of that South Florida gateway to the Caribbean and Latin America. As such, there are many small business owners who cater to that specialty market and the significant population of Caribbean and Latin Americans who call Miramar home.

Infrastructure improvement is also another key economic driver. The city has proactively addressed the impacts of the demands of its growth by deliberate land use planning and by paying significant attention to the Capital Improvements elements of its Comprehensive Plan. For the period of 2012-2016, the City has targeted \$57 million of needed improvements to its facilities, for acquisitions, to fund construction projects, to update equipment, anticipate impacts and improve levels of service to the standards that will meet and benefit its current and future residents and businesses.

The City has also afforded performance-based financial incentives to companies in the past. Some of these incentives were made possible through the Qualified Target Industry (QTI) incentive program. These incentives occurred during the periods of high growth for the City during more prosperous economic times. However, the City is still committed to pursuing all opportunities that will afford these incentives.

The leading indicators that suggest an economic upturn are also among the economic drivers. Housing starts were up in FY13 and overall construction rose by 25%. These key economic drivers have contributed to different prospects of economic growth.

### ***Arts and Culture***

Miramar is a hub for the arts and culture. The Miramar Cultural Center/Arts Park is a facility that offers all the amenities one may seek in one location. It has an 800-seat theater, two art galleries, banquet facilities, rehearsal halls and classrooms. In addition, the City boasts three examples of Art in Public Places, all unique and specific to the sites in which they have been placed: *Terra Fugit* at the Regional Park, *Vanishing View* at the Cultural Arts Center, and *Mirror* in the Community

Library. The pieces are commissioned by Broward County Cultural Division's Public Art & Design Program. Miramar's diversity and blend of cultures lend itself to acceptance of different art forms and cultural experiences.

### ***Sports and Entertainment***

Miramar has a total of 36 parks that occupy approximately 370 acres. Not all are as grand as its 172-acre Miramar Regional Park, but all are carefully appointed to serve the needs of their respective communities and the overall city.

For example, the 24-acre Ansin Sports Complex offers a state of the art athletic track that has been the venue for regional track and field events. In 2010, the complex was host to nearly 500 athletes from the 32 member nations of the North America, Central America and Caribbean Athletic Association (NACAC) as they competed in the Under 23 Track and Field Championships. It was an International Amateur Athletics Federation (IAAF) and USA Track & Field (USATF) sanctioned meet and the first of its kind in this region. Coupled with the track and field facilities, are two well-lit cricket pitches and batting areas. Neither of the two sports enjoy major market segments among American sports enthusiasts. However, residents of Caribbean ancestry have taken full advantage of this area and the city has hosted regional events here.



The fact is, the offerings are plenty and there is something for everyone. Whether one wants a senior center for ballroom dancing, or just to throw a horseshoe, Miramar Parks offer it. Whether it is to cool off in the new interactive water playground and beach area, swim, dive, play baseball/softball/soccer/football, tennis, or simply paddle in a boat, the choice is yours.

### ***Regional and Community Amphitheaters***

A forecast highlighting sponsorship spending on entertainment, causes, arts, festivals, associations, and other properties, published by *Ad Age* in 2013, showed a six percent increase over the \$13.01 billion spent in 2011. Additionally, a 2011 study by the National Endowment for the Arts reported that Americans spent \$14.5 billion on the performing arts. This was \$6 billion less than they spent on admission to sporting events, but only \$4 billion more than moviegoers. The study also reported that everyday 1.5 billion Americans are drawn to shows and concerts from Broadway to your small town theaters.

Miramar's decision to add two amphitheaters to its cultural offerings seems not only fitting, but well timed. The city has already prided itself in offering and delivering amenities to be enjoyed by its residents and other communities. This will further solidify Miramar as a cultural, entertainment and sports hub for its markets.

The smaller amphitheater will be built in the eastern section of the city in Shirley Branca Park. It will seat up to 2,500 people and will be constructed for approximately \$1.2 million.

In western Miramar, a 5,000-seat amphitheater will be built in the 172-acre Regional Park. Slated to cost \$4.2 million to construct, the amphitheater will be the fourth largest in Florida. While there are structures in West Palm Beach and Miami with larger seating capacity, Miramar's amphitheater at Regional Park is equipped with a design and facilities that will establish its place in the cultural arena. Some of these will be a 100' by 40' stage, restroom facilities, a lounge area, a concession stand and ticket booth. Its design will allow for two different viewing options: a more formal area that allows for an enhanced acoustical experience, and an adjoining area that will allow for a more casual picnic environment. The amphitheater will essentially typify Miramar's overall plans – convenience and variety for everyone.

With its impressive mixture of aquatic features, fields, courts, pitches, pits, pavilions and playgrounds, the Regional Park will provide an ideal setting for the new amphitheater. Also featured will be a promenade for art shows, fairs, and food/beverage and showcase events. A conference center for corporate and community meetings requiring more than typical space requirements will be available, and a Marquee with electronic signage capability to allow for sponsorship opportunities completes the all-encompassing features of this area.

## OVERVIEW: MIRAMAR REGIONAL PARK REVENUE ENHANCEMENT OPPORTUNITIES



In November 2013, the City of Miramar, as part of its overall implementation of VISION 2030 and as part of its five year plan, undertook an analysis of its Regional Park to determine the opportunity for creating and/or enhancing revenue generating facilities within the park. The goal was to strengthen the City's economic position, while maintaining and improving the quality of life for its citizens. Specifically, the plan's goal stated: *"Maximize return on investments in the Cultural Arts Center, Ansin Sports Complex, Miramar Regional Park, and Town Center"*.

Currently, the Miramar Regional Park is the largest park in the City and one of the largest parks in the South Florida area. The present facilities provide a variety of recreational outlets for City and County residents. The park, which was transferred from Broward County to City ownership and direction in 2001, is 172 acres and includes lighted ball fields, sheltered playgrounds, a popular water park, a picnic pavilion, and concession stand area. Importantly, the size of the park allows it to provide ample parking for visitors while simultaneously hosting several events at the same time.

This business plan identifies four enterprise operations (elements) for revenue enhancement, and analyzes each element in terms of the present market, the products and/or services each element could provide, a suggested approach to effectively market each element, and a financial analysis of the cost of producing the element and its ability to produce revenue and how much (return on investment). From this business plan, the City can determine the feasibility and desirability of undertaking each project and the element's effect on the City's financial position.

This plan consists of four elements: the amphitheater, the corporate pavilion, the promenade, and electronic signage.

### ***Amphitheater***

The Amphitheater at the Miramar Regional Park will be an open-air amphitheater and will comfortably accommodate 5,000 people. There will be 3,000 fixed seats under cover, 1,500 of



which can be removed for special events. The grassy area in the rear of the facility will provide for at least 2,000 more persons and will be supported by a seawall almost twenty feet high. The amphitheater facility will include a four-station ticket booth, a restroom building, and an air-conditioned concession building. The facility will be built to accommodate “state-of-the-art” sound and lighting systems.

The stage will measure 80 feet by 30 feet and include a backstage building to include a show management office, a restroom, dressing rooms and delivery/loading dock.

The amphitheater will produce revenue in a variety of ways. Because Miramar is located in the competitive South Florida market, there is opportunity for the amphitheater to host a large variety of entertainment activities. Through ticket sales, merchandise sales, and concessions, the City will be able to recoup their investment and begin to produce revenue, while simultaneously maintaining the facility and keeping its equipment up to date. In addition, this plan looks at other ways for the City to “build the sale” for each event by offering a menu of services that show promoters may find attractive and sometimes, necessary. Typically, these services include event staffing, policing, and EMT presence. The amphitheater is also conducive for attaining and promoting corporate sponsorships for its events.

This document looks closely at the market potential for the amphitheater, examining trends in the concert industry and matching those trends against Miramar’s demographics and the region at large. This business plan includes a review of similarly-sized and successful amphitheaters with observations on what is considered “best practices” and makes recommendations based on these reviews, staff experience, and other City consultant’s work. Following is a marketing plan and a financial analysis for projected return on investment (ROI).

### ***Corporate Pavilion***

The City proposes to reconfigure the current open pavilion to become a conference/meeting center with additional administrative office space for staff. The new facility will be a two-story enclosed structure that will accommodate a seating capacity for 700 persons on the first floor. The second floor will consist of an open balcony with additional seating space for 300 persons and 2,500 square feet of office space. The total facility will be approximately 16,000 square feet.

A lack of public meeting space has been identified in western Broward and Miami-Dade counties. The Corporate Pavilion will be marketed not only to business meeting planners, but as a public space for a variety of different social functions, such as weddings, reunions, and faith-based conferences. In this way, the “customer” for the Corporate Pavilion is wide-ranging and diverse.

This business plan identifies the current market for business travel, takes a closer look at competitors in the area, and lists the competitive advantages the City has by developing such facilities at the Regional Park. The plan also includes an analysis of the factors that are important to the meeting planner, such as cost, location, capacity, parking and technology availability. The financial projections are based on comparable meeting space costs and staff observations and experience at the Cultural Center, which also hosts meetings and social events.

### ***Promenade***

As part of the amphitheater project, the City proposes to construct a 61,650 square foot promenade that will not only be used as an ancillary space for concerts and events at the amphitheater, but

will be a revenue producer in and of itself. It is estimated that 14,390 square feet of the total space will be leasable area. This document identifies how the promenade will complement the other features in the park and serve as a public space that can be used in a large variety of ways.

Given the proliferation of fairs and festivals in the State of Florida, this business plan looks at the industry in Florida, its would-be competitors in the area, and the competitive advantages the Promenade at the Regional Park would have. Financial projections are based on a dollar amount per square foot rental for events at the promenade.

### ***Digital/Electronic Signage***

The fourth element that this business plan addresses is that of adding electronic signage to the Regional Park. The electronic signage is the wave of the future. It is estimated that there will be 22 million electronic signs in the world this year. Because of the ease of changing the message of the sign and the fact that the hardware has now become affordable to a much larger market, the addition of electronic signage to complement and supplement special events and other revenue producing activities at the park. This is another method of generating revenue should not be overlooked or underestimated. The City proposes one marquee with digital/electronic signage capabilities at the main entrance to the Park on Miramar Parkway.



## AMPHITHEATER

Entertainment is an umbrella of a wide variety of activities, from community plays to live bands, which energize the local economy. Entertainment options can include movie theaters (first and second run, independent, foreign and classic films), bands/concerts, karaoke, local bands, poetry/spoken word, stand-up comedy, parades, and street performers among others. Because arts and entertainment add to a community's sense of pride and quality of life, it provides a unique opportunity for economic development, specifically cultural economic development. According to Downtown and Business District Market Analysis, cultural economic development is defined as activities intended to promote increased market participation among traditional artists and arts organizations, as well as other arts and cultural organizations.

In October 2010, the *Economist* magazine reported that for the past ten years, sales of recorded music have declined so steeply as to become a cautionary tale about the disruptive power of the Internet. The rise of illegal file-sharing and the end of the digital "replacement cycle", in which people bought CDs to replace tapes and records, caused spending to decrease dramatically. In addition, when people purchase music, they tend to buy single songs, or tracks, instead of CDs/albums. New technology and applications, such as Pandora radio and iTunes, allow listeners to choose their favorite bands and create "stations" or playlists, whereby they hear their favorite artists and similar genres of music.

However, the music business is not dying, but changing dramatically. The biggest increase seen is in live music concerts. Between 1999 and 2009, concert ticket sales in America tripled in value, from \$1.5 billion to \$4.6 billion. The average cost of a concert ticket is around \$60. The national average cost of concert tickets for a mid-sized Amphitheater such as this one can range from \$15 to \$75. However, with superstar talent and VIP status ticket pricing could also demand a range of \$25 to \$350. These trends mean that bands are making money off live performances, instead of CD/Album sales.

The City of Miramar is well poised to take advantage of this trend with the proposed amphitheater. The Greater Fort Lauderdale area had more than 12 million visitors in 2012, with more than a quarter traveling from within Florida. Nearly 14 million overnight visitors stayed in Miami-Dade County during 2012, an increase of 3.9% over 2011. This is important to note because of Miramar's geographic position in the region. The City can take advantage of the Fort Lauderdale and the Miami-Dade markets since it is almost halfway between the two major metropolitan areas.

According to a recent demographic market analysis for the Arts and Entertainment Industry by AMS that was prepared for the City (the study), the primary market has a strong presence of those who identify themselves as Hispanic. In fact, the study cites almost half (48.1%) of residents are Hispanic. The AMS analysis stated: "Affinity for participation in arts and cultural activities is above the national average in the primary market. Going to R&B/Hip-Hop/Rap concerts, buying Latin, Rap/Hip-Hop, Jazz and contemporary pop music and going to classical music concerts all index above the national average. This wide variety of arts and cultural tastes is reflected in the diversity of the segmentation of the area". The study goes on to indicate that income and educational achievement are higher in the primary market, which is defined as a ten mile radius from the Miramar Cultural Center Artspark, when compared to the overall Miami-Fort Lauderdale area. This indicates a likely interest and ability to participate in cultural and arts activities, such as concerts and other music events.

As a multicultural city, Miramar has the opportunity to develop a market niche by developing particularly chosen and specialized programming for this venue and for this particular market.

### **Customer Profile**

According to the website [www.statisticbrain.com](http://www.statisticbrain.com), 34.9 million concert tickets were sold in 2012, with the average price of a ticket being \$85.93. Total ticket revenue was in the neighborhood of \$3 billion. (These statistics were from PollStar, Billboard, and Live Nation.)

Live Nation Entertainment is the world's leading live entertainment and e-commerce company, comprised of four market leaders: Ticketmaster.com, Live Nation Concerts, Front Line Management Group and Live Nation Network. Ticketmaster.com is the global event ticketing leader and one of the world's top five eCommerce sites, with over 26 million monthly unique visitors. Live Nation Concerts produces over 20,000 shows annually for more than 2,000 artists globally.

According to the most recent *Live Nation Fan Meter* for 2012, "Americans are getting more passionate about concerts." The average concert attendee is 42.4 years old and has an average income of \$75,000. Regardless of age, more people went to concerts in 2012, with the largest increases coming from the 25-34 and 45-54 year-olds.

Interestingly, concert attendees don't just attend music concerts, but are much more likely to attend other types of live performances. According to Live Nation's data, concert attendees are 1.9 times more likely to attend sporting events, 2.4 times more likely to attend arts events, and 1.3 times more likely to attend family events.

One of the largest increases in attendance was due to attendance at music festivals, i.e. festivals oriented towards music that has an overlying theme. These festivals are commonly held outdoors and often include other attractions such as food and merchandise vending and social activities. They can include national headliners, or may be "educative", i.e. organized in local communities or the region for the benefit of amateur musicians of all ages and levels of accomplishment. Fans attended twice as many festivals in 2012, as compared to the year before. Most importantly to this study, 41% of fans went to an amphitheater concert in 2012, attending 1.9 amphitheater concerts on average.

Miramar is positioned to take advantage of this trend. The median age of the population of Miramar is 33.6 years old. Nearly 14% of the population falls within the 25-34 year-old range, and 15% of the population falls within the 45-54 year-old range. The median household income is \$63,898 and the average is \$78,178. Almost 40% of the population earns \$75,000 or more annually. This is well above the median income for the U.S. population, which is \$51,371.

In the region, Broward County's population is estimated to be 1.8 million, with the median age at 39.7. The median household income is \$51,603, with 33.4% of households earning \$75k or higher. Miami-Dade County's population is estimated to be 2.6 million, with the median age of 38.2. Their household median income is \$43,464, with 27.8% of all households earning \$75k or higher.

The AMS study reports that the percentage of households with children that are Black/African American, Asian/Pacific Islander, and Hispanic in the Miami-Fort Lauderdale core based statistical

market (CBSA) is 67.5%. Further, AMS found that 28.3% have a college degree and 27% have a household income of \$75,000 or greater – all key indicators in interest in cultural arts activities.

The heavily populated South Florida region is an ideal market for the outdoor entertainment industry. And this does not take into account the sheer number of visitors from outside and within the state that would also comprise Miramar’s target market for the proposed amphitheater and regional park activities.

### **Competitors in the Market Place**

The immediate market for the City’s proposed amphitheater is Broward and Miami Dade counties

<b>Broward County</b>	<b>Location</b>	<b>Approx. year built</b>	<b>Seating capacity</b>
Sunrise Civic Center Amphitheater	Sunrise	1998	750
Pompano Beach Amphitheater	Pompano Beach	1992	2,600
Fern Forest Nature Center Amphitheater	Coconut Creek	1985	120
Secret Woods Nature Center Amphitheater	Dania Beach	1978	100
Isle Casino at Pompano Park	Pompano Beach	Unknown	2,800
ArtsPark at Young Circle	Hollywood	2007	2,500
City of Parkland Amphitheater	Parkland		

<b>Miami-Dade County</b>	<b>Location</b>	<b>Approx. year built</b>	<b>Seating capacity</b>
Betty T. Ferguson Recreational Complex	Miami Gardens	2011	300
Klipsch Amphitheater at Bayfront Park	Miami	1980s	2700 fixed seats; +7,400 lawn
Tina Hills Pavilion at Bayfront Park	Miami	1980s	200 fixed seats; +800 lawn
North Shore Park Bandshell	Miami Beach	2011	1,400

<b>Palm Beach &amp; Monroe Counties</b>	<b>Location</b>	<b>Approx. year built</b>	<b>Seating capacity</b>
Cruzan Amphitheater	West Palm Beach	1996	19,000
Meyer Amphitheater	West Palm Beach	1995	No fixed seats; lawn seating only
Mizner Park Amphitheater	Boca Raton	1996	3,270 lawn; +250 VIP upper deck
Sunset Cove in Burt Aranson Park	Boca Raton	Unknown	Up to 6,000
Canyon Town Amphitheater	Boynton Beach	2010	500+
Sea Breeze Amphitheater	Jupiter	Unknown	Up to 2,000 lawn
Islamorada Founders Park TIB Amphitheater	Islamorada	2006	300 fixed seats; + 1,000 lawn

and the secondary market is the greater South Florida region. Since the conditions are so vastly different when comparing indoor and outdoor venues, this analysis focuses only on outdoor amphitheatres.

**Models to Observe**

**St. Augustine Amphitheater** - The St. Augustine Amphitheater, owned and operated by St. John’s County, is strong example for the City of Miramar to examine for two reasons.



**St. Augustine Amphitheater**  
([www.ernestdempsey.com](http://www.ernestdempsey.com))

First, the St. Augustine Amphitheater is roughly the same size and capacity as the planned regional park amphitheater. Secondly, St. John’s County, the owner and managing entity for the amphitheater, projects a profit for 2014. It is the first time the amphitheater has projected a profit since renovations were completed in 2007.

The St. Augustine Amphitheater is an approximately 4,000 seat performing arts facility located in the Anastasia State Park near the historic district of St. Augustine. The venue’s rules and regulations, pricing structure, services, and operations/management all serve as good starting places for the City of Miramar to build its program.

During interviews with Ryan Murphy, General Manager of the St. Augustine Amphitheater, it was found that the managing team at the amphitheater has become very creative in how they maximize all available opportunities to create revenue. Some of these strategies can easily be adopted in Miramar for the proposed amphitheater.

**Mesa Amphitheater** - Another noteworthy venue to examine as part of this business plan is the Mesa Amphitheater in Mesa, Arizona. Originally built in 1979, it seats a maximum of 4,950 people, but with no fixed seats. In addition to being a similar size as the proposed regional park amphitheater, the Mesa Amphitheater is located on the grounds of the Mesa Convention Center and offers 19,000 square feet of indoor exhibit space and 19,000 of flexible meeting space. The combination management structure of the complex is a model for the City of Miramar to consider.



**Mesa Amphitheater**  
([www.greatseats.com](http://www.greatseats.com))

Both the Mesa Amphitheater and the St. Augustine Amphitheater include a \$3 facility fee in every ticket sold, which helps to offset maintenance of the facility, energy and water costs, etc.

**Mizner Park Amphitheater (The Count de Hoernle Amphitheater)** - As the geographically closest competitor of a similar size to the proposed regional park amphitheater, Mizner Park amphitheater, colonnade and concert green accommodates 4,200 people. The City of Boca Raton has managed and operated the amphitheater since 2010 as part of the City’s Recreational Services Department.

