

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 (BCC) 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. Further, the BCC has expressed its intent to continue beach nourishment funding at a minimum of one-half (.5%) of 1 of the percents from the total six percents of eligible tourist tax dollars.

These funding guidelines have been established by the Tourist Development Council (“TDC”), and approved by the ~~Board of County Commissioners~~, BCC as part of its Capital Project Funding Program (“CPFP”). The CPFP will operate on a two year funding cycle beginning Fiscal Year (FY) 2019. Before the TDC initiates a funding cycle, the BCC shall approve and establish a total pool of capital funding dollars available to fund projects for that CPFP funding cycle. These guidelines were developed to establish criteria to determine eligibility and define the application process, award criteria, and priorities for certain Group 2 funding tourist facilities 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:

- a. Category C (Beach Improvement/Nourishment): Funding beach improvement, maintenance, renourishment, restoration and erosion control.
- b. 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.~~

- c. 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.~~

~~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.~~

Group 2 Capital Funding requests shall be considered in accordance with the following:

1. Funding for Category D projects requesting up to \$10 million net present value (NPV) shall be subject to these Guidelines and reviewed and considered in accordance with Sections II through IX herein.

2. Funding for Category D projects requesting more than \$10 million NPV, or that request funding that exceeds the total pool of available capital funding dollars established by the BCC for that funding cycle, or that cannot satisfy the eligibility requirements herein but will provide significant Marketing and Economic Benefit shall be first presented to the BCC for conceptual approval. Upon receipt of this approval, these projects shall be subject to these Guidelines and reviewed and considered in accordance with Sections II through IX herein, as well as any other requirements established by the BCC in accordance with the conceptual approval process.

3. Funding for Category E projects shall not be considered or awarded through the CFPF, as these types of project requests shall be first presented to the BCC for consideration and conceptual approval. This will allow County staff to address County issues and the financing structure as part of the deal negotiations from early in the process, and facilitate a timely resolution of all issues for all parties. The BCC shall determine the criteria timeline, applicant submittals and reviews required for Category E funding. The TDC can provide guidance and recommendations throughout the County's negotiation process, as well as make a funding recommendation on the project based on the proposed final deal terms to be later approved by the BCC.

Prior to the CFPF application process each ~~year~~ funding cycle, 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 CFPF guidelines are hereby further established to help prioritize and process requests for ~~bed tax funds to be used for capital projects~~ funding. It is the intent of the TDC to ~~award~~ recommend funding as provided herein to multiple eligible capital projects as determined to be in the best interest of Pinellas County tourism.

II. Definitions

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

“Capital Project” for purposes herein shall mean any project that applies for CFPF funds that is 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.~~

“Economic Benefit” shall mean all measurable direct return on investment generated from Tourists visiting the destination, including but not limited to transient lodging (Tourist room nights) and measurable direct or indirect benefits from Marketing and Sponsorships, as determined by the County designated consultant referred to in III D.

“Eligible Applicant” shall mean the owner and include/or operator of a Capital Project and includes any of the following:

1. a public entity located in Pinellas County;
2. an organization that operates a publicly owned ~~facility~~ Capital Project 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.

“Marketing” shall mean advertising, direct sales, public relations, promotions, or research, exclusive of professional fees and services, designed to increase tourist-related business activity from outside Pinellas County.

“Matching Funding Funds” shall mean and include any of the following assets or expenditures by applicant incurred or available after the application date:

1. cash funds;
2. in-kind contributions to the project/facilities, such as providing property upon which Capital Project;
- 2.3. land acquired for the project/facilities shall be located, Capital Project at the just market value of existing land and improvements as determined by the Property Appraiser or by an independent appraisal; purchase price;
- 3.4. costs of infrastructure improvements to real property necessary to complete the Capital Project;
5. Capital Project design and engineering costs;
- 4.6. capital equipment.

“Sponsorship” shall mean a mutually beneficial business arrangement between the County and applicant wherein County receives opportunities to promote the County as a tourism destination.

“Tourist” shall mean a person who participates in trade or recreational activities outside the county of his/her residence or who rents or leases transient accommodations in Pinellas County as described in Section 125.0104(3)(a), Florida Statutes.

III. Eligibility

A. ~~Project funds may be used to acquire, construct, extend, enlarge, remodel, repair, or improve, operate or promote certain eligible facilities as authorized in Section 125.0104, Florida Statutes. To be eligible for funding, eligible facilities~~ Capital Projects 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. Project funds may be used to acquire, construct, extend, enlarge, remodel, repair, or improve Capital Projects as authorized in Section 125.0104, Florida Statutes.

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

~~A. 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~~ Applicants must demonstrate the incremental economic impacts of the Capital Project through an economic impact study that determines the Economic Benefit of the proposed Capital Project. The study shall also include a projection of incremental increases in annual Tourist room nights and annual Tourist attendance, the projected demographics of attendees, and projected increases in governmental revenues through taxes and fees, to be generated by the Capital Project. This study shall be done by a County designated consultant at Applicant's sole cost and shall be submitted at time of application.

E. Applicants must also, at their sole cost, submit a feasibility study prepared by a consultant of their choosing for all new tourist facilities that have not previously been in operation in Pinellas County, which shall be submitted at time of application.

~~C.F.~~ Capital Project completion timelines may not exceed three (3) years from execution of ~~grant~~CPFP funding award agreement with the County. Any Capital Project or phase scheduled to be completed more than 3 years out shall require a separate CPFP application.

