

Town of Dewey Beach Workshop

Summary Data for Review, Discussion and Analysis

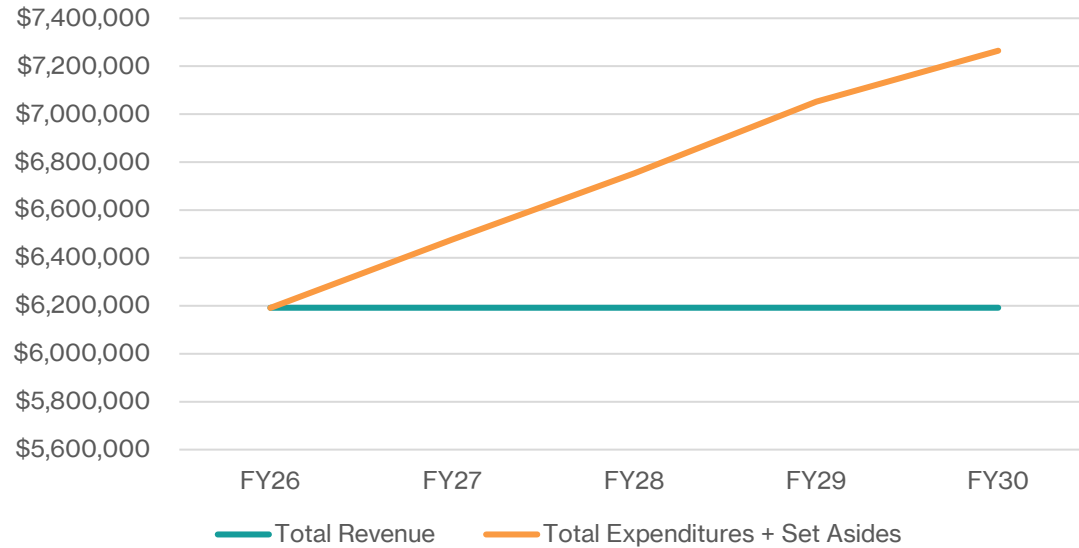
Caveat: Data in this package has been compiled from multiple public sources for ease of discussion and analysis. Used most accurate data available but there may be some minor gaps/inconsistencies - goal of workshop is to assess macro data and trends not exact numbers

Workshop Objectives

- Strategic look and discussion of 5-year budget projection to assess magnitude, timing and risk of potential revenue gaps
- Review revenue trends, cost drivers and fee structures to assess ability to generate additional future revenue from current revenue mechanisms
- Brainstorm future revenue streams, implementation requirements/constraints/risks and timing
- FY27 budget workshop in January will include participation by town department heads enabling deep dive into expenditure projections, opportunities for reductions and associated impacts/risks

Five Year Budget Projection

5-Year Budget Projection

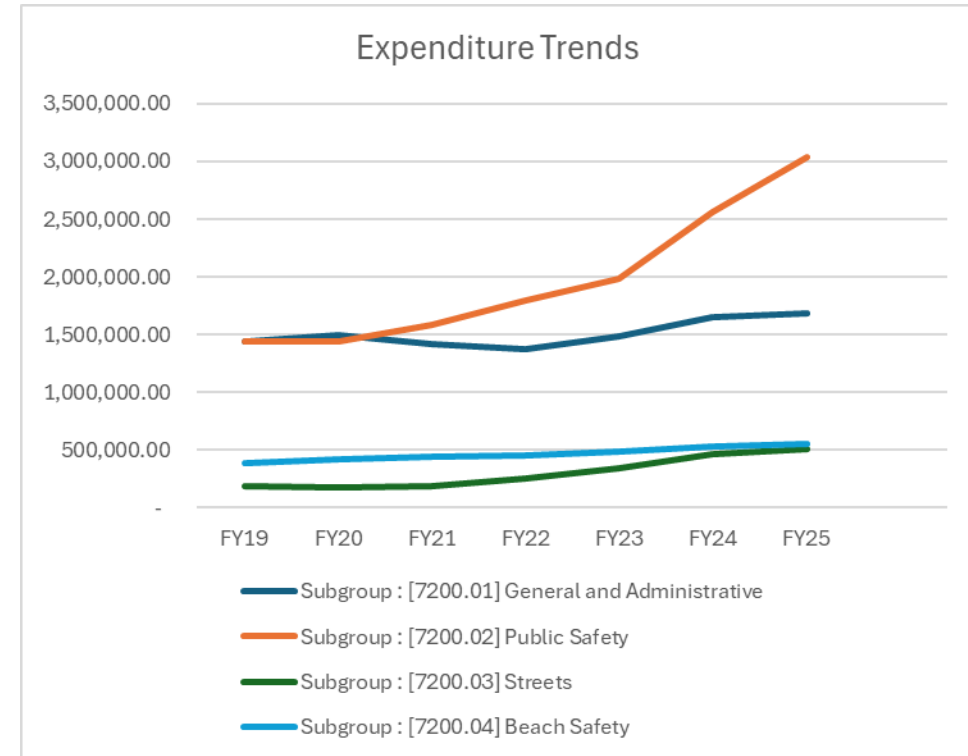
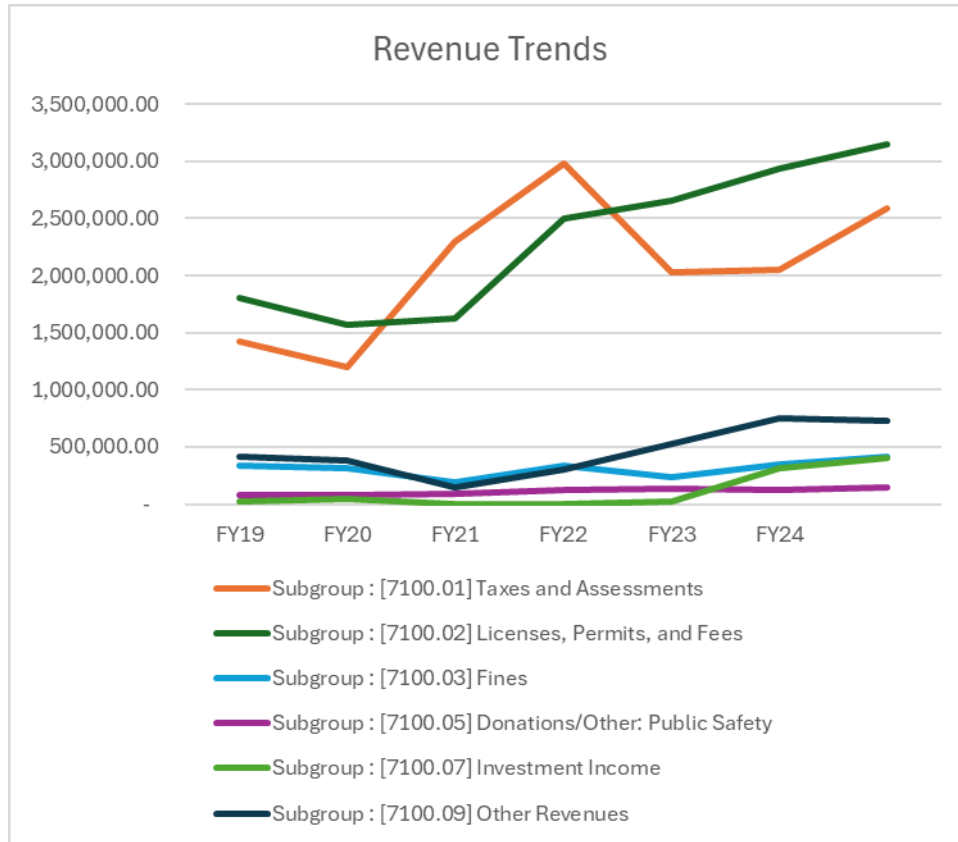


