

***PINELLAS COUNTY
TOURIST DEVELOPMENT TAX
Joint TDC/BCC Meeting***

JUNE - 2019



Presentation Overview

This presentation will include:

- A brief overview of the Tourist Development Tax;
- A discussion of recent statutory amendments
- A discussion of the Current Plan; and
- Potential next steps based on BCC directive as to recent statutory amendments

Pinellas County Tourist Development Tax – **The Basics**

- The Pinellas County Tourist Development Tax (or “Bed Tax”) is a 6% tax on all accommodation rentals of 6 months or less in a hotel, motel, RV park, or condominium.
- In FY 2018, the Tourist Development Tax (TDT) generated approximately **\$60 Million**.
- Approximately 98% of the TDT is paid by out-of-County visitors.

Statutory Authority

- The Tourist Development Tax (TDT) is authorized and governed by **Fla. Stat. § 125.0104** (2019)
- The Statute requires the creation of a **Tourist Development Plan** (TDP), and authorizes creation of a **Tourist Development Council** (TDC) to make recommendations to the BCC as to the use of TDT funds.
 - The Statute sets forth the allowed uses for, and limitations on, the funds.



Statutory Uses & Limitations

| TDT Percent | Permitted Uses under Fla. Stat. | | | | | | | | | | |
|--|--|---|--|--|---|---------------------------|--|-----------------------|-------------------------|----------------|--|
| 1st 2nd 3rd * | 1) Promote and advertise tourism. 2) Fund convention bureaus (CVBs), tourist bureaus, and tourist information centers. 3) Beach or Shoreline renourishment and maintenance/ Estuary or lagoon improvements.** 4) Acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate or promote one or more <u>publicly or non-profit owned and operated</u> : <table border="0" style="margin-left: 40px;"> <tr> <td>a) convention centers (public)</td> <td>f) aquariums (public or non-profit owned)</td> </tr> <tr> <td>b) sports stadiums (public)</td> <td>g) museums (public or non-profit owned)</td> </tr> <tr> <td>c) sports arenas (public)</td> <td>h) zoological parks (public or non-profit owned)</td> </tr> <tr> <td>d) coliseums (public)</td> <td>i) public facilities***</td> </tr> <tr> <td>e) auditoriums</td> <td></td> </tr> </table> | a) convention centers (public) | f) aquariums (public or non-profit owned) | b) sports stadiums (public) | g) museums (public or non-profit owned) | c) sports arenas (public) | h) zoological parks (public or non-profit owned) | d) coliseums (public) | i) public facilities*** | e) auditoriums | |
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| 4th | 1) Promote and advertise tourism. 2) Pay the debt service on bonds issued to finance the construction, reconstruction, or renovation (including planning & design) of: <table border="0" style="margin-left: 40px;"> <tr> <td>a) professional sports franchise facility</td> </tr> <tr> <td>b) spring training facility (acquisition also allowed)</td> </tr> <tr> <td>c) convention center (Private or Public)</td> </tr> </table> 3) Pay operation & maintenance costs of a convention center (Private or public) for a period of up to ten (10) years. | a) professional sports franchise facility | b) spring training facility (acquisition also allowed) | c) convention center (Private or Public) | | | | | | | |
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| 5th **** | 1) Promote and advertise tourism. 2) Pay the debt service on bonds issued to finance construction, reconstruction, or renovation (incl. planning & design) of: <table border="0" style="margin-left: 40px;"> <tr> <td>a) professional sports franchise facility (owned/operated publically OR by professional sports franchise)</td> </tr> <tr> <td>b) spring training facility (owned/operated publically OR by professional sports franchise) (acquisition also allowed)</td> </tr> </table> | a) professional sports franchise facility (owned/operated publically OR by professional sports franchise) | b) spring training facility (owned/operated publically OR by professional sports franchise) (acquisition also allowed) | | | | | | | | |
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| 6th | Same as 1 st , 2 nd and 3 rd percents. | | | | | | | | | | |

* Per Ordinance 88-14, ½ of the third percent for Beach Nourishment.

** While statutorily authorized, current TD Plan does not include estuary or lagoon improvements.

*** While statutorily authorized, current TD Plan does not include public facilities.

**** Per Ordinance 05-47, 5th percent to be used for promoting and advertising.

CURRENT TOURIST DEVELOPMENT (TD) PLAN

- 1) Per BCC directive, a more flexible and simpler plan was developed and adopted by the BCC on November 24, 2015.
- 2) The current Plan has five categories:
 - A. Promoting & Advertising (including marketing for special events, etc.)
 - B. Funding the CVB
 - C. Beach Nourishment
 - D. Capital Funding & Debt Service (Other) – (for publicly owned sports facilities and other certain types of capital facilities)
 - E. Professional Sports & Convention Center Capital costs
- 3) The Plan allocates 60 % of TD taxes for categories A and B, and the remaining 40% are allocated for categories C, D, and E.
- 4) Has a consolidated section that notes existing debt/commitments that were already in place at the time the new Plan was revised/adopted.
- 5) Further provides that the TDC would reevaluate the Plan at 5 year intervals and make any recommendations to change the plan to the BCC.

