

Recommended Revisions to the Tourist Development Council's
Capital Project Funding Program Guidelines
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BACKGROUND:

In accordance with the Pinellas County Tourist Development Plan, the first funding cycle of the Tourist Development Council (TDC) Capital Project Funding Program (CPFP) was initiated pursuant to the program Guidelines in October 2016, with an informational meeting for prospective applicants. Funding applications were received in January 2017 and staff and consultant review was completed by March 2017. The capital funding applications were presented to the TDC in March and April 2017, and to the County Commission on April 25, 2017, and May 23, 2017. Funding contracts (other than the Dunedin application) were approved by the County Commission at the August 15, 2017, meeting.

By memorandum dated August 4, 2017, the TDC received recommendations for revisions to the Guidelines based upon the first funding cycle experience, which were discussed at the August 16, 2017, TDC meeting. The TDC also conducted an after-action workshop on September 15, 2017, and considered the revised recommendations at the September 20, 2017, TDC meeting. The TDC reached a consensus on revising the Guidelines as set out below in order to improve the review process and funding standards to further maximize the ROI while protecting the investment of public funds in tourism capital projects.

SUMMARY OF PROPOSED REVISIONS TO GUIDELINES:

1. TWO YEAR FUNDING CYCLE:

Establish a two-year funding cycle, but allow for consideration of project funding at any time if the project satisfies funding standards and requirements in the Guidelines, as revised. Upon the implementation of this standard, the next funding cycle would begin with the informational meeting in the October, 2018 time frame, with applications due in January 2019, and any capital funding made available in FY 2020 and beyond.

2. AD HOC FUNDING REQUESTS – SPORTS FRANCHISES, SPRING TRAINING, ETC.:

Any facilities that are funded by the 4th or 5th cent tourist taxes, or any total funding request in excess of \$10M NPV (Net Present Value) must first be presented to the County Commission for authorization to proceed to a due diligence review, and the reviews and deal terms would be customized depending on the facility type and economic benefits. Professional sports franchise facilities, retained spring training facilities, and convention centers funded by the 4th or 5th cent debt service payments would be considered on a case-by-case basis, and applicants should be required to present the project to the BCC before any deal terms with any other governmental units are finalized so that County issues and concerns can be addressed as part of the project negotiations. Other projects

requesting funding in excess of \$10M NPV would be processed through the CPFP funding cycle or considered on a case-by-case basis as determined by the BCC.

3. ECONOMIC IMPACT THRESHOLDS:

Establish the following tourism economic impact thresholds to be eligible for CPFP funding: for funding up to \$5M, the project must annually generate at least 10,000 room nights and 25,000 unique attendees; for funding in excess of \$5M and up to \$10M, the project must annually generate at least 25,000 room nights and 50,000 unique attendees. The thresholds would apply to new facilities, renovations and/or upgrades to existing facilities, or to preserve tourism facilities that would otherwise close or leave the County. These thresholds would not apply to the continued development of MLS (Major League Soccer) training facilities that are otherwise eligible for CPFP funding and meet all other funding requirements.

4. MATCHING FUNDS:

Revise applicant match requirements as follows: require \$2 of applicant funding for every \$1 of tourist tax capital funding for publicly owned and operated facilities, and \$3 of applicant funding for every \$1 of tourist tax capital funding for facilities owned and operated by nonprofits or publicly owned and occupied/operated by a private entity. This would require an amendment to the tourist development plan.

5. OPERATIONS & MAINTENANCE OFFSET:

Establish a funding standard that offsets project operation and maintenance payments made by the County against the funding award when determined appropriate by the County.

6. APPLICATION REVIEW AND FUNDING STANDARDS:

A. MATCH & AWARD POST APPLICATION:

Establish a funding standard that limits the match computation and the funding award to approved project costs incurred after the application filing date.

B. APPLICATION REVIEW; COUNTY DESIGNATED CONSULTANT:

Establish and/or revise the application review process to (i) require applicants utilize a County designated consultant to provide economic impact, room nights and attendance projections, and reimburse the County for consultant costs; (ii) require a feasibility study for new facilities that are owned/operated by a nonprofit or publicly owned and occupied/operated by a private entity, with the applicant selecting and paying for the consultant.

C. COMPLETION OF PROJECT REQUIREMENT:

Establish a funding standard that requires that the funded project or project phase be completed and occupied before the County reimburses the applicant for project costs,

and amortize the reimbursement payments over multiple budget years when determined appropriate by the County.

D. MARKETING & ECONOMIC IMPACT CONTRIBUTION:

Require applicants provide marketing and economic benefits at least equal to the capital contribution.

E. ESTABLISHMENT OF AVAILABLE CAPITAL PROJECT FUNDS:

Determine the total pool of capital dollars available before initiating a funding cycle based on budget analysis and limit the total CPFP awards to the predetermined capital pool.

F. COUNTY'S INSURABLE INTEREST:

Structure the funding award so that the County has an insurable interest in the project, if feasible.

G. APPLICATION REVIEW & SCORING:

Establish a funding formula that rewards projects with the highest economic impact and marketing benefits with the highest percentage of funding.

IMPLEMENTATION ACTIONS: With the presentation and consensus approval by the TDC at its September 20, 2017, meeting, the recommended revisions to the Guidelines and funding standards will be presented to the County Commission for consideration. Upon approval, County staff will revise the Guidelines and Tourist Development Plan as appropriate, the TDC will conduct such work-shops, reviews and analysis as appropriate, and the revised program parameters shall be presented to the TDC and BCC for consideration and approval in accordance with the requirements of applicable statutes and ordinances.