

CAPITAL PROJECTS FUNDING PROGRAM GUIDELINES

I. Background

Pinellas County currently collects a six percent (6%) Tourist Development Tax (“Bed Tax”) on all overnight tourism accommodations in the County. This tax is levied on customers of hotels, motels, condominiums, campgrounds, apartments, and private homes that rent accommodations for less than six (6) months in duration.

The Pinellas County Board of County Commissioners has developed a Tourist Development Plan (“Plan”) to guide how these proceeds are spent. The Plan divides the potential uses of Bed Tax revenues into five (5) categories, A through E. For the purpose of allocating the total Bed Tax revenue collected in any fiscal year, the Plan has assigned each category of use to one of two groups; Group 1) sixty percent (60%) or three and six tenths (3.6) percents of the total six percents of Bed Tax revenue may be used for Categories A and/or B and any monies not utilized accordingly shall become reserves to be used for future Category A and/or B uses; Group 2) forty percent (40%) or two and four tenths (2.4) percents of the total six percents of Bed Tax revenue may be used for Categories C, D and E and any of monies not utilized accordingly shall become reserves to be used for future Categories C and/or D and/or E uses as defined and/or outlined below. These funding guidelines have been established by the Tourist Development Council (“TDC”), and approved by the Board of County Commissioners, to establish criteria to determine eligibility and define the application process, award criteria, and priorities for Group 2 funding; as well as the sources and limits of funding available within each category of use. These projects may be implemented through service contracts and leases with parties with sufficient expertise or financial capabilities to operate such eligible facilities.

Category C, D and E uses are defined in the Plan as follows:

- c. Category C (Beach Improvement/Nourishment): Funding beach improvement, maintenance, renourishment, restoration and erosion control.
- d. Category D (Capital Funding/Debt Service Other): Funding annually as matching funds (applicants must have at least \$1.00 for every \$1.00 of Category D tourist tax funding) to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, or provide debt service on one or more publicly owned and operated convention centers, coliseums, or auditoriums as well as aquariums or museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, and sports and recreation facilities not eligible for Category E funding below (hereinafter referred to as "Eligible Facilities"). Eligible Facilities must be located within Pinellas County and demonstrate the ability to attract tourists from to the State of Florida, nationally or internationally. Funding guidelines shall be established by the Tourist Development Council, which shall be subject to approval by the Board of County Commissioners. These purposes may be implemented through service contracts and leases with parties with sufficient expertise or financial capabilities to operate such Eligible Facilities.
- e. Category E (Debt Service/Professional Sports and Convention Center Capital Costs): Funding for debt service payments for bonds issued to finance the construction,

reconstruction, or renovation of any of the following facilities: (i) a professional sports franchise facility located within Pinellas County either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds; (ii) a retained spring training facility located within Pinellas County either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds; or (iii) a convention center located within Pinellas County, and to pay the planning and design costs prior to the issuance of such bonds. Funding guidelines shall be established by the Tourist Development Council, which shall be subject to approval by the Board of County Commissioners.

Each of the Categories C, D, and E within Group 2 as defined above shall be allocated a minimum of 20% of the total of Group 2's 2.4 percents of Bed Tax collected in any fiscal year. If the 20% minimum allocation for Category C is not expended during the fiscal year in which it was received, then the unused portion of the Category C minimum allocation shall become reserves for future Category C uses. If the 20% minimum allocation for Category D is not expended during the fiscal year in which it was received, then the unused portion of the Category D minimum allocation shall become reserves for future Category D uses. If the 20% minimum allocation for Category E is not expended during the fiscal year in which it was received, then the unused portion of the Category E minimum allocation shall become reserves for future Category E uses.

The remaining 40% of the total of Group 2's 2.4 percents of Bed Tax collected in any fiscal year may be used for any Category C, D or E use and any monies not utilized accordingly shall become reserves to be used for future Category C, D or E uses.

The Pinellas County Tourist Development Council ("TDC") was established to make recommendations on how best to spend Bed Tax proceeds, including proposing an annual budget and funding for marketing and promotion activities related to special events, (Categories A and B) and funding for capital projects (Categories C, D and E). One of the funding programs operated by Visit St. Petersburg/Clearwater ("VSPC") is the Capital Projects funding program for eligible capital projects meeting the criteria defined in Categories D and E to receive funding from VSPC. Requests for Category D and/or E Capital Projects Funding will be evaluated and ranked as provided in these Board of County Commissioners approved Guidelines. Available funding will be determined annually as approved in the budget by the Board of County Commissioners. Projects that were not eligible for funding or did not apply for funding will not be funded on an ad hoc basis during the budget year, unless otherwise authorized in the Plan and approved budget.

