

4F-1

Agenda Item #:

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

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Meeting Date: May 6, 2014

☐ Consent      ☒ Regular

☐ Public Hearing

Department

Submitted By: County Attorney

Submitted For: Tourist Development Council

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I. EXECUTIVE BRIEF

**Motion And Title:** Staff Recommends Motion to Approve on Preliminary Reading and Advertise for Public Hearing On May 20, 2014, At 9:30 A.M.: An Ordinance of the Board Of County Commissioners of Palm Beach County, Florida, Amending Sections 17-116 of the Code of Laws and Ordinances as Codified in the Tourist Development Ordinance of Palm Beach County, Ordinance 95-30, as amended; Providing for an Amendment to the Tourist Development Plan to Authorize the Expenditure of Additional Revenues for the Promotion and Marketing of Palm Beach County Tourism and for the Renovation of the Airport Center Building and the Relocation of the Tourist Development Council and its Agencies; Providing for Repeal of Laws in Conflict; Providing for Severability; Providing for Inclusion in the Code of Laws and Ordinances; Providing for Enforcement; Providing for Applicability; and Providing for an Effective Date.

**Summary:** This Ordinance provides for an amendment to the County's Tourist Development Plan to authorize the expenditure of the bed tax operating reserve fund of the 1<sup>st</sup> Cent of the Tourist Development Tax ("bed tax") for a marketing stimulus campaign of \$2 Million to promote County tourism by all agencies and \$6 Million to establish the budget renovation of the Airport Center Building and the relocation of the Tourist Development Council and Convention and Visitor's Bureau, d/b/a Discover Palm Beach County, Inc. (CVB), the Palm Beach County Sports Commission (Sports) and the Palm Beach County Film & TV Commission (Film). Countywide (DW)

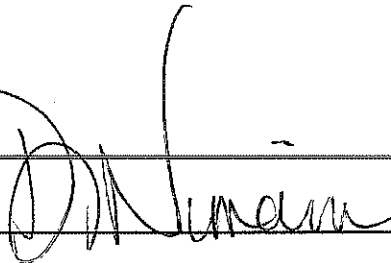
**Background and Policy Issues:** At the February 2014 meeting of the Tourist Development Council, representatives of Discover Palm Beach County, Inc. (CVB), the Cultural Council of Palm Beach County (Culture), the Palm Beach County Sports Commission (Sports) and the Palm Beach County Film & TV Commission (Film) presented a plan for a multi-prong marketing stimulus campaign to promote County tourism. This campaign would focus on marketing the County's visitor accommodations, restaurants, attractions, sporting venues, retail outlets, cultural venues and eco-tourism assets. The TDC recommended that the Board allocate \$2 Million in unspent revenues of the first percent of bed tax revenues for this stimulus campaign during this fiscal year.

(continued on page 3)

**Attachments:**

1. Proposed Ordinance

Recommended by: \_\_\_\_\_



3/12/14  
Date

Approved by: \_\_\_\_\_

Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<b>* _____</b>	_____	_____	_____	_____
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_

Budget Account No.: Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_

Reporting Category \_\_\_\_\_

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

\* No Fiscal Impact

### C. Departmental Fiscal Review: \_\_\_\_\_

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

*[Signature]* 3/20/2014  
 3/19 3/20 3/20/14  
 OFMB \*k

*[Signature]* 3/25/14  
 Contract Development and Control  
 3-25-14 B. C. H. H.

### B. Legal Sufficiency:

*[Signature]* 3/12/14  
 Assistant County Attorney

### C. Other Department Review:

*[Signature]* 3/13/14  
 Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

In addition, at the March 27, 2012 Board of County Commissioners Workshop, the Board discussed the issue of the TDC and related agencies moving into one of two County-owned buildings at the end of the term of the TDC's lease at 1555 Palm Beach Lakes Boulevard where the TDC and its agencies have been located since 1992 (with the exception of Culture which vacated the space in December 2011). This effort was the culmination of 1 ½ years of efforts to implement the TDC and Board's joint direction to reduce the TDC's facilities expenditures and redirect the savings into marketing efforts where the return on every dollar investing in marketing results in \$177 of direct economic impact, translating to \$26,550,000 in annual expenditures and 2352 new tourism and hospitality jobs. In addition to saving money for the TDC and its agencies, the relocation into County owned space would reduce the expenses to the County associated with the assets in which it has already invested.

