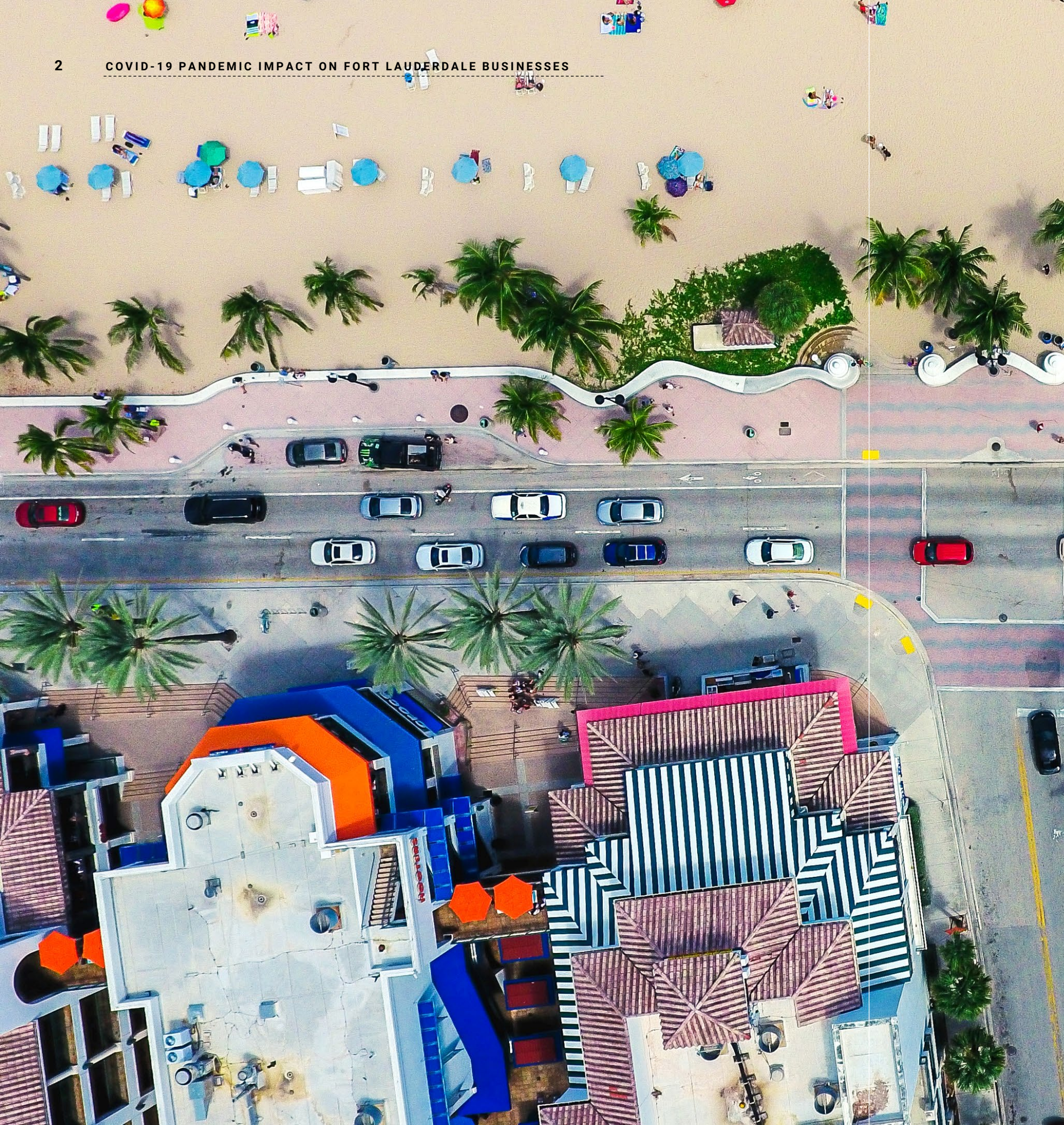


IMPACT OF THE
COVID-19 PANDEMIC
ON FORT LAUDERDALE'S
BUSINESSES





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EXECUTIVE SUMMARY

THE COVID-19 PANDEMIC BROUGHT AN UNPRECEDENTED DISRUPTION TO THE CITY OF FORT LAUDERDALE'S ECONOMY. BUSINESSES FACED A SUBSTANTIAL DECLINE IN CUSTOMER TRAFFIC AND SALES REVENUE THROUGHOUT MUCH OF 2020 AND 2021.

By some measures, the citywide economy returned to pre-pandemic levels of activity in late 2021. By other measures, a large portion of businesses have yet to fully recover financially and are facing significant operational hurdles. Many businesses were sustained by a surge in domestic tourists and local residential and workforce growth. The economy looks to return to full strength once two important local customer bases – business travelers and international tourists – return in full. A majority of business owners are optimistic that they will experience continued growth in 2022 and beyond.

ABOUT THIS REPORT

PURPOSE

The purpose of this study is to assess how COVID-19 impacted Fort Lauderdale's business community since the onset of the pandemic in March 2020.

The report is intended to help educate all types of city stakeholders and help inform city decision-making moving forward.

PARTICIPANTS

This study was commissioned by the City of Fort Lauderdale and managed by the City Manager's Office.

The analysis and report was produced by Jon Stover & Associates (JS&A), an Economic Development Consulting firm that specializes in economic analysis and economic development strategy. JS&A bridges the gap between the different worlds of policy, business, real estate, and community interest to help make resilient neighborhoods in which to live, work, and play.

Stakeholder outreach was conducted by Dickey Consulting Services Inc., a Fort Lauderdale company that specializes in community engagement.

METHODOLOGY

Information assessed in this study came from five main sources: (i) a comprehensive survey of Fort Lauderdale business owners with 393 responses; (ii) a series of nine focus groups with targeted representation of business owners and industry sectors; (iii) phone interviews with select industry stakeholders; (iv) third-party credit card spending data provided through Mastercard Retail Location Insights; and (v) business, employment, demographic, and spending data from InfoGroup and ESRI Business Analyst.

INDUSTRY FOCUS

The industry classifications in this study reflect categories available via the Mastercard Retail Location Insights (MRLI) platform and conform to the NAICS classification system, the standard used by Federal statistical agencies in classifying business establishments. MRLI data includes industry sectors in which a large portion of sales are direct consumer purchases (as opposed to mostly business-to-business transactions). This study conducts a deeper-dive assessment of the following industries: restaurants; merchandise retail; hospitality; professional services; and arts, entertainment, and recreation. Particular attention was given to the marine industry, which is a sub-category within entertainment and plays a prominent role in Fort Lauderdale's economy. See page 40 for additional methodology detail.



ABOUT FORT LAUDERDALE'S BUSINESS COMMUNITY

Fort Lauderdale's diverse and growing economy is known for its large tourism sector linked to its seven miles of beaches, renowned arts and entertainment scene, and robust concentration of maritime recreational activity. In addition to its one hundred marinas and annual boat show and festivals, Fort Lauderdale's maritime industry is characterized by yacht manufacturing and maintenance, cruise ship activity, and other nautical recreation. The city's downtown has seen significant residential and commercial growth, its convention center brings millions of visitors annually, and it is home to a long list of major employers and corporate headquarters.



From driven solopreneurs to bustling corporations, Fort Lauderdale is home to

20,440+

BUSINESSES

accounting for 18% of Broward County's businesses.



Representing the city's comprehensive range of industries, approximately

192,530+

EMPLOYEES

work in Fort Lauderdale, contributing over 20% of the county's employment base.

Source: InfoGroup (Dec. 2021)

COVID-19 PANDEMIC IMPACT

SUMMARY OF FINDINGS

FRAMING THE STORY

There are multiple ways to view the COVID-19 pandemic's impact on Fort Lauderdale's economy and local business community as explored throughout this report. Considering these three primary factors in concert with one another provides the most accurate description and assessment of the pandemic's impact on the city's businesses.

- 1 **BUSINESS TRENDS** Viewing economic activity at different points in time helps describe the extent to which sales bottomed out in the spring of 2020; the trajectory of the economy's recovery; and the point in time that sales returned to pre-pandemic levels. Trend data is summarized by the line graph to the right.
- 2 **ANNUAL SALES** Businesses think in terms of annual revenue and profit. A business with high sales for the month of December 2021 may still be down on the year.
- 3 **INDIVIDUAL OPERATIONS** Collective economic figures and trends are useful, but it is also important to understand the proportion of businesses that have and have not recovered. Businesses also face critical operating hurdles and different types of businesses and business owners have their own unique challenges.

KEY TAKEAWAYS

LOSS, RECOVERY, AND FUTURE OUTLOOK

Many of Fort Lauderdale's businesses saw a substantial loss of revenue early in the pandemic. About half of these businesses have recovered from an operating and revenue-generation vantagepoint. Most businesses that have yet to recover believe they will continue to grow.

INDUSTRY-SPECIFIC IMPACTS AND KEYS TO SUCCESS

Different industries were impacted differently by the pandemic. As of January 2022, the hospitality industry remains below pre-pandemic revenue levels. Many grocery stores, professional service businesses, and restaurants, on the other hand, are generating more sales than ever despite significant challenges that continue to persist. Businesses that thrived were often nimble in dealing with safety protocols, adjusting to a changing customer base, and adopting e-commerce, digital marketing, and digital communications into their core operations.

OPERATING CHALLENGES AND SHIFTS IN CUSTOMER BASES

As of early 2022, businesses face a shared set of core challenges: supply chain issues, increased costs, and difficulties attracting and retaining employees. Small businesses and businesses owned by women and people of color faced additional challenges during the pandemic that led to longer closures and slower recovery. Fort Lauderdale's customer base saw a sharp decline in international visitors, cruise ship passengers, and business travelers. This was offset by a significant increase in domestic tourists coming to the city and further still by an in-migration of new residents.

AN OPEN ECONOMY

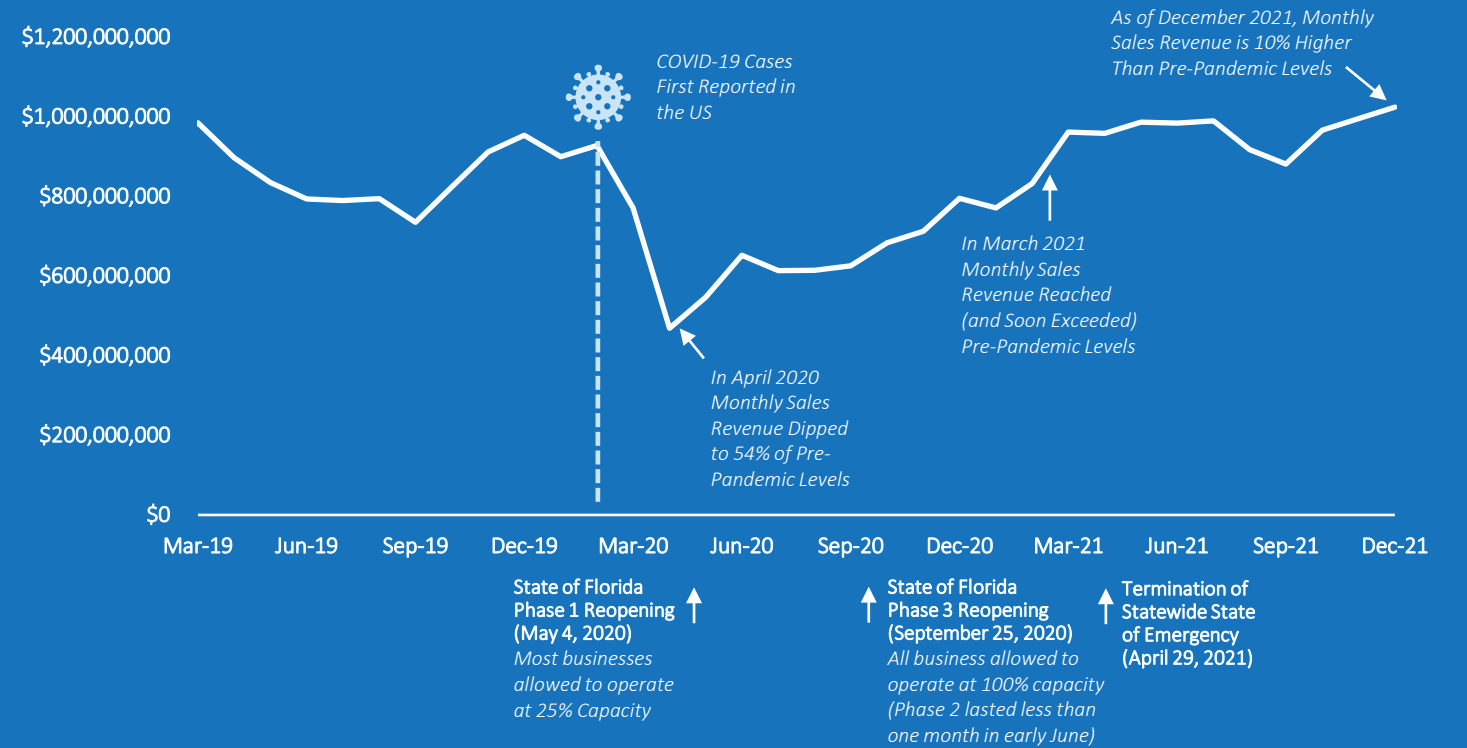
Florida's economy remained open while many states enforced prolonged business closures and other restrictions. Not only did local businesses resume operations much quicker, but this also resulted in a large surge of domestic tourism from locations where businesses were in varying states of closure and access was limited.