Prior to the application process each year, VSPC will hold a public information session to inform interested applicants of the program and provide detailed information, guidelines, and application forms, and respond to any questions. The informational meeting and the program will also be promoted through press releases, VSPC's electronic newsletter, and other communication tools available through resources at Pinellas County.

These guidelines are hereby established to help prioritize and process requests for bed tax funds to be used for capital projects. It is the intent of the TDC to award funding as provided herein to multiple eligible capital projects as determined to be in the best interest of tourism.

II. Definitions

In the context of the Capital Projects Funding Program Guidelines, the following definitions apply:

“Capital Project” shall mean any project listed in the Categories D or E of the Plan in Section 118-32(a)(1) of the Pinellas County Code, and authorized by Section 125.0104, Florida Statutes.

A. To be eligible for funding, Eligible Facilities must be located within Pinellas County and demonstrate the ability to attract tourists from the State of Florida, nationally or internationally, and be included in the Tourist Development Plan.

B. **“Eligible Applicant”** shall mean and include any of the following:

1. a public entity located in Pinellas County;
2. an organization that operates a publicly owned facility in Pinellas County through a service contract or lease whose use of the facility is eligible for funding;
3. a non-profit entity open to the public that owns and operates a museum or aquarium open to the public.

C. **“Matching Funding”** shall mean and include any of the following:

1. cash funds;
2. in-kind contributions to the project/facilities, such as providing property upon which the project/facilities shall be located, at the just market value of existing land and improvements as determined by the Property Appraiser or by an independent appraisal;
3. costs of infrastructure improvements to real property;
4. equipment.
5. funds committed by a financial institution through a credit facility that is not collateralized by a Capital Project Funding Grant

III. Eligibility

A. Project funds may be used to acquire, construct, extend, enlarge, remodel, repair, or improve, certain eligible facilities as authorized in Section 125.0104, Florida Statutes. To be eligible for funding, eligible facilities must be located within Pinellas County and demonstrate the ability to attract tourists from the State of Florida, nationally or internationally.

B. Applicants applying for Category D funding must provide matching funding as defined above in a minimum ratio of one dollar matching funds to one dollar grant funds (1:1).

C. Applicants must demonstrate through a feasibility study and business plan as required herein how the project(s) will enhance Pinellas County as a tourist destination and a project must have as one of its main purposes a tourist-related component evidenced by the promotion of

the activity, service, venue, or event thereby generating hotel and motel (lodging) “bed nights” as required by the Local Option Tourist Development Act (as outlined in Florida Statutes Section 125.0104).

D. Project timelines may not exceed four (4) years from execution of grant funding award agreement with the County.

E. For leased property, the lease length must be at least 10 years or equal to the length of time funding will be provided, whichever is greater.

IV. Funding Standards

A. Applicants receiving capital project funding will be required to sign a funding agreement that has been prepared by the County Attorney’s Office.

B. All funding requests provided hereunder shall be on a reimbursement basis to the Applicant during the design phase or construction phase of the project upon submittal and review of supporting documentation by County Staff, as agreed upon in the agreement. For debt service obligations which occur after construction is completed, funding shall be paid at a time agreed upon in the agreement.

V. Application Deadline

All applications must be fully and timely completed, and the application together with supporting documentation as required herein must be submitted by one of the following methods: electronically online to the CVB@_____ ; or submitted in person at CVB office located at: _____ ; or mailed to CVB office located at: _____ on or before _____. **DEADLINES ARE STRICTLY ENFORCED. A DATED POSTMARK WILL NOT BE ACCEPTED AS ACTUAL RECEIPT OF APPLICATION.** Late or partial applications cannot be accepted without specific action by the Pinellas County Board of County Commissioners.

VI. Required Documentation

FAILURE TO PROVIDE ALL OF THE FOLLOWING ITEMS (including the Application) WILL DISQUALIFY THE APPLICATION/FUNDING REQUEST.

A. A TIMELY, FULLY COMPLETED, TYPED, SIGNED APPLICATION. “Not Applicable” or “N/A” should be marked for any questions deemed inapplicable to the application.

B. A feasibility and economic impact analysis/study reviewed by a firm approved by Pinellas County completed no earlier than six (6) months from application date.

C. A business plan, including financial stability of Applicant.

D. Completed preliminary drawings or completed architectural plans.

E. Explanation and documentation of secured property interest, design, permitting, and construction status.

F. An explanation of how the funds will be utilized, including amount requested, total project budget, itemized budget, and documentation of existing bank accounts.