The fees for rental of the facility and a menu of services can serve as an indication of what the South Florida market supports.

### ***Competitive Advantages***

***Geographic location*** – The City of Miramar is located at the geographical center of corporate and business development in South Florida where there is ready access to 1-75, Florida’s Turnpike, 1-95 and major State thoroughfares.

Miramar is easily accessible to two ports: Port Everglades and the Port of Miami. Two major airports are within a 20 minute drive from Miramar, Fort Lauderdale/Hollywood International Airport and Miami International Airport. Few cities in the U.S. have access to two major airports.

***Diversified Audience*** – Affinity for participation in arts and cultural activities is above the national average in the primary market. Going to R&B/Hip-Hop/Rap concerts, buying Latin, Rap/Hip-Hop, Jazz and Contemporary Pop music and going to classical music concerts all index above the national average. This wide variety of arts and cultural tastes is reflected in the diversity of the segmentation of the area.

***Age of Target Market*** - The median age for the CBSA is 40.3, slightly higher than Miramar’s primary market which is 38. The largest portion of both these markets is the 45-65 year-old category, or essentially baby boomers. According to the Live Nation Fan Meter for 2012, the average age of a concert attendee is 42.4 years, as noted above.

***Income*** – The median household income for the Miramar primary market, as defined in the AMS study, is \$49,836 and for the CBSA \$43,763. Thirty-one percent of the primary market makes \$75,000 or more. The percentage of the CBSA that makes \$75,000 or more is 27%. As noted above in the customer profile, Live Nation finds that most concert-goers have household incomes of \$75,000 or greater. This plays well and is in line with the number of baby boomers in the area, which are usually more financially well off than younger households in the area. This is not to say that programs cannot reach younger audiences, but for paid events it is desirable to have these percentages of households that can afford ticket prices.

Of the top ten socioeconomic statuses, 20% of Miramar’s primary market falls into the top 15 segments (as determined by PRIZMNE). The greatest number of households are considered “Winner’s Circle” which is defined as “wealthy, Age 35-54; White/Asian Mix; households with children; suburban”.

***Education*** - The AMS study notes that 30% of the primary market has at least a college degree (Associates and/or Bachelor’s degree). This is the most important factor in trying to gage a population’s interest in arts attendance. The CBSA area is composed of approximately 27% with a college degree.

Miramar is poised to take advantage of serving a large ethnic community, which may be underserved in western Broward and Miami-Dade counties.



## CORPORATE PAVILION/CONFERENCE CENTER



The City of Miramar proposes to construct a 16,000 square foot, state-of-the-art corporate pavilion/conference center to serve as a business meeting space venue. It is intended to compete in the Broward and Miami-Dade counties, and the South Florida region for the business meeting, conference, social events, and educative market place.

### *The Industry*

According to the Convention Industry Council, the U.S. meetings industry plays a critical role in a recovering economy, supporting jobs in communities across America, creating environments that foster innovation and business success.

More than 1.8 million meetings were estimated to have been held in the U.S. during 2012 and involved an estimated 225 million participants. The majority of meeting participants were generated by corporate/business meetings (50%), followed by conventions/conferences/congresses (27%) and trade shows (12%).

The majority of meetings and meeting participants in 2012 were hosted by corporations (55 and 49%, respectively). Association/membership organizations hosted the second largest share of meeting participants (26%), followed by non-government, not-for-profit organizations (23%). The meetings sector can be described as being comprised of two portions: one portion overlapping (or an extension of) the travel and tourism sector and the remaining portion belonging to other sectors. Approximately 15 percent or \$130 billion of the estimated \$865 billion of direct tourism output in the U.S. was the result of the meetings industry in 2012.

The Greater Fort Lauderdale Convention and Visitors Bureau reports that approximately 30% of the visitors to the area come for business purposes. The Bureau reported almost 12 million total

visitors to the area in 2012. Among the categories tracked by the Convention and Visitor's Bureau are Concerts/Theater/Dance, etc., Festivals/Fairs, Service/Volunteerism/Charity (Fundraisers), Religious/Faith-based Conferences, and Reunions/Graduation. All of these activities offer opportunities for Miramar's proposed corporate pavilion/conference center.

In Miami-Dade County, the numbers are even more impressive. A record 13.9 million visitors stayed at least one night in Greater Miami between January and December, 2012. Business/convention travel accounted for 10.8%. That equates to over 1.5 million business travelers! This does not include travelers that had other social reasons to visit, such as weddings, graduations, etc. Because of Miramar's geographic location, it is poised to take advantage of both traveling markets.

In the City of Miramar, there are over 5,400 businesses, with over 40,000 employees. With its business-friendly attitude and incentives, Miramar was able to continue to be "economically sustainable" through the period we now call the Great Recession. Miramar cites almost 40 employers with 100 or more employees each, all defined as major employers by the City. In addition to the ever-growing number of businesses, Miramar is within 20 minutes of twelve colleges and universities. This presents a ready market for the proposed corporate pavilion/conference center.

### ***Target Customer***

The target customer for this industry is wide-ranging and diverse. Every business that wants to plan a conference or business meeting of any kind is a target customer. In addition, every individual that may have need of a meeting space in a park-like setting is a target customer. In other words, everyone is a potential customer for the corporate pavilion/conference center. The challenge will be in narrowing down and identifying the target customer from this vast population and creating a marketing strategy that communicates the unique qualities of the corporate pavilion/conference center.

### ***Competitors***

Regus, an international company and the world's largest provider of flexible workspace and meeting space, provides clients a way to find meeting space in the client's selected locales. At this writing, Regus can only point customers to two locations in Miramar: Huntington Square III, and the Miramar Learning Center at the University of Phoenix.

The International Association of Conference Centers (IACC) does not list any meeting space that meets their definition of "conference center" in Miramar, and lists only two in Miami-Dade County. They are the Executive Meeting Center at the Sheraton Miami Airport Hotel, and the Kovens Conference Center at Florida International University. The IACC lists one facility in Palm Beach County, the Doubletree by Hilton Executive Meeting Center, Palm Beach Gardens.

The IACC is very strict about what they consider to meet the standards of a conference center. However, it does show that someone trying to plan an event from out of state, or outside of the U.S. would not easily find "conference center" space within the City of Miramar.

The Signature Grand, a banquet and meeting space venue in Davie, is the closest facility in terms of direct competition. Located 12 miles from Miramar's Town Center, it features over 40,000 square feet of general guest areas, including private areas that can accommodate from as few as 10 to up to 1800 guests. This facility also offers state-of-the-art technical equipment and an

on-site audio-visual specialist. This venue is also heavily used for weddings, reunions, and other social events.

Lastly, the City's own Cultural Center and Ansin Park are also marketed as "meeting spaces". Any marketing strategy developed should be careful to complement, not cannibalize, these venues.

The Greater Fort Lauderdale Convention & Visitors Bureau 2014 Marketing Plan has as one of its objectives, "... to increase their market's share of the Religious and Multicultural Market so that the area remains a premier destination of choice for individuals of color". Considering its diverse population, Miramar should piggy-back on the efforts already underway in Broward County to develop a strategy to target this particular market.

### ***Competitive Advantages***

***Geographic location*** - The City of Miramar is located at the geographical center of corporate and business development in South Florida. Within the City there is ready access to 1-75, Florida's Turnpike, 1-95 and major State Roads. Port Everglades and the Port of Miami are each within 22 miles of the city, and Fort Lauderdale/Hollywood International Airport and the Miami International Airport are only 20 minutes away.

***Business Climate*** - Since 2000, the City has provided direct, performance-based financial incentives to 26 companies, seven of which also involved the state and county through the Qualified Target Industry (QTI) incentive program. However, the City welcomes all companies interested in investing in the community. The City's website details incentives, small business assistance programs, and expedited permitting as ways it continues to entice and draw businesses.

***Number of large companies located in Miramar*** - In the City of Miramar, there are over 5,400 businesses, with over 40,000 employees, as previously noted. Thirty-six of these companies are considered "major employers".

***Diversity of the population in the City*** - The AMS study reports that the percentage of households with children that are Black/African American, Asian/Pacific Islander, and Hispanic in the "primary market", which is defined as a ten-mile radius from Miramar's Cultural Arts Center is 39.5% of all households. Of that, 48.1% are Hispanic.

***Lack of comparable meeting space in western Broward and Miami-Dade counties*** - Research shows that few facilities that are solely defined as "meeting space" or as the IACC defined "conference center", exists in the western areas of Broward and Miami-Dade counties. When further narrowed to "premier" or "state-of-the-art" meeting space in a "park-like setting", there are very few competitors.

Other than the Signature Grand in Davie, Shula's Hotel and Golf Club is also marketed as a premier meeting space. However, it does offer lodging and golf as well, which does not make it an ideal comparison to the proposed conference center in Miramar.

Shula's Hotel and Golf Club is located just a short distance from Miami International Airport and Fort Lauderdale International Airport and is marketed as "an ideal location for any event in Miami, meeting, conference or special event alike." It has over 15,000 square feet of meeting space, 16 meeting areas and can accommodate up to 400 guests.

**Population Growth Trends** - According to the AMS Market Analysis for the City of Miramar, the primary market saw the largest growth in population of the three market areas of examination between 2000 and 2010, according to the census. All three areas are projected to continue growing, albeit at a slower rate.

### **Competitive Disadvantages**

**Customers that may want meeting space combined with lodging** - There are customers who will, no doubt, want to combine their meeting space with lodging for their attendees. For them, a traditional hotel with conference space will be their first choice. However, there are hotels that do not offer the amount of space always necessary for some corporate clients. In this way, the City could market “partnerships” with these area hotels to become the hotel’s “conference center”.

**Customers that may want to have access to nearby/walking distance restaurants & other retail and attractions** - There are some potential customers that may like to combine business and/or social events with providing attendees with opportunities to enjoy nearby restaurants, shops or the beach. For these customers, a nonurban setting may not be the most attractive venue.

### **Regulatory Considerations**

In the December 2002 Interlocal Agreement between Broward County and the City of Miramar for Development, Construction, Operation and Maintenance of Miramar Regional Park, the agreement stated:

*2.6 CITY acknowledges and agrees that the Property will be operated by CITY in perpetuity for public park purposes, and ancillary/incidental uses thereto, such as but not limited to concession stand(s), restrooms, parking area(s), park office, park maintenance area, and similar park support infrastructure. In addition, CITY may place one (1) communication tower at the Park. City acknowledges that the Deed from COUNTY conveying the Property to CITY will contain a provision which provides, that, in the event CITY violates this Section 2.6, COUNTY will be granted the possibility of reverter so that fee title to the Property can revert back to COUNTY upon the occurrence of certain events as described in the Deed*

Even though the agreement terminated in December of 2012, the City will need to consider that the proposed uses in this business plan are consistent with the spirit and intent of the 2002 Interlocal agreement and the comprehensive land use plan.

## PROMENADE



Adjacent to the proposed amphitheater, the City of Miramar proposes to develop a 61,650 square foot promenade, with 14,390 square feet of usable/rentable space. The promenade will be an ancillary feature to the amphitheater, but is also designed to be used as a functional outdoor space for community events, such as festivals, arts and crafts shows, antiques and automobile exhibits, and other social gatherings. The growing popularity of these themed fairs and community events, that require lots of parking, make the regional park promenade an attractive venue.

*Fairsandfestivals.net* is an Internet resource for festival lovers and businesses. This organization is comprised of a group of small business owners, crafters and computer enthusiasts dedicated to providing the necessary resources needed to grow and thrive in that industry. The website lists 691 events scheduled in Florida, and 168 events within a 25-mile radius of zip code during the 2013 calendar year. The different venues in the immediate area range from Davie Town Hall to the Las Olas streetscape. The list includes public parks and private properties.

Spaces that engage the public, particularly those facilities for neighborhood arts, education and outreach programs contribute to the character and identity of a community, provide opportunities for socialization, and hands-on experiences that enhance quality of life. Performing arts facilities and other cultural and social-gathering amenities, are an important “attractor factor” to corporations and businesses when considering establishing a new business or relocating. The presence of these facilities indicates a community that has an educated workforce and offers a high quality of life. In this way, the proposed promenade is consistent with one of Miramar’s *Vision 2030* goals and objectives to “Continue to provide a high quality of life experience” by “....maximizing the use potential of the....Miramar Regional Park”.

### ***Outdoor Promenade Industry***

Festivals have long been a part of human civilization. Usually a specific date or occasion is fixed for the celebration. This normally has cultural or religious connotations, but we all know that festivals are mainly social occasions celebrated to get us away from the mundane and on to the more colorful aspects of life.

According to the website *Governing.com*, municipal officials and entrepreneurs see the power of cultural festivals, innovation-focused business conferences and the like as a way to spur short-term tourism while shaping an image of the host city as a cool, dynamic location where companies and citizens in modern, creative industries can thrive.

The Florida Festivals and Events Association (FFEA) represent 415 members and 750 events in the state of Florida. Twenty-eight percent of the membership of the FFEA is located in South Florida. This membership is comprised of not-for-profit organizations (40%), government agencies/municipalities (36%), tourism agencies (14%), for-profit organizations (5%), and Chamber of Commerce (5%).

According to FFEA, the average number of events produced annually by each organization is 11. The average attendance at each organization's largest event is 100,000. The average attendance for each organization's events throughout the year is 175,000.

In February 2014, within a 14-day period there were 19 events in the region that were considered "fairs or festivals" listed at [www.southflorida.com](http://www.southflorida.com), a site powered by the Sun Sentinel that lists every event in South Florida.

Increasingly, hotels are getting asked about the availability of outdoor space for a variety of events, and some have started building outdoor spaces, or promenades, to meet this demand. Miramar has a unique opportunity to meet the needs of its residents, the business community and the region with the addition of the promenade.

### **Promenade Customer Profile**

A recent study conducted by Webb Management Services for the Pompano Beach CRA, found that "informal space provides important sites for adult personal expression and creativity and arts practice, and encourages social boundary crossing." It goes further to express how important it is when viewed in a cultural context.

*The notion of cultural space is very dynamic, and has broad implications for cultural policy. A 2002 intercept survey of adults in Santa Clara County, California indicated that most of the resulting general sample (mostly Whites) defines their "cultural space" as a large region. In contrast, Spanish-speaking Hispanics and Vietnamese respondents define their cultural space more locally. The sensitivity to "cultural space" implies a need to deliver arts experiences directly to the neighborhoods that are home to diverse populations.*

Using the broadest definition for all events that could be planned for the promenade, the potential customer market is far reaching.

### **Competitive Advantages**

**Geographic location and setting** - The City of Miramar is located at the geographical center of corporate and business development in South Florida where there is ready access to I-75, Florida's Turnpike, I-95 and major State roads.

The regional park is one of the largest pieces of open space in Broward County. While many festivals, fairs and exhibits have an urban setting, the regional park promenade offers a more open pastoral feeling.

**Well-used park, name recognition** - Residents of Miramar and the surrounding communities because of its many amenities already heavily use the regional park.

**Parking available** - The promenade can offer planners and promoters an additional feature that most urban settings cannot: plenty of parking.

**Space can be marketed as a support feature for all other amenities and events in the park** - Although live performances may be the focus of the amphitheater, time between these large events can be strategically filled with rental opportunities for public and private events.

**Growth of market for festivals, art shows, exhibit shows, etc.** - Sponsorship spending on fairs, festivals and annual events was expected to total \$849 million in 2013, up 2.9% from 2012. According to sponsorship.com, the increase lags spending on arts (3.3%); associations (4%); causes (4.8%); entertainment (5.1%) and sports (6%) as well as the projected 5.5% increase for the overall sponsorship industry. While spending growth trails other sectors, fairs and festivals continue to draw interest from corporate marketers looking to build their local presence, engage consumers and drive sales.

**South Florida as tourist destination** - The Greater Fort Lauderdale area had more than 12 million visitors in 2012, with more than a quarter traveling from within Florida. Miami-Dade County reported 13.9 million overnight visitors during 2012, an increase of almost 4% over 2011.

**The City as a partner for festival promoters and organizers** - The City, as the owner and managing entity for the promenade, can assist promoters and festival/fair organizers with navigating its own set of procedures, licenses, and permits necessary for the events.

## DIGITAL/ELECTRONIC SIGNAGE

The City of Miramar proposes to include the use of electronic signage (marquee) among its revenue-producing amenities for the regional park. The electronic signage is designed to not only be informational, but to provide a place of advertisement for sponsors of events and local businesses. The use of electronic signage in appropriate locations within the Regional Park may also help to maximize access and use of certain revenue-generating functions provided the character and natural beauty and aesthetics of the Park are not disturbed.

The question is whether it is worth the cost for an organization to invest in digital or electronic signage. For the City of Miramar, electronic signage will serve the purpose to inform its citizenry about events in the regional park, as well as produce another platform to entice sponsors and other businesses to plan and conduct events at the regional park.

### *The Industry*

Simply put, digital signage is any form of business communication where a dynamic messaging device is used to take the place of, or supplement, other forms of messaging. Until very recently, this simply wasn't viable or cost-effective. Screens were too expensive, too big and wore out too quickly. The return wasn't strong enough. However, the LCD/plasma revolution is changing all that.



At the end of 2011, it was estimated that 3.5 million digital signs existed. Amazingly, there will be 22 million digital signs in the world this year. According to research, the signage market will grow to \$4.5 billion in 2016. The projected growth, while exorbitant, can be backed up with logic. In an increasingly digital world, and in an ever increasingly competitive marketplace, the digital signage industry will continue to grow. Hardware prices are falling, which expands the potential client base. The market is moving towards finding truly affordable all-weather outdoor digital signage and is moving way beyond just the retail market.

There are more than 350 digital signage software providers worldwide, along with an abundance of content providers, managed services, and hardware manufacturers. From retail stores and shopping malls, to large venues, digital signage deployments are becoming part of our everyday environments.

### *Who are the Customers?*

The targeted customer for the electronic signage will be easy to identify because of the unique features of a digital sign. First of all, the audience is known because the method of advertising is based on place and time. For instance, content can be changed based on the time of day and the traveler on the street, i.e. after work, or in the evening hours, or on weekends. This will allow the City to develop a marketing strategy based on events taking place in the regional park and the amount and kind of traffic on the street where the sign stands.



Secondly, for live performance events taking place at the regional park, the electronic signage will serve to complement the City's efforts to promote the events. Because the content of a digital sign can be customized and tailored in a relatively short time, the sign will be very attractive to sponsors and promoters.

### **Competitive Advantages**

**Dynamic Content** - Dynamic digital content has numerous advantages over other forms of advertising. Compared to print, the content creation/distribution process is more rapid and less costly. Also, the content can be customized and tailored "on the fly" to the display device. It also allows for animation, which will attract travelers on the road.

**Point of Purchase Location** - Another aspect of electronic signage is that the "place" is known and near the "point of purchase", i.e. the regional park and its events and sponsors. A great deal of research shows that advertisements near the "point of purchase" are far more effective and has an impact on human behavior.

Because the marquees will be stationary, the City can perform some basic audience research and build a comprehensive profile of who exactly will be seeing the sign and when. This will help sponsors and other advertisers fully understand the value of the medium.

**"Branding" the Regional Park** - The use of electronic signage would be especially beneficial in providing information to travelers who, in passing the signs, will become familiar with Park amenities as well as events taking place at the site. The City's marketing and advertising consultants, Matrix2, have found that Miramar the public is not fully aware of the City's assets and certain amenities the City offers its residents and visitors. Electronic signage will allow the City to effectively highlight the existing and developing facilities at the Regional Park, even advertising the park's existence.

**Emergency Management Value** - Electronic signs may be an effective way to communicate with residents during a time of emergency.

### **Regulatory Considerations**

The City will have to carefully consider the use of electronic signage and its appropriateness, including how it will be used and to what extent by others in the community.