ECONOMIC RECOVERY SUPPORT STRATEGIES

The City of Fort Lauderdale offered a range of types of support to its stakeholders throughout the pandemic. Opportunities exist to continue post-pandemic recovery support efforts focused on workforce conditions, marketing and branding, affordability concerns, placemaking, networking and mentorship, and business technical assistance. Particular attention is needed for industries related to hospitality, entertainment, and the nighttime economy.

FORT LAUDERDALE'S BUSINESSES⁽¹⁾ EXPERIENCED A STEEP DROP IN SALES DURING THE SPRING OF 2020. CUMULATIVE MONTHLY SALES RETURNED TO PRE-PANDEMIC LEVELS IN EARLY 2021.

Total Monthly Sales⁽²⁾⁽³⁾ | March 2019 – December 2021 | Adjusted for Inflation



(1) The above chart includes all industry sectors included in the MRLI data set—specifically, those in industries with direct business-to-consumer sales. See page 40 for a full list of what sectors are included. Dollar figures reflect total cumulative monthly sales in these industries; (2) Source of cumulative industry revenues: InfoGroup via ESRI Business Analyst (Dec. 2021); (3) Source of monthly change in consumer spending: Mastercard Retail Location Insights (Dec. 2021).

BUSINESSES LOST \$2 BILLION IN 2020 BUT 2021 SALES SURPASSED 2019 LEVELS

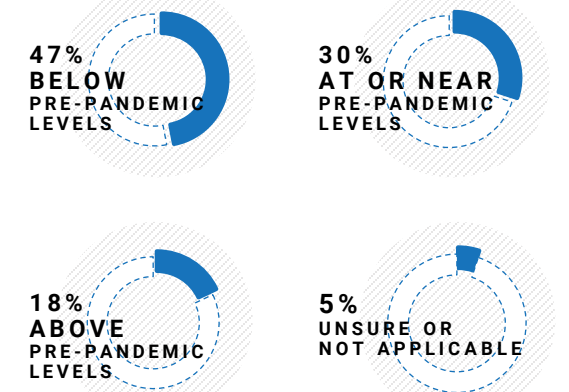
2020

FORT LAUDERDALE BUSINESSES EXPERIENCED A CUMULATIVE \$2 BILLION LOSS OF REVENUE COMPARED TO 2019. This represents an annual decline of 19%.

2021

CUMULATIVE ANNUAL REVENUE IN 2021 REBOUNDED TO SURPASS TOTAL 2019 SALES BY \$985 MILLION, SIGNALLING ECONOMIC RECOVERY FOR MANY BUSINESSES. This is a 10% increase over what Fort Lauderdale businesses generated in 2019.

NOT ALL BUSINESSES RECOVERED EQUALLY. NEARLY HALF HAVE YET TO FULLY RECOVER.



SHARE OF BUSINESSES WITH REVENUES BELOW, AT, OR ABOVE PRE-PANDEMIC LEVELS Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)

Source: Retail Location Insights Credit Card Spending Data (Dec. 2021) Note: Included industries are limited to the MRLI data set of sectors with business-to-consumer spending.

COVID-19'S IMPACT ON FORT LAUDERDALE'S BUSINESSES

THE PANDEMIC'S IMPACT ON BUSINESS OPERATIONS

66%

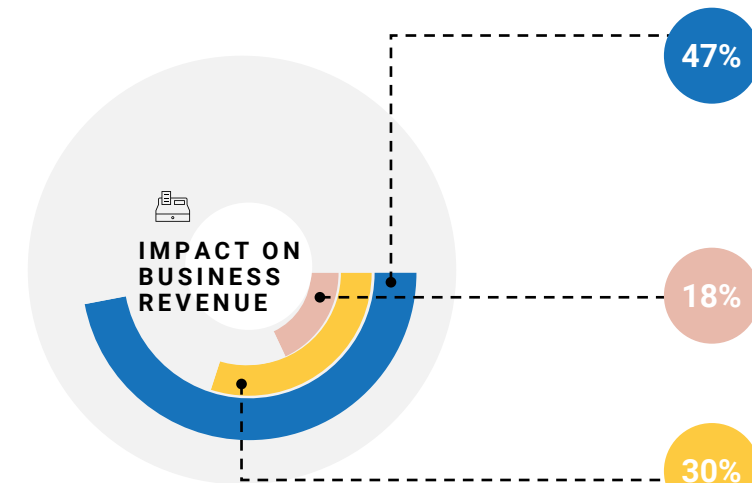
OF SURVEYED BUSINESSES REDUCED BUSINESS HOURS OR PAUSED OPERATIONS DURING THE PANDEMIC.

Two out of every three surveyed businesses faced limited operations during the COVID-19 pandemic. From reducing business hours to halting operations entirely for a period of time, the way in which businesses operated their companies was significantly affected after March 2020.

19% STILL HAVE REDUCED HOURS OR PAUSED OPERATIONS AS OF JANUARY 2022.

While the majority of businesses experienced operational disruptions during the pandemic, not all businesses reduced the amount of time their business was open and continued without having to pause operations. Over a quarter of businesses reported that they did not experience a halt or pause in operations. This includes professional or technical service industries (36%), marine-related industries (50%), and construction and real estate industries (39%).

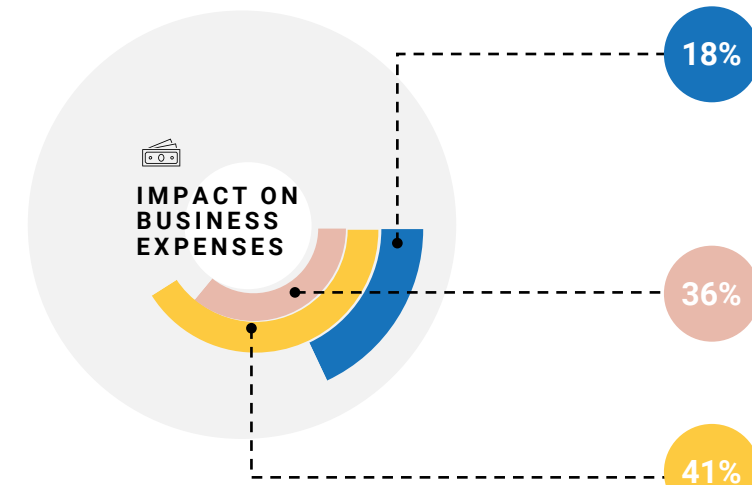
*Note: Approximately 6% of business survey respondents reported that they were either unaware of the impact on operations or that operational considerations were unapplicable to their business or organization.
Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)
Image: Visit Fort Lauderdale*



REVENUE BELOW PRE-PANDEMIC
Almost one out of every two surveyed businesses report that their revenue still remains below pre-pandemic levels. This cohort of businesses have yet to economically recover from the pandemic.

REVENUE ABOVE PRE-PANDEMIC
Business revenue recovered to above pre-pandemic levels. This includes businesses whose sales declined at some point since March 2020 but now exceed their pre-pandemic revenues.

AT PRE-PANDEMIC LEVELS
Business revenue remained consistent throughout the pandemic with little fluctuation or businesses experienced a decline in revenue but have returned to pre-pandemic levels.



EXPENSES BELOW PRE-PANDEMIC
Although almost half of all surveyed businesses have yet to recover their revenue levels, less than 20% have lowered their expense, signifying the operational challenges of the pandemic.

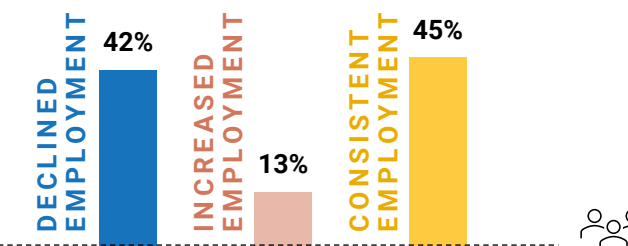
EXPENSES ABOVE PRE-PANDEMIC
The share of businesses whose expenses exceed pre-pandemic levels is 17% higher than the businesses whose revenue is above their pre-pandemic level.

CONSISTENT EXPENSES
For many, expense levels did not change during the pandemic, following similar situational business challenges of rising expenses but low revenue.

*Note: 5% of surveyed businesses reported that revenue and expenses changes were not applicable to their business.
Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)*

IMPACT ON EMPLOYMENT

Operational fluctuations impacted employment for many businesses. 42% of surveyed businesses reported that their employment levels remain below pre-pandemic levels while 13% having more staff than before, and 45% experiencing no change in the number of their employees.



Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)



TELEWORKING INSIGHT

39% of businesses anticipate incorporating continued remote work and telecommuting options for employees. This includes 12% of companies who anticipate operating mostly or entirely remotely in the upcoming years.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)

THE PANDEMIC'S IMPACT ON FORT LAUDERDALE'S CUSTOMER BASE

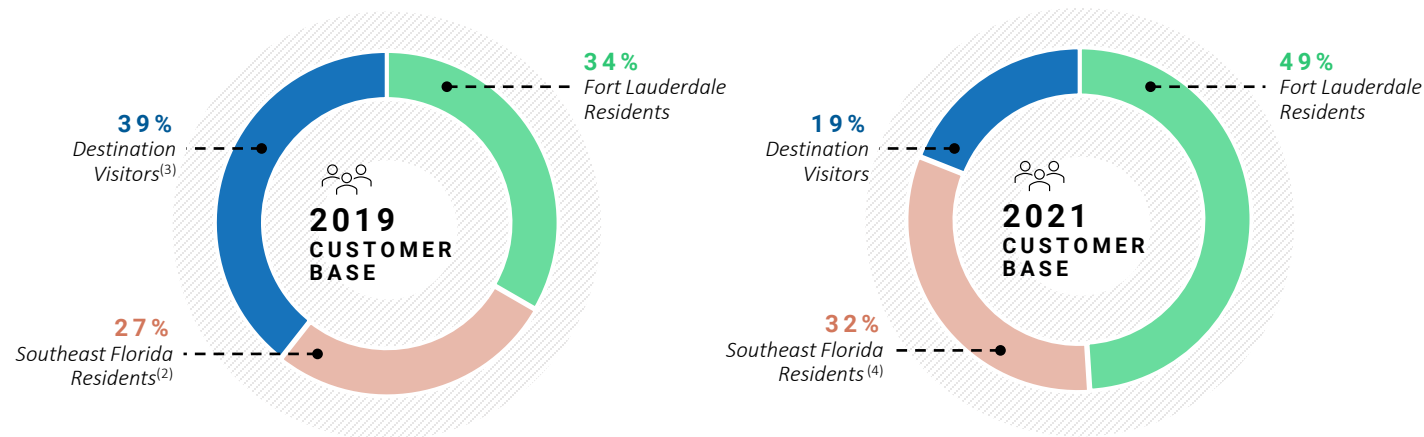
With diminished travel, the pandemic shifted Fort Lauderdale's geographically diverse customer base to a much higher concentration of local customers. Coupled with local population growth, Fort Lauderdale residents went from 33% of the customer base in 2019 to accounting for about half of business revenues in 2021.

Neighborhoods with a concentration of residential uses saw more spending as more people worked from home. In addition, the city's population growth accelerated over the course of the pandemic. It is estimated that Fort Lauderdale had a net migration of 4,900 people in 2021, a figure that is projected to increase further in 2022 and 2023.⁽¹⁾ Interestingly, the downtown area captured a large portion of this growth, helping to offset the decline in office worker spending. Increased support from local and regional customers resulted in an overall increase in revenue, despite significant drops in customer spending from outside of Southeast Florida.

THE PANDEMIC SHIFTED FORT LAUDERDALE'S CUSTOMER BASE TOWARD A MORE LOCALLY SERVING MARKET.

November 2019 Compared With November 2021

The local share of customers from the Southeast Florida area (including residents of Fort Lauderdale) rose dramatically from 61% of the customer base to 81%. Correspondingly, the portion of visitors from outside of the region was cut in half.



(1) Daily Business Review, "This South Florida City Ranked Among the Nation's Top Magnet Markets for Commercial Real Estate" (12/2021).
 (2) Fort Lauderdale Downtown Development Authority website, "Data Dashboard" (2/2022).
 (3) Destination visitors defined as those residing outside of the Southeast Florida region.
 (4) Southeast Florida residents defined as those residing in Palm Beach, Broward, and Miami-Dade Counties.
 Note: Data reflects November customer base. The location of where customers live is based on the zip code affiliated with their credit card.
 Source: Retail Location Insight Credit Card Spending Data



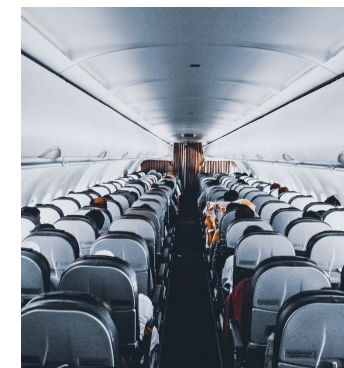
RESIDENTS OF FORT LAUDERDALE COMPRISE NEARLY HALF OF THE CITY'S CUSTOMER BASE AS OF NOVEMBER 2021.

In 2019, city residents defined only one-third of the city's (non-business-to-business) customer traffic at the same time of year. This change can be largely attributed to the COVID-19 pandemic and resulting decline in travel to and from the city.