Existing Funding Commitments Under the Current Plan:

- ❖ **ELITE EVENTS** – Plan provides for up to \$2 million annually
- ❖ **DALI MUSEUM Capital Project funds** (begins October 15, 2015; paid from the 40% capital projects allocation)
 - ❖ Satisfaction date: **July 15, 2020**
- ❖ **CLEARWATER SPRING TRAINING FACILITY Debt Svc** (from the 40% capital projects allocation).
 - ❖ Satisfaction date: **February 15, 2021**
- **BEACH NOURISHMENT** - While no longer specified in the Plan, the BCC has directed staff to include ½ % of the 3rd % to be allocated for beach nourishment by Budget.



Existing Funding Commitments Not Included Under the Plan:

These are capital projects that were approved by the BCC during its first Capital Funding Cycle and after the revision to the current Plan.

- 1) Clearwater Marine Aquarium
 - a. Funding Amount: \$26,000,000
- 2) City of Dunedin/ Blue Jays Spring Training
 - a. Funding Amount: \$41,700,000
- 3) Ruth Eckerd Hall
 - a. Funding Amount: \$5,500,000
- 4) American Craftsman Museum
 - a. Funding Amount: \$6,000,000
- 5) City of Clearwater Eddie C. Moore Complex
 - a. Funding Amount: \$495,000
- 6) Countryside Sports Complex
 - a. Funding Amount: \$1,900,000

Recent Statutory Amendments



- Added estuary and lagoon improvements to subsection (5)(a)(5) of § 125.0104 Fla. Stat.
- Created subsection (5)(a)(6) of § 125.0104 Fla. Stat. as follows:

To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or finance public facilities within the boundaries of the county or subcounty special taxing district in which the tax is levied, if the public facilities are needed to increase tourist-related business activities in the county or subcounty special district and are recommended by the county tourist development council created pursuant to paragraph (4)(e). Tax revenues may be used for any related land acquisition, land improvement, design and engineering costs, and all other professional and related costs required to bring the public facilities into service. As used in this subparagraph, the term “public facilities” means major capital improvements that have a life expectancy of 5 or more years, including, but not limited to, transportation, sanitary sewer, solid waste, drainage, potable water, and pedestrian facilities. Tax revenues may be used for these purposes only if the following conditions are satisfied:

- a. In the county fiscal year immediately preceding the fiscal year in which the tax revenues were initially used for such purposes, at least \$10 million in tourist development tax revenue was received.
- b. The county governing board approves the use for the proposed public facilities by a vote of at least two-thirds of its membership;
- c. No more than 70 percent of the cost of the proposed public facilities will be paid for with tourist development tax revenues, and sources of funding for the remaining cost are identified and confirmed by the county governing board;
- d. At least 40 percent of all tourist development tax revenues collected in the county are spent to promote and advertise tourism as provided by this subsection; and
- e. An independent professional analysis, is performed at the expense of the county tourist development council, demonstrates the positive impact of the infrastructure project on tourist-related business in the county.

CURRENT TOURIST DEVELOPMENT (TD) PLAN

DOES NOT INCLUDE:

- Estuary and lagoon improvements amended in subsection (5)(a)(5) of § 125.0104, Fla. Stat.
- “Public facilities” created by subsection (5)(a)(6) of § 125.0104, Fla. Stat.

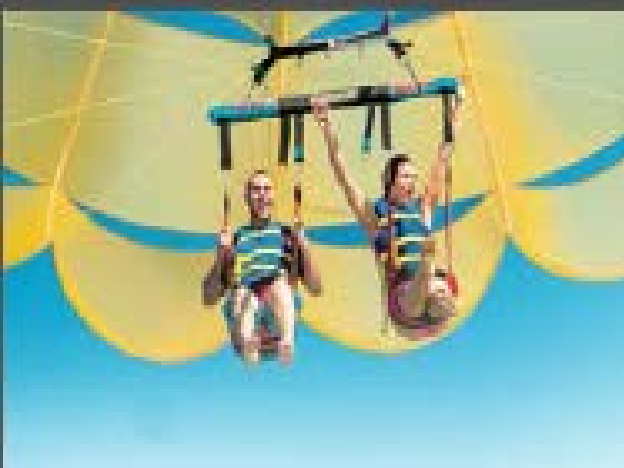


BCC Policy

Considerations/Directives

- 1) BCC should decide whether to amend the Plan to include one or both recent statutory amendments.
- 2) Any TD Plan Amendments would require a majority plus one vote (5 of 7).
- 3) BCC should also consider whether to amend plan to include any new funding obligations and to delete those funding commitments that have been satisfied.





THANK YOU!