Any electronic signs, as described by this business plan, should be designed and consistent with the City's Signage Ordinance, Chapter 10, Section 1005.3. Construction and Materials (c) Illumination, which states:

#### *Illumination:*

- 1. Wall signs may be internally illuminated or illuminated from an external light source such as a decorative wall-mounted light fixture. External neon tubing or strip lighting is prohibited. Ground-mounted signs may be internally illuminated or illuminated from an external light source that is appropriately visually screened by landscaping and must be submitted with the original sign permit application and design for approval. For permitted colors and illumination, see section 813.2.1.2. An illuminated sign shall not be erected within 100 lineal feet of any portion of a*

*residential district, except for monument entrance feature signs. Energy-efficient technology shall be used for all sign illumination, for signs receiving initial sign permits following the date of this amendment to this chapter (November 30, 2011). Replacement of existing bulbs with LED bulbs is encouraged.*

*2. An electronic message board sign, if specifically permitted to be included within a conforming on-premises sign type allowed by this chapter, shall comply with the following requirements:*

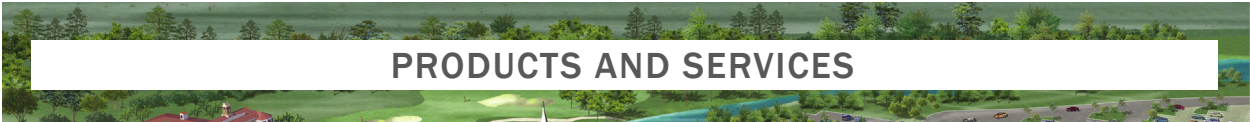
*a. An electronic message board sign shall not exceed a maximum luminance intensity of 5,000 nits (candelas per square meter) during daylight hours and a maximum luminance of 500 nits between 15 minutes after sunset and 15 minutes before sunrise as measured from the sign face at maximum brightness. Sign copy may change only at intervals of not less than 60 seconds. Continuous scrolling, animation, or flashing of lights is prohibited.*

*b. Sign copy may change only at intervals of not less than 60 seconds. The entire electronic sign face shall appear and disappear uniformly and simultaneously. Copy shall not fade-out or fade-in, or appear or disappear in any pattern, spiral or movement, or migrate from a side, top or bottom. Any such effects shall cause the sign to be considered a prohibited sign.*

*c. An electronic message board sign shall not interfere with the effectiveness of, or obscure an official traffic sign, device or signal.*

*d. An electronic message board sign shall have a disconnecting switch located in accordance with the provisions of the National Electric Code. The sign shall include an automatic shutoff device which renders a blank screen in the event of a malfunction.*

*e. An electronic message board sign shall require both a sign permit and an electrical permit prior to installation.*



## AMPHITHEATER

As the City of Miramar looks closely at the potential revenue stream for the amphitheater, the products and services to be provided must be clearly outlined. In this case, the “product” is the amphitheater venue and equipment, and the “services” are all the other services the City could provide to the customer for a fee.

### **Products**

The proposed amphitheater will be located in a highly competitive market for commercial entertainment and popular talent, particularly for touring artists given the ever-growing population of the South Florida region. Even though live music concerts and festivals comprise almost 60% of the total concert and event promotion industry, the City could also make the venue available for dance, comedy, speakers and variety acts. A detailed marketing plan developed by the City’s marketing consultants should include any and all potential users of the amphitheater.

In recent years, music concerts have shifted from solo acts to large-scale festivals that can accommodate a larger number of promoters, artists and organizers all at once. More than 20 major music festivals were established in 2013 in the United States. According to *Live Nation CEO*, festivals are one of the major growth areas for their business. The growth and development of festivals in Florida has been dramatic. The Orlando Calling festival features more than 50 music groups or acts. Held annually in Miami, the Ultra Music Festival is the largest electronic music festival in the United States. With its abundance of parking and space and access to all major transportation networks, the proposed amphitheater will be an ideal venue for a music festival.



### **Services**

Amphitheater construction requires substantial startup capital. In order to achieve its cost recovery objectives as projected, it will be necessary for the City to capitalize on other sources of revenue beyond ticket sales, including concessions, merchandise sales, equipment rental, and special accommodations.

The City of Miramar Cultural Affairs Department, which operates the Miramar Cultural Center, has prepared a list of possible services the amphitheater could provide, based on the department’s history and success as a venue growing in popularity in the South Florida area. Attached is a draft of services created by the Miramar Cultural Center staff, along with suggested pricing for the venue based on its planned features and its state-of-the-art equipment. The menu of services includes, but is not limited to:

- Event staffing
- Box office staffing
- EMTs and Ambulance for events
- Janitorial services
- Engineering services for audio, video, lighting, and sound
- Police presence
- Fire Marshall
- Shuttle drivers, if necessary
- Stagehands
- On-site supervisors
- Security guards
- Ticket takers
- Parking staff, etc.

They have also prepared a list of equipment that can be rented out based on need. These items include lighting, scrim rentals, LED screens, podiums, crash barricades, chairs, and risers, etc.

Additional revenue streams could also be created. Suggested options include a box-seat program; season tickets or seat subscriptions for businesses or individuals; corporate sponsorships for multi-day programs; VIP areas with special concessions; naming rights for the amphitheater; and community events that are free to the public, but are subsidized by sponsors with appropriate advertising, to name a few.

### ***Pricing Structure***

Rental rates will be segregated based on 1) non-profit organizations and Miramar residents and 2) for-profit or commercial users. There will be separate rates for rehearsal days versus performance days.

All tickets are proposed to include a \$4 facility fee to offset maintenance cost and energy/water usage. It is suggested that all soft merchandise sold (such as t-shirts, caps, etc.) be split 75/25 with the City and all hard goods sold (such as CDs, posters, etc.) be a 90/10 split, per industry standard.

Service fees for the amphitheater will also follow a commercial and non-profit split. The commercial service fees will be 3.5% of gross ticket sales or a minimum of \$500, and the non-profit services fees will be 2.5% of gross ticket sales or a minimum of \$500.

The Cultural Center operations staff prepared a comparison chart for fees and charges that includes the Cultural Center, the proposed amphitheater, the St. Augustine Amphitheater, and the Mesa, Arizona Amphitheater. The proposed fees for rent and services are based on the features, the quality of the facility and South Florida pricing. Although the comparisons to St. Augustine and Mesa, Arizona are not ideal comparisons, the City staff chose these venues because of the strength of their programming, the management of the facility, and the size of the overall venue. The comparison chart is attached as part of this business plan.

## ***Intellectual Property Rights***

Intellectual property includes copyright, registered designs, patents and trademarks. Essentially intellectual property is anything that is created through intellectual endeavor and may include the name of the event, the brochure and logo for the event. All these can be owned if the appropriate legal requirements are fulfilled.

Copyright arises when something original is published – that is written, recorded or printed. Copyright basically means the right to copy or reproduce. You can only copy someone else’s intellectual property – such as a song or poem – if you have their permission or if copyright has expired. If you want to play taped music, for example, at an event, you must obtain permission to do so.

A design, new invention (Patent) or special distinctive ‘sign’ (Trade Mark which includes a stylized letter/s, shape, color, sound or scent) that is intended to distinguish a product or service can be protected from use by others if registered. The trademark of an organization or product cannot be reproduced without their permission.

Often an event will be ‘sponsored’ by one or more organizations. Typically this will involve the promotion of the sponsor’s name and logo and product or service by the event’s organizer. The sponsor regards their name and logo as a very important part of their intellectual property. So if, for example, Beverage Company A sponsors the event, they will want their name and product prominently promoted.

As the City works with its advertising consultant to establish a logo and begins to brand the amphitheater and other revenue-producing amenities in the regional park, it may be necessary to protect all branding elements with a copyright or trademark.

## ***Ongoing Research and Development***

Once the amphitheater is built and fully operational, it is suggested that the City:

- Continually conduct research and surveys to keep abreast of any changing demographic or what may be new and “hot” in the marketplace as it develops programming.
- Examine event data from year to year as to what kind of entertainment is selling in the Miramar area, i.e. which acts sell out, what are the ages and makeup of the audiences, etc.
- Continue to take advantage of the fact of its multicultural population to see if it would be possible to develop a “niche” market for its majority minority population.
- Seek to identify a possible music festival at the amphitheater and make it an annual event.
- Keep abreast of changes in technology that may affect the facility, especially in the areas of sound and lighting.
- Examine expenses associated with operating the amphitheater to see if its fees and percentages are on target.

## CORPORATE PAVILION/CONFERENCE CENTER

The City of Miramar proposes to construct a 16,000 square foot, state-of-the-art Corporate Pavilion that will provide a meeting venue for businesses and individuals.

### *Products and Services – Quality Matters*

In keeping with the best conference centers, which are well designed and equipped, the Miramar facility will have a variety of furnishings from which to choose, as well as high-quality, modern audiovisual equipment and sound systems to enhance each event. Varying layouts and room configurations will enable organizers to choose the perfect room for their event. Each room will be flexible enough to accommodate placement of furniture and equipment as needed.

Both Internet connectivity via high-speed broadband and video conferencing, which enhance the meeting experience, will also be provided. The facility will house a business center to offer full services and supplies like photocopying, projectors, flip charts and stationery. Staff will be available to ensure that everything is in proper working order and that rooms are kept clean. The corporate pavilion/conference center will have plenty of restrooms and storage space.



Food and beverage services will be made available at an additional, competitive cost. Transportation to and from the airports will be made available and there will be adequate parking. The corporate pavilion will employ professional, well-trained staff.

A conference center with these types of features and flexibility is more likely to be popular and successful. When the planning and presentation needs of meeting organizers are met and their events are well-received, they will be repeat customers and will likely recommend the venue to others, in turn creating an additional source of revenue for the City.

### *The Nocturnal Needs Assessment*

On behalf of the City, Nocturnal Marketing, Inc. completed an assessment in March 2014 of the twenty largest companies in the Miramar area to find out what their future needs might be when considering a facility for meeting purposes.

Based on Nocturnal Marketing's data, the majority of the companies plan for 500 or more persons per event. When asked what features the meeting facility must have to meet their needs, the respondents reported in order of importance: 1) cost; 2) location; 3) capacity; 4) parking; 5) internet/technology availability; 6) flexibility; and 7) catering. Most companies surveyed replied, "yes" when asked if they could be approached for immediate business. It was also noted in the

survey that the facility should have an Internet presence and marketed through Google and similar search engines. A copy of the survey results is included in the appendices of this report.

**The TouchPoll Needs Assessment**

Recently, the City of Miramar, through its consultants, TouchPoll South Florida, completed a Needs Assessment (March 12, 2014) that underscores a variety of interests the local business community has when it comes to planning special events and meetings for its customers and clients. Touchpoll assembled a list of local meeting planners and by using a combination of telephone interviews and surveys, was able to provide the City with a list of important concerns they had when choosing a meeting/event facility. Seventeen respondents participated in the survey.

When planners were asked, “What type event does your company plan?”, their top three answers were: (1) Seminars for clients/customers; (2) Conferences; and (3) Staff functions (e.g. parties).

When asked what were the top factors in choosing a meeting facility, the respondents replied: (1) capacity of the rooms; (2) location of the facility; and (3) layout of the facility. Following closely were: (1) technology available for use in the facility; (2) nearby hotel/lodging; and (3) shuttle bus from lodging.

Also, all meeting planners indicated that it was also very important to be able to make an on-site visit and take a full tour of the facility prior to making any commitment to host a function there.

As for the amenities/services most required by meeting planners, all respondents replied that Internet connectivity was paramount. Closely following as “definitely” or “very likely” were: (1) AV equipment; (2) flip charts; (3) white boards; and (4) personal writing implements, such as pens, pads of paper, etc.

Meeting planners were also asked about features/amenities that were of most interest to their clients. The majority responded that clients are “very interested” in “private business lounges” and “hubs within lounges that facilitates quiet time in a semi-private area”. Closely following as “interested” was “training rooms” and “video conferencing suites”.

The full report by TouchPoll is included in the appendices of this document.

**Pricing Structure**

The following table is a partial list of appropriate pricing. This draft schedule of fees was produced by Miramar Cultural Center staff (February 19, 2014).

<b>Corporate Pavilion/Conference Center</b>	<b>Rental Rates</b>
Base Rent: Non-profit and/or Miramar Resident (12 hours)	\$ 525.00
Base Rent: Commercial	\$1000.00
Additional Base Rent hour	\$ 100.00
Tenant User Liability Insurance Program (TULIP) Insurance per day	\$ 500.00
<b>Corporate Pavilion</b>	<b>Fees</b>
Off-site Administration	\$100.00
Seating Arrangement	\$100.00



### ***Ongoing Research and Development***

It will be necessary for the City to continually conduct surveys of each event/customer to assess how well they did and to what level every customer felt his needs were met. In addition the City will need to monitor changing technology to ensure that its equipment and systems are always up-to-date.

The facility itself will be continually monitored to assess “wear and tear” and keep it modern and fresh.

As the City begins to schedule meetings and events at the Corporate Pavilion, it must continuously assess markets that exists, but are not tapped. For instance, the City should consider hosting “speakers circuits” at the Pavilion or identifying ways to reach the religious meetings and faith-based conferences that appears to be a growing market, according to the Greater Fort Lauderdale Convention and Visitors Bureau. In addition, the City should reach out to non-profit organizations in the region to find out what fundraising events they schedule and market directly to them (i.e. private schools, churches, charity organizations, etc.). Showcasing events and open houses could be held by the City to introduce the facility to a specific industry, such as the wedding industry.

## PROMENADE

The Promenade, which is an appendage of the Amphitheater, will also serve as a revenue producer for the City of Miramar. The space has approximately 14,390 square feet of usable and “rentable” space. With a central location in the regional park and plenty of parking, the Promenade will be an attractive venue for the growing and popular fairs and festivals market in the region.

Festivals help communities define themselves. The promenade will provide the public place for the community to organize resources and energies and will be an investment that the City makes, not only in its financial stability and future, but will further its objectives for building on the quality of life for its residents.

Celebrations, festivals, showcases and other events fuel the City’s economic development and build the “brand” of the City of Miramar. These events spur short-term tourism while shaping the image of the host city as a cool, dynamic location where companies and citizens in modern, creative industries can thrive.

### ***How will the Promenade Produce Revenue?***

Festivals and fairs are usually designed to attract and serve large audiences, therefore, sizeable, easily accessible and well-located sites are essential. The South Florida climate, the location, the newness and uniqueness of the amphitheater and other amenities makes the promenade an attractive venue for events. The “attractor factor” for the promenade at the Miramar Regional Park is its location, ease of access, and accessible parking. The City, as owner, manager, and operator of the regional park and its track record of providing quality programming in cultural arts, sports and entertainment is a major “attractor factor”. As the property owner, the City can assist its customers with the licensing and permitting process to facilitate a problem-free experience for event organizers and other customers.

In order to maximize revenue potential, and efficiently use the promenade area as intended, the City should seek a professional entertainment management company to operate its promenade. A management company would be responsible for attracting events, leasing commercial space, maintenance and related duties. The management company will pay the City of Miramar a minimum annual guarantee (MAG) of (\$17/square foot) for commercially usable space. Based on the current configuration of Promenade space, this suggests potential revenue of \$7,004,510 in the first five years.

The City intends to generate promenade revenue in several ways:

- Renting the entire promenade area to an event organizer (similar to renting out the amphitheater);
- Partnering with event organizers to share in the costs/risks and the profits;
- Using the space in conjunction with an event at the amphitheater to rent out booth space to food and artisan vendors, which can also be charged a percentage of the profits. The City can host its own community events at the Promenade or use the space to display advertising or give away samples or other marketing materials for sponsorships. The possibilities are almost limitless.

Pre-parties for VIPs can be organized in tents on the Promenade before performances in the amphitheater. The VIP is usually a sponsor or a holder of season tickets – all revenue generators for the City.

## ***The Film Industry***

According to [www.sunny.org](http://www.sunny.org), the economic impact of the on-location film industry to the Greater Fort Lauderdale area since 2000 has totaled more than \$220 million. In April 2010, the Broward Film and Television Commission was transitioned to the Greater Fort Lauderdale Convention and Visitor's Bureau as the Greater Fort Lauderdale/Broward Office of Film and Entertainment (OFE) and has increased the growth of this industry in Broward County by 60%. The main goal of the OFE is to promote and showcase the Broward County destination as a key "location" to the production of film and entertainment in Florida. The OFE also focuses on promotion of the area as a key live music hub, showcasing Broward facilities and venues and promoting nightlife.

Miramar's Regional Park, including not only the Promenade, but all facilities at the park, will capitalize on the focus and energy of the OFE by making its venues and facilities available for film and entertainment purposes. Aside from any revenue this strategy might produce, the fact that film crews, production companies and all other businesses associated with the production of entertainment will be visiting the Miramar area will bring "indirect" economic benefits to the City of Miramar and furthering its goals of making Miramar a "destination city".

## ***Pricing Structure***

The Promenade will have a pricing structure similar to the renting of space at the Amphitheater and the Corporate Pavilion/Conference Center – a price for non-profits and a price for commercial use. In addition, the City can provide a myriad of necessary equipment and/or staffers to organizers and promoters for a fee.

When the City decides to rent out space to provide food and beverage to amphitheater customers, the "booth" space rental can also include electric service wiring and be priced according to the amps needed for the booth rental. The booth spaces are typically 10' x 10', or 10' x 20'.

The City may want to include a provision that all booth vendors apply for what is typically called a "Transient Merchant License" from the City for operating a booth. (Typical license charges are \$100.)

## ***Ongoing Research and Development***

The City will conduct necessary and ongoing research to find out which organizers are looking for the kind of space the Promenade will provide. In addition to their own market research and analysis, the City's membership in the Florida Festivals and Events Association (FFEA) will provide support as it fine-tunes its programming, sales and marketing strategies going forward. The most important benefit of membership in the FFEA is the ability to connect and exchange ideas with other event professionals throughout Florida and across the nation. The FFEA also provides training through regional conferences, webinars, and an annual convention. In other words, it is the perfect networking organization to support Promenade staff and supporters.

It is also necessary to "de-brief" every organizer or customer after an event to see where there could be room for improvement.

## DIGITAL/ELECTRONIC SIGNAGE

Digital signage delivers a unique experience with proven results. Because the content of the sign is dynamic, viewers are not only more likely to notice the sign, but to receive the message and act on it. The ease with which the message can be changed will also allow the City to quickly and easily schedule and distribute content, monitor the activity and status of the displays, perform administrator functions and react quickly and smoothly to changing programming and messaging.

The City proposes one marquee with digital/electronic capability at the main entrance to the Park on Miramar Parkway.

### *How will Digital Signage Produce Revenue?*

In a large or busy venue, guests will want to know where they are going, how to get there, and what is available to them. In short, they need to be informed at every turn. Digital signage can deliver this targeted, real-time information that gives visitors the information when and where they need it, in a very simple and cost-effective way that will increase customer satisfaction and encourage return visits.

Some examples of digital signage solutions for events include:

- Information screens, allowing customers to find out about a center and experience so they can plan their activities
- Large format screens which create a 'wow' factor
- Eye-catching promotional content to generate revenue for venues through advertising.

In other words, the electronic sign acts as an advertising medium and revenue will be produced as promoter, performers, sponsors, and businesses, to name a few, find this a perfect way to reach a large number of customers easily and effectively.

Because digital signage can be updated at the click of a button, in real-time, it offers unparalleled opportunities for event organizers who want to keep their visitors informed and ensure they have a memorable and engaging experience

For instance, Texas State University has partnered with The University Network (TUN) to generate revenue by simply placing digital signage in high traffic areas on their campus. In exchange, TUN shares 20 percent of all national advertising revenue generated by those signs.

According to a source at Stewart Signs, one of the largest sign manufacturers in the country, electronic signage and the software that operates the sign can be programmed 6-12 months into the future, and changed at any time. This is the most economical way to produce signage.

### *Pricing Structure*

Advertising revenue will be based on the length of time the ad can be seen on the electronic sign. It can be minutes each day, or once a week, once a month, etc. The most attractive feature of electronic signage is that you can target a specific market at a very specific time of day, after you study the habits of the drivers where the sign can be visible. For purposes of the financial analysis, revenue is based on peak and non-peak hours.

### ***Ongoing Research and Development***

Two of the companies that have been recommended by the City's advertising firm, CMA Digital and Stewart Signs are "turnkey" companies, i.e. they can take the sign from concept to permitting to construction to training personnel on the software until the sign is up and running. The City will have access to all new software packages as the technology further develops or changes.