IN ADDITION, APPROXIMATELY ONE OF EVERY THREE FORT LAUDERDALE CUSTOMERS LIVE IN THE SURROUNDING AREA INCLUDING OTHER PARTS OF BROWARD COUNTY, MIAMI-DADE COUNTY, AND OTHER AREAS OF PALM BEACH COUNTY.

This regional customer base increased 5% compared with before the COVID-19 pandemic.



THE SHARE OF DESTINATION VISITORS IN FORT LAUDERDALE HAS DROPPED 20% BELOW PRE-PANDEMIC LEVELS AS OF NOVEMBER 2021.

This decline has been largely driven by a decrease in international tourism and business-related travel to the city. Although tourism significantly picked up in 2021, demonstrated through increased hospitality industry revenue, the share of Fort Lauderdale's customers coming from outside the greater Southeast Florida region was still below pre-COVID levels as of November 2021.

LOCAL BUSINESS INSIGHTS

Based on surveyed businesses...

42% reported that their current customer base changed – often to a higher concentration of domestic and/or regional customers.

26% noticed a change in where their customers are coming from.

14% experienced a shift in the time of day or week that customers frequent their business.

18% responded to changing customer needs, noting a change in the types of products or services customers are looking for.

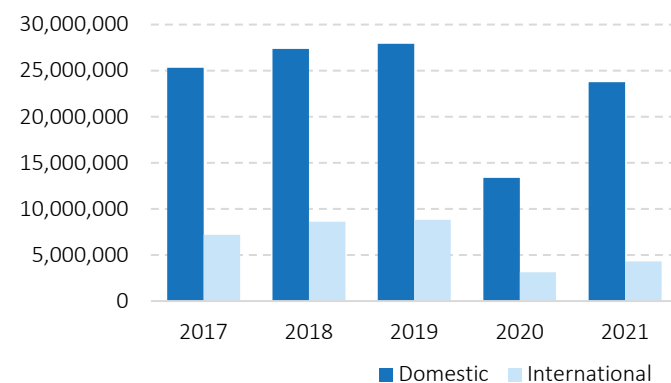
Source: COVID-19 Pandemic Impact Business Survey (2021)

CHANGES IN DOMESTIC AND INTERNATIONAL SPENDING THROUGHOUT THE PANDEMIC

Fort Lauderdale's tourism market was a tale of two stories. International visitation plummeted due to closed borders and limited international flights. Domestic tourism, on the other hand, boomed as US residents were unable to leave the country for vacation, and Florida remained one of the few US leisure destinations in which businesses remained open.

Since March 2020, international visitor spending remained significantly below pre-pandemic levels as of December 2021. However, spending from the domestic tourism cohort rebounded beginning in March 2021.

FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL AIRPORT PASSENGER TRAFFIC

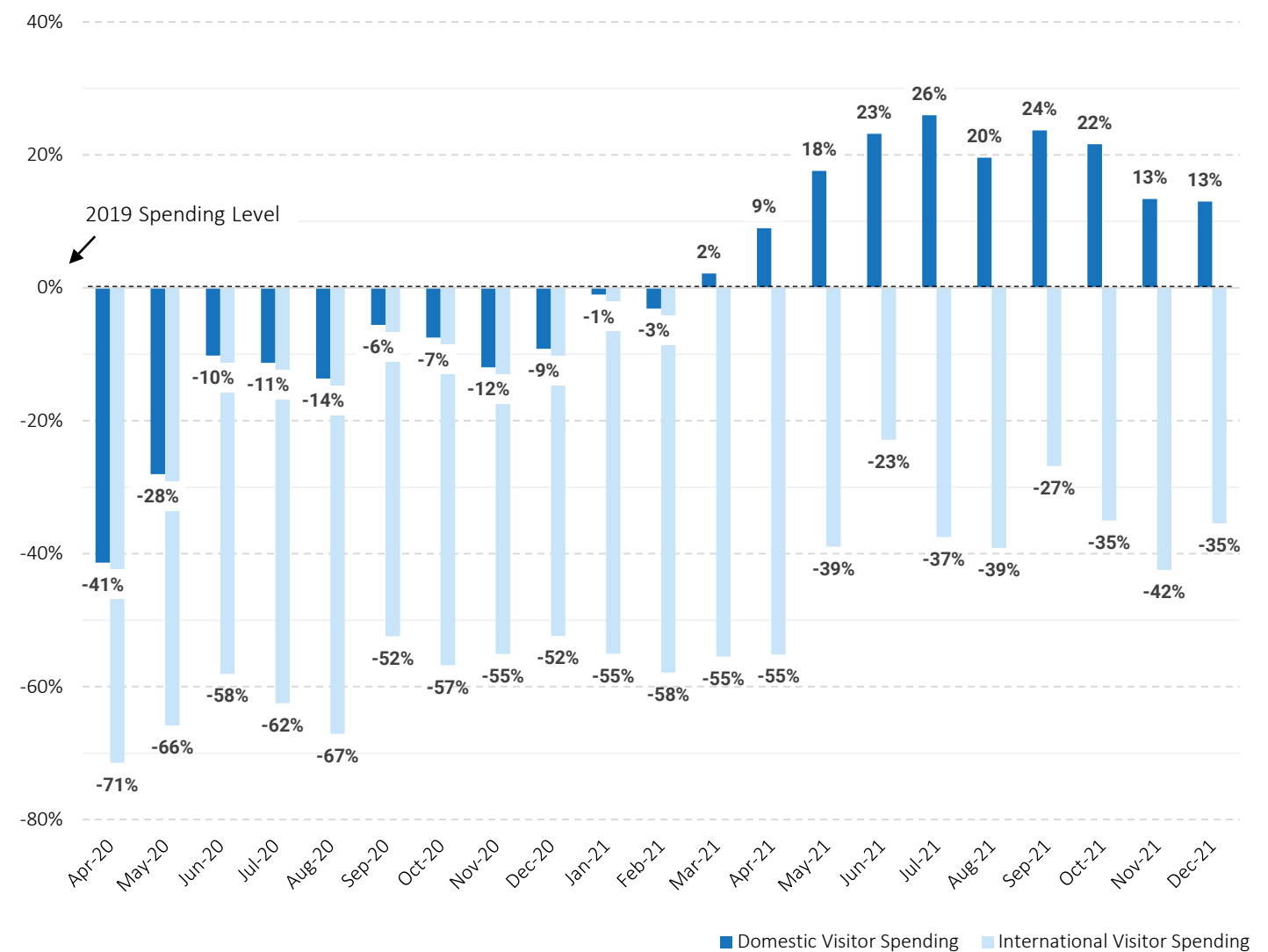


Source: Broward.org; FLL Airport Visitation Statistics (2022)
Image: Visit Fort Lauderdale

CHANGES IN DOMESTIC AND INTERNATIONAL SPENDING COMPARED WITH SPENDING IN THE SAME MONTH IN 2019

April 2020 through December 2021

Spending from international and domestic customers dropped below 2019 levels through February 2021. Starting in March 2021, domestic spending began to exceed 2019 spendings levels. Domestic spending continued to exceed pre-COVID spending levels throughout 2021. In contrast, international spending remained well below pre-COVID levels throughout 2020 and 2021. As of December 2021, international spending was still 35% below 2019 spending levels at the same time of year.



Note: Domestic visitors are defined as all customers using a credit card registered with an address in the United States. Source: Retail Location Insight Credit Card Spending Data (Dec. 2021)

IMPACT ON KEY INDUSTRIES

HOW THE PANDEMIC IMPACTED

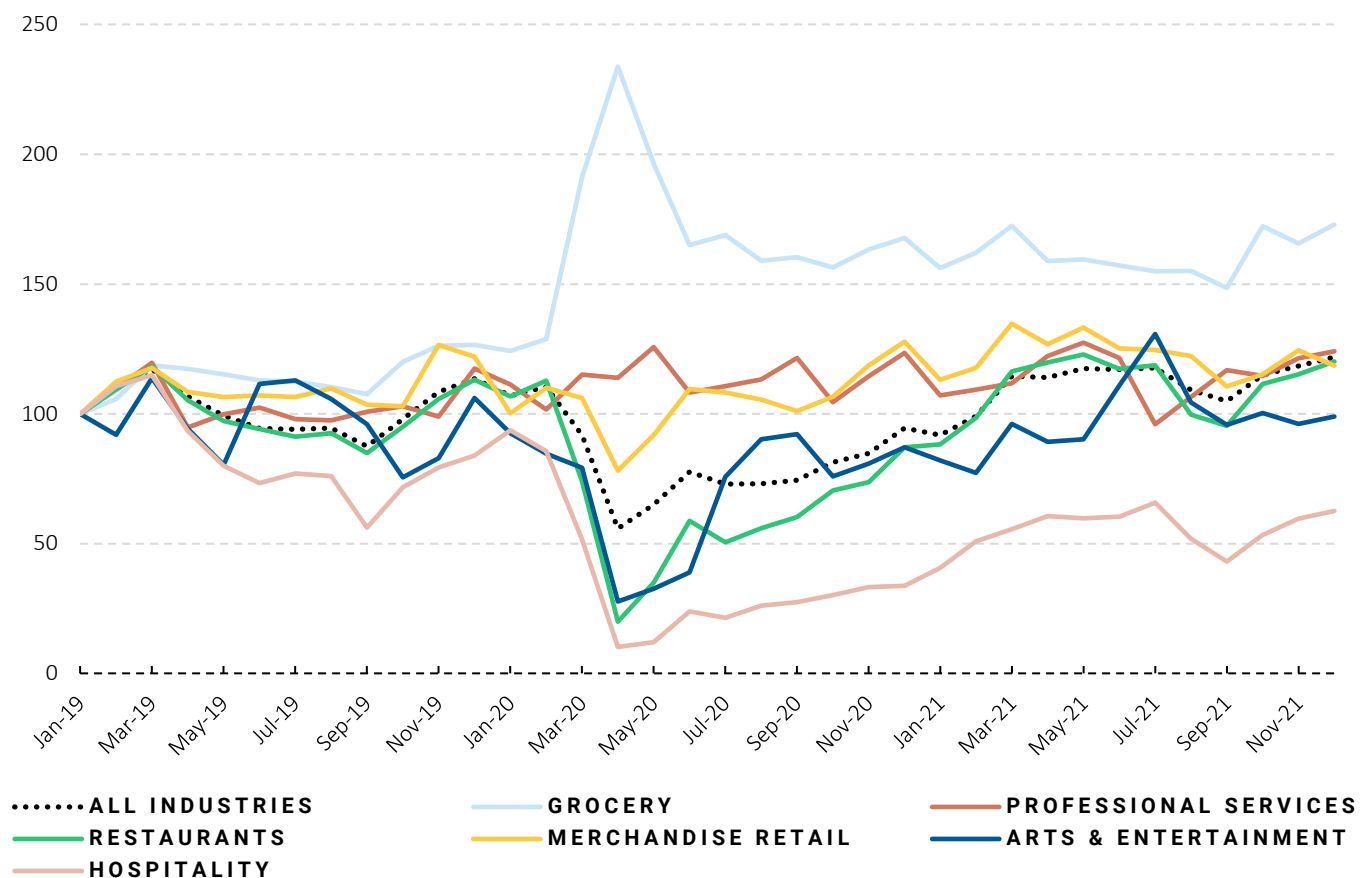
FORT LAUDERDALE INDUSTRY SALES TRENDS

The COVID-19 pandemic impacted Fort Lauderdale’s industries in dramatically different ways. That said, many industries had an initial shock that saw revenues plummet over the course of March and April 2020, followed by a slow-yet-consistent recovery. Of the six industries assessed below, only hospitality had yet to return to pre-pandemic annual revenue levels by 2021.

Hotels, restaurants, and entertainment businesses experienced the most dramatic decline in sales at the pandemic’s onset. The hospitality sector has rebounded comparatively slowly. Many professional services maintained consistent sales throughout, and grocery stores have fared exceptionally well.

REVENUE CHANGES BY INDUSTRY

Change in monthly spending relative to pre-pandemic levels, January 2019 through December 2021



Note: All figures adjusted for inflation. Due to sample size limitations, some industry revenue changes do not include all zip codes within Fort Lauderdale city limits. Figures are shown as proportions indexed to January 2019 monthly revenue figures. Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

+10% CITYWIDE CHANGE IN REVENUE⁽²⁾ FROM DECEMBER 2019 TO DECEMBER 2021
 from Dec. 2019 to Dec. 2021

How Industry Revenues at the End of 2021 Compare With Pre-pandemic 2019 Levels⁽¹⁾

HOSPITALITY

As of December 2021, the accommodations industry has experienced the largest drop in revenue among all major industries in Fort Lauderdale compared with pre-pandemic sales figures, with sales still 25% below 2019 levels. This drop has been largely driven by a decline in international tourism, business travel, and conference and event bookings.

MERCHANDISE RETAIL

After a significant hit in April and May 2020, merchandise retail sales experienced a swift recovery. 2021 sales peaked in the spring and summer months and have remained above pre-pandemic levels.

RESTAURANTS

After experiencing a significant decline in sales in the early stages of the pandemic, restaurant sales have now surged beyond pre-COVID levels. By June 2021, restaurant sales were 25% higher than June 2019. Despite a slight drop in the off-peak summer months, sales remained above pre-COVID levels through the end of 2021.