Assumptions:

- No change to current revenue
- Expenditures flat except for staff salaries
 - 7% increase for PD for raises/promotions/etc
 - 4% increase for non-certified PD and other town employees
 - 2% increase for seasonal employees
 - 10% benefits cost increase/year
- New police contract in FY28 could have additional impact

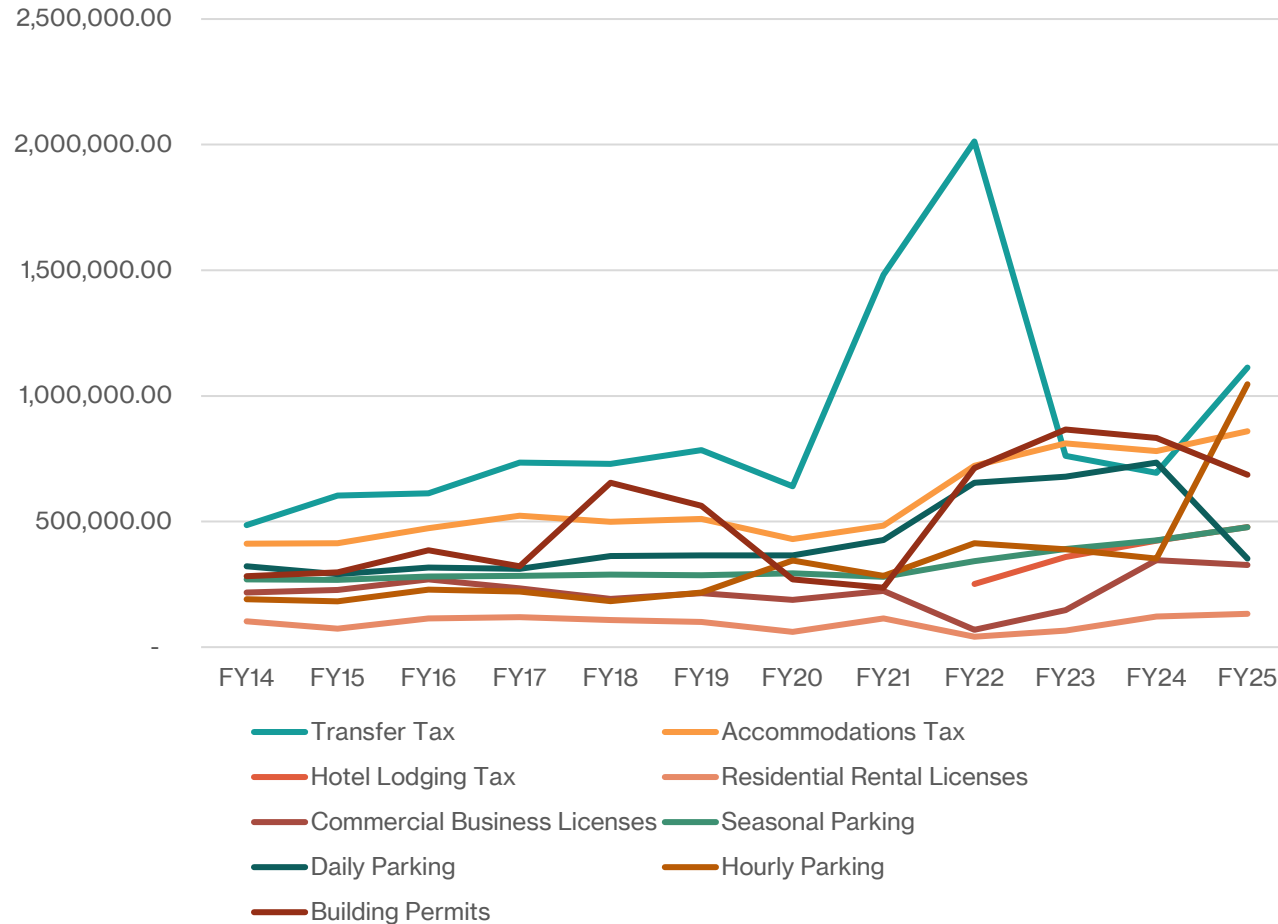
	FY26	FY27	FY28	FY29	FY30
Total Revenue	\$ 6,192,000	\$ 6,192,000	\$ 6,192,000	\$ 6,192,000	\$ 6,192,000
Total Expenditures + Set Asides	\$ 6,191,399	\$ 6,477,085	\$ 6,753,418	\$ 7,052,335	\$ 7,264,566
Shortfall	\$ (601)	\$ 285,085	\$ 561,418	\$ 860,335	\$ 1,072,566