The most important continuing research will be for the City to make sure it understands its "market", that is, the traffic that passes the sign. The City will continue to monitor any changes in demographics, new employment centers, changes in traffic patterns that is necessary to keep their pulse on their market.



## MARKETING

In the Market Analysis of this strategic business plan, the market has been clearly defined. However, to take full advantage of business opportunities for the planned Miramar Regional Park (MRP) Amphitheater, Corporate Pavilion/Conference Center, and Promenade it is important to highlight location, economic, and demographic characteristics that are relevant to creating a market for the MRP enterprises through marketing for business attraction, and sales to ensure profitability. Therefore, some data and information from the market analysis is summarized for the purpose of drawing attention directly to how the City might target its markets specifically to attract the customers anticipated and reach revenue goals projected.

In the development of this business plan, sales revenue to be generated from the use of electronic signage at the Regional Park is not as clearly pronounced as is the case for the other enterprise operations. In that regard, treatment is scantily addressed, and mainly in terms of the City's purchase of advertising to promote MRP events and activities for its business enterprises.

### ***Target Market***

The targeted geographic area for potential customers is within a ten-mile radius of City Hall, including city residents, captures Hollywood, Hallandale, Miami Gardens, North Miami Beach, Pembroke Pines, Southwest Ranches, Plantation and Davie, primarily. Because of close proximity, customers from these areas are expected to visit and participate in a variety events held at the Miramar Regional Park Amphitheater, Promenade and Corporate Pavilion. According to US Census Bureau's 2013 AMS Market Study, the estimated population of the immediate captured market is 1,150,524.

The broader market area extends from Palm Beach County to south Miami-Dade County. The population of the Miami-Fort Lauderdale-West Palm Beach market is 5,712,742.

### ***Event Industry Analysis***

The events industry is actually segmented into two focused areas: social events and entertainment events. Social events include party planners who specialize in providing a range of "value-added discretionary services to household and corporate clients. Professional planners in this segment of the industry generally conduct research on behalf of their clients, create event designs, locate venues, arrange for event food, décor, entertainment, transportation and accommodations, coordinate invitations, supervise the events and conduct evaluations of the events.

Since this segment of the industry largely provides discretionary services, it is largely driven by per capita disposable income and profitable corporations with the ability to afford various kinds of events, whether for employees, clients, or shareholders. The recession in the U.S. negatively impacted the event planning industry resulting in fewer corporations and consumers holding fewer and smaller events. From 2008-2013, the annual growth of the industry was -0.7%. The current revenue outlook for the industry is \$6 billion and forecasted to increase strongly. Profits are expected to increase as both personal and corporate markets choose higher-priced options. However, weddings, which represent a significant part of the market, are expected to decline commensurate with the decline in marriages. This will limit, but not necessarily stymie the overall market.

Conferences and meetings currently represent \$13 billion in revenue, and showed annual growth of 0.1% during the period 2008-2013. The five years is expected to trend upward with domestic travel on the rise and corporate profits returning. In South Florida, international meetings and conferences factor into the prospects for a stronger conference and meeting market.

Sitting in conference rooms is no longer considered to be the standard by which companies judge productive meetings. In fact, it has become a thing of the past for many companies that are now turning to more unconventional meeting methods to spark energy, creativity and innovation among their employees. By offering an alternative to traditional business meetings, the City of Miramar will be positioned on the cutting edge of creatively meeting the needs of companies through its “in-house” food and beverage service option that will be offered as part of its business meeting package of services.

Entertainment event industry professionals create, manage and promote live performances and events ranging from concerts, theater performances, civic events, celebration/commemoration, education, promotion, state fairs and even air shows. Many promoters lease space from stadium, arena and theater owners, while others actually own venues. The latter will be the case for the City of Miramar at the Regional Park. This industry is categorized by a variety of assembly events related to activities that provide entertainment or educational benefits to all types of audiences.

According to *IBIS World*, despite the economic downturn and low discretionary income, Americans continued to attend and spend money at live events over the past five years. As the economy picks up in the next few years, industry growth will continue. High demand and low barriers to entry will lure new entrants, however, which will increase competition and strain profit margins. Therefore, players will look to expand their revenue streams and merge with other promoters. Attendance and ancillary spending will continue upward, but so will competition.

### ***Event Industry Products***

This industry provides a range of value-added products including:

- Live music concerts/Tours
- Theatrical performances
- Non franchise sporting events (e.g. rodeo, boxing)
- Fairs and Pageants
- Festivals (general appeal and ethnic)
- Public gatherings (renowned celebrity speakers, faith leaders, political events)
- Telecast events (business, sports, entertainment)

### ***Conference/Meeting Industry Analysis***

The work of conference and meeting planning professionals involves planning and organizing conferences, promoting and managing conference events, providing staff to operate conference facilities. Reporting on trends in the conference center industry in 2013, the International Association of Conference Centers offered the following perspective on the industry’s growth:

*Demand for conference centers grew and so did average rates, with executive style conference centers performing better than average with an ADR increase of 5% over the previous year. This led to a higher than average rise in rates compared with the hotel industry average in 2012, indicating conference centers are in vogue and the choice of meeting planners.*



Yet, there is another perspective on the turnaround in the industry, albeit positive for smaller meeting and conference venues. According to the new *American Express Meetings & Events 2014 Global Meetings Forecast*, planners and suppliers alike will need to navigate a business climate that continues to demand greater efficiency. The following are four trends that are emerging according to management, meeting industry planners, buyers and hoteliers around the world.

**Corporate Conference/Meeting Trends** - The American Express forecast indicates that corporations and associations alike have grown increasingly concerned about the amount of money spent on meetings and conferences. Meeting planners reported that, in 2014, companies will continue to keep a close watch on those budgets. Respondents to the AMEX survey in Europe, Asia Pacific and Central/South America all predicted that overall spending for meetings within their organizations will drop. The findings among Asia Pacific meeting professionals were most notable, considering just how much attention has focused on the region's potential to be a hub for meetings. Respondents in the region expect to see a 3.6% decrease in overall meeting spending.

As hoteliers invest more money and resources to expand their footprints throughout the region, this figure will play a role in filling rooms and meeting space. However, in North America, the picture is dissimilar. Respondents estimated that overall spending will remain the same. While meeting budgets are not expected to grow, the North American market anticipates a 1.5% increase in the number of meetings.

**Attendees Want to be Closer to Home** - Meetings may represent a chance to get away from the traditional day-to-day work, but in 2014, respondents from around the world agreed that they are noticing an increase in a demand for regional meetings.

**The Hosts Need to Work Faster** - Meeting managers and planners appreciate adequate lead time, but it seems, as the approval process for meetings continues to face obstacles in many organizations, respondents believe that they will see shorter lead times this year, which could hold serious implications for securing optimal dates and affordable room rates.

**Information is Being Delivered Digitally** - Having a mobile application or app, along with a strong social media presence is no longer reserved for organizations that have plenty of resources and money. These are essential tools for every business. When it comes to hosting meetings, these platforms are powerful ways to turn attendees into true community members. "Meeting organizers are looking to utilize social media tools to create higher quality and more engaging programs that better meet the needs of attendees," stated Issa Jouaneh, vice president and general manager, American Express Meetings & Events. He also commented: "The future will be truly exciting for the industry as we redefine the meetings investment and experience management through the incorporation of digital meetings solutions."

### ***The Built Product for Conference/Meeting Space***

The planned capacity of the Corporate Pavilion/Conference Center is 700 seated banquet-style and 1,200 seated conference-style. The total size of the conference/meeting area in the Corporate Pavilion will be 16,000 square feet under roof. The building will feature two levels, including office space for Regional Park staff. The design-style is Mediterranean, consistent with the theme of other city-owned buildings, including the City Hall Complex. It will feature an outdoor terrace off the second story which will be designed for outdoor events adjunct to the meeting/conference building.

The City of Miramar’s strategy to offer alternative space to traditional locations, hotels, convention centers, and single-purpose meeting facilities, i.e. Davie’s Signature Grand, supports the trend towards comfortable and affordable meeting space. A study conducted by HVS Consulting & Valuation Services, a widely respected firm operating worldwide, produced a convention center expansion and hotel analysis for the Greater Fort Lauderdale/Broward County Convention Center in 2013.

In assessing the impact of industry trends on Broward County, HVS raised a key factor that supports the City of Miramar’s plan to provide meeting space for the City’s intended market segment. HVS stated, “All important destination appeal is strong in Ft. Lauderdale [market area] – except for lack of function space and proximate hotel rooms.” Quality meeting space for local businesses with tight budgets, local organizations, and individuals/families is in demand, but pricing structures can be prohibitive.

The City of Miramar, through its revenue enhancement initiative, can tap the small meeting market by accommodating locals and attracting small meetings and events, in conjunction with local hotels. Southwest Broward and northwest Miami-Dade County lack appropriate space for business meetings as well as space for events accommodating 700 or more people.

With its planned expansion of the Corporate Pavilion/Conference Center, the City of Miramar will be able meet a viable market need by supporting the following types of meeting and conference events:

- Small Conventions
- Trade Shows
- Consumer Shows
- Business, Social, Education, Fraternal, Para/Military Meetings
- Faith-Based Conferences and Meetings

### ***Technology Enhancements for Today’s Meeting Facilities***

In order to compete in the marketplace for meetings, small and large facilities must provide smart technology to support business and organization needs for telecommunications access. The following requirements are sought by meeting planners for their customers:

- Web 2.0, the “participatory web”, which enables a variety of interactive online communications, web-based presentations, virtual meetings and collaborations among many other functions.
- Wireless broadband internet access
- Voice over Internet Protocol (VoIP)
- High definition television (HDTV)
- Electronic signage
- Radio frequency identification (RFID)

Just as these accommodations are demanded, more and more by the customer, meeting and event planners also look for efficiencies in the planning process including booking facilities and smoothing communications around preparing for the meeting event. This is according to Corbin

Ball Associates, authors of a 2007 article entitled *Futurism: Twelve Technology Trends in the meetings and Event Market*. The following are excerpts from the article:

- “Industry standards in the events industry are moving toward APEX (Accepted Practices Exchange) standards whereby “[t]he reduction of the rote tasks of entering, reentering and proofing reentries of meeting specifications data promises increase planning efficiencies enormously.”
- “Online booking of meeting space and group travel will continue to evolve, especially for small corporate meetings. Products such as OnVantage/StarCite’s EasyBook.”
- “Procurement and strategic meetings management programs will drive more meeting purchasing decisions, especially for large corporations.”

These comments fortify the necessity to, ultimately, equip the conference facility to be a competitive site for the small meeting market.

### **Marketing Strategies**

An active amphitheater supported by an expanded operating structure has the potential to provide positive economic benefits to the City. The Miramar Regional Park Amphitheater will draw visitors who are likely to spend significant dollars in addition to the cost of admission. The City will conduct an aggressive promotional campaign that will include social media, which is content delivered through social interaction that excites others to repeat. Social media channels such as Facebook, Twitter, LinkedIn, Google and Pinterest are powerful lead generation channels. Also, implementing a user-friendly event registration system will enable an easy online registration process and the creation of targeted event websites.

The City will employ a system that will come with the necessary tools to help increase the visibility of the Regional Park and draw customer attention to the City’s event website. Using search engine optimization (SEO) keywords will allow MRP to track registration form submissions. Ultimately, an active website will help to increase revenue by providing additional sponsorship opportunities. Social media will help MRP to:

- Turn its customers into powerful brand advocates by engaging in peer-to-peer sharing and influencer marketing.
- Effectively measure social marketing to determine real business return on investment (ROI)

The strategic use of social media, viral marketing and promotions to build interest before the initial opening of the amphitheater is highly recommended. Suggested areas of focus in using social media include emphasizing:

- The unique experience offered at the Amphitheater and the Corporate Pavilion
- The calm, serene park and strolls through the Promenade area
- The vibrancy of the City’s economy, its sense of place and its growth
- Residents who enjoy a high quality of life
- City’s foresight to increase the Miramar experience by enhancing its Regional Park offerings



Graphic courtesy of Shell Robshaw-Bryan/Uber Marketing

- A City building its reputation by fostering strategic partnerships with the convention and visitor's bureau, School Board, event planner, community and business groups

City staff will need to monitor sales on a weekly and often on a daily basis, and design a plan to increase sales from the start of operations. It is suggested that the city book artists from all genres of music or entertainment to appeal to a diverse audience and help build a positive perception of the Amphitheater.

**TV Ads** - The vast majority of television advertising consists of brief advertising spots, ranging in length from a few seconds to several minutes (infomercials). Advertisements of this sort have been used to promote a wide variety of goods, services and ideas since the dawn of television. This form of advertisement will certainly benefit the amphitheater.

**Radio Ads** - The MRP should definitely consider radio advertising. With people listening to news and music everywhere from cars to gas stations to running treadmills, radio remains a rich format – but must be planned and measured carefully for optimal results. The City should consider consumers and formats to define audio schedules that drive brand lift and response. Radio adds creativity and innovation to one's schedules, nails value-added and program integration, and offers sophisticated direct-response tracking for ongoing campaign improvements.

**Direct Marketing** - Selling via direct contact with the prospective customer can be a positive outcome for MRP, considering that Miramar is a modern city with a small town feel. Also, direct marketing differs from general marketing in that the result of a promotion is measurable in terms of response.

The use of direct marketing by MRP is a more personal type of promotion than advertising. MRP can often select the individuals who will receive the promotion, and is the direct recipient of the response, if any. The response may be a purchase, an inquiry, or a referral that can be traced directly back to the individual. Direct marketing is utilized by virtually every type of business and organization.

**Print Media** - Even with the existence and popularity of social media, print media is still a useful tool. The marketing strategy should include local newspapers such as the *Sun Sentinel*, the *Miami Herald*, *South Florida Times*, *Westside Gazette*, *Miami New Times*, *Biz Bash*, the *Miramar Gazette*, and international print media that target Miramar's Caribbean and Hispanic populations.

**Press Releases** - As part of its marketing strategy, MRP can also issue press releases in order to promote its services.

**Customer Relationship Management System** - The City currently employs the use of a Customer Relationship Management (CRM) System as a marketing tool that may prove to be extremely helpful to City staff. The City plans to expand its CRM System to support the MRP revenue enhancement projects. This will enable staff to build a database to support management and sales associates access to customer data to match their needs with the City's facilities and offerings.

**Brand Development and Strategy** - The City has already done an excellent job developing its brand by creating an identity with its name, logo, website, advertising and public relations campaign. The City has also retained Matrix2, an advertising and marketing firm to spearhead its overall advertising and marketing campaign.

## AMPHITHEATER

The Miramar Amphitheater is a revenue enhancement project which will vitalize the city, after its anticipated completion date between March and April 2015. With its capacity to accommodate 5,000 people, the venue will be able to offer a variety of shows, concerts and special events for people of all ages: children, pre-teens, teens, young adults, adults and senior citizens. The amphitheater will also host graduation/commencement ceremonies for universities, high schools and trade schools. Not only will it operate as an open-air venue for entertainment, performances, sports and special events, but it will take the city to the next level, with full sound, lighting and special effects.

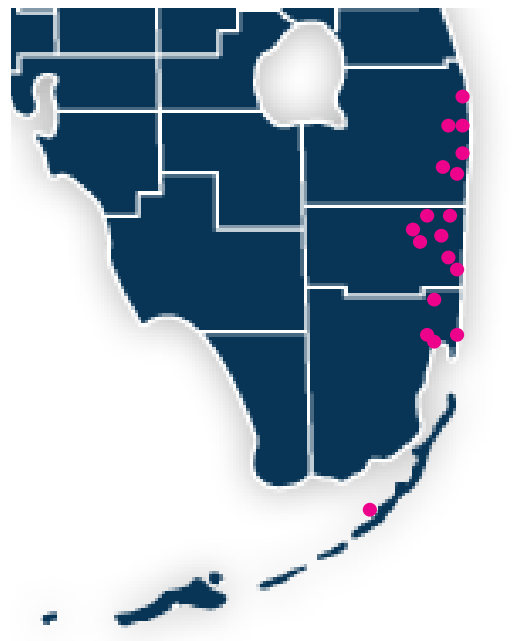
One of the challenges for any amphitheater is programming appropriately for the weather. Florida has more than 320 days a year with average to high temperature, thus making it relatively easy to program an amphitheater. The average temperature in Miramar is 75.40°F, which is higher than the Florida average temperature of 71.80°F and is much higher than the national average temperature of 54.45°F. Average temperatures stay within a fairly tight range with only a few days of cold weather a year. There is some predictability in the summer months, as the rain tends to come as afternoon thunderstorms that can be planned for. Therefore the Amphitheater has a longer season than most and the risk of weather-related disruptions is reasonable and manageable.

The Amphitheater's promotional strategy consists of six components designed to create a high level of awareness and draw immediate clientele: social media, press releases, TV ads, radio advertising, newspaper advertising and digital/electronic signage at the location. Each of these marketing approaches has the advantage of being cost effective and creating service awareness. The city has to consider the possibility of having promotional feature to offer discounts, including foods, a local radio disc jockey and other promotional ideas. The City's projected marketing budget for the Amphitheater is approximately \$115,000.

### ***Amphitheater Competition***

As stated earlier in this plan, the amphitheaters listed below are among several located within 60 miles of the Regional Park:

- Hard Rock Hotel & Casino, Hollywood (14.28 miles) - 5,500 fixed seats
- Pompano Beach Amphitheater (29.81 miles) - 3,000 fixed seats
- Cruzan Amphitheater, West Palm Beach (58.27 miles) - 19,300 total seats; 6,400 fixed
- Mizner Park Amphitheater, Boca Raton (38.7 miles) - 5,000 total seats; can accommodate 3,500 folding chairs (available for rent)
- Klipsch Amphitheater, Bayfront Park, Miami (21.21 miles) - 2,700 fixed seats; total capacity 7,400 people
- The Isles Casino, Pompano Beach (33 miles) - 2,800 total capacity



● Location of amphitheaters in Southeast Florida

### **Competitive Advantages**

Miramar is a 21st Century city with a small town feeling, where almost 40% of the population earns \$75,000 or more annually and the average age is in the early 30's. The city is characterized as a community of many young couples that may or may not have any children. Other features are outlined below:

1. Miramar's demographic has relatively high disposable income, reflecting a population that typically attends concerts, shows, and dines out often. The City has instant access to this targeted market.
2. The City of Miramar is geographically located north of west Miami-Dade County and on the southwest border of Broward County. Miramar is equi-distant between Miami and Fort Lauderdale.
3. According to a report by Matrix 2 Marketing, most concert consumers are willing to drive 30-45 miles to attend concerts/shows.
4. The MRP Amphitheater will be easily accessible from all major highways: I-75, I-95 and the Florida Turnpike.
5. None of the immediate surrounding communities have an amphitheater. Miramar is well positioned to capitalize on this lack of concert venues.
6. The City is fully prepared to tap into the existing live music audience already thriving in the region, and build upon its growing reputation, via the Miramar Cultural Center, of hosting a variety of arts and entertainment events.

## **CORPORATE PAVILION**

With an anticipated completion date of 2016, the Corporate Pavilion will occupy 4.3 acres of space. The Center will host corporate meetings, seminars, conventions, consumer shows, trade shows, religious events, civic events, educational activities, school graduations, government meetings, professional groups, promotional meetings and all kind of conferences. It can also host graduation and commencement exercises for local high schools, trade schools and universities.

As a revenue enhancement project, it is important to develop a marketing strategy that will create an attractive image for the Corporate Pavilion. This is already being done with the Miramar Town Center, which houses the Cultural Art Center, the Ansin Family Art Gallery, and an 800-seat theater and banquet facility.

There are 5,400 businesses located within the City, including 20 Fortune 500 companies and 36 other businesses with over 100 employees. The City has already begun its marketing efforts by targeting those businesses within the city limits. Next, the City will expand its outreach to the surrounding areas to create awareness of its new conference facilities.