GROCERY

With fewer customers dining out or traveling, grocery store sales have significantly increased through 2020 and 2021. Sales skyrocketed as people panicked early in the pandemic, and as of December 2021, sales remain 36% higher than in 2019.

ARTS & ENTERTAINMENT

Arts and entertainment businesses experienced some of the most severe revenue drops of any industry, with sales falling between 71% below pre-COVID levels in April 2020. Customer traffic dramatically picked up in the second half of 2021, with revenue peaking in October 2021. Collective sales are currently consistent with pre-COVID levels.

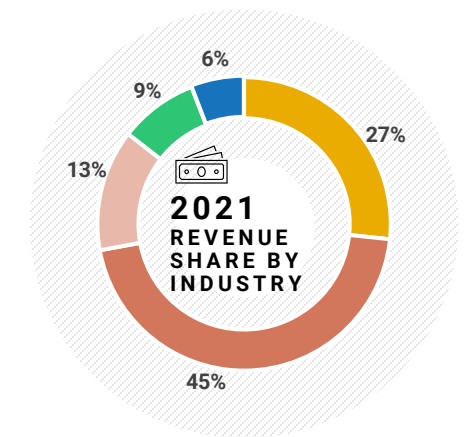
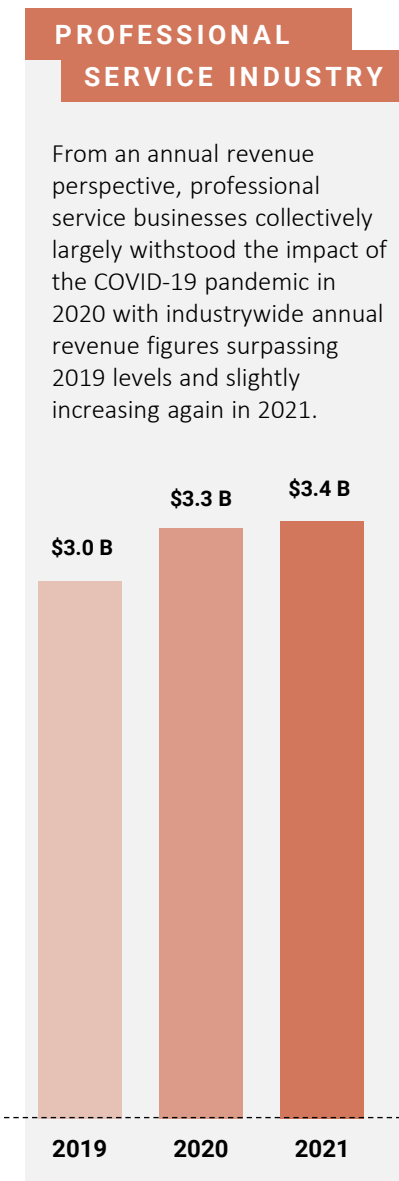
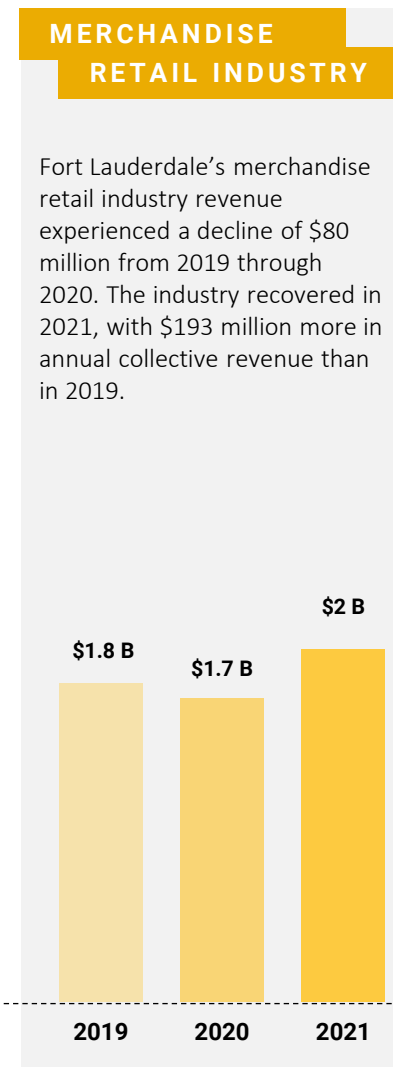
PROFESSIONAL SERVICES

Professional services experienced minimal revenue changes from the COVID-19 pandemic and have closely tracked citywide spending trends. As of December 2021, sales are 6% above pre-COVID levels.

(1) All revenue changes reflect December 2019 revenue compared with December 2021.
 (2) Industries include business sectors with business-to-customer transactions. See methodological detail on page 40 for more detail on the industries evaluated in this study. Source: Retail Location Insight Credit Card Spending Data (Dec. 2021)

HOW THE PANDEMIC IMPACTED THE CITY'S
KEY INDUSTRY ANNUAL REVENUES

Fort Lauderdale's entertainment, restaurant, hospitality, and retail industries experienced a massive decline in total annual sales in 2020. The hospitality industry remains the furthest from recovery and will likely remain so until international travel returns more substantially.



Professional services and merchandise retail comprised 72% of consumer spending in Fort Lauderdale, as of December 2021.

Note: All figures presented in 2021 dollars. Due to sample size limitations, some industry revenue changes do not include all zip codes within Fort Lauderdale city limits. Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

HOSPITALITY SNAPSHOT

185 **BUSINESSES**

Source: InfoGroup, 2022

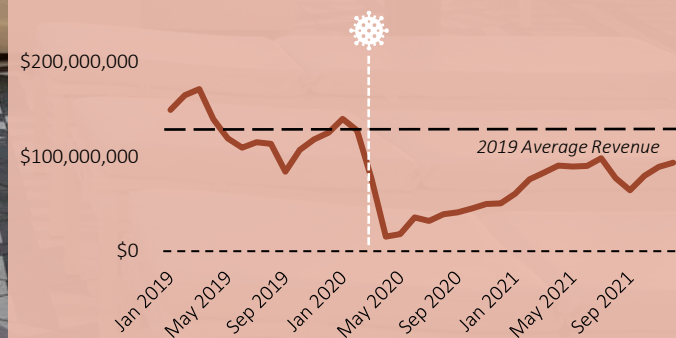
THE PANDEMIC DRAMATICALLY ALTERED THE HOSPITALITY ECONOMY. FROM A DRAMATIC HALT OF VISITATION AND TOURISM TO SIGNIFICANT SHIFTS IN TRAVEL PATTERNS, THE HOTEL AND MOTEL INDUSTRY EXPERIENCED REDUCED REVENUE.

Fort Lauderdale’s hospitality revenue dropped 89% in April 2020 compared with April 2019. By June 2020, revenue was still down 67%.

Revenues remained between 13% and 30% below pre-COVID levels throughout the second half of 2021.

The industry’s slow recovery is largely driven by a decline in business travel and international tourism.

INDUSTRY REVENUE TRENDS



Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

REVENUE RECOVERY

Of surveyed hotel and motel operators in Fort Lauderdale...

41% Report Revenue **BELOW** Pre-Pandemic Levels

32% Report Revenue **AT OR NEAR** Pre-Pandemic Levels

22% Report Revenue **ABOVE** Pre-Pandemic Levels

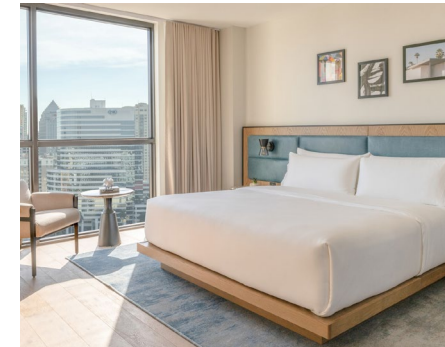
INDUSTRY OUTLOOK

14% **FEAR CLOSURE**

With 14% of surveyed operators worrying their business will close within the next two years, the hospitality industry remains the least optimistic of all surveyed industries.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)

Image: W Fort Lauderdale, Marriott



LABOR SHORTAGE REMAINS THE BIGGEST CHALLENGE FACING MANY FORT LAUDERDALE HOTELS.

Projected industry employment surfaced substantial labor shortages for the hospitality and accommodation industry. Hotel operators cited rising labor costs, increased competition in the workforce, and city and regional affordability as contributing reasons. The pandemic’s negative impact on international workers accelerated this pressing issue.



87%

FEWER CRUISE PASSENGERS

in 2021 at Port Everglades compared with 2019.⁽⁵⁾

“Despite the impact of the COVID-19 pandemic on the aviation industry **IN 2020, FLL RANKED 6TH IN TOTAL PASSENGER TRAFFIC RECOVERY** and 4th in international traffic recovery amongst US airports.”⁽⁴⁾

SAFE & CLEAN PLEDGE

Visit Lauderdale, in partnership with Greater Fort Lauderdale Alliance, the Florida Restaurant & Lodging Association, and both the Greater Fort Lauderdale and Greater Hollywood Chamber of Commences, developed a pledge to improve the safety and cleanliness of tourism and related businesses. This initiative provided collateral such as signage and digital listings to signify businesses’ commitment toward following CDC cleaning protocols, mask-wearing, and social distancing, supporting hotel and motel operators during turbulent times.⁽³⁾



NATIONAL INSIGHT

The leisure travel segment boosted national travel spending to nearly 2019 levels in December of 2021. As of January 2022, travel spending remains only 2% lower than pre-pandemic times.⁽²⁾

ARTS & ENTERTAINMENT SNAPSHOT

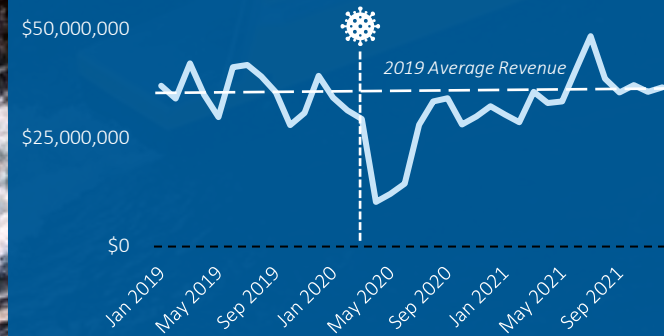
434 BUSINESSES

Source: InfoGroup, 2022

THE COVID-19 PANDEMIC CAUSED A STEEP DECLINE IN THE NUMBER OF IN-PERSON EVENTS, DRAMATICALLY SHIFTING THE FINANCIAL AND OPERATIONAL STATE OF THE ARTS AND ENTERTAINMENT INDUSTRY IN FORT LAUDERDALE.

Fort Lauderdale’s entertainment and arts industry revenue experienced a dramatic decline in sales and consumer spending in the early stages of the pandemic. Sales dropped 71% in April 2020 and remained at least 33% below 2019 levels through July 2020. In early 2021, sales slowly increased, finally reaching and exceeding pre-pandemic levels in May. In December 2021 revenue declined, falling 7% below 2019 levels, largely due to the spread of the Omicron variant. While the industry as a whole has shown promising recovery, individual businesses and organizations continue to struggle in recovery.

INDUSTRY REVENUE TRENDS



Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

REVENUE RECOVERY

Of surveyed entertainment, arts, and cultural establishments...

50% Report Revenue **BELOW** Pre-Pandemic Levels

33% Report Revenue **AT OR NEAR** Pre-Pandemic Levels

11% Report Revenue **ABOVE** Pre-Pandemic Levels

INDUSTRY OUTLOOK

50% ANTICIPATE GROWTH

Half of surveyed owners and operators of entertainment, cultural, and arts establishments project operational growth in the next two years.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)

Image: Fort Lauderdale International Boat Show



“WE MADE 114 REVISIONS TO OUR COVID POLICY BASED ON STATE, LOCAL, FEDERAL MANDATES OVER THE COURSE OF PANDEMIC.”

- Fort Lauderdale Museum Director

A local museum director shared the continual challenge of shifting COVID-related operational regulations and recommendations. Overlaps and discrepancies between federal, state, and local policies were cited as a key operational challenge particularly for those in the entertainment industry.

DECISION-MAKING FATIGUE OF NAVIGATING COVID PROTOCOLS WAS A KEY CHALLENGE AMONG OPERATORS, as public health guidelines and regulations continued to shift amidst ever-changing public health conditions.

72%

OF ESTABLISHMENTS PAUSED OR REDUCED OPERATIONS.

This includes 18% of establishments that still had reduced hours or paused operations in early 2022.

