

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs	\$9,804,000	tbd	tbd	tbd	tbd
External Revenues					
Program Income (County)					
In-Kind Match (County)					
	\$9,804,000	tbd	tbd	tbd	tbd
NET FISCAL IMPACT					

ADDITIONAL FTE

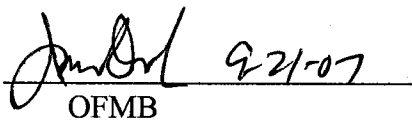
POSITIONS (Cumulative) - 0- 0--- 0--- 0--- 0-----

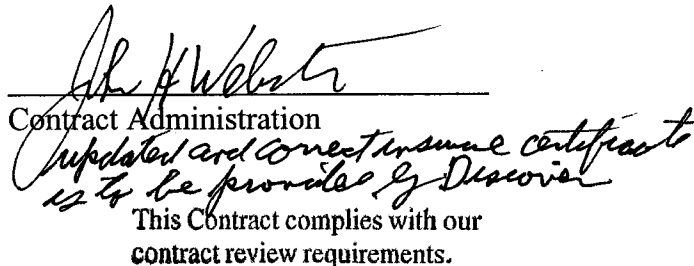
Is Item Included In Current Budget? Yes _____ No. _____
 Budget Account No.: Fund 1454 Dept 710 Unit 7420 Object 3401
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Discover receives 52.47% of the 2nd, 3rd, and 5th cent of the local option bed tax.
 *In addition to the contract amount of \$9,804,000, there is an additional \$2,511,000 in direct county expenditures of \$512,200, grants of \$150,000 and transfers of \$653,800.

A. OFMB Fiscal and/or Contract Administration Comments


 OFMB


 Contract Administration
Updated and correct invoice certificate is to be provided by Discover
 This Contract complies with our contract review requirements.

B. Legal Sufficiency:


 Assistant County Attorney

C. Other Department Review:

 Department Director

AGREEMENT WITH DISCOVER PALM BEACH COUNTY, INC.

THIS AGREEMENT is made and entered into effective _____ 2007, by and between Palm Beach County, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, (hereinafter referred to as the "COUNTY") and Discover Palm Beach County, Inc., a Florida not-for-profit corporation, whose Federal I.D. number is 59-232-1112, (hereinafter referred to as the "Bureau").

WHEREAS, pursuant to the Local Option Tourist Development Act, the COUNTY has by Ordinance No. 95-30, as amended, established the Palm Beach County Tourist Development Council (hereinafter referred to as the "TDC"); has levied and imposed a tourist development tax; and has established a Tourist Development Plan for use of the funds derived from the tax; and

WHEREAS, the Tourist Development Plan currently provides that 53.6 percent of the funds derived from such tax designated as "Category A" shall be used to promote and advertise Palm Beach County tourism in the State of Florida, and nationally and internationally; and

WHEREAS, the parties have previously entered into agreements whereby the Bureau, as an independent contractor, furnished the professional services necessary to assist the COUNTY in carrying out projects of the Tourist Development Plan; and

WHEREAS, the parties now wish to enter into an agreement for the provision of services for an additional term.

NOW, THEREFORE, in consideration of the above and the mutual covenants contained herein, the parties agree as follows:

1. **Functions and Services.** The Bureau shall assist the COUNTY in promoting and advertising Palm Beach County tourism in the State of Florida, and nationally and internationally, in furtherance of the Category "A" objectives of the existing Tourist Development Plan, by performing the following functions and services, all being subject to the overall direction and guidance of the TDC, through the Executive Director of the TDC:

A. **Annual Marketing Plan.** In cooperation and consultation with the Executive

Director of the TDC, with persons providing contractual services for the COUNTY's Tourist Development Plan (either directly with the County and through the Bureau under this Agreement), and with other interested persons, the Bureau shall develop an Annual Budget and a specific and detailed annual marketing plan (hereinafter referred to as the "Annual Marketing Plan") for accomplishing the purposes of Category "A" of the Tourist Development Plan. The Bureau will submit such Annual Budget and Annual Marketing Plan to the TDC's Executive Director and the County Administrator or his/her designee for review, modification and adoption by the TDC in conformance with COUNTY's annual budget approval process. The Bureau will implement such Plan as provided in subparagraphs B through R of this paragraph. Such Plan may be amended from time to time in the same manner as provided for its adoption.