The City will include the following media/vehicles to reach its targeted markets for the Corporate Pavilion/Conference Center:

- Press Releases and Business/Trade Magazines
- Newspaper and Television Advertisements
- Customer Relationship Management System

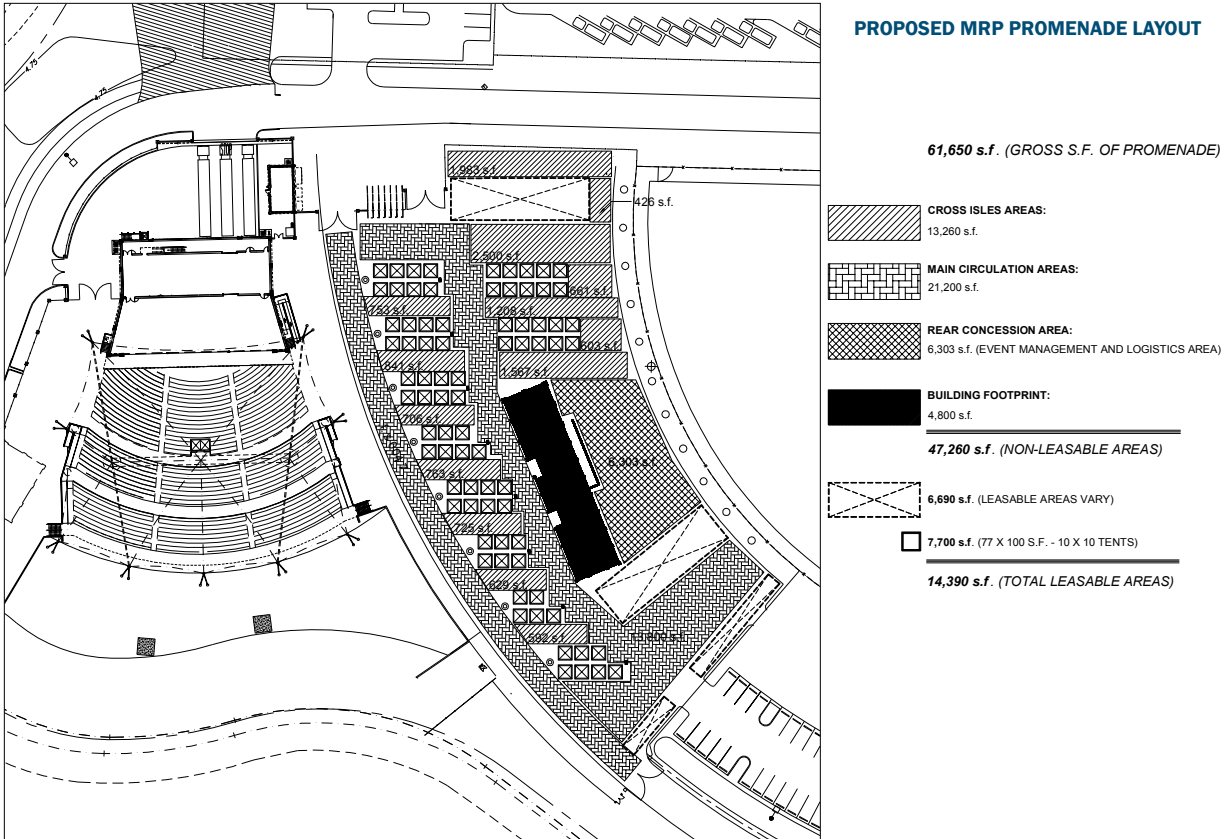
The City Manager and key City staff have enlisted the Greater Fort Lauderdale Convention & Visitors Bureau to include the City's conference and meeting facilities on its prime list for familiarization tours with conference and meeting planners.

**Corporate Pavilion Competition and Competitive Advantage**

There are presently no significant conference and meeting locations in southwest Broward County, and relatively few, in northwest Miami-Dade County.

**PROMENADE**

The Regional Park Promenade is situated due east of the Amphitheater and is programmatically connected to the Amphitheater. The gross area of the Promenade is 61,650 square feet. The area will accommodate a 4,800 sq. ft. fixed construction building that will house restroom facilities for event users. The space design provides for 7,700 sq. ft. of space for 10' x 10' tents for vendors, artists, and related commercial uses. Additionally, there will be two leasable areas on opposite ends of the Promenade totaling 6,690 sq. ft. The total leasable area in the Promenade is 14,390 sq. ft.



The Promenade will accommodate various types of arts and entertainment events and may serve as a staging area for charity running or walking events. In the layout and design plan, the promenade also serves as a land bridge connecting the Amphitheater to the Corporate Pavilion conference facilities. Although the design of each revenue enhancement enterprise shows their connectedness, they are separate "profit centers". Yet, their locational clustering becomes an attraction for Regional Park visitors and helps to create an experience factor unlike any public park in South Florida. It is akin to downtown Chicago's Millennium Park.

Additionally, these three facilities, anchored by the Promenade, will provide great effects for motion picture filming with all the necessary space for onsite production and parking for film producers. Radio and television broadcasts at the site will automatically feature the Amphitheater, Promenade, and Corporate Pavilion, hence providing even greater publicity for the City's enterprise operations. Media use of the Regional Park will carry the message about the Park's accessibility, convenience and availability. It is anticipated that the marketing expenses will be approximately \$20,000 annually.

The City will include the following media/vehicles to reach its targeted markets for the Promenade:

- Social Media
- Press Releases and Business/Trade Magazines
- Television Advertising
- Print/Newspaper and Radio Advertising
- Customer Relationship Management System

## **DIGITAL/ELECTRONIC SIGNAGE**

As previously stated, a key benefit of digital signage technology is that it gains its value through its inherent ability to provide updated information regarding events and activities held at the Regional Park. Electronic signage is dynamic, and therefore, able to keep viewers up-to-date on Park information and events. The City could permit the use of electronic display technology to adjust messages as needed to reflect the City's needs and interests, its sponsors, its clients, and to focus messaging to its targeted viewing audiences. The MRP marquee can potentially generate revenue from event promoters who would be offered a fee structure for advertising their events held at the Regional Park.

This business plan assumes that the City would avail itself to potential revenue opportunities using its marquee. Since the City's sign ordinance currently restricts the use of this medium, it is advisable to address the current regulatory challenge to any proposed commercial use for electronic signage at the Regional Park.



## SALES

### AMPHITHEATER

Principally, the points of sale for the amphitheater will include event tickets, facility rentals, concessions, and merchandising. Other revenue will be generated through various types of sponsorships.

**Ticket Sales** - Admissions at the amphitheater require the purchase of tickets. It is anticipated that at the onset of operations, the center will have at least 36 events a year scheduled, at an average ticket costs of 35 dollars. Although, the center expected capacity is 5,000 people, but in order to remain conservative, it can be predicted that it will be operating at 50% capacity or 2,500 attendees in the beginning. It should be noted, that ticket prices, number of events and attendance will increase gradually as marketing and advertising are working.

Taking this figure into account, ticket sales can be forecasted at \$189,000 for 2015. Events for 2016 will increase to 70 and ticket prices will also augment to \$37.00 per person with 3,750 people attending, hence, ticket revenues are calculated at \$323,859. For 2018 however, the amphitheater is anticipating 109 events at \$41.00 each ticket and ticket sales is projected at \$634,646. For 2019, the center's events is calculated at 137 at \$43.00 each ticket and total ticket sales is estimated at \$1,744,916.

**Commercial and Non-Profit Facility Rentals** - Below are the estimated rental sales for the first five years:

- Year 1 - \$222,000
- Year 2 - \$435,000
- Year 3 - \$552,000
- Year 4 - \$688,500
- Year 5 - \$870,500

**Concession Sales** - As a primary component of the corporate and social event industry, food and beverage services provide a significant source of revenue, and are typically a primary profit generator. As such, the on-site presence of a quality food and beverage kitchen will provide a clear competitive advantage. Other potential revenues include sound, rehearsal and equipment rental fees.

**Sponsorships** - MRP already has a good reputation and once it can recognize its needs and identify companies and other potential donors that are a good fit and are likely to be receptive for funding, it can dedicate a person knowledgeable in the have sponsorship arenas to contact them. Potential donors want to sponsor organizations that help them to gain credibility with their customers. By 2016, the amphitheater will be fully operational and it is anticipated that it will have approximately \$160,000 in sponsorship and another \$160,000 for 2017. This amount will increase in 2018 to \$200,000 and to \$240,000 in 2019.

### **Five Year Sales Forecast**

Based on MRP Amphitheater sales of \$8,422,342 forecasted over the first five-year period, this revenue enhancement operation will prove to be a successful enterprise for the City. The projections continue to trend upward as the Amphitheater venue becomes more popular among artists and other users, as well as the general public.

## **CORPORATE PAVILION/CONFERENCE CENTER**

The City of Miramar currently has over 5,400 businesses within its limits including twenty Fortune 500 companies. There are 36 companies with more than 100 employees. There are currently no privately-owned meeting facilities in the southwest Broward County area that can accommodate seating for business or association meetings and conferences that exceed 400 people. The MRP Conference Center at the Corporate Pavilion will accommodate 1,700 people in conference-style seating and 700 in table seating.

These statistics indicate a strong market opportunity for the MRP Corporate Pavilion/Conference Center. The base would include resident companies, educational institutions, and government agencies. It also serves the City's interest to offer a beneficial service to its business community. City staff and consultants are in the process of surveying and interviewing local companies about their respective needs for meetings, conference, and team-building outdoors space which would all be provided by the Regional Park.

## **PROMENADE**

The promenade will serve as a conduit linking the Amphitheater to the Corporate Pavilion and as such will host outside events such as parties, flea markets, farmer's markets, wedding parties, art shows, car shows, religious events, promotional events and other social gatherings. Its sales sources will be primarily from vendor booth/station rentals, food and beverage, merchandising and ancillary fees.

Principal sources of revenue for the Promenade will be derived from leased space, concessions, sponsorships, occupancy, and administrative fee charges. Total net revenue forecasted is \$1,487,871 over a five year period.

In considering whether this approach would be beneficial to the City, NETA recommends that a cost-benefit analysis be performed to ascertain the best method of revenue generation for the City. The obvious benefit of either a MAG or MAR would be minimizing costs for staffing and set-ups, and building upon the network of a professional concession operator that can generate business from a known client-base. The City would, in any case, operate its concession for alcoholic beverages under the City's current license.

## **DIGITAL/ELECTRONIC SIGNAGE OR MARQUEE**

Electronic signage will be used to advertise events and activities at the City Center, Cultural Center, Ansin Sports Park, Amphitheater, Corporate Pavilion, the Promenade, and other activities held in the City of Miramar and specifically at the Regional Park. Electronic signage will also be used to promote sponsors of events and activities at the Regional Park regardless of whether the activity relates to any of the revenue enhancement operations. Park users could purchase "space" for birthdays, wedding anniversaries and other celebratory events. Limitations or restrictions for the advertisements may be established by resolution or ordinance by the City Commission. Primarily, the city will use the MRP marquee to advertise MRP events which may be sponsored or not.

There are approximately 5,400 businesses in the City of Miramar, and these companies are expected to utilize the Regional Park facilities often. Each exposure to business users represents an opportunity to generate sales. Also, electronic signage in the Promenade area during major events such as car shows present an opportunity to sell advertising to users.

## ***Sales Forecast***

Revenue projections from electronic signage are modest. In 2015, the first year of operation, the City will service approximately 250 contracts, generating electronic signage revenues of \$125,973. [Note: 2015 is not a full year or 12 months of operation.] After five years, revenue is expected to grow, in year 2019, to \$238,490.

## ***Methods for Maximizing Revenue***

To maximize revenue opportunity and limit direct costs to the City, consideration will be given to competitively soliciting requests for proposals from venue management companies under an agreement whereby the City's revenue would be derived from privilege fees based on *minimum annual guaranteed* (MAG) payments by the management company. The basis of the MAG will be space rental fees generated from vendors and users for an agreed up number of "event days", priced at the market rate for concession space for "unconstructed commercial" space. The City would also seek a certain percentage of sales directly generated by the management company for its operating concessions.

Alternatively, the City could employ a minimum annual rent (MAR) and percentage of gross receipts method in soliciting requests for proposals from potential concessionaires. Proposers would be required to pay, as rent, to the City of Miramar, the greater of a MAR or a percentage of gross receipts. Typically, for proposal evaluation purposes, the highest MAR and percentage of Gross Receipts would be assigned higher points in a rating for the "rental offer" category.

(Note: This information is also repeated in the Strategic Development section of this business plan for the purpose of recommending consideration after further operational and legal reviews have been conducted by appropriate legal, procurement, and operations staff of the City. The MAG approach is not widely employed by public agencies, while the State of California broadly uses the MAR method. In using either or other similar methods, the goal is to maximize City revenue and control costs in an operation that can be too staff intensive as a City-operated function.)



**FINANCIAL PROJECTIONS (PRO FORMA)**

## ***Operating Pro Forma Summary***

Forecasting this financial palate (amphitheater, conference center, corporate pavilion, and electronic signage) for the Miramar Revenue Enhancement Project included the use of detailed research and specific data from the City of Miramar. Inclusive of this information, are US Treasury reports and Professional Management Association studies. For activities beginning in the year 2015, developing this Pro Forma was completed to show financial performance over a pre-established time period of 25 years. However, an immediate synopsis will cover a period of five years in the initial phase of operations. The discussion of the five year plan will be explained in this Pro Forma section. The fiscal years through year 2038 can be reviewed in the Appendix for further evaluation.

A Fiscal year for all purposes of this plan is defined as a 12 month period beginning October 1, and ending September 30.

In order for the City of Miramar to be financially successful, the financial plan would need to show consistency in key areas. NETA suggest the following key elements:

- Maintain low expenses and cross use staff
- Steadily increase yearly bookings of all event venues
- Make use of all products and services, this includes concessions

In this Pro Forma, NETA will estimate activity using City and local area demographics and income, marketing and promotions, and programming, as well as City Staff discussions. NETA will separate the palate into the four separate units in order to fully report financial status for explanation and evaluation. This financial pro forma will conclude with the complete roll-up report.

## ***Financial Overview***

The research and analysis completed by NETA in this financial overview was generated to outline a comprehensive view of the Miramar Revenue Enhancement Project for the City of Miramar. The financial structuring details the elements of the marketing and sales component with an analysis of the Event Industry.

NETA conducted this financial profile using the City of Miramar's current data and analytical forecasted projections. The key principles of this data are as follows:

- *Rentals* - The revenues for each prospective project will be assumed from and based from yearly event bookings.
- *Concessions* - Food and Beverage and Alcohol sales are calculated on assumptions of an estimated figure per attendee per event.
- *Sponsorships* - Marketing driven revenues based on yearly contracts/agreements
- *Fees/Charges* - These revenues are based on the facility usage and are the source of renting the space.

To demonstrate the cost and revenue associated with the data in this report, there are key assumptions and findings designated to several terms.

- Revenue is defined as ticket sales (including box office), rentals, rental equipment, concessions, and products and services.

- ‘Other Revenue’ is defined as small rentals such as lighting/sound, production and service fees, parking fees, rehearsal fees and charges.
- Costs and Expenses are defined as Personnel expenses, operating and occupancy, licensing and insurance.
- Personnel expenses include staffing, benefits (health, life, disability), taxes, and retirement.
- Operating and Occupancy expenses include such items as; professional fees, furniture, leased equipment and utilities.

## **AMPHITHEATER**

### ***Revenue/Earnings***

The amphitheater will attract a variety of event types for the utilization of the facility. NETA will use the amphitheater size, location and key research, to make event usage recommendations. It is assumed that there will be 36 days of event usage for the year 2015 and eventually ramp up to more than 150 days of event usage by year 2038. The seating capacity for the first five years would not be expected to be consistently met. On average, 50%-75%, of the seating capacity can be truly expected during the first few years. It is through this capacity, that ticket sales are estimated. Thus the rental income will come directly from the use of the amphitheater. All other sales including concessions and product and services are deemed earnings per event.

### ***Revenue Assumptions***

- Events are 36 Year 1, 70 Year 2, 25% increase Years 3, 4, and 5.
- Ticket sales average rate \$35 per ticket year 1 with a 2% increase each year.
- Other Revenues are City set rates/fees pre-determined by City departments. For example, rental equipment \$75, or sound fees \$10,000. Parking fee \$10 for ten years, then 20% increase every ten years
- Concessions revenue from 25% of visitors spending an average of \$1.50 each
- Products & Services are 25% of vendors earnings
- Sponsorships on average \$20,000 per sponsor

### ***Calculations of Revenue***

- Event rentals with pre-set charge of 6,500 commercial and 4,500 non-profit. Using the number of events per year NETA estimates yearly rental revenue – Year 1 \$6,500 x 30 for \$195,000 commercial, \$4,500 x 6 for \$27,000 non-profit equaling a total \$222,000.
- Ticket prices are calculated with an expected charge of \$15-\$75 per ticket for mid-sized amphitheaters. Using the lower median (of local ticket sales) plus Amphitheater fees, the starting prices are at a rate of \$35. NETA calculates annual revenue by computing 35 (ticket rate) x 36 (# of events) x 2,500 (capacity) is 3,150,000. Commercial events yield 3.5% x 3,150,000 for \$110,250 and non-profit yields 2.5% x 3,150,000 for \$78,750, totaling \$189,000 Year 1.
- Concessions revenue will include both food & beverage and alcohol each using the calculation 36 (event) x 2,500 (capacity) x 25% x 3.5 (f & b) for 78,750 and 36 (event) x 2,500 (capacity) x 25% x 8 (alcohol) for 180,000. See appendix for individual numbers in concessions.

- ‘Other Revenues’ are computed as rate x events. Parking adds a per car formula.  
Parking rate 10 x events x capacity/3 (average drivers per event)
- The Sponsorships/Grants will on average generate \$20,000 per sponsor. Assuming eight (8) organizations a year, this will result in \$160,000 in annual revenue.

*Amphitheater Five Year Revenue*

<b>Fiscal Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Rentals</b>	222,000	435,000	552,000	688,500	870,500
<b>Ticket Sales</b>	189,000	323,859	445,589	602,081	1,744,916
<b>Other Revenue and Concessions</b>	880,950	2,206,688	2,861,821	3,647,071	5,448,690
<b>Reimbursables</b>	27,701	53,863,	92,153	115,191	157,543
<b>Sponsorships</b>	160,000	160,000	200,000	200,000	240,000
<b>Total Revenue</b>	1,479,651	3,179,410	4,151,563	5,252,843	8,461,649

***Cost and Expenditures***

Given the direct structure of the expenses provided by the City of Miramar for the MCC, NETA calculates all expenses using a 2% increase annually for total cost. The amphitheater currently has plans to share personnel with the existing permanent staff of the Multicultural Center. In these projections, the cost of Personnel is 1.5, denoting .5 full and 1.0 part-time. For the introductory year 2015, and 25 years out, NETA lists contract and temporary employees in the expense report.