THE FORT LAUDERDALE INTERNATIONAL BOAT SHOW SUCCESSFULLY RETURNED IN 2021, attracting over 100,000 visitors. The successful event mirrored the strong recovery of Fort Lauderdale’s entertainment industry in 2021.⁽⁸⁾



NATIONAL INSIGHT

Entering 2020, many live entertainment venues did not hold insurance policies that protected against interruptions caused by viruses – further exacerbating financial losses created by the pandemic. As such, there is growing demand and associated costs for business interruption insurance policies that can help mitigate the negative impact of canceled or delayed events. Music venues, theaters, and other event spaces will need to factor in these increased insurance needs and expenses moving forward.⁽⁷⁾



MERCHANDISE RETAIL SNAPSHOT

2,485 BUSINESSES

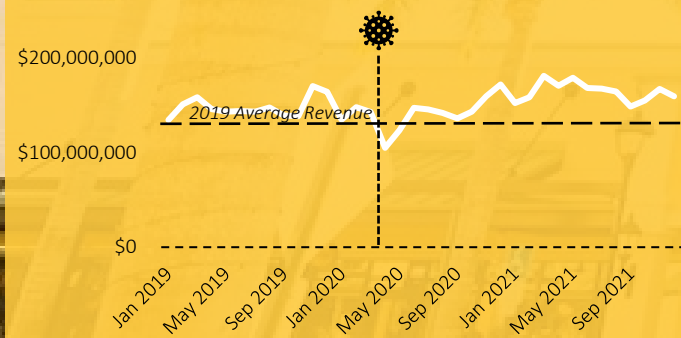
Source: InfoGroup, 2022

THE PANDEMIC FORCED FORT LAUDERDALE'S MERCHANDISE RETAILERS TO SHIFT OPERATIONS IN 2020, TRANSITIONING MORE TOWARD DIGITAL SALES AND MARKETING. THESE ADJUSTMENTS AND DIGITAL PIVOTS HELPED THE INDUSTRY AVOID THE STEEP DECLINES EXPERIENCED BY THE RESTAURANT, HOTEL, AND ENTERTAINMENT INDUSTRIES.

The city's merchandise retail revenue dropped 33% in April 2020 compared with April 2019. Revenue had significantly recovered by Summer 2020 but remained below pre-COVID levels until November 2020.

Throughout most of 2021, merchandise revenues toggled between 10% and 20% above pre-pandemic levels, peaking in May 2021.

INDUSTRY REVENUE TRENDS



Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

REVENUE RECOVERY

Of surveyed merchandise retailers in Fort Lauderdale...

50% Report Revenue **BELOW** Pre-Pandemic Levels

25% Report Revenue **AT OR NEAR** Pre-Pandemic Levels

20% Report Revenue **ABOVE** Pre-Pandemic Levels

INDUSTRY OUTLOOK

10% **FEAR CLOSURE**

Although 50% of surveyed merchandise retailers expect their businesses to expand, 1 out of 10 retailers worry their business will close in the next two years.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)

Image: Visit Fort Lauderdale



NEARLY TWO-THIRDS OF FORT LAUDERDALE'S RETAILERS REDUCED OR PAUSED OPERATIONS DURING THE PANDEMIC.

Shortened business hours affect business revenue potential as it means fewer hours for customers to shop and purchase goods.



35% OF BUSINESSES REPORT THAT EXPENSES INCREASED TO LEVELS ABOVE PRE-PANDEMIC.

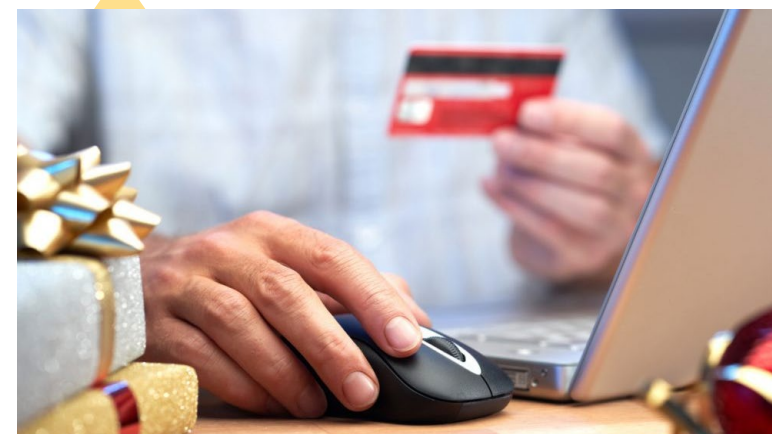


3 OUT OF 4 BUSINESSES EXPERIENCED SUPPLY CHAIN ISSUES EXACERBATED BY THE PANDEMIC, WITH 65% OF BUSINESSES EXPERIENCING SIGNIFICANT SUPPLY CHAIN ISSUES.

This has led to businesses increasing prices and/or adjusting in-store offerings – further complicating the recovery from the impacts of the COVID-19 pandemic. Supply chain issues are expected to improve as the global effects of the pandemic continue to decline.



35% REPORTED A CHANGE IN WHERE THEIR CUSTOMERS WERE COMING FROM DURING THE PANDEMIC.



NATIONAL INSIGHT

Consumers increasingly use both online and in-person channels to make purchases, accelerating the need for merchandise retailers to build out user-friendly digital browsing and purchasing platforms. Since March 2020, online spending on retail products has been approximately 30% above pre-COVID spending levels.⁽⁹⁾

RESTAURANT SNAPSHOT

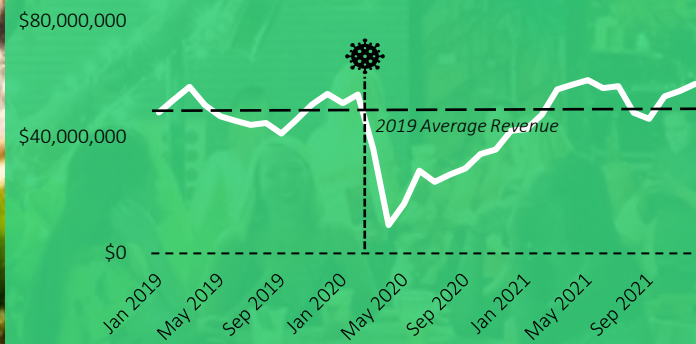
933 BUSINESSES

Source: InfoGroup, 2022

RESTAURANTS EXPERIENCED A DRAMATIC DECLINE IN SALES IN THE EARLY STAGES OF THE COVID-19 PANDEMIC. TO REMAIN COMPETITIVE, MANY BUSINESSES DEVELOPED NEW ONLINE ORDERING AND DELIVERY SYSTEMS, ENHANCED DIGITAL MARKETING EFFORTS, AND ADJUSTED OPERATIONS TO ENSURE CUSTOMER AND EMPLOYEE SAFETY.

In April 2020, Fort Lauderdale’s restaurant industry revenue dropped an alarming 81% compared with April’s revenue in 2019. Although revenue gradually increased, industry revenue remained 23% to 45% below 2019 levels throughout 2020 after the onset of the pandemic. Revenues began recovering in late 2020 and finally exceeded 2019 levels a full year later in April 2021. From May to July 2021, sales were 25% to 30% above the pre-pandemic 2021 levels. While sales slowed in the second half of 2021, the restaurant industry overall still captured 6% to 17% more revenue than in 2019.

INDUSTRY REVENUE TRENDS



Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

REVENUE RECOVERY

Of surveyed restaurants and bars in Fort Lauderdale...

53% Report Revenue **BELOW** Pre-Pandemic Levels

20% Report Revenue **AT OR NEAR** Pre-Pandemic Levels

23% Report Revenue **ABOVE** Pre-Pandemic Levels

INDUSTRY OUTLOOK

57% ANTICIPATE GROW

More than half of surveyed restaurants and bars expect that their business will expand over the next two years and over a third (37%) expect to maintain current operations into the future.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)

Image: Visit Fort Lauderdale

90%

REPORTED THEY REDUCED OR PAUSED OPERATIONS DURING THE PANDEMIC.

This is higher than any other surveyed industry compared with the overall response of 65%.



1 OUT OF 2 REPORTED A SHIFT IN WHERE THEIR CUSTOMERS WERE COMING FROM.

This is well above the citywide average of 27%.

SUPPLY CHAIN ISSUES DISRUPTED MENUS AND SPIKED COSTS FOR IN-DEMAND ITEMS.

One restaurant owner reported that the price of chicken doubled at one point during the pandemic, creating pressures to raise menu prices without scaring off customers and affecting their business plan.

"I STARTED DRIVING AROUND LOOKING FOR KITCHEN EMPLOYEES AT BUS STOPS WEARING COOKING GEAR . . . I WAS DESPERATE FOR WORKERS."

– Fort Lauderdale Restaurant Owner

83%

OF SURVEYED RESTAURANTS SAY EMPLOYEE ATTRACTION AND RETENTION IS WORSE THAN BEFORE THE PANDEMIC.

Nearly half (48%) of the restaurants find that employee attraction and retention is significantly worse.



RESTAURANTS HEAVILY RELIED ON ENHANCED OUTDOOR DINING CAPACITY.

However, more than half (52%) of surveyed restaurant owners reported that adhering to local codes became a greater issue than before the pandemic.



NATIONAL INSIGHT

The COVID-19 pandemic accelerated the growing trend of online food ordering and utilization of third-party delivery platforms. Food delivery orders are 123% above 2019 levels. Given the high commissions, typically between 15% and 30%, of third-party delivery platforms, such as DoorDash or Uber Eats, many independent restaurants have built out their own websites to include online ordering for take-out and delivery.⁽¹⁰⁾

PROFESSIONAL SERVICES SNAPSHOT

3,053 BUSINESSES

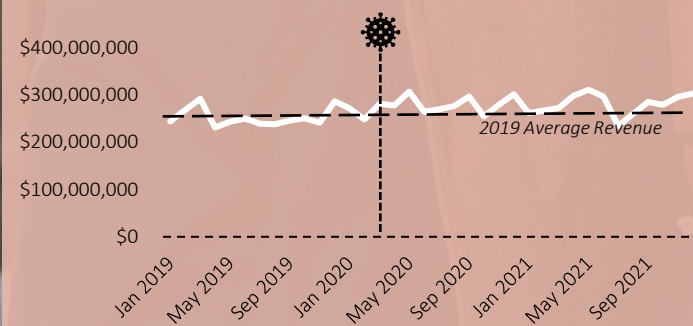
Source: InfoGroup, 2022

DESPITE CONSISTENT REVENUE LEVELS, THE PANDEMIC STILL DRAMATICALLY AFFECTED THE OPERATIONS OF PROFESSIONAL SERVICE BUSINESSES.

Many businesses pivoted more toward remote working, and employee retention and labor shortage were, and still are, major challenges for the industry.

COVID-19 did not significantly change demand for professional services, allowing the industry to avoid the severe revenue drops experienced by other industries more reliant on face-to-face interactions, such as restaurants or merchandise retail. As such, the industry experienced relatively consistent revenue levels throughout the pandemic. Revenue has been at or slightly above pre-COVID levels throughout 2020 and 2021, with monthly revenues typically between 10% and 15% above 2019 levels.

INDUSTRY REVENUE TRENDS



Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

REVENUE RECOVERY

Of surveyed professional service businesses in Fort Lauderdale...

46% Report Revenue **BELOW** Pre-Pandemic Levels

34% Report Revenue **AT OR NEAR** Pre-Pandemic Levels

14% Report Revenue **ABOVE** Pre-Pandemic Levels

INDUSTRY OUTLOOK

42% **ANTICIPATE GROWTH**

With 42% of surveyed professional service businesses projecting growth and 48% anticipating continued operations, the industry overall projects a stable next two years.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021)



36%

REPORTED THAT THEY DIDN'T HAVE TO PAUSE OR REDUCE OPERATIONS DURING THE PANDEMIC.



45%

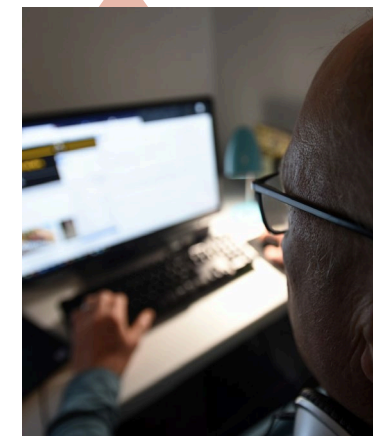
WERE ABLE TO MAINTAIN EMPLOYMENT LEVELS THROUGHOUT THE PANDEMIC, A HIGHER RATE THAN MANY OTHER INDUSTRIES.

With more consistent revenue levels than other industries, professional services businesses were able to maintain staffing levels. Relatively small staff sizes may have also helped the industry retain employees throughout the pandemic, as 84% of surveyed businesses employ fewer than 15 employees.

1 OUT OF 4

BUSINESSES ANTICIPATE PROVIDING MORE REMOTE AND TELEWORKING OPTIONS FOR THEIR EMPLOYEES MOVING FORWARD. 15% BELIEVE THAT THEY WILL BE FULLY REMOTE WITHOUT HAVING A COMMERCIAL SPACE.

This trend will continue to drive the need for service-based businesses to build out quality websites and digital customer service and ordering systems.



NATIONAL INSIGHT

Professional services businesses across the country saw some of the most dramatic shifts toward teleworking in 2020, a trend that has continued through 2022. In a January 2022 poll, 58% of US workers reported they work from home most or all of the time. On average, employees report increased productivity when teleworking and a personal preference for working remotely. In January 2022, 61% of workers reported they are working remotely out of choice, rather than their workplace being closed. 44% of employees reported that remote work makes it easier to get work done, while 46% reported their productivity has stayed about the same. As employers and employees continue adapting to remote operations, professional services businesses may require less in-store square footage or reevaluate office operations.⁽¹¹⁾

IMPACT BY LOCATION, SIZE, AND BUSINESS OWNERSHIP

HOW THE PANDEMIC IMPACTED THE CITY'S COMMERCIAL NEIGHBORHOODS

Fort Lauderdale's numerous commercial neighborhoods bring distinct identities, industry niches, and a mix of customer bases to the city's overall economy and experienced differing and unique impacts throughout the pandemic.

FORT LAUDERDALE'S NEIGHBORHOODS RECOVERED AT DIFFERENT RATES, WITH SOME REMAINING BELOW PRE-PANDEMIC LEVELS.