B. Advertising. The Bureau shall develop and implement a Creative and Media Plan for tourism advertising in Palm Beach County as part of the Annual Marketing Plan. The Creative and Media Plan referred to in this subparagraph shall include themes, slogans, copy and graphics to be employed in print, media, and promotional materials, as well as marketing strategies.

C. Fulfillment. The Bureau shall develop a Fulfillment Plan as part of the Annual Marketing Plan, and implement such plan through the distribution of collateral materials in response to inquiries and leads generated through the advertising and promotion activities conducted hereunder.

D. Collateral Materials. The Bureau shall arrange for the design and production of collateral materials, including brochures and other printed materials, for use in inquiry fulfillment, trade shows, foreign representations, tour package promotions, groups and conventions sales, and other tourism promotion activities as provided in this Agreement and the Annual Marketing Plan.

E. Public Relations. The Bureau shall secure coverage promoting tourism in Palm

Beach County in appropriate media through feature articles, news accounts, and other forms, by developing press kits and photo libraries, conducting public relations seminars and press trips, developing media contacts, and through other appropriate means.

F. Tour Package Development. The Bureau shall arrange for the development of package tours for tourists in Palm Beach County through a program for necessary education, cooperation, and communication among tourist facilities, and travel and promotion agencies.

G. Consumer and Trade Shows. The Bureau shall provide for adequate attendance, staffing, and coordination, including booth development, set-up, and construction, for all TDC-approved trade and consumer shows, including but not limited to those described in the Annual Marketing Plan.

H. Familiarization Tours. The Bureau shall initiate and obtain adequate sponsorship, attendance, staffing, and coordination of familiarization/educational tours of Palm Beach County for travel agents, tour operators, meeting planners and media personnel.

I. Sales Missions. The Bureau shall ensure adequate staffing and coordination of sales calls to key travel industry personnel in targeted markets.

J. Cooperative Marketing Grants. In accordance with the guidelines, policies and procedures adopted hereunder, or as otherwise provided by the TDC, the Bureau shall solicit, receive, and review applications for grants for cooperative marketing activities for tourism-related special projects, including but not limited to events to increase tourism. Funded events will emphasize out-of-area publicity and Palm Beach County room nights. The Bureau shall make recommendations to the TDC and the COUNTY for approval or non-approval of such applications. The COUNTY may enter into contracts with applicants for the implementation of such grants. The Bureau shall serve as contract administrator with respect to such grants.

K. Foreign and Domestic Representation. To the extent provided in this Agreement

and the Annual Marketing Plan, the Bureau shall promote awareness of Palm Beach County as a tourism destination in key markets within and outside the United States by arranging meetings with, and distribution of promotional materials to, travel agents, tour operators, meeting planners, incentive buyers, and media personnel.

L. Promotional Items. In cooperation with the advertising agency and other contractors providing services for the COUNTY's Tourist Development Plan under this Agreement, the Bureau shall arrange for the development, production, and distribution of promotional items as needed in the implementation of the Annual Marketing Plan consistent with the themes of the Creative and Media Plan developed under subparagraph B of this paragraph.

M. Group Sales. The Bureau shall develop a Group Sales component of the Annual Marketing Plan, including quarterly and annual sales goals, and implement such plan through such activities as the operation of a clearinghouse to coordinate the booking of lodging and meeting rooms for group meetings, and the provision of registration personnel, name tags, message centers, and other logistical and other services, products, and materials and the support of related miscellaneous activities and functions. The Group Sales component shall include a program for sales of conventions, meetings, trade shows, and other events utilizing the Convention Center and associated with room nights in hotels located in the County. Such events shall be preliminarily defined as those being booked for an opening date that is at least eighteen months after the date of initial contact with the prospective client, and sales of such events are referred to herein as "long-term sales". It is the parties' intention that responsibility for events being booked into the Center less than eighteen months prior to the opening date of the event, referred to herein as "short-term sales", will be responsibility of the management firm operating the Center on behalf of COUNTY. The parties recognize that some events booking more than 18 months in advance but lacking substantial room night use will be treated as "short-term", and some

events booking less than 18 months in advance but with substantial room night use will be treated as "long-term". The Bureau will cooperate closely with the management firm operating the Center in making such determinations and in achieving the best possible combination of building revenue and hotel revenue, as shall be determined by COUNTY. Convention Center long-term sales will be fully integrated into the Group Sales program of the Bureau, with all group sales staff trained in the Center and charged with developing qualified leads for the Center. The group sales component shall also include a program of financial incentives for attracting group business that is competitive with current industry practices.