Revenue and Expenditure Trends

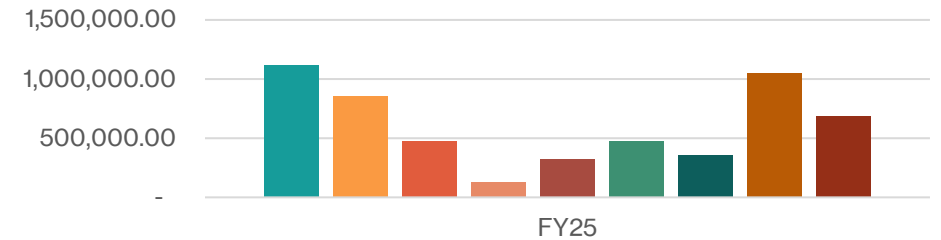


Revenue Trends by Major Line Items

Revenue Trends



Relative Magnitude of Revenues in 2025

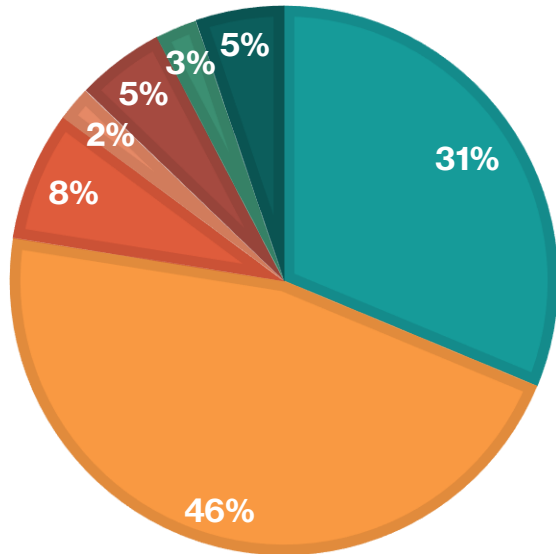


- Transfer Tax
- Accommodations Tax
- Hotel Lodging Tax
- Residential Rental Licenses
- Commercial Business Licenses
- Seasonal Parking
- Daily Parking
- Hourly Parking
- Building Permits

	FY14 - FY25 Average
Transfer Tax	887,515.82
Accommodations Tax	576,452.24
Hotel Lodging Tax	377,814.01
Residential Rental Licenses	96,142.20
Commercial Business Licenses	221,433.50
Seasonal Parking	323,885.63
Daily Parking	431,736.15
Hourly Parking	337,764.84
Building Permits	508,976.12