All of the analyzed Fort Lauderdale neighborhoods experienced a drop in revenue at the onset of the pandemic. However, economic recovery was not equal across communities. Some neighborhoods reached or exceeded pre-pandemic levels of activity while others have yet to fully recover. Beyond the impact of the pandemic, sales trends are also influenced by seasonality, population growth, and other factors.

IN MOST AREAS, ABOUT HALF OF BUSINESSES HAVE NOT YET RECOVERED.

Cyprus Creek, Downtown, and the Beach area have the largest portion of businesses whose sales are back to pre-pandemic levels. Traditional malls such as the Galleria and retailers west of I-95 have been particularly hard hit.

ALL NEIGHBORHOODS HAVE SEEN A DECLINE IN DESTINATION CUSTOMERS, LEAVING A HIGHER PORTION OF LOCAL SHOPPERS.

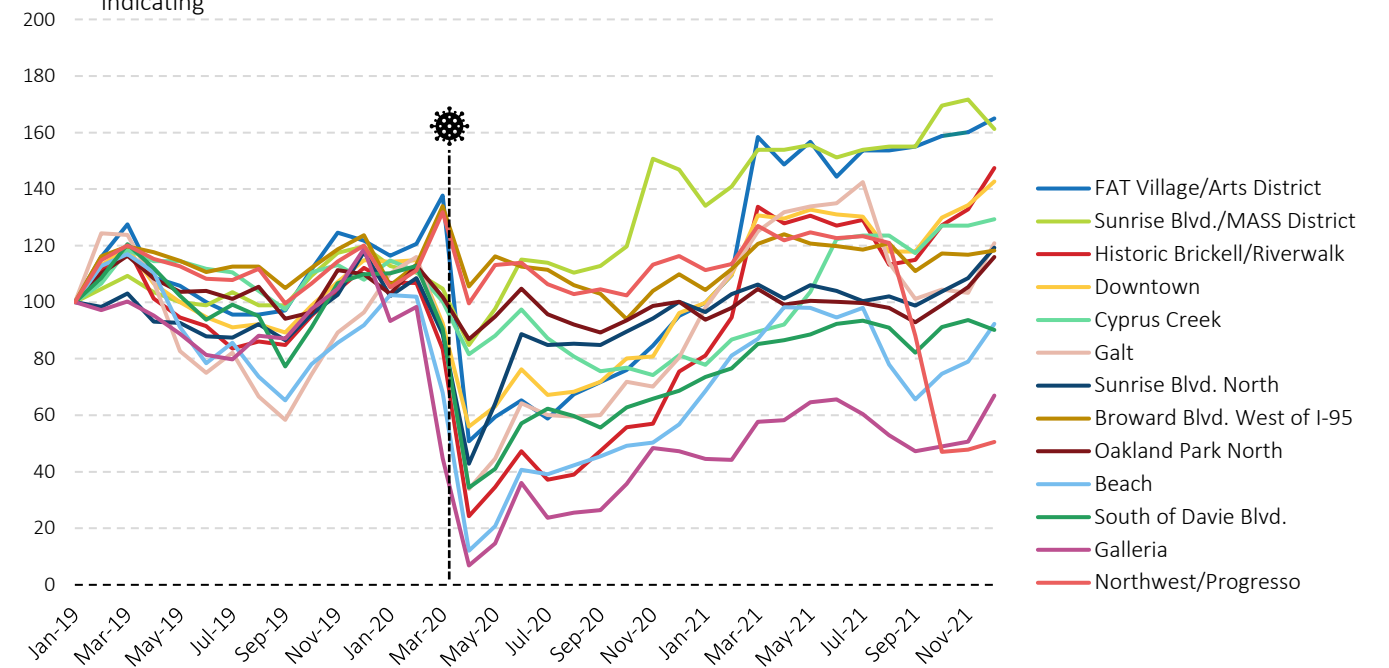
The neighborhoods that have fared best by economic indicators are those that have best catered to local customers and domestic tourists alike.



Map illustrating Fort Lauderdale's commercial neighborhoods.

CHANGE IN MONTHLY SALES REVENUE BY NEIGHBORHOOD

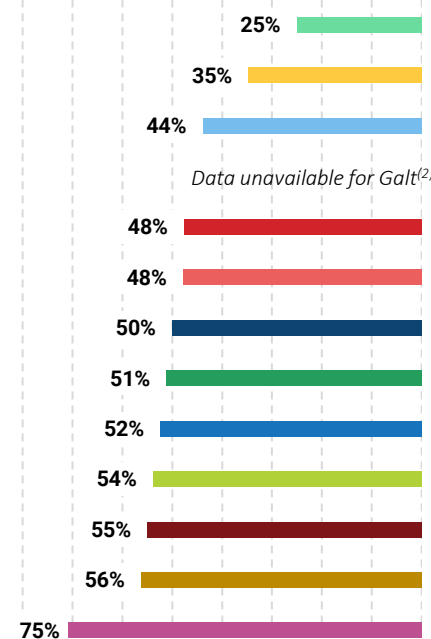
As illustrated below, all of these included neighborhoods experienced declined revenue at the initial onset of the pandemic. Neighborhoods with lines above 100 have sales revenue above 2019 levels indicating



(1) Figures expressed as proportion of sales indexed to monthly sales in January 2019. Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

BUSINESS HEALTH

Proportion of Businesses Reporting that Revenue Remains Below Pre-Pandemic Levels

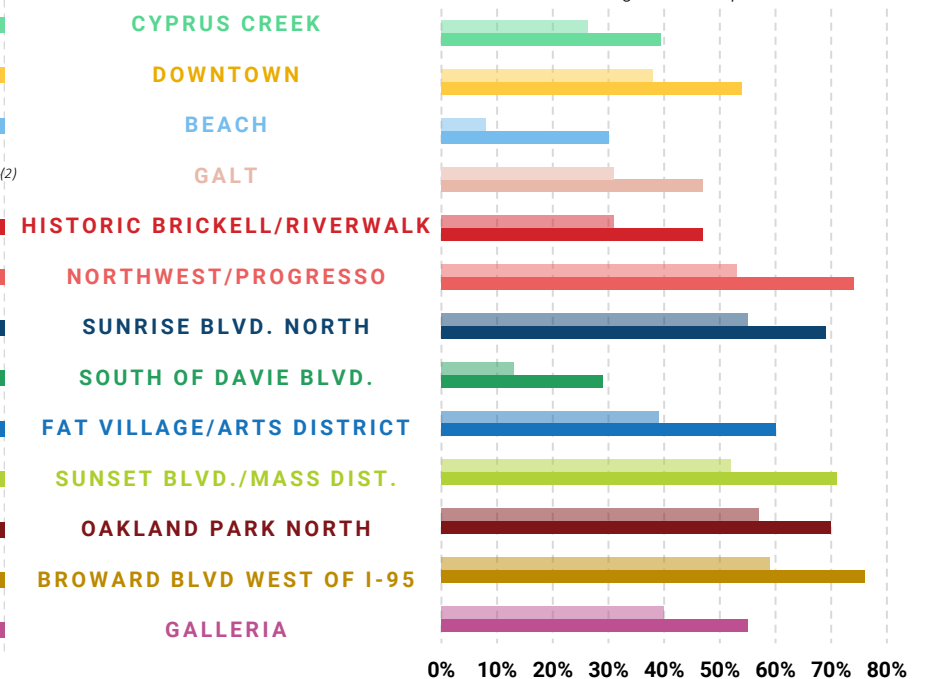


(2) Galt business health data unavailable due to small sample size of respondents from the Galt neighborhood.

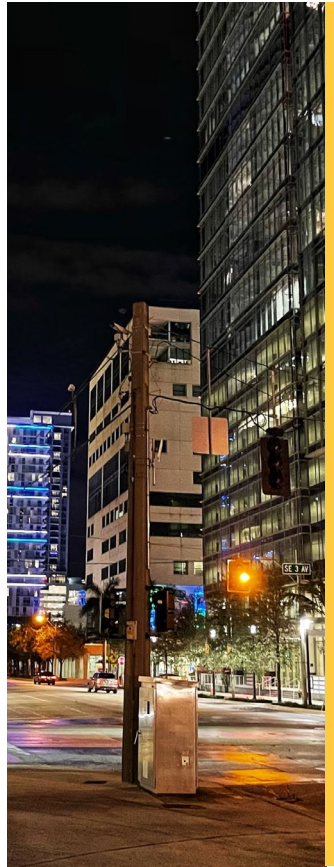
LOCAL-SERVING CUSTOMER BASES

Percent of Transactions by Customers Who Live in Fort Lauderdale

The dark colored bars on the graph below represent 2021 data while the lighter bars represent 2019 data.



Business Health Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021). Local-Serving Customer Base Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)



DOWNTOWN INSIGHTS

19% POPULATION GROWTH SINCE THE START OF THE PANDEMIC

By many metrics, Downtown Fort Lauderdale was one of the most economically resilient areas of the city. In early 2022, the neighborhood’s retail sector experienced considerably more sales than prior to the pandemic with many factors helping explain this success. Downtown retained a larger office occupancy during the pandemic (45%) than the national average (35%), and the Downtown Development Authority estimated in early 2022 that commercial occupancy was at 75%. High residential density, coupled with large population growth over the pandemic, brought additional customers to downtown businesses. In fact, a majority of the city’s recent population increase has occurred downtown, and the hotel and office real estate markets are booming in the downtown area as well. Planned and proposed future development lays the groundwork for additional growth in the upcoming years. Recent public space and infrastructure investments in the neighborhood continue to support the resiliency of its business community with attention toward addressing the need for enhanced affordable housing and regional transit access.

*Source: Fort Lauderdale Downtown Development Authority.
Note: Survey data for downtown came from businesses who self reported as being located downtown. Spending data for downtown was pulled for businesses in zip code 33301, bounded by NW 1st Ave and SW 2nd Ave to the west, NW/NE 6th Street to the north, New River Sound to the east, and SW/SE 7th Street to the south.*

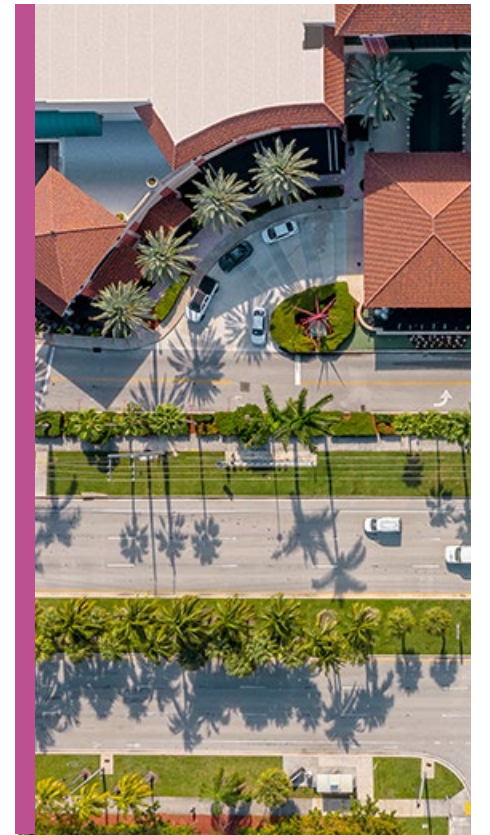
GALLERIA INSIGHTS

3 in 4 AREA BUSINESSES HAVE NOT RETURNED TO PRE-PANDEMIC SALES LEVELS

The emergence of e-commerce and changing consumer preferences has led to a nationwide decline of traditional malls and large floorplate retailers, a trend exacerbated by the pandemic and exemplified in Fort Lauderdale’s Galleria Mall retail area. The Galleria Mall was particularly devastated by the decline in tourism over the last couple of years with some of the businesses experiencing the most significant declines in sales revenue. The mall lost a number of marquee tenants, and larger retailers have made clear to Galleria ownership that they find the mall’s current orientation as too antiquated and prefer locations with a built-in residential and workforce customer base.

Adding to the Galleria’s challenges, maintenance charges are escalating while its price-sensitive tenants are unable to pay higher rents. Major plans are in store for the Galleria, which aims to “de-mall” in favor of integrating the property with the city’s urban fabric and building lifestyle retail space into a mixed-use redevelopment supported by onsite residential and office density.

Source: COVID-19 Pandemic Impact Business Survey (Dec. 2021) and conversations with Galleria Mall Representative



BEACH INSIGHTS

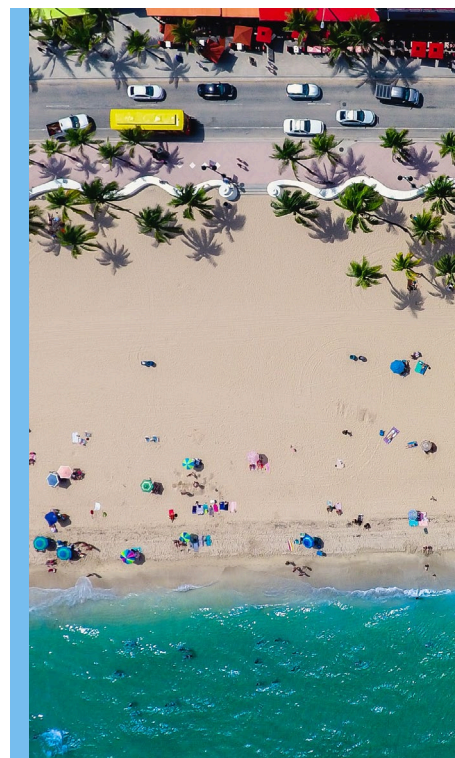
2% LOWER ANNUAL SALES REVENUE IN 2021 COMPARED WITH 2019 DESPITE...