*Amphitheater Five Year Expenses*

Fiscal		Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
<u>Personnel</u>	<b>Rate</b>					
<b>Full-Time</b>						
Production Administrator	50%	44,395.38	45,283.28	46,188.95	47,112.73	48,054.98
Production Assistant	100%	33,930.00	34,608.60	35,300.77	36,006.79	36,726.92
Benefits	30%	23,497.61	23,967.56	24,446.92	24,935.85	25,434.57
<b>Sub Total</b>		<b>101,822.99</b>	<b>103,859.45</b>	<b>105,936.64</b>	<b>108,055.37</b>	<b>110,216.48</b>
<b>Part-Time</b>						
Technical Staff		7,500.00	15,000.00	15,000.00	15,000.00	15,000.00
Box Office Staff		5,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Temporary						
Event Staff		5,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Benefits	10%	1,750	3,500	3,500	3,500	3,500
<b>Sub Total</b>		<b>19,250</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>
<u>Sub Totals Personnel</u>		<b>121,072.99</b>	<b>142,359.45</b>	<b>144,436.64</b>	<b>146,555.37</b>	<b>148,716.48</b>
<u>Operational Overhead</u>	50%					
Communication Services		6,700.00	13,400.00	13,668.00	13,941.36	14,220.19
Postage & Packaging, mail		300.00	600.00	612.00	624.24	636.72
Printing & Copying		1,500.00	3,000.00	3,060.00	3,121.20	3,183.62
Marketing/Advertising		114,000.00	114,000.00	116,280.00	118,605.60	120,977.71
Office Supplies		950.00	1,900.00	1,938.00	1,976.76	2,016.30
Janitorial Supplies		2,500.00	5,000.00	5,100.00	5,202.00	5,306.04
Theater Production		36,000.00	72,000.00	73,440.00	74,908.80	76,406.98
Leased Equipment		11,000.00	22,000.00	22,440.00	22,888.80	23,346.58
Professional fees		10,000.00	20,000.00	20,400.00	20,808.00	21,224.16
Furniture		1,000.00	1,000.00	1,020.00	1,040.40	1,061.21
Training		1,750.00	3,500.00	3,570.00	3,641.40	3,714.23
Other Operating Supplies		1,000.00	1,000.00	1,020.00	1,040.40	1,061.21
Fundraising/Sponsorship Expenses		20,000.00	20,000.00	20,400.00	20,808.00	21,224.16
New hire screening		1,000.00	2,000.00	2,040.00	2,080.80	2,122.42
Uniform Cost		1,000.00	1,000.00	1,020.00	1,040.40	1,061.21
Repair & Maintenance Building		1,000.00	1,500.00	1,530.00	1,560.60	1,591.81
Repair & Maintenance Equipment		1,000.00	1,000.00	1,020.00	1,040.40	1,061.21
Repair & Maintenance Electric		2,500.00	5,000.00	5,100.00	5,202.00	5,306.04
Landscape Services		3,000.00	6,000.00	6,120.00	6,242.40	6,367.25
Equipment		500.00	1,000.00	1,020.00	1,040.40	1,061.21
MIS Internal Service Charge		10,000.00	20,000.00	20,400.00	20,808.00	21,224.16
COGS Concessions		42,693.75	85,388.00	87,095.76	88,837.68	90,614.43
Bank Fees (Charge cards/EFT)		10,000	20,000	20,400	20,808	21,224.16
<u>Sub Totals Operations</u>		<b>279,393.75</b>	<b>420,288.00</b>	<b>428,693.76</b>	<b>437,267.64</b>	<b>446,012.99</b>
<u>Occupancy</u>	50%					
Contract Services		12,500.00	25,000.00	25,500.00	26,010.00	26,530.20
Utilities		22,200	66,600	67,932	69,290.64	70,676.45
Cleaning & Maintenance		7,800.00	15,600.00	15,912.00	16,230.24	16,554.84
Insurance		4,050.00	8,100.00	8,262.00	8,427.24	8,595.78
<b>Sub Total Occupancy</b>		<b>46,550.00</b>	<b>115,300.00</b>	<b>117,606.00</b>	<b>119,958.12</b>	<b>122,357.28</b>
<b>Total</b>		<b>447,016.74</b>	<b>677,947.45</b>	<b>690,736.40</b>	<b>703,781.12</b>	<b>717,086.75</b>



## PROMENADE

### Revenue/Earnings

NETA used notable real estate industry current rates to estimate the rate recommendation for the space. Using Collier's International as a guide for outdoor unconstructed space, an average rate was determined. We can resolve based on real-estate values of similar spaces in Broward County that the average rental rate is estimated to be \$17.00 per sq. ft. The Promenade can demand on average \$17.00 per square foot. Thus, the facility can expect to charge \$19.00 on prime square footage and as low as \$15.00 on sub-prime square footage.

The NETA team has identified standard operating procedures from the City of Miramar during events where concessions are provisions. In conjunction with past data of the Multicultural Center, the expectation of future concession sales was determined to be based on attendance.

### Expenditures

The expected expenditures can reach substantial values for the Promenade because the foremost expense is cleaning and maintenance. The flow of traffic through this space is optimal and therefore, the utilities and maintenance reflect in the cost as 57% of occupancy expenses.

*Promenade Five Year Revenue/Expense*

Fiscal	2015	2016	2017	2018	2019
Leased space Revenue	673,680	673,680	1,077,888	1,077,888	1,212,624
Concessions Revenue	419,750	419,750	419,750	419,750	419,750
Sponsorship Revenues	30,000	30,000	40,000	40,000	50,000
Admin. Expenses	20,000	21,000	22,050	23,153	24,310
Occupancy Expenses	91,701.01	113,023.08	152,496.16	176,741.26	220,323.58
NET Revenue	1,011,728.99	989,406.92	1,363,091.84	1,337,743.74	1,437,740.42

## CORPORATE PAVILION

### Revenue/Earnings

The corporate pavilion has 16,000 leasable square feet. The primary source of revenue for the corporate pavilion will come from rental usage and food & beverages. Food & beverage revenue is obtained through analyzing consumer data based off of the Multicultural Center.

Fiscal	2015	2016	2017	2018	2019
Total Rentals	187,000	188,500	206,500	224,500	234,000
Total F & B	392,600	412,125	430,375	461,625	490,250
Total	580,250	601,625	636,875	686,125	724,250

Corporate Pavilion Five Year Expenses

Fiscal	Rate	2016	2017	2018	2019	2020
<u>Personnel</u>						
Corporate Pavilion Supervisor	50%	29,750.00	30,345.00	30,951.90	31,570.94	32,202.36
Benefits	30%	8,925.00	9,103.50	9,285.57	9,471.28	9,660.71
<b><u>Sub Totals</u></b>						
<b><u>Personnel</u></b>		<b>38,675.00</b>	<b>39,448.50</b>	<b>40,237.47</b>	<b>41,042.22</b>	<b>41,863.06</b>
<u>Administrative Overhead</u>						
Communication Services		16,300.00	16,626.00	16,958.52	17,297.69	17,643.64
Postage & Packaging, mail		1,600.00	1,632.00	1,664.64	1,697.93	1,731.89
Printing & Copying		8,100.00	8,262.00	8,427.24	8,595.78	8,767.70
Marketing/Advertising		20,000.00	20,400.00	20,808.00	21,224.16	21,648.64
Office Supplies		1,900.00	1,938.00	1,976.76	2,016.30	2,056.62
Office Equipment/Furniture		2,000.00	2,040.00	2,080.80	2,122.42	2,164.86
Professional fees		25,000.00	25,500.00	26,010.00	26,530.20	27,060.80
Training		6,500.00	6,630.00	6,762.60	6,897.85	7,035.81
Uniform Cost		1,000.00	1,020.00	1,040.40	1,061.21	1,082.43
Janitorial Supplies		5,000.00	5,100.00	5,202.00	5,306.04	5,412.16
New Hire Screening		4,000.00	4,080.00	4,161.60	4,244.83	4,329.73
Other Operating Supplies		23,000.00	23,460.00	23,929.20	24,407.78	24,895.94
Leased Equipment		22,000.00	22,440.00	22,888.80	23,346.58	23,813.51
<b><u>Sub Totals</u></b>						
<b><u>Admin</u></b>		<b>136,400.00</b>	<b>139,128.00</b>	<b>141,910.56</b>	<b>144,748.77</b>	<b>147,643.75</b>
<u>Occupancy</u>						
Contract/Security Services		30,000.00	30,600.00	31,212.00	31,836.24	32,472.96
Utilities		40,200	41,004	41,824	42,660.56	43,513.77
Cleaning & Maintenance		20,600.00	21,012.00	21,432.24	21,860.88	22,298.10
Landscape Services		6,000.00	6,120.00	6,242.40	6,367.25	6,494.59
Repair & Maintenance		4,500.00	4,590.00	4,681.80	4,775.44	4,870.94
Repair & Maintenance Equipment		3,000.00	3,060.00	3,121.20	3,183.62	3,247.30
Repair & Maintenance Electric		5,000.00	5,100.00	5,202.00	5,306.04	5,412.16
Temporary Help		10,000.00	10,200.00	10,404.00	10,612.08	10,824.32
Trash Pick Up		6,000.00	6,120.00	6,242.40	6,367.25	6,494.59
<b><u>Sub Totals</u></b>						
<b><u>Occupancy</u></b>		<b>125,300</b>	<b>127,806.00</b>	<b>130,362.12</b>	<b>132,969.30</b>	<b>138,341.32</b>
<b>Totals</b>		<b>300,375.00</b>	<b>306,382.50</b>	<b>312,510.15</b>	<b>318,760.35</b>	<b>325,135.56</b>

## ELECTRONIC SIGNAGE

### *Revenue/Earnings*

Electronic signage earnings are measured through advertisements and can be sold as small as second increments. NETA details the advertisements being sold as monthly contracts at the beginning rate of \$19.99 for off peak hours and \$79.99 for peak hours with a yearly increase of 2% and leveling off in year five.

### *Cost and Expenses*

The costs associated with electronic signage are primarily utilities and maintenance.

*Electronic Signage Net Revenue*

<b>Fiscal</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Electronic Signage Revenue</b>	125,973.00	147,766.33	173,329.90	203,315.98	238,489.64
<b>Electronic Signage Expense</b>	91,549.00	93,379.98	95,247.58	97,152.53	99,095.58
<b>Net Revenue</b>	34,424.00	54,386.35	78,082.32	106,163.45	139,394.06

## PRO FORMA SUMMARY

All four projects in this financial pro forma have great potential to shine as part of the Miramar Regional Park. The Amphitheater will be the greatest expense at 56% but will also generate the greatest revenue of the four at 63%. Individually, each project should more than double in revenue, given the efforts of marketing, promotions, along with great programming.

Total Project	Estimated Revenue Percentage	Estimated Expense Percentage
Amphitheater	63%	56%
Promenade	22%	11%
Corporate Pavilion	12%	25%
Electronic Signage	3%	8%

### *Roll up with Debt Service*

Fiscal Year	2015	2016	2017	2018	2019
MRP Revenue	2,729,054.01	5,030,206.29	6,464,156.38	7,630,671.78	11,068,637.78
MRP Debt			417,980.00	424,799.00	414,741.00
MRP Expenses	650,266.75	1,205,725.51	1,266,912.64	1,313,337.57	1,379,579.39
Net Revenue	+2,078,787.26	+3,824,480.78	+4,779,263.74	+5,892,535.20	+9,274,320.33

### *Return on Investment*

Fiscal Year	2015	2016	2017	2018	2019
MRP Revenue	2,729,054.01	5,030,206.29	6,464,156.38	7,630,671.78	11,068,637.72
MRP Debt			417,980.00	424,799.00	414,741.00
MRP Expenses	650,266.75	1,205,726	1,266,913	1,313,338	1,379,576
Net Revenue	2,078,787.26	3,824,480.78	4,779,263.74	5,892,535.20	9,274,320.33
MRP Return on Investment	320%	317%	284%	339%	517%

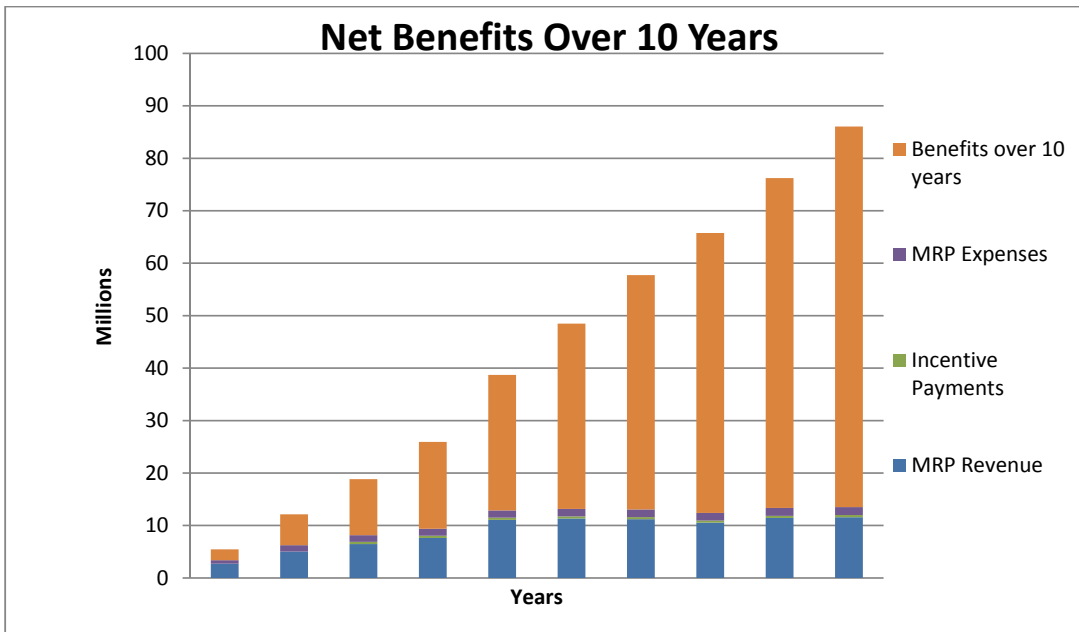
### *Return on Investment Five Year*

Five Year Totals
32,922,726.17
1,257,520.00
5,815,818.86
25,849,387.31
366%

# ECONOMIC BENEFITS ANALYSIS

## Financial Impact

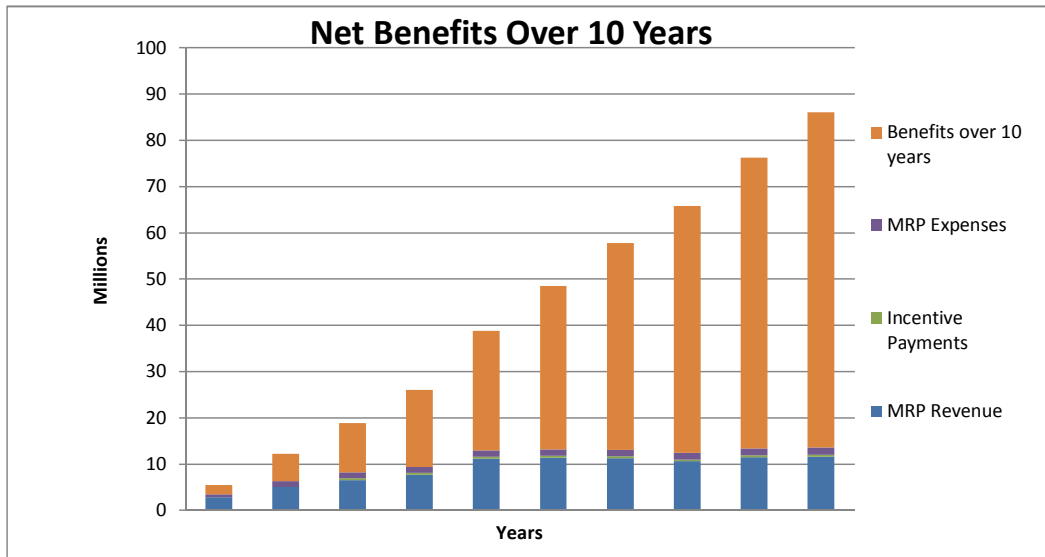
The MRP will increase in revenues over the next 10 years due to the City's growth in population and in businesses. The critical responses to these four developing projects are promotions of the MRP events along with programming. The benefits of this revenue, is that it provides the City of Miramar with additional tax revenue and market sustainability. The MRP from the onset will enhance Miramar's Job market in the areas of: construction, maintenance, temporary positions and administration. The MRP will also attract future residents by further adding to the home value of the local community. Thus the MRP will add to the allure of businesses owned and operated within the vicinity. The MRP will encourage those wishing to do business in the area based on the flow of traffic increase to the MRP events. We can determine based on an Impact Analysis calculation that Revenue earnings will be more than four times the initial investment over a 10 year period.



# MIRAMAR IMPACT ANALYSIS

## Miramar Impact Analysis

Year	Total MRP Share of Revenue	City's Share of MRP Revenue	City's Share of All Revenue	Economic Multiplier	City's 2.5 Incentive Payments	City's Expenses	Net Return for the City	Net Return for the City	Net Present Value of Net Return
2015	2,729,054	0	2,729,054	6,822,635.00		0	650,267	2,078,787	2,078,787
2016	5,030,206	0	5,030,206	12,575,515.00		0	1,205,726	3,824,480	5,903,268
2017	6,464,156	0	6,464,156	16,160,390.00		417,980	1,266,913	4,779,263	10,682,531
2018	7,630,672	0	7,630,672	19,076,680.00		424,799	1,313,338	5,892,535	16,575,067
2019	11,068,638	0	11,068,638	27,671,595.00		430,758	1,379,576	9,258,304	25,833,370
2020	11,324,046	0	11,324,046	28,310,115.00		414,741	1,419,529	9,489,776	35,323,146
2021	11,199,237	0	11,199,237	27,998,092.50		402,238	1,444,454	9,352,545	44,675,691
2022	10,537,014	0	10,537,014	26,342,535.00		399,561	1,469,915	8,667,538	53,343,229
2023	11,446,340	0	11,446,340	28,615,850.00		399,910	1,495,926	9,550,504	62,893,734
2024	11,585,428	0	11,585,428	28,963,570.00		399,488	1,522,499	9,663,441	72,557,175
			89,014,791	222,536,977.50		328,9475	13,168,141	72,557,175	
						16,457,616	72,557,175		
								441%	





This section of the MRP Revenue Enhancement Projects Business Plan is devoted to the identification of factors that will, ultimately lead to the City of Miramar’s successful implementation of its “enterprise operations” within the Regional Park. It precedes the Organization & Management Plan which is also a unique, but necessary part of business plan designed for a public sector organization. The underlying principle is that typically the purpose of government is to provide necessary essential services to the residents of the community.

### ***Revenue Enhancement Definitions***

Historically, revenue enhancement has meant “an increase in revenue that is typically obtained by increasing the amount of money that the Internal Revenue Service and subsequently the government receives by raising the amount of taxes that an individual must pay.”

Currently, the widely accepted meaning of revenue enhancement holds that a “government is committed to optimizing the revenue sources that are legally and administratively available and explore opportunities to diversify its revenue where existing revenues are inadequate to meet the demands of change and growth. It means a commitment to put in place a wide-ranging series of improvements to its policies, procedures, staffing and organizational structure. The intent is to use each one of its revenue sources to its fullest potential in accordance with government goals and priorities”.

### ***Economic Growth and Quality of Life***

Historically, the presumption was that local governments need only be concerned about hedging a certain quality of life, and there was no concern about a quantitative return on investment. Taxpayers and elected leaders settled on “intrinsic” return on investment gauged by the quality of life in the community and in the region. Today city leaders across the globe, like Miramar’s visionary leaders, are pursuing a path that would capitalize on its success in providing quality services and creating a recognized brand by expanding its reach to broader markets in order to bring additional benefits to its residents (or shareholders).

Why do anything? Thankfully, there is now a “happiness” measure that is employed to measure quality of life. The Organization for Economic Cooperation and Development uses econometric analysis to discover what factors increase and decrease human well-being and quality of life. Some cities in the U. S. are also undertaking research by gathering information and data on the trends and issues affecting quality of life in their communities. This is referred to as community indicators research.

These indicators not only measure the “happiness” of community residents, but also the businesses located in the community. Taken together, the locality can learn its strengths and weaknesses as well as determine how best to meet current needs and fill gaps. Filling gaps can often mean identifying new sources of revenue for a city, county, or state government.

### ***Local Government Enterprise Operations***

Increasingly, cities like Miramar are beginning to move beyond the mere provision of basic services by building upon their evolving skills in creating and managing enterprise operations which benefit the residents of the city attract consumers within their regional sphere. If the business is successfully implemented, the city could attract visitors to the city from around the country and globally. Becoming a regional hub by capitalizing on the cultural and economic vitality of the community is a proven formula.



The City of Miramar has already begun to recognize and capitalize on offerings such as cultural arts and sports. The City is increasingly attracting consumers from within its regional sphere and beyond. The City is leveraging the international appeal of the larger South Florida region and that helps to increase the City's appeal, and potential reach. Therefore, the available market for the City's revenue enhancement projects positions its "enterprise operations" to become profitable if managed well.

An enterprise operation, or enterprise fund, is defined in *Barron's Accounting* dictionary:

*In governmental accounting, [a] fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise. An example is a government-owned utility.*

This Strategic Development section of the business plan will address the necessity for implementing the following strategic steps in the initial stages of business development for revenue enhancement projects:

1. Aligning the business goals of REP activities with economic growth plans for the City;
2. Conducting a SWOTT Analysis to match up and align the business plan with organizational talent and staffing realities;
3. Creating a competitive advantage in the marketplace for City revenue enhancement projects;
4. Establishing additional key performance metrics based on larger organizational strategies and objectives; and
5. Creating a plan for strategic partnerships with business and industry and other local governments within the City's geographic region.