The effort to develop a long term facility strategy for the TDC has been an effort on-going for approximately 15 years as it is a long standing County policy to utilize government owned space in all long term facility strategy. At the March 2012 meeting, the Board directed Staff to renew the TDC's lease at 1555 Palm Beach Lakes Boulevard and the Board concluded that the Airport Center was the preferred location for meeting the TDC and related agencies' long term space needs.

This Ordinance amends the Tourist Development Plan to provide for the allocation of bed tax revenues from the first percent of bed tax revenues for the marketing stimulus campaign and for renovation of the Airport Center Building and the relocation of the TDC and its agencies.

**ORDINANCE NO. 2014-**

**AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING SECTIONS 17-116 OF THE CODE OF LAWS AND ORDINANCES AS CODIFIED IN THE TOURIST DEVELOPMENT ORDINANCE OF PALM BEACH COUNTY, ORDINANCE 95-30, AS AMENDED; PROVIDING FOR AN AMENDMENT TO THE TOURIST DEVELOPMENT PLAN TO AUTHORIZE THE EXPENDITURE OF ADDITIONAL REVENUES FOR THE PROMOTION AND MARKETING OF PALM BEACH COUNTY TOURISM AND FOR THE RENOVATION OF THE AIRPORT CENTER BUILDING AND THE RELOCATION OF THE TOURIST DEVELOPMENT COUNCIL AND ITS AGENCIES; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR ENFORCEMENT; PROVIDING FOR APPLICABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the "Local Option Tourist Development Act" set forth in Section 125.0104, Florida Statutes, (hereinafter "statute"), authorizes the Board of County Commissioners (hereinafter "Board") to levy and impose a tourist development tax on the exercise within the County boundaries of the privilege of renting, leasing, or letting for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park or condominium for a term of six (6) months or less; and

**WHEREAS**, pursuant to the authority established in that statute, the Board enacted Ordinance 95-30 which has been amended from time to time and codified in Sections 17-113 through 17-116 of the Code of Laws and Ordinances relating to the Palm Beach County Government (hereinafter "Ordinance"), which levied a five (5) percent tourist development tax (also known as the "bed tax") for certain permissible uses as set forth in the statute; and

**WHEREAS**, the Ordinance established a Tourist Development Plan (hereinafter "Plan") which sets forth the specific uses and allocation of the revenues of the "bed tax"; and

**WHEREAS**, the TDC has determined that there is a need to infuse additional monies into the County's tourism promotional program ("promotional program") to support a multi-prong marketing campaign to promote increased usage of the County's tourist

accommodations, restaurants, attractions, sporting venues, retail outlets, cultural venues and eco-tourism assets;

**WHEREAS**, in addition, the Board determined that the renovation of the Airport Center Building and relocation of the Tourist Development Council offices and its agencies was the best long term option based on among other factors, its unique identity, its prominent tourism location near the Palm Beach International Airport and as well as the opportunity for a co-located Visitor's Center; and

**WHEREAS**, the Board hereby finds that the expenditure of revenues from the bed tax for the promotional program and the renovation of the Airport Center Building and relocation of the TDC agencies will advance, further and promote Palm Beach County tourism; and

**WHEREAS**, the Board wishes to amend the Plan to provide for the funding of such projects from the operating reserve fund of the first (1<sup>st</sup>) percent of bed tax revenues.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

**Section 1.** *Section 17-116. Tourist development plan* is hereby amended to read as follows:

*Sec. 17-116. Tourist development plan.*

The tax revenues received pursuant to this article shall be used to fund the Palm Beach County Tourist Development Plan which is hereby adopted as follows:

#### *PALM BEACH COUNTY TOURIST DEVELOPMENT PLAN*

(a) *Purpose.* Pursuant to the provisions of the Local Option Tourist Development Act, this tourist development plan (hereinafter the "plan") establishes the uses of the tax revenue by specific project or special use as authorized in Florida Statutes, § 125.0104(5). The plan also includes the expense allocation by the percentage for each specific project or special use.