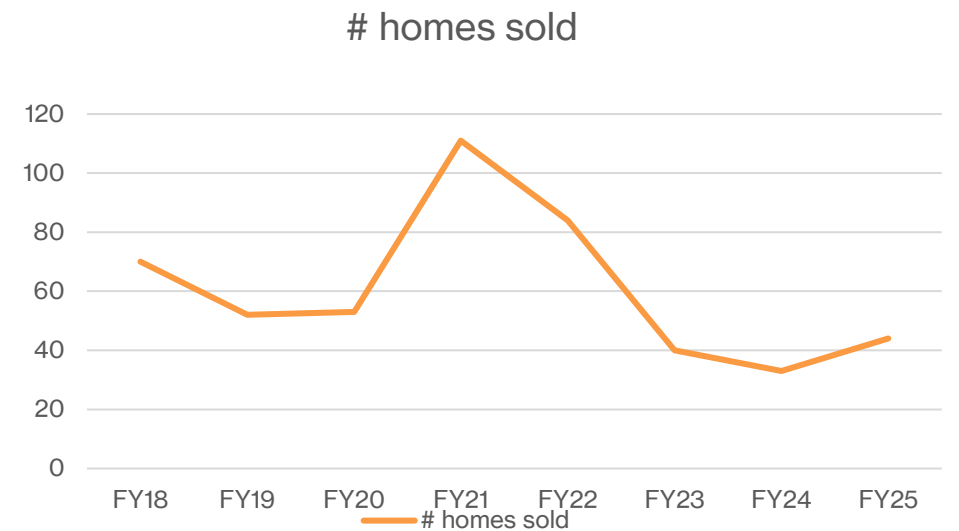
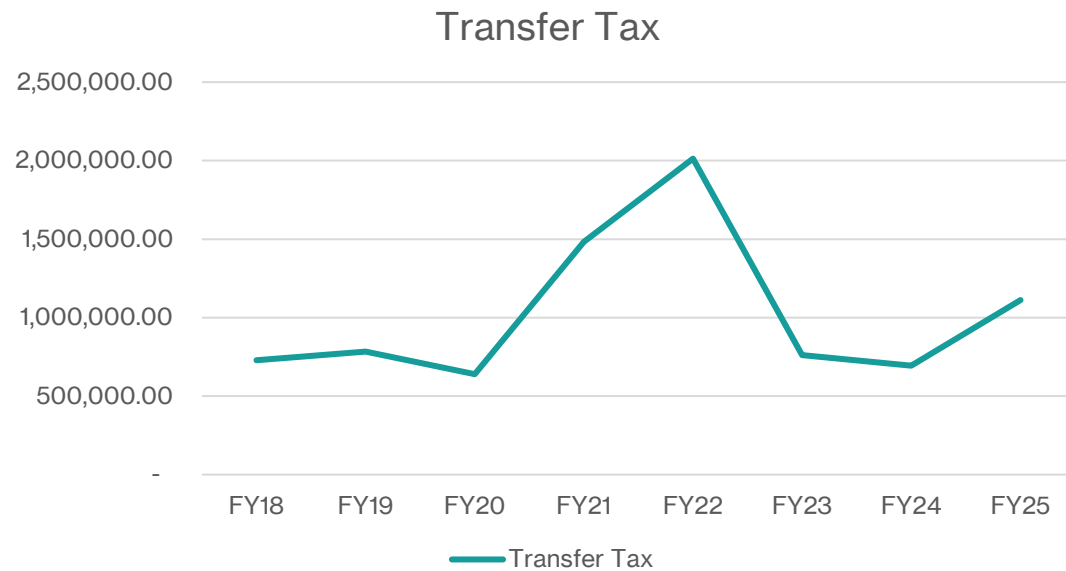
REVENUE SOURCES FOR TOP REVENUE CATEGORIES (FY24)

- Home Sales / Improvements ■ Visitors
- Non-Restaurant Businesses ■ Restaurants
- Homeowners ■ Homeowners that rent
- Mixed



	FY24
Home Sales / Improvements	1,558,475.50
Visitors	2,305,617.18
Non-Restaurant Businesses	381,129.77
Restaurants	100,915.00
Homeowners	258,640.00
Homeowners that rent (add'l)	122,334.00
Mixed	258,640.00
	4,985,751.45

