



Pinellas County

Staff Report

File #: 19-1731A, **Version:** 1

Subject:

Recommendations from the Tourist Development Council to fund three Fiscal Year 2019 Capital Project Funding Program applications, including a legislative determination that the Tampa Bay Watch Discovery Center can be funded as a museum.

Recommended Action:

Approval of the recommendations from the Tourist Development Council to fund three projects up-to \$20.6M from the Fiscal Year 2019 Capital Project Funding Program (CPFP) application cycle, including a legislative determination that the Tampa Bay Watch Discovery Center can be funded as a museum.

It is further recommended that staff be authorized to negotiate the terms and final funding amounts for increased return on investment.

- The application from the Salvador Dali Museum is for \$17.5M and includes an expansion to the museum space and the addition of a new parking garage, which in part, can be converted to usable space.
- The application from the St. Petersburg Museum of History is for \$2.8M for an expansion. This project requires a waiver of the CPFP Guidelines as to the lease requirements.
- The application from Tampa Bay Watch, Inc. is for \$300K for the construction of the Tampa Bay Watch Discovery Center, which will be located at the new St. Pete Pier. This application requires the Board of County Commissioners to make a legislative determination that the facility is a museum for the project to be statutorily eligible for funding. Additionally, this project requires a waiver of the Guidelines as to the lease and room night requirements.
- All CPFP reimbursements will be paid after project completion and occupancy.
- Next step: the Board considers negotiated funding agreements supported by deliverables to ensure a return on investment.

Strategic Plan:

Foster Continual Economic Growth and Vitality

4.6 Support a vibrant community with recreation, arts, and culture to attract residents and visitors

Summary:

The Board of County Commissioner's (Board) review and approval is required to waive the Guidelines in order to proceed with funding the History Museum and the Discovery Center projects. Additionally, the Board needs to make a legislative determination as to the facility type for the Discovery Center. With Board approval, the Convention and Visitors Bureau will proceed to negotiate funding and deliverables to ensure a return on investment for the County. Each negotiated agreement will be brought before the Board for consideration.

Background Information:

This is one of the programs administered by the CVB on behalf of the County. On August 7, 2018, the Board approved revisions to the Guidelines for implementation during the FY19 funding cycle. The revisions included removal of a required feasibility study, revision of reimbursement to be at project completion, and additional details regarding the economic impact study.

On April 9, 2019 the Board granted conceptual approval for the Dali's application in accordance with the Guidelines, which requires projects requesting more than \$10M net present value (NPV) to be pre-approved for participation.

On May 7, 2019, the Board reviewed applications for eligibility and compliance and approved applications for The Discovery Center and the St. Petersburg Museum of History to move forward for TDC review and evaluation. The Board denied the application for the American Craftsman Museum due to the lack of an increased impact to tourism.

On August 21, 2019, the TDC's CPFP Evaluation Committee met during a special meeting at which time County Attorney Zas presented an updated compliance and eligibility review of the applications.

In order to be considered for funding, the Board would have to waive the Guideline requirement for a 20 year lease on building renovations for the Museum of History since the Museum's current lease expires in 2022 with a possible new ten (10) year lease once the project is completed. The Museum is currently requesting a referendum from the City of St. Petersburg to expand the allowable lease term from ten (10) years to 25 years. There was also discussion regarding the Museum not currently meeting the match requirement. The Museum assured the TDC the requisite matching funds would be in place by the time construction is ready to begin.

As to the Discovery Center, the Tampa Bay Watch submitted the application listing the Discovery Center as both an aquarium and a museum. The Tampa Bay Watch has since clarified the application is for a museum. For this application to be statutorily eligible for funding, the Board will need to make a legislative finding that the Discovery Center is a museum. Additionally, this project will require the Board to waive the Guidelines on two criteria, 1) the requirement for a 50 year lease for new construction on leased land, and 2) the requirement of 10,000 room nights since the Center reported an incremental increase of only 6,000 room nights.

After discussion, the TDC evaluated and scored each application. All three (3) applications met the minimum scoring criteria for funding eligibility and were approved to move forward for TDC consideration.

On September 18, 2019, during the regular TDC meeting, the members reviewed the Committee scores and discussed the applications. As to the Dali application, the TDC discussed having the majority of funding directed toward the museum expansion instead of the new parking garage. It was noted that a portion of the garage would be converted to useable museum space. In the end, the TDC recommended that all applications move forward to the Board for final approval of the following "up-to" NPV funding amounts, without conditions or stipulations:

\$17,500,000.00 Salvador Dali Museum
\$ 2,800,000.00 St. Petersburg Museum of History
\$ 300,000.00 Tampa Bay Watch Discovery Center

\$20,600,000.00 Total funding amount

Fiscal Impact:

Total not-to-exceed expenditure: \$20,600,000.00

Funding to support the Capital Project Funding Program is provided through the Tourist Development Tax. Based on projected revenue and project timelines, it is anticipated that sufficient cash will be available in the Tourist Development Tax Fund to support each request on a reimbursement basis. The FY20 Adopted Budget does not include appropriation to support the requests and a budget amendment would likely be required to support payments if approved.

Staff Member Responsible:

Paul Sacco, Interim Director, Convention and Visitors Bureau

Partners:

Tourist Development Council
City of St. Petersburg

Attachments:

Evaluation of Capital Projects Funding Program Submittals
CPFP Guidelines