G. Demonstration/Analysis of how the project will generate hotel and motel (lodging) bed nights.

H. Match funds must be detailed: any in-kind match must be identified and may not exceed 50% of the total projected cost; matching funds derived from *projected earned income* are not allowable for consideration. The amount and source of *all funds* for the proposed project must be disclosed at the time of application. Pinellas County heavily discourages applicants from including projected amounts and/or revenue from fundraising or other activities unless said revenue or projected amounts are from committed State or Federal grants or allocations. Only funds identified as “on hand” or committed by a credit facility, as defined above, at the time of application will count towards the required match.

VII. Evaluation Process

A. Each application will be initially reviewed by the VSPC staff to ensure compliance with the guideline requirements herein, with assistance by the County Attorney’s Office as needed.

B. Prior to the meeting referred to in subsection C herein, each application will be individually reviewed and scored by members of the Capital Projects Funding Committee (“Committee”) based on the rating scale shown later in these Guidelines.

C. The Committee and staff will hold a meeting to announce the preliminary score of all applicants, and receive presentations by applicants that received a preliminary score of at least 500 points. Ultimately, only projects that score at least 700 points will be considered for funding.

D. At the conclusion of the presentations and public comment, the committee can adjust the scores based on any new information or clarification received during the applicants’ presentations or public comment, and thereafter will announce the total points and the average final score for each application. When calculating average final scores, the highest and lowest scores will be eliminated from the calculation. Once completed, the applicants will be ranked from highest to lowest final score.

E. Members of the Committee will begin with the highest scoring applications and determine recommended funding amounts for each application.

F. If necessary, a second meeting may be called to make the funding determinations for each application.

VIII. Rating Criteria

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| A. | Sufficiency of feasibility study and economic impact analysis reviewed by an independent vendor, which shall at a minimum include the following: <ul style="list-style-type: none">• Profit & Loss Analysis, including:<ul style="list-style-type: none">▪ Financial Forecast for a 10-year period▪ Debt Service▪ Operational Costs▪ Amortization▪ Facility Expenses, including: General and Administrative Expenses and Staffing Expenses▪ Miscellaneous Costs▪ Projected Events▪ Projected Marketing• Total economic impact• Total number of visitors• Market analysis to include demographics of attendees, analysis of competition/provider sites• Flexibility of uses of the project/facility• Increases in governmental revenues through taxes and fees generated by the project. | 200 points |
| B. | Sufficiency of business plan, including capacity and financial stability of applicant(s) | 150 points |
| C. | Does not duplicate existing community facilities | 100 points |
| D. | Number of projected hotel room nights generated annually within the boundaries of Pinellas County | 300 points |
| E. | Contribution to Pinellas County's reputation as an attractive destination for tourists | 50 points |
| F. | Appropriate documentation of all funding sources (e.g., cash match and other in-kind) | 25 points |
| G. | Projects that are shovel ready (already designed and approved to be permitted, including that the applicant has approval to receive or has received all governmental and/or regulatory permits) | 25 points |
| H. | Projects that achieve geographic distribution of Capital Project Funding Program dollars across Pinellas County | 25 points |
| I. | Projects that demonstrate substantial funding commitment to out-of-market advertising and promotion of Pinellas County with the intent of attracting overnight visitors to hotel(s) within Pinellas County | 125 points |

All those rating the applications will base their scores for each of the items in the rating scale as follows:

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| 0% | unresponsive to the requirements of the item being rated |
| 10% - 30% | does not meet current requirements of the item being rated |
| 40% - 60% | partially meets requirements of the item being rated |
| 70% - 90% | fully responsive to the requirements of the item being rated |
| 100% | exceeds all requirements of the item being rated |

Note: All applications receiving an average score of 700 points or above out of the maximum 1000 points will be considered eligible for funding consideration. A score of 700 points or higher does not guarantee funding.

IX. Timeframe for Capital Project Funding Awards

The TDC will annually establish a schedule for consideration and award of funding grants, which will generally comply with the following timeframes*:

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| August/September | Notification and Public Information Sessions/applications available |
| October | Deadline for receipt of applications |
| November/December | Legal, Staff and Committee review of applications |
| December/January | Initial Capital Project Funding Committee meeting |
| January/February | 2 nd Committee Meeting to Determine Funding (if necessary) |
| February/March | TDC reviews and considers the Committee report |
| March/April | Board of County Commissioners' final approval of funding awards |
| TBD | Capital Project Funding Agreement executed |

****Note: The TDC maintains discretion to consider and ultimately request BCC consideration and approval of otherwise eligible Capital Funding Project requests sought outside the timeframes herein contingent upon availability of funds.***

X. Funding Procedures

Capital Project Funding recipients will be reimbursed for eligible expenditures as authorized by the Funding Agreement. Recipients should submit original invoices to VSPC. Payments will only be made as reimbursements to applicant, not directly to third parties. Capital Project funds approved and allocated hereunder shall not be expended or disbursed in lump-sum form.