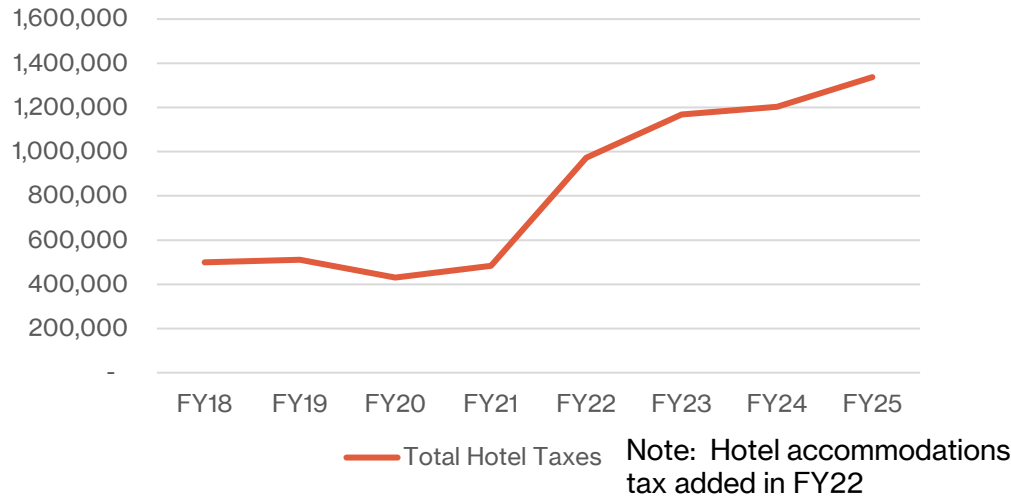
Transfer Tax Trends



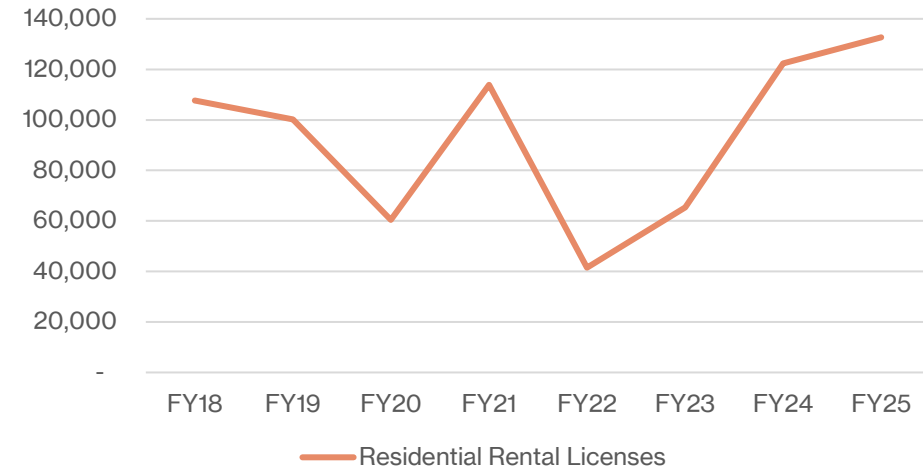
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	AVE	AVE w/o FY22
Transfer Tax	729,324.36	783,984.47	639,718.10	1,482,106.40	2,012,650.81	760,778.73	694,253.79	1,112,719.52	1,026,942.02	903,728.42
# homes sold	70	52	53	111	84	40	33	44	60.88	57.98