60% LESS SALES REVENUE FROM INTERNATIONAL VISITORS

Despite a dramatic decline in the city’s international visitors and cruise ship passengers, Fort Lauderdale’s beach became a main destination for domestic tourists over the course of the pandemic, many of whom had to find domestic alternatives to international travel. Fort Lauderdale’s beach is a fundamental part of the city’s identity and a primary economic driver with its marine industry activities, hotels, restaurants, and retailers.

The hospitality industry in Fort Lauderdale has struggled along with the rest of the country, but hotels in the Beach area fared better than most, and those closer to the downtown and the southern Beach areas did particularly well. The industry still faces significant challenges with vacancy and hiring, but hoteliers are optimistic for a full recovery once business travel and international travel normalize.

Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)



HISTORIC BRICKELL AND THE RIVERWALK INSIGHTS

32% MORE SALES REVENUE IN DECEMBER 2021 THAN IN DECEMBER 2019

Historic Brickell and the Riverwalk, abutting Downtown Fort Lauderdale, comprise the city’s Cultural District and is home to a wide range of entertainment, dining, arts, and educational businesses.

The neighborhood was one of the most hard-hit in the initial months of the pandemic and had one of the more lengthy and gradual recovery periods as sales did not fully recover until March of 2021. Impressively, sales have continued to climb in late 2021 and by December 2021 total revenues were 32% higher than the same time period in 2019 (adjusted for inflation). Businesses were aided by a relatively short period of mandated business closures and an increase in regional and out-of-state domestic tourism.

Source: Retail Location Insights Credit Card Spending Data (Dec. 2021)

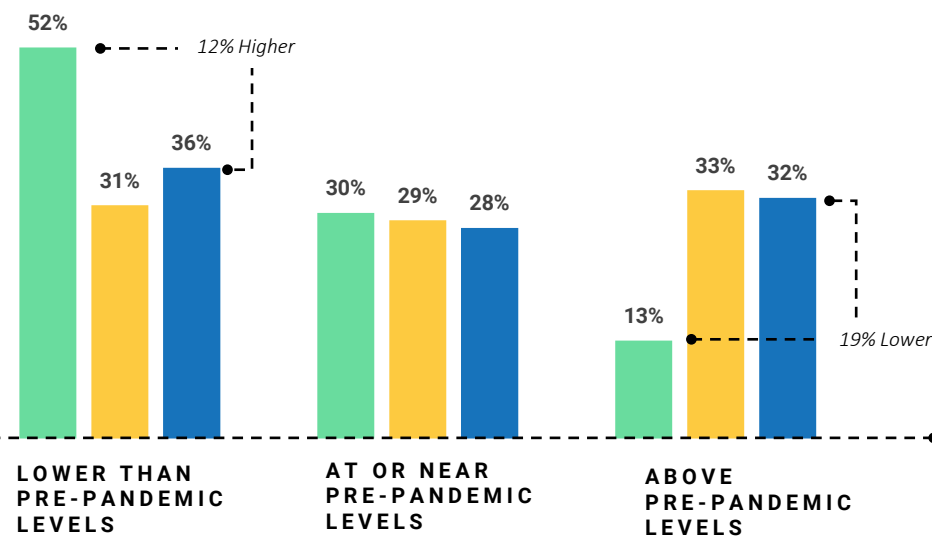


INSIGHTS ON THE PANDEMIC'S IMPACTS
BASED ON BUSINESS SIZE AND OWNERSHIP



RECOVERY BY BUSINESS SIZE

Small businesses have generally fared worse than medium and large businesses over the course of the pandemic. Compared with larger businesses, businesses with fewer than 15 employees are more likely to have closed or reduced hours of operation, more likely to have downsized, and less likely to have received a Federal Paycheck Protection Program loan. According to the business survey, a little over half of small businesses have yet to achieve revenue levels at or higher than pre-pandemic levels. And while about a third of businesses with more than 15 employees report revenues above pre-pandemic levels, this is true of fewer than one in seven small businesses.



- SMALL BUSINESSES** (1–14 Employees)
- MEDIUM BUSINESSES** (15–99 Employees)
- LARGE BUSINESSES** (100+ Employees)

Note: Business owners who indicated that they were unsure of revenue comparisons and those who reported not applicable are included in percentage breakdowns but are not illustrated in the chart. Business size self-reported.
Source: Fort Lauderdale Business Survey (December 2021)
Images: Black Girls Wealth, GFLGLCC-Greater Fort Lauderdale LGBT Chamber of Commerce, Just Hip Hop Studio, Eve on the Water



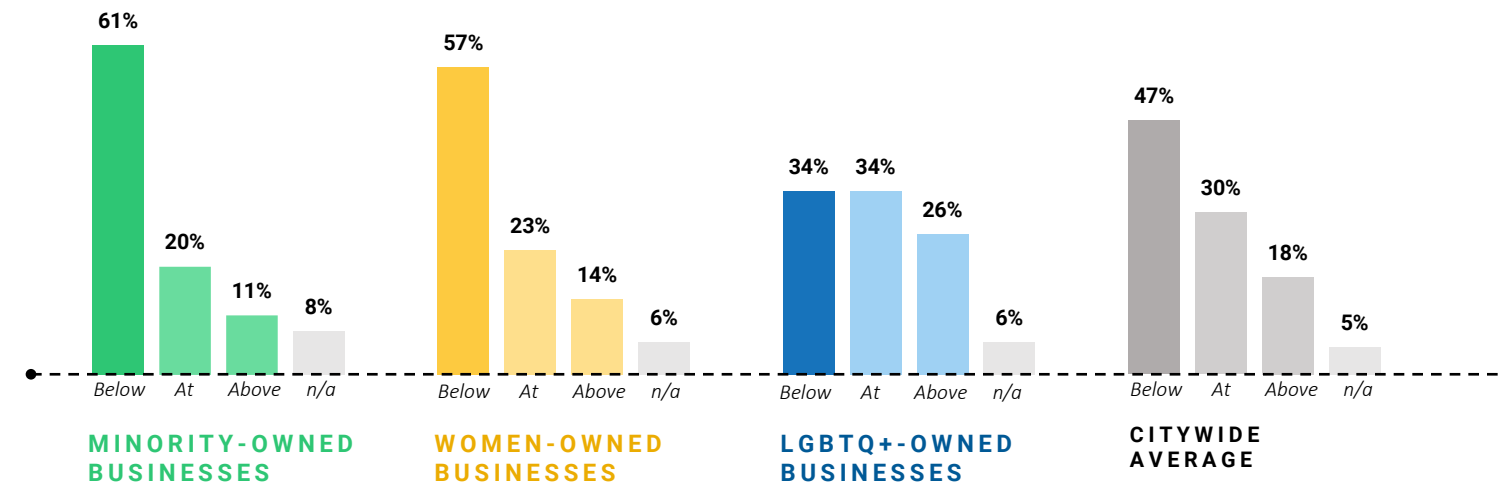
RECOVERY BY BUSINESS OWNERSHIP

Minority-owned and women-owned businesses experienced a greater negative impact and a slower recovery than other businesses in Fort Lauderdale. This disproportionate impact reflects well-documented national trends for women and communities of color over the course of the pandemic. 61% of surveyed minority-owned businesses and 57% of surveyed women-owned businesses reported that their revenue remains below pre-pandemic levels compared with the overall citywide response of 47%. Of the businesses that indicated that they were not minority, women, or LGBTQ+ owned, 42% report revenue levels lower than before the pandemic. In addition, minority and women-owned businesses were more likely to close during the pandemic and more likely to still have reduced hours or operations. A common explanation offered in focus group discussions was that these business owner groups face pressing needs external from their business as family caregivers, reducing the ability to focus more exclusively on their businesses.

LGBTQ+-owned businesses, on the other hand, recovered faster than the average business, with more LGBTQ+ business owners reporting that their revenue is higher than before the pandemic. This rate is 7% higher than other business owners and approximately double the rate of minority and women-owned businesses. Conversations with LGBTQ+ business owners and stakeholders cited the loyalty of the community's customer base as a contributing factor for LGBTQ+-owned business resiliency.

BUSINESS RECOVERY

The following charts convey the share of self-identified businesses whose revenue remains below, at, and above pre-pandemic levels.



MINORITY-OWNED BUSINESSES
Minority-owned businesses are less likely to have recovered financially than other businesses.

WOMEN-OWNED BUSINESSES
More than half of women-owned businesses are also operating with revenues that remain below pre-pandemic levels.

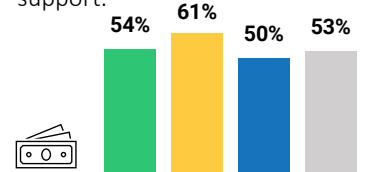
LGBTQ+-OWNED BUSINESSES
About a third of LGBTQ+-owned businesses have yet to recovery financially, a higher rate than the citywide average.

CITYWIDE AVERAGE
Based on the citywide average, more businesses have economically recovered from the pandemic compared with minority and women-owned businesses.

Note: Business owner type self-identified and self-reported.
Source: Fort Lauderdale Business Survey (December 2021)

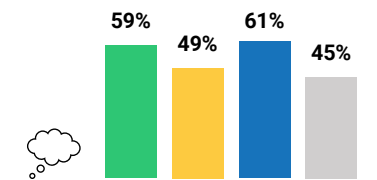
PAYCHECK PROTECTION PROGRAM SUPPORT

More than half of all businesses despite ownership type received Paycheck Protection Program Loan Forgiveness (commonly referred to as PPP) or other public financial support.



OPTIMISTIC OUTLOOK

Despite the disproportionate lag in business recovery, minority and women-owned businesses remain optimistic about future growth.



CONTINUED OPERATIONAL CHALLENGES FOR BUSINESSES

Survey findings revealed that most of Fort Lauderdale’s businesses were forced to make swift changes to their operations in response the pandemic. Common adjustments include developing safety protocols, enhancing online sales platforms or via delivery and pickup services, accommodate a combination of in-person and remote work conditions, and adjusting marketing efforts to correspond to changing customer bases. Interestingly, many business owners feel that these adjustments helped strengthen their businesses and better equip them to succeed in the future.

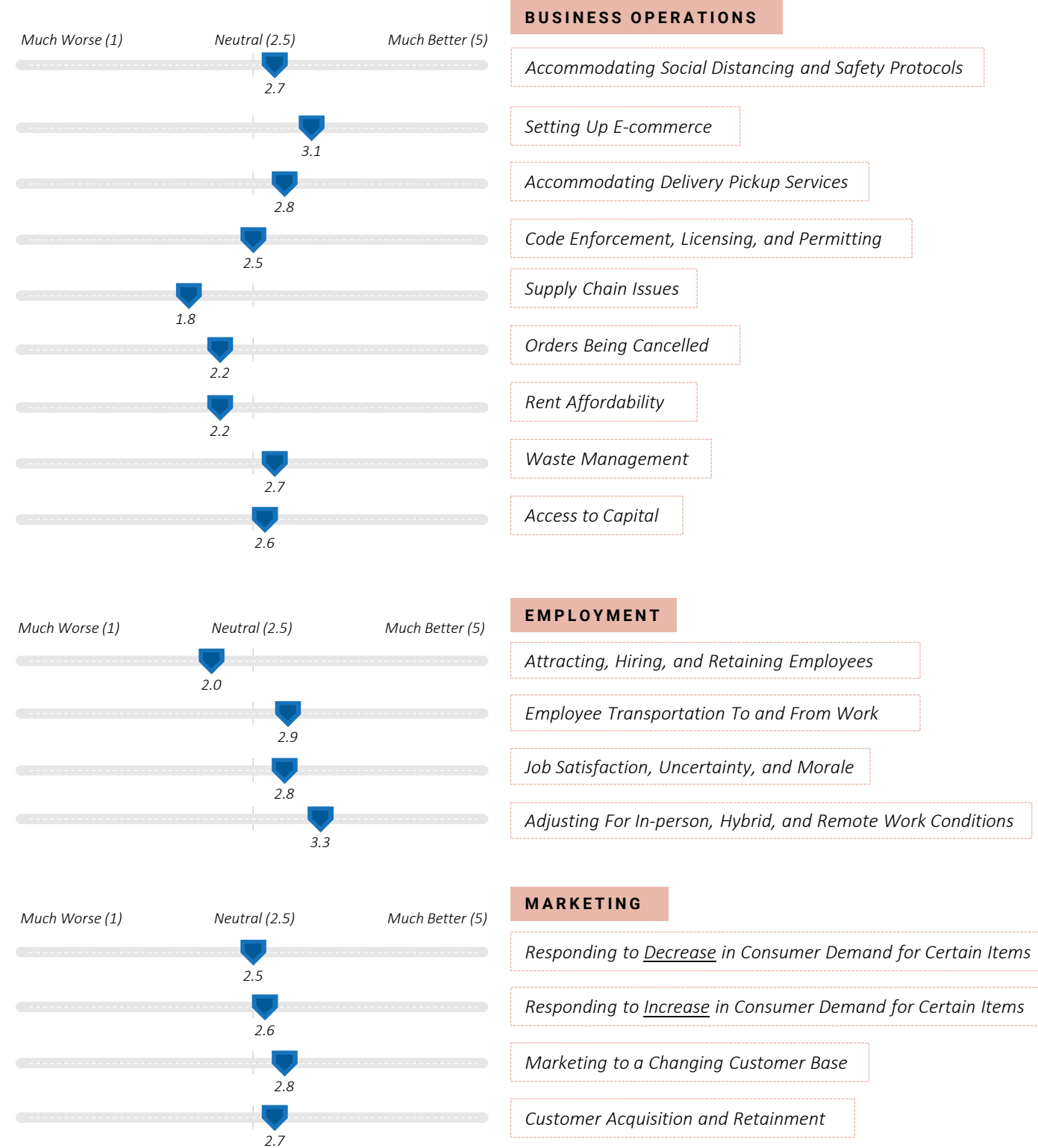
That said, significant challenges remain. Supply chain issues, order cancellations, and rent affordability remain pressing concerns for business operations. In addition, attracting, hiring, and retaining employees is currently much more difficult for businesses than before the pandemic.