(b) *Use and allocation of tax revenues.* The following categories of use of each individual percent of the bed tax are set forth below in subsection (1) with the percentage of the total amount of yearly revenue to be expended for, or credited to, each category,

subject to the provisions of subsection 3 of this section 17-116, as set forth in subsection (2):

(1) *Categories of use:*

a. Category A: Promote and advertise county tourism in the state and nationally and internationally, including the provision of a convention and visitors bureau.

b. Category B: Provide for cultural and fine and non-fine arts entertainment, festivals, programs, and activities which directly promote county tourism.

c. Category C: Provide for beach improvement, maintenance, renourishment, restoration, and erosion control with an emphasis on dune restoration where possible.

d. Category D: Provide for film and television marketing and development activities which directly promote county tourism.

e. Category E: Provide for special major projects and events which directly further, advance, improve, promote and generate county tourism: To be selected and funded pursuant to subsection 3 of this section.

f. Category F: Provide for the operation and maintenance of a convention center. To be funded pursuant to subsection 3 of this section.

g. Category G: Attract, stimulate, market, and execute sports events and activities in order to promote the county nationally and internationally as a sports destination, including the financing of the construction of Blum Stadium, a sports stadium all which directly promote county tourism.

h. Category H: Construct, extend, enlarge, remodel, repair, and/or improve a convention center.

i. Category I: Provide payment on:

1. debt service relating to bonds issued to finance the construction of professional sports franchise facilities and a convention center;

2. the planning and design costs incurred prior to the issuance of such bonds; and
3. the operation and maintenance cost of a convention center for ten (10) years.

(2) Percent of yearly revenue:

Category	1 <sup>st</sup> percentag e Tax	2 <sup>nd</sup> percentage tax	3 <sup>rd</sup> percentage tax	4 <sup>th</sup> percentage tax	5 <sup>th</sup> percentage tax	Total 2 <sup>nd</sup> , 3 <sup>rd</sup> and 5 <sup>th</sup>
A		16.05	16.05		20.37	52.47
B		6.89	6.89		8.73	22.51
C		7.05	7.05			14.10
D		1.20	1.20		1.52	3.92
E	See subsection (c)(1) of this section 17-116					
F	See subsection (c)(1) of this section 17-116					
G		2.14	2.14		2.72	7.00
H	100					
I				100		

(c) *Special Allocations:*

(1) *Allocations for convention center operations and maintenance and special major projects and events.*

Notwithstanding the percentages allocating the initial three (3) percent of the bed tax revenues to the various categories of uses as set forth above in subsection (b), each year a total of two hundred fifty thousand dollars (\$250,000.00) of the second and third percent of bed tax revenues shall be allocated for the operation and maintenance costs of a convention center (Category F) and a total of one hundred fifty thousand dollars (\$150,000.00) of the second, third and fifth percent of the bed tax revenues shall be transferred into an account (Category E) which shall be reserved for special major projects and events which may arise from time to time offering the county the opportunity to further, advance, improve, promote, and generate county tourism. The TDC shall authorize expenditures for such projects upon review and assurance that the project or event is a use authorized under *Florida Statutes*, § 125.0104(5), and is consistent with the plan. The Category E reserve account shall not exceed one million dollars (\$1,000,000.00). In the

event the account balance does exceed one million dollars (\$1,000,000.00), the excess revenues shall revert to Categories A, B, C, D, and G in the percentages allocated in subsection (b).