Accommodations Revenue

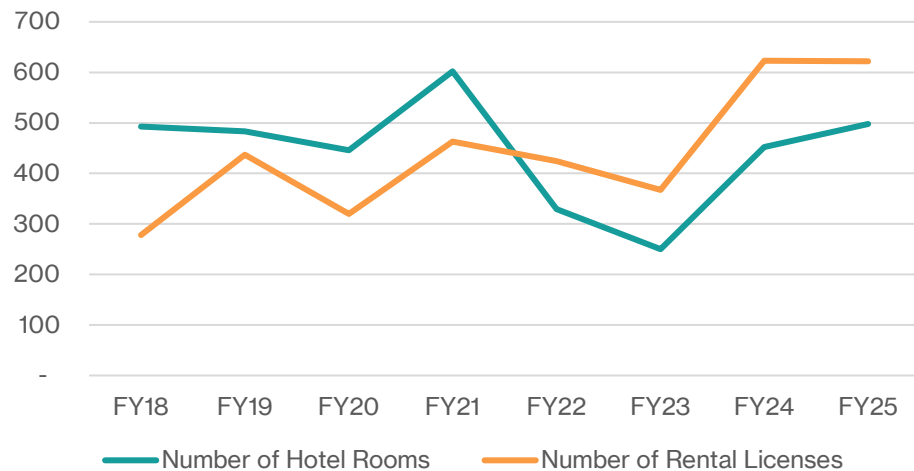
Total Hotel Taxes



Residential Rental License Income



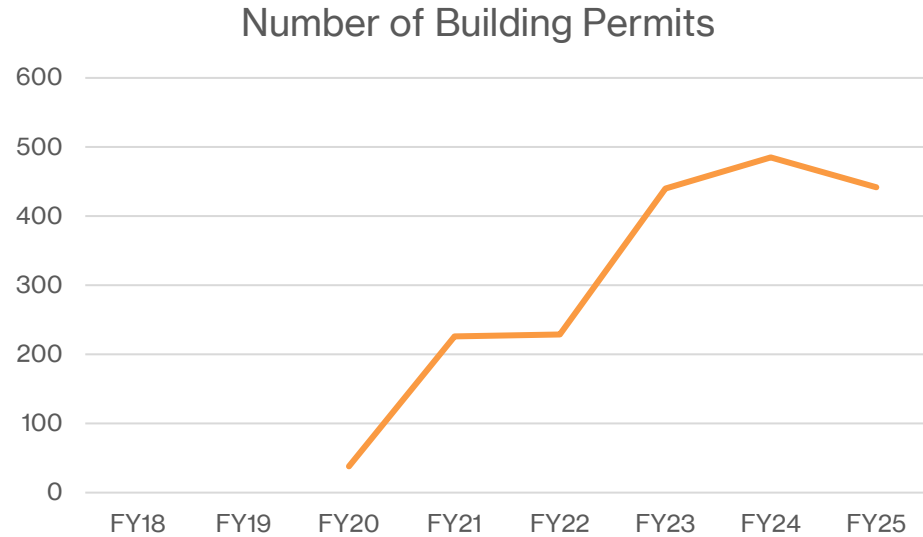
Number of Accomodations



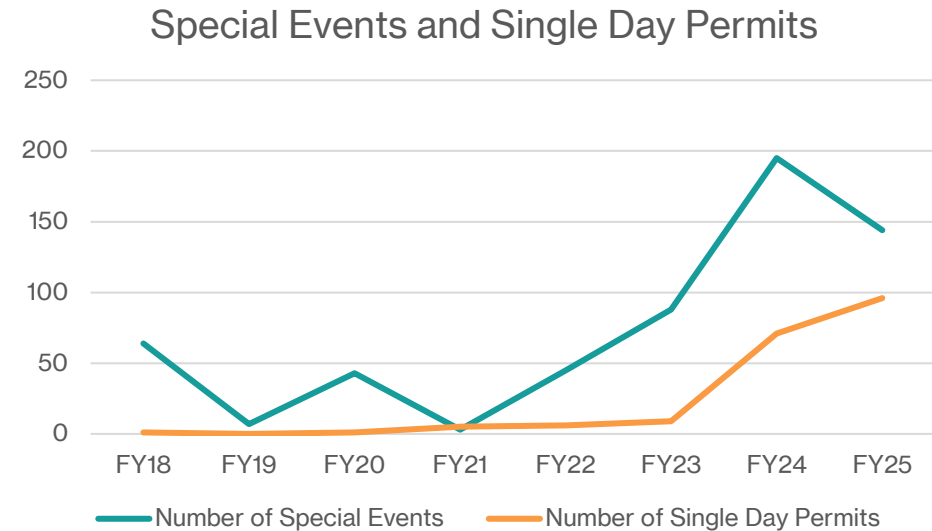
Rental and Hotel License Fees			
Type / Size	2017 - 2023	2023 - 2024	2024 -
Resid Base	142.00	182.00	188.00
Per Room	11.00	14.00	15.00
Hotel Base	382.00	488.00	503.00
Hotel - Per Ro	22.00	28.00	23.00
Rental Market increases			
my house 2020 max weekly \$3600		35% increase	
Current max weekly \$4900		for 10 weeks rental income up \$13K	

Accommodations tax limited to 3% by town charter and requires referendum to change; other local municipalities charging 6%

Other Revenue Drivers



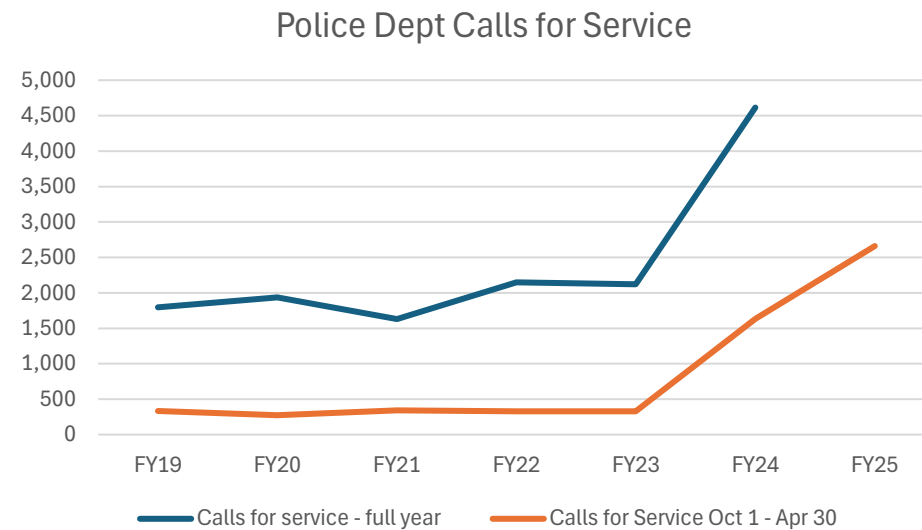
Planning and zoning committee exploring revision of Permit thresholds and clarifying reqts



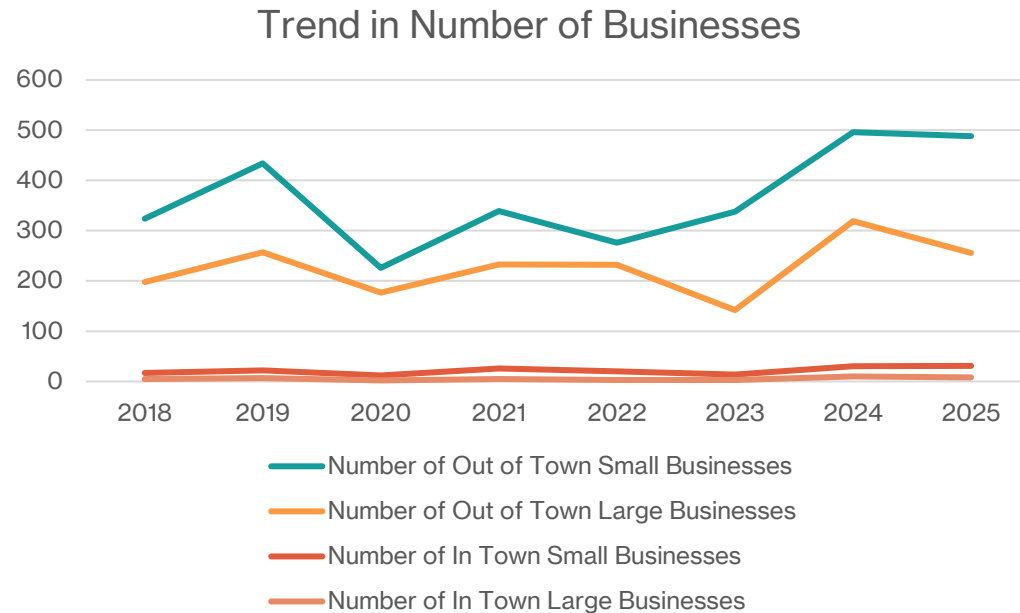
Event permit: \$50; add'l \$500 to expand premises
Single Day business license: \$27

Dewey Beach has become a year round town

- Number of businesses open in “off-season” has steadily increased
- Was unable to get data regarding number of offseason property and hotel rentals trends over time or detailed data on business operating status but police dept data is an indicator