N. Convention Center Marketing. As part of the Annual Marketing Plan, the Bureau shall conduct a marketing program devoted to the Palm Beach County Convention Center. Such program shall include promotion of the Center through paid media, public relations, internet promotion, coverage in the Bureau's collateral, and trade shows, and shall be conducted in cooperation with County's contracted Convention Center operator and contracted Convention Center food and beverage services provider.

O. Online Marketing Presence. The Bureau shall develop, operate, update, and maintain a web site devoted to marketing Palm Beach County tourism in the State of Florida, nationally, and internationally. Such web site shall employ state-of-the art capabilities in accordance with highest standards of the industry. In the course of operating such web site, the Bureau may develop and operate a county-wide online reservation system using a third-party vendor, for use as a housing bureau for the Convention Center and as a booking service to be utilized by hotels and, as feasible, other tourist-related business in the County.

P. Visitor Services. The Bureau shall provide visitor information services at its offices and through other appropriate means, which may include cooperative arrangements with Palm Beach International Airport, chambers of commerce within the County, and

visitor information centers operated by the State of Florida.

Q. Glades Region Marketing. As part of the Annual Marketing Plan, the Bureau shall conduct a marketing program devoted to the region of Palm Beach County bordering Lake Okeechobee (the "Glades Region"). Such program shall include promotion of the Glades Region through paid media, public relations, internet promotion, coverage in the Bureau's collateral, and trade shows. The Bureau shall coordinate these marketing activities with other organizations funded by County tourist tax revenues.

R. Contributions of Goods and Services. The Bureau shall obtain and coordinate, as necessary to perform the duties and services set forth in this Agreement, for the benefit of the COUNTY's Tourist Development Plan, private contributions of goods and services, including but not limited to the providing or furnishing of meals, receptions, transportation, lodging, admissions and beverages.

S. Personnel. The Bureau shall employ, subject to the availability of funds allocated for such purpose and as set forth in the attached Exhibit "A", sufficient staff and support personnel to perform on behalf of the Bureau the duties and services called for in this Agreement. Any new full-time, part-time or contract position instituted during the term of this Agreement shall be approved in advance by the TDC. The Bureau personnel shall be located in the COUNTY's TDC leased office space.

T. Other Duties. The Bureau shall perform such additional related duties and services as may be required from time to time by the COUNTY. Such duties shall include the operation and maintenance of a computer network for the CVB, the TDC, and participating entities funded by the COUNTY's Tourist Development Tax, on terms consistent with this Agreement and in accordance with the budget for each such entity as approved by COUNTY. The Bureau may charge a prorated fee to such entities for this service. This revenue shall return to the DPBC ("Public Funds") operating account.

2. Selection and Termination of Contractors. The services described in subparagraph B of

paragraph 1 shall be provided by an independent contractor under contract with the Bureau. Services provided under subparagraphs C, D, E, F, G, H, I, K, L, M, N of this paragraph may be provided by independent contractors under contracts with the Bureau in accordance with the Annual Marketing Plan and the Annual Budget of the Bureau ("Exhibit "A") and subject to the provisions of this paragraph 2. The term of any such contract shall not extend beyond the expiration or earlier termination of this Agreement or any renewal thereof, and all such contracts shall expressly so provide. No such contract or agreement shall obligate the COUNTY in any manner to any third party.

All contractors shall be solicited and selected in accordance with procedures for the procurement of goods and services attached hereto as Exhibit "D", with procedures for maximization of participation of small business enterprises attached hereto as Exhibit "E", and with contracting policies and procedures, including a standard form of contract, adopted by the Bureau in accordance with paragraph 6 of this Agreement.

Any personnel or entities with which the Bureau enters into contracts for services pursuant to this paragraph 2 shall be specifically experienced in, and qualified for, the provision of such services. The Bureau shall monitor and evaluate the performance of all such contractors. The Bureau shall insure that all parties to such contracts provide a monthly report on the duties performed and services provided. The Bureau shall provide to the TDC a quarterly summary report of the results of such monitoring and evaluation, and shall take reasonable measures to assure the continued satisfactory performance of all contractors. Should the Bureau, after taking such reasonable measures, determine after consultation with the Executive Director of the TDC, that any such contractor has failed to perform in accordance with its contract, the Bureau shall terminate such contract with notice to the Executive Director of the TDC.

3. Compensation and Method of Payment. Costs incurred by the Bureau in performing the duties and providing the goods and services described in this Agreement will be paid by the COUNTY solely from Tourist Development Tax revenues designated for Category "A" of the