### ***Alignment of REP Business Goals With City Economic Growth Plan***

The City of Miramar's Economic Development Strategic Plan (2013 – 2017) establishes a nexus between its planned revenue enhancement program philosophy and the strategic priorities of the City. These priorities focus on quality of life amenities, education/workforce development, and business climate, as major areas. Building strategic alliances becomes a key strategy for capitalizing on the growing regional economic power of the City.

Miramar Regional Park enterprise operations are integrally connected to the fundamental elements of the City's Economic Development Strategic Plan. Therefore, this business plan is aligned with the City's vision and economic development strategy.

The framework for this alignment includes appropriate operating policies and procedures to ensure the goal of a return on investment can be achieved; a commitment to high quality services and customer satisfaction; preservation of financial resources; and a strong management team.

### ***Analysis of REP Strengths, Weaknesses, Opportunities, Threats and Trends (SWOTT)***

Leadership in the Miramar Cultural Affairs Department is essential to the City's success since each of the enterprise operations is related to the Department's current functions. The City appears to have assembled a very talented and experienced leadership team in its Parks and Recreation Department. Retaining key staff in both departments is important. Recruiting new talent, particularly in areas of weakness would be strategic.

Prior to operationalizing Regional Park Revenue Enhancement Projects, it is recommended that City management conduct an assessment of the City's management and staff for the purpose of confirming that all necessary and appropriate personnel is in place to ensure the successful implementation of each new enterprise operation.

A good tool for this is the SWOTT Analysis. A coordinated, externally-driven process involving various levels of elected, management, and operations officials and staff of the City will help to identify human resource, physical and capital assets. Critical areas requiring attention from a policy and management standpoint will be assessed. Business and market opportunities not yet explored can help to ensure the attainment of financial goals and other growth measures. Issues that pose threats to achieving goals will be identified from different perspectives. Awareness of trends evolving in the industries of the enterprise operations will allow strategic investment of time and resources to maintain cutting edge entrepreneurship and good public stewardship by officials and management. (See: *Exhibit \_\_ Recommended Questionnaire for Revenue Enhancement SWOTT Analysis*)

### ***Creating Competitive Advantage for Revenue Enhancement Projects***

The SWOTT Analysis will, among other things, equip City staff in developing a strong list of competitive advantages that will ultimately help to increase "profits" for the City's revenue enhancement projects. Although the results of the SWOTT Analysis will come from subjective perspectives, the process of discovering competitive advantages is very much an objective process. An advantage can be quantified. It is not arbitrary.

Businesses cannot merely claim a competitive advantage without having tested their products and services in the marketplace over time with clear documented results. The process of creating competitive advantage begins with the following steps:

- Identifying the enterprise operations' most critical competitive customer benefits.
- Using the SWOTT analysis, identify what staff and key community support groups believe to be the competitive advantages of each enterprise operation.
- Identify the City's competitors' attractive customer benefits.
- Ask potential customers why they might use the City's services, or support its enterprise operations.

The City of Miramar has a unique opportunity to build on past successes of its sports, arts and entertainment program successes over the past several years. Therefore, many potential customers for the Regional Park revenue enhancement enterprise offerings have past experiences that will lend credibility to the City's ability to demonstrate customer satisfaction.

Miramar is well positioned to create a competitive advantage culture. It starts with ensuring that City staff and community supporters (i.e., advisory boards, chamber of commerce) understand the mission and the benefits of success for the City.

### ***Additional Key Performance Metrics Based on Citywide Strategic Objectives***

The REP Strategic Business Plan is narrowly focused on the potential for successfully operationalizing new enterprise operations within the City. City administrators will need to identify additional key performance metrics, beyond those offered in this business plan that will enhance the performance of the City's revenue enhancement projects. These metrics would be considered by City management following the delivery of the business plan, and as part of a separate scope of

work. The primary purpose of identifying such metrics in the strategic business plan is to encourage actions by City management to link the performance of REP enterprise operations to other city-sponsored programs and initiatives designed to increase the City's position as a regional market attractor for business and economic growth. (See the following section of the Business Plan for recommended key performance metrics that focus on measuring the successful implementation of the revenue enhancement strategic business plan.)

### **Strategic Partnerships for Business and Economic Growth**

Strategic partnerships are critical in today's business market to help businesses create channels for sales of products and services. These strategic alliances help to increase revenue and market share. NETA will focus on how the City's REP operations can establish and develop strategic alliances and partnerships to benefit the City's objectives and fundamentally to achieve short- and long-term revenue goals while also managing efficient operations.

Why should the City of Miramar develop strategic partnerships? There are several good reasons why, in establishing new enterprise operations, the City should consider developing new strategic partners to support its business objectives:

- **Brand Alignment** - Each operation may have specific partnership relationships based on the type of business. However, aligning with, or even forming business "partnerships" with other entities offering similar services can help to further the City's goals in areas ranging from potential cost-sharing opportunities, business referrals, resource-sharing, and co-promotions when appropriate. For example, local hotels may be allowed to consider meeting space in the City's conference facilities as adjunct to their own facilities at preferred rates.
- **Market Location** - Strategic partners are more likely to capitalize on proximity and also avoid potential scheduling of major events that conflict with the other. Miramar's amphitheater could become host to a major regional and national/international event, but should be careful to avoid scheduling at the historic time that Miami Gardens schedules "Jazz in the Gardens". Conversely, other strategic partners would reciprocate with the City of Miramar, or coordinate logistics when certain conflicts cannot be avoided.
- **Target Market** - Generally sharing the same targeted market helps to create "critical mass" appeal for strategic partners.
- **Complimentary Products and Services** - Often visitors will remember great experiences in the market area, and often less about the actual venue. By offering quality products and services, strategic partners will capitalize on building a strong customer base for the market brand in a similar way that visitors to New Orleans think of the Bourbon Street experience - good food and good music - even before thinking of the specific restaurant or jazz club they visited.
- **Marketing and Sales "Evangelist"** - To establish and maintain momentum from the start, the City should designate a qualified staff member at the management level who will serve as the City's liaison with all strategic partners. This person should have a strong background in marketing and sales, whether working internally with consultants or departmental staff. This individual will be responsible for "selling" the products and services of the City's enterprise operations. This person should have direct access to the City Manager, if not a direct reporting relationship.
- **Performance Metrics** - This business plan provides some key performance metrics. However, City management may decide on other key measures for successful partnerships and alliances.

- **Focus on Generating Revenue** - Strategic partnerships exists for one purpose, which is to satisfy the mutual goals of strategic parties to create revenue opportunity either directly, or by creating brand awareness for products and services. Initially, the City should focus on getting “quick wins” to demonstrate value in having strategic partners.

Although these public entities are competitors, South Florida airports and seaports have for many years functioned under the strategic partnerships. For example, Fort Lauderdale-Hollywood International Airport is recognized in the region as the area choice for low-cost domestic air travel, while Miami International Airport is clearly the region’s primary airport for international travel. Each draws from the same market successfully. Sea cargo ships call on the ports of Miami, Everglades, and Palm Beach for distinct reasons. Port Everglades provides the terminals for fuel that is distributed throughout the region for automobiles and aircraft. The Port of Miami is preparing to port Panamax cargo ships to receive cargo from the Far East through the Panama Canal.

Successful strategic partnerships must be developed with structure; the partners must be accountable, and must value collaboration. These partnerships may be public-private partnerships.

### ***Potential Strategic Partnerships for Consideration***

- Greater Fort Lauderdale Convention & Visitors Bureau
- Broward County Parks & Recreation Division
- Miramar-Pembroke Pines Chamber of Commerce
- City of Miami Gardens
- Hotels located in Miramar
- Sun Life Stadium
- The Saint Augustine Amphitheater

### ***Suggested Approaches for Maximizing Revenues***

Miramar Regional Park is an excellent venue for City revenue enhancement opportunities. MRP is well-planned, and considered among the best planned parks in South Florida. South Florida’s climate is great for outdoor events and activities. It is attractively landscaped and the current plan will improve upon existing settings by adding more landscaping, fountains, and walkways. In addition, there will be expanded electrical and wireless capabilities. By improving amenities at the Regional Park, the City is creating the opportunity to generate more revenue for the City.

Apart from Ansin Sports Park and the Miramar Cultural Center, the MRP site is in the best location for a variety of public outdoor gatherings and indoor meetings and events where experience of the users will be greatly magnified because of the surroundings. Each of the proprietary operations planned (Amphitheater, Corporate Pavilion, and Promenade) will create a critical mass for revenue generation while mixing well with other non-revenue enhancement activities of the Park.

This section focuses on the following:

1. *Venue Policies and Procedures* to facilitate management and financial controls for all revenue enhancement program operations within the City of Miramar, in general, and for MRP proprietary operations in particular.
2. *Methods for Maximizing Revenues of Proprietary Operations* (Amphitheater, Corporate Pavilion/Conference Center, and Promenade).

3. *Standard Methods for Calculating Cost Recovery and Return on Investment* in order to ensure uniformity in general accounting and reporting for proprietary operations under the City's revenue enhancement program.

The following outlines policy areas that should be covered for all Revenue Enhancement Program activities designated Proprietary Operations (also known as "enterprise" fund agencies) of the City of Miramar. It is strongly recommended that such policies and procedures be adopted by the City prior to activation of operations.

### **Venue Policies and Procedures**

1. Establish authority to administer, manage and account for Revenue Enhancement Program activity within the Office of the City Manager, who shall report to and be accountable the City of Miramar Commission.
2. Create event servicing procedures to co-promotion agreements. A co-promoter may be defined as any group, person or entity that will utilize City facilities (under its revenue enhancement program) for events and activities at the Miramar Regional Park (and possibly Ansin Sports Park, Miramar Cultural Center, and Vizcaya Park locations).
3. In addition to other indemnification provisions: (a) The City Manager should have the right, within guidelines approved by the City Commission, to determine staffing needs for events at proprietary operations. (b) Co-promoter or designated representative shall be present at all times the co-promotion space and any support space is in use by its employees, agents, members, invitees, and vendors/contractors.
4. Establish occupancy requirements for the premises; establishing specific number of tickets to be "held" by the REP venues problem seating issues and "House Holds" in the amphitheater or other appropriate facilities; and ensuring that seating configurations adhere to ADA laws and regulations set by the City Fire Department, as governed by federal, state and County laws.
5. Establish rental policies and rates considering holidays, overtime cost factors.
6. Establish cancellation policies.
7. Establish holidays and hours of operation, including venue administration office hours.
8. Create a concession policy reserving right to all food, beverage and other non-event related merchandise concessions. Address water container policy.
9. Establish policy for the City's percentage of gross revenue on soft merchandise and recorded merchandise if artist provides a seller; and percentage of gross revenue on soft goods and recorded merchandise if the City provides the seller.
10. Provide for alcohol beverage service exclusivity.
11. Create or expand existing policy for catering services including the authorization of approved facility caterers; and policies for backstage catering and public lobby catering in City facilities.
12. Create a policy and standards for competitive solicitation of an event management company to manage the Promenade and any other location determined to be appropriately managed by a professional outside management company.
13. Establish a policy for revenue assurance through "privilege fees" paid to the City through such vehicles as "minimum annual guarantee" payments to the City plus percentages of sales revenue after certain gross revenue thresholds have been achieved.
14. Establish pricing guidelines for the venue management company, vendors, merchandisers, and service companies.

15. Establish the City's in-house catering operation as the primary source; giving customers alternative catering service choices by establishing a list of authorized caterers. A privilege fee may be charged, or waived, for authorized caterers. All food and beverage service catered backstage and in City buildings (public lobby spaces) must be ordered through an authorized caterer.
16. City should have the right to impose restrictions or prevent the use of equipment, effects, rigging, and other equipment that pose a potential hazard or would not be compatible with the use of the City's facilities and equipment.
17. Establish a policy relative to signs and banners, including rules for co-promoters. The City Manager's consent may be granted or denied at his/her sole discretion. Co-promoters should not be permitted to store displays at City of Miramar facilities.
18. Restoration and vacating provisions should be required to remove personal property and equipment from City premises by end of final use day.
19. Establish broadcasting provisions. No programs, activities or events in the Regional Park or Promenade may be filmed, broadcast, televised, or recorded without the prior written approval of the City Manager. Potential users may, at the option of the City Manager be required to pay an additional sum for the right to film, broadcast, televise and/or record approved programs, activities and/or events of the Co-Sponsor.
20. Establish permits and fees for pyrotechnics/special effects; and permits from the City Fire Department.
21. Indicate powers reserved for to the City Manager in such areas as: right to control management of City assets; right to enter or designate staff to any City premises at any time and on any occasion; right to eject objectionable persons from City property; and right to schedule other similar events both before and after the date of an event without notice to Co-promoters.

#### ***Venue Licensing Policies and Procedures***

1. Expand current policies relating to ticketing/Box Office Facilities to include such functions directly at the Miramar Regional Park on scheduled days and hours.
2. Review and expand, if necessary, ticketing procedures, particularly to cover the nuances of amphitheater and promenade events which may differ from the Miramar Cultural Center.
3. Review and expand, as necessary, other policies related to co-promoters such as:
  - a) Restoration Fees
  - b) Sales Tax
  - c) Credit Card Fees
  - d) Labor Fees
  - e) Service Fees
  - f) Delivery Fees

#### ***Backstage Safety Guidelines and Emergency Evacuation Procedures***

In order to provide the highest level of customer experience, the City should establish guidelines and procedures to ensure that safety and emergency situations in backstage areas are well managed.

- *Safety Guidelines* - Coverage areas include entrance areas, doorways, and hallways; Common areas; Backstage areas; and Individual areas.
- *Emergency Evacuation Procedures* - This procedure should include a building evacuation plan; fire alarm evacuation devices; building maps with marked exits; exit routing instructions; and emergency command post instructions.

### **Methods for Maximizing Revenues**

To maximize revenue opportunity and limit direct costs to the City, consideration will be given to competitively soliciting requests for proposals from venue management companies under an agreement whereby the City's revenue would be derived from privilege fees based on minimum annual guaranteed (MAG) payments by the management company. The basis of the MAG will be space rental fees generated from vendors and users for an agreed up number of "event days", priced at the market rate for concession space for "unconstructed commercial" space. The City would also seek a certain percentage of sales directly generated by the management company for its operating concessions.

Alternatively, the City could employ a minimum annual rent (MAR) and percentage of gross receipts method in soliciting requests for proposals from potential concessionaires. Proposers would be required to pay, as rent, to the City of Miramar, the greater of a MAR or a percentage of gross receipts. Typically, for proposal evaluation purposes, the highest MAR and percentage of Gross Receipts would be assigned higher points in a rating for the "rental offer" category.

The methods referenced above would be most appropriate for consideration to employ with management of the Promenade. However, the City may consider some forms of strategic partnerships for the Amphitheater, Conference Center, and electronic signage.

### **Standard Cost Recovery Method**

NETA recommends that the City of Miramar use the accepted Standard Cost Recovery Method in calculating cost recovery. This simplistic Cost recovery method for non-profit organizations does not recognize "gross profit" until the point that the project cost has been successfully recovered. Therefore, revenue generated from sales are treated in the form of cost recovery from sales until full recovery is achieved.

It is important to note that this method is not a "cost accounting" method which would be reflected in the business income statement and balance sheet for accounting purposes. Yet, the standard non-profit cost recovery method is widely accepted for the purpose of demonstrating cost recovery for non-profit organizations such a proprietary (enterprise) operation of a local government. The following definition and overview supports this recommendation.

**Definition** - The cost recovery method is basically a method for recognizing revenue as per which the gross profit is not recognized till the time the entire merchandise cost has been successfully recovered. Thus, initially the payments that the customers make are treated in the form of cost recovery of the goods that are sold. Thereafter, the remaining amount collected is considered to be gross profit.

**Overview** - Under the cost recovery method no income is recognized on any sale till the time the cost of the product that has been sold is completely recovered in the form cash. This particular method is utilized at a time when collection of the selling price is highly uncertain and reaches an extent where it becomes difficult to justify the installment related method. This method is considered to be the very conservative when compared to other methods of recognizing revenue. As per the cost recovery method, both cost and revenue from selling an item is recognized at the selling point itself. However, the gross profit that comes with it is deferred till the time the entire sales cost has been fully recovered. Each of the installments should also be segregated between interest and principal. While under the installment related method a part of principal is used for

recovering the sales cost and the remaining is recognized in the form of gross profit, under the cost recovery method the entire principal is utilized to recover the cost of the item sold. Once the entire costs of sales are recovered, any remaining cash receipt is recognized as gross profit.

This method does help the owner of business in making some savings as far as paying of certain taxes is concerned but the method simply defers the tax amount that is due till the sales costs are fully received. Even though the cost and sales get recognized, if a particular sales account is essentially a receivable, the gross profit from that particular sales is not taken into consideration till the entire receipts have been received. Thus, the cost of the item sold should be recouped ahead of recording of transaction as gross profit eventually on the income related statement.





**OVERALL BUSINESS PLAN ENTERPRISE OPERATIONS**

This business plan section, entitled Enterprise Operations, follows the section on Strategic Development as the logical nexus to a prospective view of organizational policies and management practices that can determine success and ensure “profitability” of Miramar Regional Park revenue enhancement projects. A primary mission of the City’s revenue enhancement projects, or “enterprise operations” is to provide their respective services in the most efficient and effective manner possible, with each of these enterprise activities functioning to be financially self-supporting, and ultimately generating a return on investment to the City.

Each enterprise operation is expected, after a reasonable period, to cover all direct costs associated with operations. Related costs associated with capital maintenance and depreciation in the Regional Park environment is a matter to be determined by policy the City inasmuch as ongoing park activities will not be restricted by the “enterprise operations”, except as defined by such policy. The purpose of a policy governing the City’s enterprise operations would be to harmonize the City’s intent to provide tradition services to residents and park users while also allowing maximum opportunity for enterprise operations to generate the necessary revenue (i.e. through user fees) to achieve their intended mission as revenue enhancement projects.

Debt should only be used to expand an enterprise activity’s capacity or level of service, and not to replace or renew the existing infrastructure. The burden of paying for underlying infrastructure costs should be borne by the City’s general fund or other sources recognizing that the City’s return from its enterprises may provide some potential offset to such cost depending on the viability of using this resource.

By analyzing Miramar Regional Park Revenue Enhancement Project “roll-up” financial statements, the City may also determine that the collective financial health of all enterprise operations, taken as a whole, will help determine whether “profits” should be redistributed to support general park improvements, or even other activities of the City, rather than reinvesting “profits” to improve other park or City projects.

These issues, among other considerations, should be addressed in a comprehensive policy relating to revenue enhancement activities of the City.

The City’s current policies guiding financial management of existing enterprise or proprietary fund agencies is unclear, or do not provide the guidance necessary to ensure the success of the planned revenue enhancement activities at Miramar Regional Park. A related issue is clarifying blurred lines of organizational management of revenue enhancement projects, particularly where the nature of the enterprise operations and the actual physical location of the operations raise the question of “ownership”, management, and control. In this case, it is evident that the Miramar Regional Park operates under the management of the Parks and Recreation Division. Yet, the Cultural Affairs Division is typically responsible for oversight of cultural arts events. The Cultural Affairs Division, by virtue of its banquet facility, has developed and evolved its food and beverage and conference/meeting facility services. A new policy would clarify and assign appropriate responsibilities where one City agency “hosts” a revenue enhancement project and another may “own” the enterprise. The management and operations of new revenue enhancement projects, and their expectations for success require attention to new policies and procedures to provide guidance to all parties involved.

Therefore, this section of the business plan includes some treatment of these important subject areas:

1. The Purpose of Enterprise/Propriety Fund Operations
2. The City's organizational structure and legal authority
3. Key management and staff roles and responsibilities
4. Accounting for enterprise or proprietary operations
5. A guide for creating REP financial policies and procedures

### ***The Purpose of Enterprise/Proprietary Fund Operations***

An enterprise operation is a business-type activity supported primarily by the user fees it charges for its services. Funds raised through these user fees are dedicated to the ongoing operations of the specific enterprise activity, while taxpayer support for the activity is eliminated (or in less ideal cases, significantly reduced).