~~D.G.~~ For leased property, the following will govern the project scope and the lease period required:

Project Scope	Minimum Number of Remaining Years on Lease Period at Time of Application
Building renovation, improvement	20 years
Building expansion	30 years
Building construction on leased land	50 years

H. Applicants must provide future Marketing and Sponsorship benefits as approved by Visit St. Petersburg/Clearwater ("VSPC") comparable to the County's funding contribution.

I. All applicants must agree to protect the County's capital investment interest resulting therefrom, and further agree to provide those legal protections as allowed by law, and as may be amortized over time, including but not limited to, naming County, at Applicant's sole cost, as an additional insured or loss payee, granting a consensual lien in the Capital Project securing the County's interest, or by any other means as may be applicable as determined appropriate in the sole discretion of the County.

IV. Funding Standards

A. Applicants must demonstrate that the Capital Project funded through the CPFP meets the following annual minimum thresholds to be considered for funding:

- 1) Capital Projects seeking up to \$5,000,000.00 shall project an incremental increase of at least 25,000 paid or documented attendees and generate an incremental increase of at least 10,000 Tourist room nights;

2) Capital Projects seeking more than \$5,000,000.00 shall project an incremental increase of at least 50,000 paid or documented attendees and generate an incremental increase of at least 25,000 Tourist room nights.

3) Notwithstanding these threshold requirements, MLS training facility Capital Projects that are otherwise eligible for CPFPP funding and satisfy all other requirements of these Guidelines shall be eligible to apply for CPFPP funding.

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

C. All funding requests provided hereunder shall be on a reimbursement basis to the Applicant after completion and occupancy of the ~~project~~ Capital Project or a phase of the ~~project~~ Capital Project if funded separately upon submittal and review of supporting documentation by County Staff, as ~~agreed upon~~ required in the funding agreement. Reimbursement payments may be amortized over multiple budget years as determined in the sole discretion of the County.

D. Any funding reimbursement provided through the CPFPP shall be limited to approved Capital Project costs/expenditures incurred after the application filing date.

V. Application Deadline and Program Timeline

A Program timeline, including application procedures and deadline shall be established by the TDC, publicly noticed and implemented by VSPC staff. 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/VSPC@_____; or submitted in person at CVB/VSPC office located at: _____; or mailed to CVB/VSPC 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) MAY 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. If a new Capital Project (Sec. III.E.), a feasibility and economic impact study/analysis/study reviewed by a firm approved by Pinellas County completed no earlier than six (6) months ~~from~~ prior to the application date.

~~B. — A business plan, including financial stability of Applicant.~~

~~C. — Completed preliminary drawings or completed architectural plans.~~

C. Explanation and documentation of secured any security interest in real property interest, and the design, permitting, and construction status of the Capital Project.

~~D. — An Economic Benefit study/analysis of the funded Capital Project completed by the County designated consultant.~~

~~D.~~

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

~~E. — Demonstration/Analysis Capital Project budget (schedule of how the project will generate hotel and motel (lodging) bed nights values.~~

F. Match funds funding must be detailed including: 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; 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~~ will not recognize projected amounts and/or anticipated revenue from future fundraising or other activities. ~~Only as Matching Funds; only~~ funds identified as “on hand” at the time of application will count towards the required match.

~~FG. — The County reserves the right to request additional information, documentation,~~
or
studies it deems necessary in its sole discretion to evaluate the return on investment of tourist tax capital funding and/or the financial feasibility of the Capital Project or the Applicant.

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 score of all applications. All Applicant projects that score at least 700 points will be considered for funding within the TDC’s recommended budget and in accordance with these Guidelines.

D. Staff will then announce the total points and the average score for each application and then provide a ranking of highest to lowest scoring applicants.

E. Applicants may be invited to make a presentation to the Committee if requested.

F. After review of all applications, public comment will be requested.

———G. Committee members will then complete a final review of all qualifying applications and have an opportunity to adjust scores based on any new information.

———H. Any score changes will be recorded and a new average score announced if scores were revised.

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

———J. 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 should 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 <p>Increases in governmental revenues through taxes and fees generated by the project. <u>Total annual Economic Benefit as determined in the economic impact study completed by the County designated consultant</u></p> | 200 300 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 |

- ~~DB.~~ Number of projected ~~hotel~~Tourist room nights and Tourist attendance generated annually within ~~the boundaries of~~ Pinellas County ~~300~~250 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
- ~~GC.~~ ~~Projects that are shovel ready (already designed and permitted, including that the applicant has received all governmental and/or regulatory permits)~~Total Marketing and Sponsorship benefits to be provided by Applicant to promote the destination to Tourists jointly with VSPC in a manner consistent with the VSPC annual marketing plans and TDC tourism marketing priorities ~~25~~250 points
- ~~HD.~~ ~~Projects that achieve geographic distribution~~The contribution of the Capital Project Funding Program dollars acrossto Pinellas County ~~County's reputation as an attractive destination for Tourists~~ ~~50~~100 points
- ~~IE.~~ The extent that the Capital Projects that demonstrate substantial~~achieves~~ geographic distribution of CPF funding ~~commitment to out of market advertising and promotion of~~throughout Pinellas County with the intent of attracting overnight visitors to hotel(s) within Pinellas County 100 points

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

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. Per BCC directive, County staff shall establish a funding formula that rewards capital projects with the highest economic impact and marketing benefits with the highest percentage of funding.

IX. Timeframe for Capital Project Funding Awards

The TDC will ~~annually~~ establish and post a schedule for consideration and award of CPFP funding grants, which will generally comply with the following timeframes*~~.~~every 2 years.

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	2nd 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.~~be paid in the amounts and the term as provided in the funding agreements.