Number of Businesses by Size



License Fee Rates		Total Fees
Small In-Town Business	\$359	\$11,129
Small Out-of-Town Businesses	\$143	\$69,784
Large In-Town Business	\$503	\$4,024
Large Out-of-Town Businesses	\$503	\$128,768
	TOTAL	\$213,705

Several categories of businesses –

- Storefront businesses
- Businesses that use the beach (just a few) and the bay (watersports and marinas)
- Routine services businesses (e.g. cleaning, landscaping, restaurant distributors, trash) that come in and out of town regularly
- Large numbers of builders and contractors that work on periodic basis

Restaurant Data – Now and Pre Pandemic

Net gain of seats	1,244.00
Capacity gain	20%
Total Restaurant license fee is \$359/year plus \$12/seat	
Current total fee for restaurants	\$ 100,915
net fee increase (seats only) since covid	\$ 14,928

Restaurant Name Current	Seating	Restaurant Name Pre-Pandemic	Seating
Baked by Dewey Post	-	Baked	22
Bottle & Cork	1,144.00	Bottle & Cork	792
Dewey Beach Country Club	215.00	Surfside Bar & Grill	166
Dewey Beer Company	170.00	Dewey Beer Company	104
Dewey Eat (Sirveza)	77.00	Sirveza	60
Franco's	20.00	Franco's	20
Gary's Dewey Beach Grill	100.00	Gary's Dewey Beach Grill	161
Grotto Pizza	161.00	Grotto Pizza	329
Hopkins Ice Cream	10.00	Dairy Queen	0
Jimmy's Grille	307.00	Jimmy's Grille	170
Mama Maria's	223.00	Mama Maria's	137
Nalu	370.00	Nalu / The Ohana Room at Nalu	273 / 129
Nick's Philadelphia Cheesesteaks	56.00	Nick's Philadelphia Cheesesteaks	66
Northbeach	1,190.00	Northbeach	937
Playa Bowls	-	Site was Berkshire Hathaway	NA
Rusty Rudder	1,749.00	Rusty Rudder	1615
Sandy Pony Donuts	-	Hot Dog Johnnies	24
Sharky's	45.00	Sharky's	30
Starboard Claw	255.00	Hammerheads	58
Starboard Raw	48.00	Starboard Raw	45
Starboard Sauced	24.00	Mama Celeste's Pizzeria	41
Sunrise Restaurant	74.00	Sunrise Restaurant	74
The Coffee Mill (Best Café Dewey)	31.00	Dawn Patrol Café	28
The Dewey Post	111.00	Mez-Quali Taqueria	111
		The Ivy	212
The Lighthouse	197.00	The Lighthouse	646
The Starboard	765.00	The Starboard	665
Tipsea Taco (Starfish Wishes)	61.00	Hungry Shark	26
		Two Seas	135
Vanderwende Creamery	-	Vanderwende Creamery	0
Wings To Go	40.00	Wings To Go	40
Woody's	99.00	Woody's	99
Woody's 2 Go	-	Dewey Kabob & Grill?	0
	7,542.00		6,813.00
		remove IVY, Two Seas an old Grottos	6,298.00

Restaurant Seating and Usage

Fee Sensitivity	Add'l Revenue
Double base fee	\$ 22,258
Double per seat	181,008

Restaurant Name	Current	Seating	>6 mo of yr	Seasonal	Part Day	Part Day Seasonal	Total Tax	# of \$20 tabs to cover
Rusty Rudder		1,749.00		1			\$ 21,347	1067
Northbeach		1,190.00		1			\$ 14,639	732
Bottle & Cork		1,144.00		1			\$ 14,087	704
The Starboard		765.00	1				\$ 9,539	477
Nalu		370.00	1				\$ 4,799	240
Jimmy's Grille		307.00	1				\$ 4,043	202
Starboard Claw		255.00	1				\$ 3,419	171
Mama Maria's		223.00	1				\$ 3,035	152
Dewey Beach Country Club		215.00	1				\$ 2,939	147
The Lighthouse		197.00	1				\$ 2,723	136
Dewey Beer Company		170.00	1				\$ 2,399	120
Grotto Pizza		161.00	1				\$ 2,291	115
The Dewey Post		111.00			1		\$ 1,691	85
Gary's Dewey Beach Grill		100.00	1				\$ 1,559	78
Woody's		99.00	1				\$ 1,547	77
Dewey Eat (Sirveza)		77.00		1			\$ 1,283	64
Sunrise Restaurant		74.00			1		\$ 1,247	62
Tipsea Taco (Starfish Wishes)		61.00				1	\$ 1,091	55
Nick's Philadelphia Cheesesteaks		56.00				1	\$ 1,031	52
Starboard Raw		48.00	1				\$ 935	47
Sharky's		45.00				1	\$ 899	45
Wings To Go		40.00		1			\$ 839	42
The Coffee Mill (Best Café Dewey)		31.00			1		\$ 731	37
Starboard Sauced		24.00			1		\$ 647	32
Franco's		20.00		1			\$ 599	30
Hopkins Ice Cream		10.00			1		\$ 479	24
Baked by Dewey Post		-				1	\$ 359	18
Playa Bowls		-				1	\$ 359	18
Sandy Pony Donuts		-				1	\$ 359	18
Vanderwende Creamery		-		1			\$ 359	18
Woody's 2 Go		-			1		\$ 359	18

*I guessed on seasonal/part day so forgive any errors!