A key component of the City of Miramar's enterprise/proprietary operations is the maintenance of established levels of service to the public who use the Regional Park facilities including all the Park amenities, while maintaining the capital equipment and infrastructure of the "businesses" of the City. User fees are set to recover operating costs as well as to finance the continuous maintenance (depreciation) of the capital investments supporting the enterprise/proprietary operations. A completely successful enterprise operation would not need to borrow funds to replace and renew the existing infrastructure of the business. Yet, the intertwined nature of the enterprise fund activities of the City requires strategic decisions on several levels of policy and administration, including how and when to reinvest in the fund operations to maintain their competitiveness in the marketplace.

### ***Net Assets as a Financial Measure***

There are many ways in which to measure any financial entity's success or health. In this business plan, the objective is to depict comprehensive long-term financial trends in a relatively simple and straightforward manner. A look at each activity's trend in Net Asset levels across a future period of time helps to predict the future and provides City policymakers and management with a useful perspective.

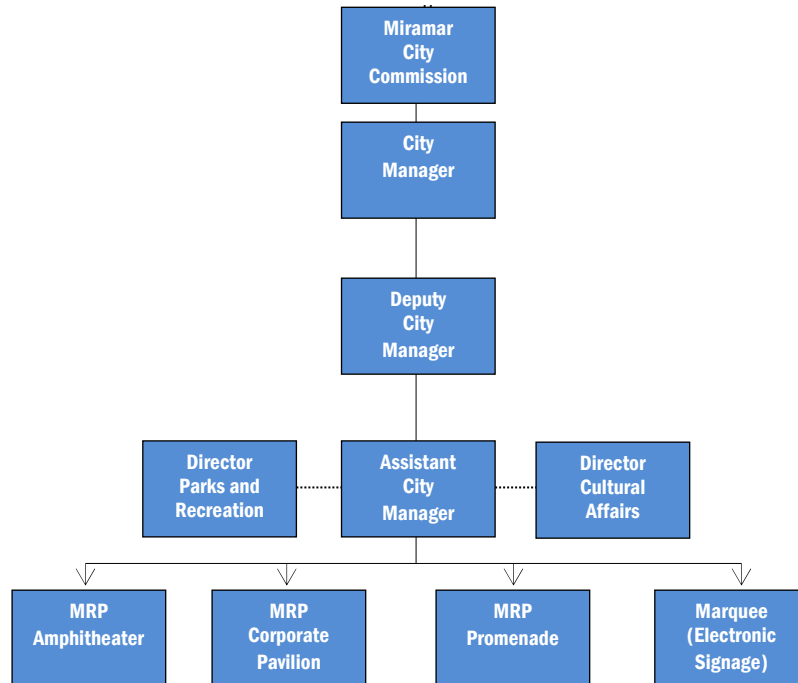
Net Assets represent how much an entity would be worth after accounting for everything it owns (buildings, equipment, cash, etc.) and subtracting everything it owes (unpaid bills, outstanding loans, etc.). In this case, the City would value the Miramar Regional Park assets as the fixed asset part of the equation, and the enterprise/proprietary funds for a net cash value perspective.

The trend that the City should expect to see, collectively, for stable enterprise activity would be for Net Assets to increase through the years at roughly the rate of inflation. Any sizeable deviation from this trend (either up or down) should be drawn to management's attention and prompt management's consideration of why the adjustment is occurring, and whether a financial imbalance (i.e., fund balance growth or depletion) or a change in service levels and quality of offerings. Another impact could be either debt being retired or new debt acquired.

It would be important to determine whether any change is consistent with long-term plans or represents a departure from long-term plans. Upon a determination that the fluctuation in Net Assets represents a departure from long-term planning, The City would need to consider rate adjustments and cost controls as part of a corrective response.

## Organizational Structure

The organizational positioning of the City of Miramar's enterprise/proprietary operations reflects the roles of the City Commission as the policymaking body; the City Manager, as the chief executive of the revenue enhancement projects; and the Miramar Regional Park enterprise operations.



## Legal Authority

NETA will discuss the proposed legal structure of the REP business enterprise operations; operational policies including the ability to establish propriety enterprise fund accounts and internal service fund accounts; and indicate how REP legal and accounting measures/practices relate to other City operations. Describe any activities of the Business Enterprise Operations which could potentially draw lawsuits or create legal exposure for the City of Miramar.

## Key Management and Staff Roles & Responsibilities

Specifically, the Organization and Management section of the business plan will define the following:

1. Who does what in the business operations
2. A detailed description of each division or department and its function.
3. Key staff backgrounds and responsibilities
4. Describe how key staff complement each other and identify any required skill sets that are not present among the existing team members
5. Enterprise Operations Management Goals and Performance Expectations

## Management Team Capacity Assessment

The major benefit of the Management Team Capacity Assessment is that it can provide a view of potential gaps in expertise that the City needs in order to successfully execute the business plan. Also, a team capacity assessment could be a useful tool in deciding which services or functions might best be contracted if hiring to fill personnel (technical service) gaps is not an option for the City. Also, this assessment can go a long way toward enhancing the Department's credibility

and perception of management expertise with both policymakers and the residents of the City of Miramar and its strategic partners.

### ***Fund Accounting for Enterprise/Proprietary Operations***

The City of Miramar is clearly proficient in operating its several “enterprise funds”. However, the nature and intent of the revenue enhancement enterprise or proprietary operations differ from the Utilities Division, for example. It is important, in this business plan to restate the need for further attention to the City’s revenue enhancement initiatives. The following definitions are appropriate in distinguishing these “new” operations.

Fund accounting is an accounting system emphasizing accountability rather than profitability, used by non-profit organizations and governments. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. According to the US Department of Housing and Urban Development, “generally accepted accounting principles requires state and local governments to use the enterprise fund type to account for “business-type activities” – activities similar to those found in the private sector. Business-type activities include services primarily funded through user charges.”

It is recommended that the City of Miramar adopt necessary and appropriate fund policies consistent with GAAP.

### ***Guide for Creating New Revenue Enhancement***

On the following pages, a guide is provided to help facilitate the creation and promulgation of policies and procedures that will ensure the successful implementation of the Miramar Regional Park Revenue Enhancement Projects.

### ***Annual Reports Summarizing Revenue Enhancement Projects Performance***

It is recommended that the City produce annual reports on the performance of its revenue enhancement projects, or enterprise/proprietary operations. The annual report should contain charts, schedules, and narratives that describe the enterprise operations budgets, financial statements, activities, improvements and goals for the subsequent fiscal reporting period. The level of detail in the Revenue Enhancement Projects (REP) Annual Reports should allow the reader to understand the purpose of REPs and the financial objectives of the City of Miramar relating to its enterprise operations.

By including historical information about REP activities, the City of Miramar will be in a better position to determine the effectiveness of its policies governing REP functions, and provide a basis for process improvements, resetting goals and targets for “profitability”, assess market changes in REP operations, and develop future plans ensure overall success of its REPs. Key suggested sections for the City of Miramar’s financial policy for REP enterprise operations include:

- Overview
- Useful Definitions
- City Charter and Management Policies
- City of Miramar’s Financial Health
- Revenue Enhancement Project Operating Summaries
- Capital Spending Plan for New Enterprise or Propriety Operations

***Enterprise/Proprietary Operations Financial Policy***  
***Enterprise/Proprietary Operations***

**MRP AMPHITHEATER**

**MRP CORPORATE PAVILION/CONFERENCE CENTER**

**MRP PROMENADE**

**MRP ELECTRONIC SIGNAGE**

***City of Miramar Charter and (Relevant) Administrative Codes***

Under the City's Charter, the City Manager serves as the executive of all City enterprise/proprietary and special revenue funds. The City Manager supervises all personnel and expenditures regardless of the funding source. Enterprise operations should be subject to the same personnel and administrative procedures as all other City departments.

***Definitions***

***Enterprise Fund*** - An accounting and reporting entity for a business-type activity that is separate from the taxpayer supported General Fund and involves a municipal service supported wholly or primarily by user fees. The separate accounting and reporting of such an entity allows the City to balance the specific costs of providing the service, which typically involves the maintenance of capital infrastructure, with the revenues generated from the related user fees. Resources of an enterprise fund cannot be diverted to other unrelated uses.

***Proprietary Fund*** - There are two types of propriety funds that fall under GASB Statement No. 34: enterprise and internal service funds. GAAP holds that proprietary (enterprise) funds primarily account for the operations of public enterprises.

For business plan purposes, both terms (enterprise and proprietary funds) are often used together since the City will ultimately decide its preferred term when it adopts related administrative code(s) for its revenue enhancement projects.

***General Fund Services***

Each enterprise/proprietary operation utilizes general City staff to perform certain core functions rather than duplicate their own management, finance, and human resource staffs, except as necessary (and cost-effective) to ensure that specialized personnel resources are available to function specifically within the operation. This will allow the City to avoid task duplication and keep overall overhead costs to a minimum.

To compensate for certain services provided by central service agencies, and to maintain the goal of accurate cost accounting and self-sufficiency, each enterprise operations may make annual or periodic transfer payments to the General Fund as "Administrative and General Expenses" transfers. Allocations should be reviewed each year to determine the viability of transfer charges versus the mission goals of the enterprise operations, as well as the impact on central service agencies.

### ***Setting Rates, Charges and User Fees***

Rates, charges or user fees, for each enterprise activity are set by the City of Miramar Commission.

- The City Manager should recommend rates, charges and user fees for enterprise operations to the City Commission; or in the instance where authority is vested in the City Manager to make such determinations, inform the City Commission of any actions taken regarding the setting of rates, charges and user fees.
- The City agency responsible for operating the revenue enhancement project should prepare and submit to the City Manager its recommendation and justifications for rates, charges and user fees.
- The City Manager may be given rate-setting authority for certain enterprise operations pursuant to the City's ordinance or policy.

### ***Enterprise Revenues as a Percentage of City of Miramar Revenues***

Roll-up MRP Revenue Enhancement Projects Fund: \$ \$4,350,000 (X%)

Amphitheater Funds: \$ \$1,200,000 (1%)

Corporate Pavilion/Conference Center Funds: \$ \$1,200,000 (1%)

Promenade Fund: \$ 1,200,000 (1%)

Electronic Signage Fund: \$ (X%)

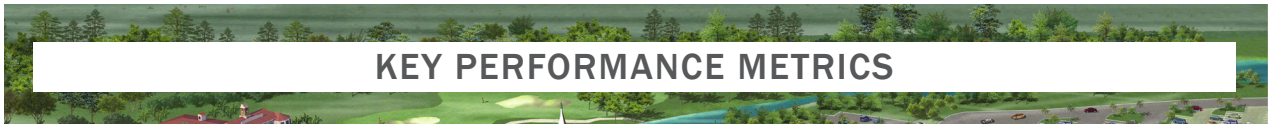
City of Miramar General Fund: \$ 107,956,400 (X%)

Along with their missions to provide their respective services in an efficient and effective manner, each of the City's enterprise activities must also work to be financially self-supporting. This means that each is expected to cover all costs associated with operations as well as all costs associated with capital maintenance and depreciation by generating the necessary revenue itself (i.e. through user fees). Debt should only be used to expand an enterprise activity's capacity or level of service, and not to replace or renew the existing infrastructure.

### ***Management of Miramar Enterprise/Proprietary Operations Funds***

The following steps for guiding the management of enterprise/proprietary funds are recommended:

1. Create Management Policies for Enterprise/Propriety Operations under appropriate administrative code(s) prior to activating operations.
2. Develop a budget summary of the new management policies.
3. Approve authorization for the City Manager to expend funds.
4. Appropriate budgets for enterprise/proprietary operations.





Performance measurement should embody the principles applied to key business plan elements of the MRP Revenue Enhancement Program's organization and management process. Key performance metrics should be designed around the City of Miramar's quality service theme and the City Manager's plan to align staffing resources to achieve the goals of the Revenue Enhancement Program. This strategic business plan provides the basis for establishing measures by which success may be assessed and determined. However, even the suggested KPMs are only a guide for city management. Management is in the best position to determine what specific activities ought to be measured and the value of those measures in achieving the City's business objectives.

City Officials and Administration believe that by measuring return on investment (ROI), they would be more effective in reporting success and accomplishments to the residents and the public-at-large. Further, City management should be better able to reflect the vision of the Mayor and City Commissioners. In essence, the City will be able to harmonize its mission goals and objectives with those of other community stakeholders and strategic partners.

Finally, key performance measurement will be beneficial to enhancing staff performance as measured by an objective ROI analysis.

New performance metrics should be completed for each of the six key strategic business development areas below:

1. Proprietary operations administration and management
2. Development of effective policies and procedures for efficient program operation.
3. Marketing and sales
4. Revenue/Expense Targets identified in Financial Projections.
5. Customer Satisfaction
6. Beneficial relations with strategic partners

There are four critical perspectives that would be considered in designing the City's performance metrics. These include focus on:

- **Revenue Enhancement Program Mission**
- **Customer Experience**
- **Managing Critical issues**
- **Management Efficiency**

In summary, the City of Miramar's performance metrics will be valued based upon (a) goal achievements and the overall impact on the City's mission; (b) the levels in which residents' or customers' needs are met; whether critical issues have been addressed; and (c) whether top-level Team accomplishments were achieved efficiently and effectively. These metrics are reduced to indicators that help to pinpoint levels of achievements in objective terms that will connect high performance, or lack of it, with tools, methods, human resources, or management directions. In essence, this approach to performance measurements will rely upon a laser-focused approach that emphasizes the relationships of technology, innovation, people, and processes in organizational success.

## ***Suggested Approach to Key Performance Indicators by Areas***

The suggested key performance metrics are offered by critical areas that will determine the success of the City of Miramar's Revenue Enhancement Program. There could be multiple metrics ties to each of the metrics below, and these are best developed with staff input to management.

A Key Performance Indicator (KPI) is a measureable value that demonstrates the effectiveness of a business process at contributing to the attainment of key business objectives. By monitoring the right KPIs and business metrics, you gain valuable insight into the performance of your business and, more importantly, gain the strategic awareness you need to make the right decision at the right time. Use these KPI examples and templates to cultivate a data-driven culture within your organization.

1. *Proprietary operations administration and management.*  
***KPI: Establish a fully functional management and staff team for City Revenue Enhancement Program at least 60 days prior to the official opening of the MRP Proprietary Operations (Amphitheater, Corporate Pavilion, and Promenade).***
2. *Development of effective policies and procedures for efficient program operation.*  
***KPI: Develop and implement all necessary policies and procedures at least 120 days following acceptance of business plan.***
3. *Marketing and sales*  
***KPI: Establish "sales" targets (number of events) for the MRP Amphitheater, Promenade, and Conference Center within 30 days of acceptance of the business plan.***
4. *Revenue/Expense Targets identified in Financial Projections.*  
***KPI: Establish (or reaffirm) revenue/expense targets for MRP Amphitheater, Promenade, and Conference Center within 30 days of business plan acceptance.***
5. *Customer Satisfaction*  
***KPI: Create an effective tool for measuring the range of customer satisfaction from the beginning of contact (obtaining useful information about MRP venue) to point of sale (event ticket purchase) to customer experience ("wow and happiness" factor) within 30 days of acceptance of the business plan.***
6. *Beneficial relations with strategic partners*  
***KPI: Create an effective tool for measuring the value of strategic partnerships including how they help to generate revenue for MRP Proprietary Operations within 30 days of acceptance of the business plan.***

## RESEARCH AND SOURCE DOCUMENTATION

A number of sources were used for information contained in this Plan, including:

1. An assessment of City-owned assets, compiled from the city's website (<http://www.ci.miramar.fl.us>) as well as through tours and discussions with City staff
2. City background information compiled from the city's website (<http://www.ci.miramar.fl.us>) and the City's Vision 2030 document
3. Presentation made to the City Commission and Staff by Matrix2 Advertising on February 21, 2014
4. In person and/or phone interviews were also done with representatives from the following companies/organizations:
  - Kimberly Thrasher, Stewart Signs
  - Ryan Murphy, General Manager, St. Augustine Amphitheater
  - The City of Mesa, Arizona
  - Kelly Tortoriello, V.P. Strategic Client Services, Greater Fort Lauderdale Convention & Visitors Bureau (phone interview March 25, 2014)
5. The United States Census Bureau: <http://www.census.gov>
6. The Greater Fort Lauderdale Convention & Visitors Bureau: <http://www.sunny.org/partners/market-research>
7. *Executive Summary, Visitor Profile and Economic Impact Study*, Ipsos Loyalty for the Greater Miami Convention and Visitor's Bureau: <http://www.miamiandbeaches.com>
8. TouchPoll: *Needs Assessment for the City of Miramar*
9. Nocturnal Marketing, Inc.: *Needs Assessment for the City of Miramar*
10. AMS Market Analysis for the City of Miramar
11. The 2008-2012 American Community Survey (ACS) from the U.S. Census Bureau
12. Miramar weather information from <http://www.usa.com/miramar-fl-weather.htm>
13. Information on Direct Marketing at <http://www.answers.com/topic/direct-marketing-2#ixzz2xvLVlfsa>
14. *American Express Meetings & Events 2014 Global Meetings Forecast* at <http://about.americanexpress.com/news/pr/2013/amex-meetings-events-2014-activity-forecast.aspx>
15. *A Beginner's Guide to Digital Signage*. Retrieved February 14, 2014 from <http://www.digitalsignagetoday.com>
16. *What's Your Digital Signage Strategy?* Retrieved February 14, 2014 from <http://www.commercialintegrator.com>
17. The University Network <http://www.tun.com>
18. The Florida Festivals and Events Association <http://www.ffea.com>. Accessed February 20, 2014
19. Information on local fairs, festivals and events retrieved February 20, 2014 from <http://www.fairsandfestivals.net> and <http://www.southflorida.com>

20. <http://www.governing.com>
21. Webb Management Services, Inc. Report: *Assessment, Opportunities + Plan for the Pompano Beach Amphitheater*, March 2013.
22. Webb Management Services, Inc. Report: *Needs Assessment for Facilities & Cultural Programming*, July 1, 2011, pp. 8, 32.
23. International Association of Conference Centers: <http://www.iaconline.org>
24. The Convention Industry Council's *The Economic Significance of Meetings to the U.S. Economy, Interim Study Update for 2012*, Executive Summary by PriceWaterhouseCoopers (January 2014) at <http://www.conventionindustry.org>.
25. *Meeting Spaces Hit the Great Outdoors* (July 24 2013) at <http://www.hotelnewsnow.com/Article/10915>
26. Revenue Enhancement Definitions from [http://www.investorwords.com/8337/revenue\\_enhancement](http://www.investorwords.com/8337/revenue_enhancement)
27. Aqaba Community and Economic Development (ACED) Program – *ASEZA Revenue Enhancement Report 1* from <http://www.aced-jordan.com/files/publication>
28. US Department of Housing and Urban Development, *Governmental vs. Enterprise Fund Accounting*, PHA GAAP Flyer, Volume 1, Issue 1, April 1999
29. *Up-To-the Minute*, Professional Convention Management Association 2014, <http://www.pcma.org>)
30. Florida Office of Economic and Demographic Research, *Econographic News*, Vol.1, 2014
31. <http://conferencecenters.blogspot.com/2013/07/trends-in-conference-center-industry.html>
32. IBISWorld, [www.ibisworld.com/industry/default.aspx](http://www.ibisworld.com/industry/default.aspx)
33. [www.Wikipedia.com/Fund Accounting](http://www.Wikipedia.com/Fund%20Accounting)
34. Information on Key Performance Indicators from <http://www.klipfolio.com/resources/kp>
35. ACRP Report 33 – *Guidebook for Developing and Managing Airport Contracts*, 2010
36. State of California-Department of Parks and Recreation Concessions and Reservations Division, Concession Contract. [www.parks.ca.gov/pages/22374](http://www.parks.ca.gov/pages/22374)
37. [http://www.readyratios.com/reference/accounting/cost\\_recovery\\_method.html](http://www.readyratios.com/reference/accounting/cost_recovery_method.html)
38. Greater Fort Lauderdale/Broward County Convention Center *Convention Center Expansion and Hotel Analysis*, April 16,2013