*Note: Weighted scores on the next page reflect the business responses with applicable metrics to their business and exempt non-applicable responses and those who reported that they were unsure of the condition.
Source: Fort Lauderdale Business Survey (Dec. 2021)*



BUSINESS OPERATIONAL CHALLENGES AND IMPROVEMENTS EMERGING FROM THE PANDEMIC

Surveyed business owners assessed how current (as of December 2021) business operations, employment, and marketing conditions compare with conditions before the pandemic.



Source: Fort Lauderdale Business Survey (Dec. 2021)

BUSINESS CHALLENGES BY BUSINESS SIZE

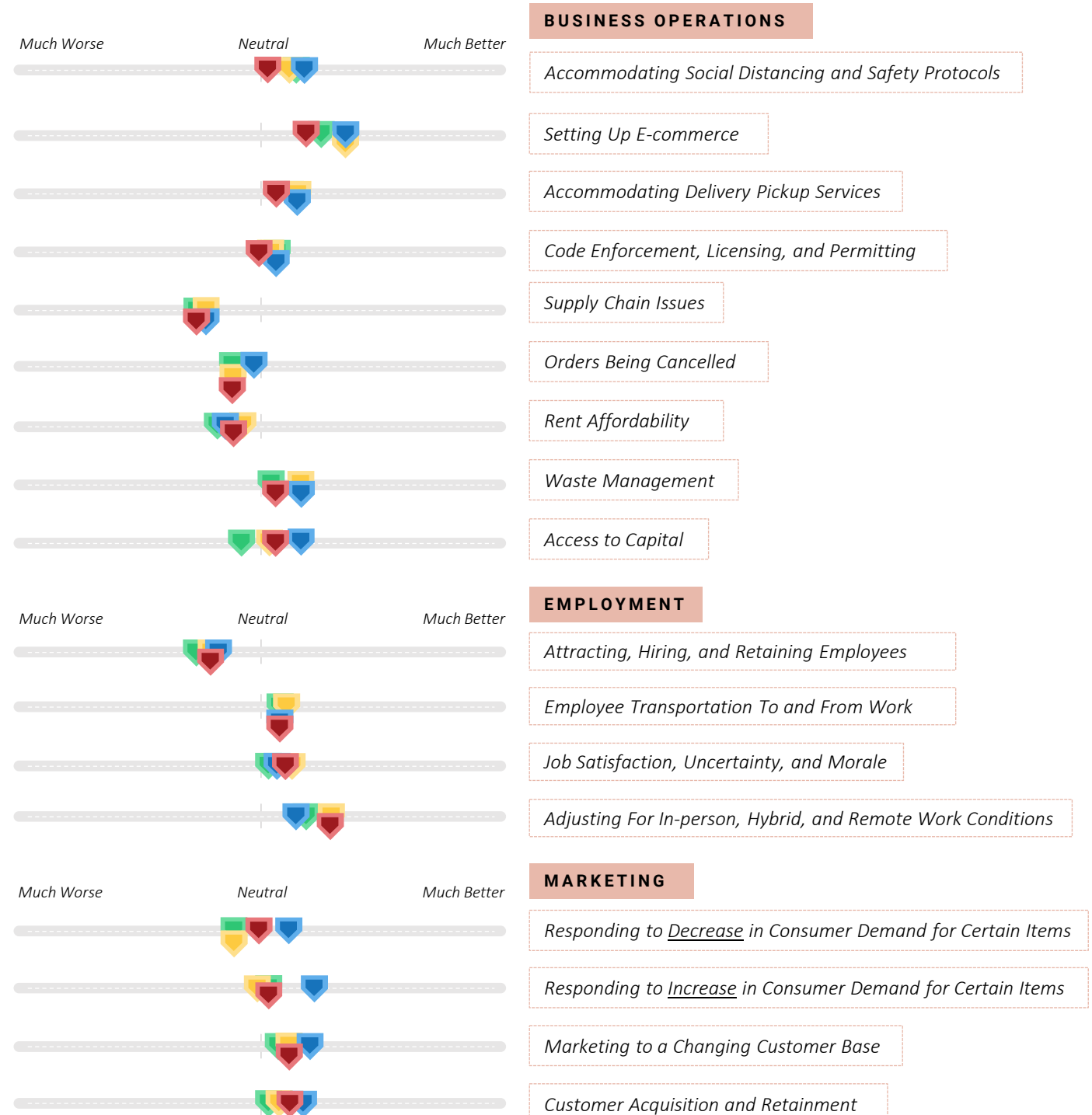
Fort Lauderdale businesses, regardless of size, face many of the same challenges with operations, employment, and marketing. Businesses of over a hundred employees cited worsening conditions for supply chain, order cancellations, and employee attraction.



Source: Fort Lauderdale Business Survey (Dec. 2021)

BUSINESS CHALLENGES BY OWNERSHIP

LGBTQ+-owned businesses reported a more positive outlook of business operations, employment, and marketing conditions, likely attributable to this ownership cohort's improved recovery. Responses amongst business owner cohorts were relatively consistent apart from minority-owned businesses access to capital as a challenging need.



Source: Fort Lauderdale Business Survey (Dec. 2021)

FORT LAUDERDALE BUSINESS

PANDEMIC RECOVERY NEEDS

AND SUPPORT STRATEGIES

Fort Lauderdale's economy remained resilient over the course of the pandemic by national standards. Local businesses are recuperating but key obstacles remain in the path to recovery. The most pressing current business needs and challenges can be grouped into five categories, summarized below. Potential programmatic and policy solutions are identified with which the city or its partners could help address these needs. The city may wish to further evaluate these options and develop more specific and actionable COVID recovery strategies.



MANY BUSINESSES STRUGGLE TO KEEP CURRENT WITH TRENDS AND TECHNOLOGIES.

Many businesses do not have the knowledge, time, or resources to adjust operations to accommodate for social and economic trends related to e-commerce, digital marketing and communications, newly available financial resources, outdoor space permitting and other regulatory hurdles, and emerging hiring best practices.

RELEVANT SUPPORT STRATEGIES: TARGETED TECHNICAL ASSISTANCE

Increase financial support to business support nonprofits and/or municipal agencies to provide technical assistance programs aimed at helping older and/or small businesses make operating adjustments. Many of these programs exist but could be expanded and made more accessible:

- E-commerce training and support
- Digital marketing training
- Resource hub connecting businesses with applicable grants and appropriate banks or investors
- Business permit and licensing facilitation services
- HR, payroll, and hiring training and support



INTERNATIONAL TOURISM AND BUSINESS AND CONVENTION TRAVEL REMAIN WELL BELOW PRE-PANDEMIC LEVELS, DISPROPORTIONATELY AFFECTING THE NIGHTTIME ECONOMY.

Tourism and marine-related recreation are pillars of Fort Lauderdale's economy. International tourism, business travel, convention attendance, and airport traffic in general are rebounding but are far from fully recovered.

RELEVANT SUPPORT STRATEGIES: ENHANCED MARKETING & BRANDING

A variety of local and regional public, private, and nonprofit marketing partners conduct meaningful marketing and branding initiatives for Fort Lauderdale and region. Resources should be aimed at ensuring that the decline in international and business visitorship does not become a long-term trend. On the other side of the equation, efforts should be made to retain the city's growth in domestic tourism and capture new residents and employers by communicating the reasons people and corporations decided to relocate to the city.

Many of the industries most negatively impacted by the shift in tourism relate to hospitality, entertainment, and other nighttime-oriented sectors. Enhanced attention on nighttime safety, transit access, lighting, cleanliness, business coordination, and placemaking efforts can attract and accommodate these visitor bases while mitigating potential negative impacts for nearby residents and property owners.



SERVICE INDUSTRY WORKERS ARE BEING PRICED OUT OF FORT LAUDERDALE, EXACERBATING THE LABOR SHORTAGE AND AREA INCOME SEGREGATION.

Soaring rents and home prices are driving lower-wage workers away from the downtown area and often out of the city entirely. Limited regional transit connectivity drives up the cost and length of commutes into Fort Lauderdale, reducing the available workforce further.

RELEVANT SUPPORT STRATEGIES: AFFORDABLE HOUSING AND REGIONAL TRANSIT INVESTMENT

Affordable housing and regional transit enhancement are existing priorities for both the City of Fort Lauderdale and Broward County. These investments not only address existing social and political imperatives but can also provide an important boost to the city's longer-term economic recovery from the pandemic. Other possible strategies to enhancing local workforce availability include providing an easier path to hire foreign workers.



THE PANDEMIC EXACERBATED THE GALLERIA MALL'S STRUGGLES AND ACCELERATED DOWNTOWN'S ROLE AS A VIBRANT, MIXED-USE DESTINATION.

The Galleria Mall's outdated physical orientation is failing to retain marquee tenants and attract shoppers. Downtown's recent residential, office, and hotel investment, meanwhile, reflects its growing appeal as a dense and vibrant location.

RELEVANT SUPPORT STRATEGIES: PLACEMAKING & REDEVELOPMENT

Conduct planning studies to determine how the city can best support placemaking and redevelopment efforts in the downtown, in neighborhoods adjacent to downtown,



SMALL BUSINESSES AND WOMAN AND MINORITY OWNERS FACED ADDITIONAL CHALLENGES THAT INTENSIFIED THE PANDEMIC'S IMPACT AND SLOWED THEIR RECOVERY.

Small business owners, especially women and people of color, faced compounded social, familial, and economic responsibilities during the pandemic that affected their business operations. Correspondingly, levels of stress, hardship, and mental health concerns soared.

RELEVANT SUPPORT STRATEGIES: BUSINESS COORDINATION RESOURCES AND HEALTH AND CHILD CARE SUPPORT

The city and its partners may wish to provide increased support for mental health programs and childcare programs, both of which would help local entrepreneurs as they balance their business and personal lives.

Women and minority business owners frequently cited a desire for a stronger mechanism for business coordination and mentorship among similar business owner types. Such networks already exist and could be even more impactful with additional financial support. The completion of a Disparity Study would help identify the network and representation of minority- and women-owned businesses.

at the Galleria Mall, in areas north of Oakland Park Boulevard, and at other key locations that will help transition outdated office and retail models into vibrant places that grow the local economy. These neighborhoods should be evaluated individually as they each have a unique set of conditions and needs.

In particular, the city can support the planning and approvals processes for the Galleria's redevelopment, enabling the density and mix of uses onsite that creates a live/work/shop/play destination that serves locals and visitors alike. Infrastructure, public space, and other placemaking improvements should be expanded beyond the downtown core to continue to attract new businesses, residents, and visitors.

STUDY INFORMATION

METHODOLOGICAL NOTES, ASSUMPTIONS, AND LIMITATIONS

The industry classifications in this study reflect categories available via the Mastercard Retail Location Insights (MRLI) platform and conform to the NAICS classification system, the standard used by Federal statistical agencies in classifying business establishments. MRLI data includes industry sectors in which a large portion of sales are direct consumer purchases (as opposed to mostly business-to-business transactions). This study conducts a deeper-dive assessment of the following industries: restaurants; merchandise retail; hospitality; professional services; and arts, entertainment, and recreation.

The analysis used the following MRLI industry categories for the associated industry assessed in this study: “Accommodations” for hospitality, “Department & Other General Merchandise”, “Apparel”, and “Home Furnishings” for merchandise retail (“Consumer Electronics” and “Jewelry/Giftware” MRLI categories were excluded due to lack of available data), “Arts, Entertainment, and Recreation” for arts and entertainment (which includes the maritime industry), “Eating places” for restaurants, and “Professional, Scientific, and Technical Services” for professional services (which includes businesses such as a law practice or accounting firm). Select Fort Lauderdale zip codes were excluded from industry-specific analyses, due to a lack of available MRLI data. The analysis weighted spending trend data at the zip level by 2021 sales figures. The following NAICS codes were used to estimate total consumer spending in Fort Lauderdale: 721 (Accommodations), 448 (Clothing/Accessories), 447 (Gas Stations), 71, (Arts/Entertainment/Recreation),

Dollar figures estimates are based on Infogroup 2021 industry revenue estimates and associated sales trends calculated through MRLI data. Sales figures are adjusted for inflation and represented in 2021 dollars. All revenue figures are approximate. MRLI revenue data is solely based on credit card spending data and does not capture cash transactions.

FOR MORE INFORMATION

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