Current Fees in Town Code

(filtered out <\$20 or rare use; does not include fines)

TC has authority to impose or change licenses and fees; taxes require a referendum approved by voters

Item	Fee
Beach Fire Property Owner	\$30
Beach Fire Non-Property Owner	\$50
Building Permit Renewal Fee	\$50
Certificate of Compliance Application Fee	\$500
Lifetime Dog License	\$35
Dog Show or Event <5 Days	\$109
Building Permit	3% of total construction, \$50 minimum
Signage	\$0.50 per sq. ft of sign area, \$50 minimum
Building Permit Application Fee	\$150 for project with total construction cost of \$15,000+
Relocation of Dwelling Unit	\$100, if new site in Town limits, new construction + \$100
Conditional Use Application	\$750
Conditional Use Amendment Less Than 1 Yr	\$400
Request to Rezone	\$750
Board of Adjustment Hearing Request	\$1,000
Fence, Sign, Driveways, Flag Poles, Towers, Sidewalk:	\$30
Renewal of Building Permit	\$50
Failure to Obtain Building Permit Prior to Construction	\$100
Limousine Business License	\$25
Demo of 50% or More of Non-Accessory Building	\$1,500
License Fee	\$200
Residential Property Rental	\$182 - 2 bedroom \$14 - each additional bedroom
Motel and Hotel	\$503 base + \$29 per room
Food & Beverage Establishment	\$359 base + \$10 per person occupancy

One-Day Business License	\$27
Conference Center	\$2,872
Small In-Town Business	\$359
Small Out-of-Town Business	\$143
Large In-Town Business	\$503
Large Out-of-Town Business	\$503
Metered Parking	\$4/hr
Seasonal	\$300
Seasonal After July 31st	\$150
Seasonal Property Owner or Business Owner	\$175
Seasonal Business Owner Outside Dewey	225 max 2
Seasonal Dewey Business Employee	225 max 1
Weekly 8 Consecutive Days	\$100
Daily	\$30
Weekend Friday - Sunday	\$55
Event Police Assistance	\$2500 maximum
Expansion of Premise Request	\$500
Event Permit	\$50
Filing Fee	\$500
Modification or Revisions	250 minimum
Permit Fee	3% of total cost

Fee and Revenue History

Revenue History by major line items									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY14 - FY25 Average
Transfer Tax	729,324.36	783,984.47	639,718.10	1,482,106.40	2,012,650.81	760,778.73	694,253.79	1,112,719.52	887,515.82
Accommodations Tax	499,054.87	510,696.02	430,334.29	483,033.03	722,079.80	810,457.03	780,181.05	859,274.39	576,452.24
Hotel Lodging Tax					251,427.46	358,507.16	423,421.39	477,900.03	377,814.01
Residential Rental Licenses	107,722.02	100,178.10	60,366.00	113,933.00	41,489.00	65,382.42	122,334.00	132,671.00	96,142.20
Commercial Business Licenses	192,032.32	214,904.00	188,191.00	223,608.00	69,038.00	147,781.00	346,191.04	326,613.00	221,433.50
Seasonal Parking	288,699.01	286,020.00	293,826.00	279,945.00	342,602.75	390,473.00	425,649.00	477,418.00	323,885.63
Daily Parking	362,891.85	365,101.39	364,899.36	426,634.80	653,781.20	678,994.65	734,454.76	353,028.50	431,736.15
Hourly Parking	182,668.11	217,182.88	344,650.39	284,096.98	413,351.88	389,474.21	352,498.84	1,046,434.88	337,764.84
Building Permits	654,281.21	562,097.23	269,650.45	236,587.84	712,897.88	866,238.04	833,171.71	685,669.27	508,976.12

Business Licenses			
Type / Size	2017 - 2023	2023 - 2024	2024 -
Hotel Base	382.00	488.00	503.00
Hotel - Per Room	22.00	28.00	23.00
Restaurant Base	273.00	349.00	359.00
Restaurant - Per Seat	6.00	8.00	12.00
Conference Center	2,180.00	2,788.00	2,872.00
Single Day	50.00	25.00	27.00
Residential Base	142.00	182.00	188.00
Per Room	11.00	14.00	15.00

Parking Permits			
Item	2017 - 2021	2021 - 2023	2024 -
Weekend	35.00	45.00	55.00
Daily - Mon-Weds	10.00	15.00	30.00
Daily - Thurs - Sun	15.00	20.00	30.00
Meter - Mon-Wed	2.00	2.50	3.50
Meter - Thurs-Sun	2.00	3.00	3.50

Parking Tickets			
Item	2017 - 202	2023	2024
After Nov 10th add	10.00		
After Dec 1st add	35.00		
After 10 days add		15.00	15.00
After 30 days add		25.00	25.00
After 60 days add		35.00	35.00
After 120 days add		45.00	45.00

Need to update – we increased parking tickets for 2026

Brainstorming

- Identify potential opportunities to adjust current fee structure and amounts, potential revenue impacts and risks
- Identify new potential revenue streams that would not require a referendum and potential revenue impacts
- Identify potential revenue streams that would require a referendum along with schedule and approach to implement if needed downstream