(2) *Special allocations from the operating reserve fund of the (1<sup>st</sup>) percent tax:* Notwithstanding the allocation of the first (1<sup>st</sup>) percent of bed tax revenues to the use provided for in Category H:

(a) Two million dollars (\$2,000,000.) of the operating reserve fund of the first (1<sup>st</sup>) percent of the bed tax shall be immediately allocated for the promotion and marketing of Palm Beach County tourism; and

(b) Six million dollars (\$6,000,000.) of the operating reserve fund of the first (1<sup>st</sup>) percent of the bed tax shall be transferred into a reserve account to pay the costs for renovation of the Airport Center Building and the relocation of the Tourist Development Council and its agencies which funds may be expended upon approval in the amounts set forth in a budget approved by the Board.

(c) Upon fulfillment of the funding obligations set forth above in subsections 2 (a) and (b), revenues from the first (1<sup>st</sup>) percent of the bed tax shall be allocated for Category H uses.

(d) *Sports franchise facilities and convention center.* A tourist development plan for professional sports franchise facilities and/or a convention center must be approved by resolution of the board for the purpose of advancing, promoting, and furthering county tourism. The facilities and/or convention center identified in the plan(s) may be amended by resolution of the board. The levy of the fourth cent shall automatically expire upon the retirement of all bonds issued to pay the debt service for the financing of a professional sports franchise facilities and/or a convention center.

(e) *Retirement of debt for construction of Blum Stadium.* The provision of Category G of subsection (b) of this section authorizing the use of revenues to finance the construction of a sports stadium shall sunset upon the retirement of all debt incurred to finance the construction of Blum Stadium.

(f) *Administrative expenses.* There shall be an annual amount established for administrative expenses which shall not exceed nine (9) percent of the total budget.

Administrative expenses shall include administrative staff salaries, benefits, administrative travel, indirect costs, and all costs of furnishing and operating administrative offices whether paid directly or by reimbursement, except that funds for contractual services from the administrative budget may be expended upon the express approval of the council.

(g) *Annual review of plan.* The council and the board shall annually review the plan. On or before September 1 of each year the council shall forward to the board its recommendation for revisions, if any, to the plan. The board shall review the plan and determine the most effective use of the revenues derived from the tax.

(h) *Amendment of plan.* Except as provided in *Florida Statutes*, § 125.0104, *Florida Statutes*, to the contrary, the above tourist development plan may not be substantially amended except by ordinance enacted by an affirmative vote of a majority plus one (1) additional member of the board of county commissioners.

#### **Section 2. Repeal of Laws in Conflict.**

All local laws and ordinances in conflict with any provisions of this Ordinance are hereby repealed to the extent of such conflict.

#### **Section 3. Savings Clause:**

Notwithstanding anything to the contrary, all provisions of Palm Beach County Code Section 17.111 through 17.116, codifying Palm Beach County Ordinance No. 95-30, as amended, are specifically preserved and remain in full force and effect for the limited purpose of enforcing any alleged violations of said Code which occurred prior to its repeal or amendment.

#### **Section 4. Severability:**

If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held by a Court of competent jurisdiction to be unconstitutional, inoperative, or void, such holding shall not affect the remainder of this Ordinance.

#### **Section 5. Inclusion in the Code of Laws and Ordinances:**

The provisions of this Ordinance shall become and be made a part of the Palm Beach County Code. The sections of this Ordinance may be renumbered or relettered to accomplish such, and the word "ordinance" may be changed to "section", "article", or other appropriate word.

**Section 6. Enforcement:**

This Ordinance is enforceable by all means provided by law. Additionally, the County may choose to enforce this Ordinance by seeking injunctive relief in the Circuit Court of Palm Beach County.

**Section 7. Penalty:**

Any violation of any portion of this Ordinance shall be punishable as provided by law.

**Section 8. Captions:**

The captions, section headings, and section designations used in this Ordinance are for convenience only and shall have no effect on the interpretation of the provisions of this Ordinance.

(Remainder of page intentionally left blank)

**Section 9. Effective Date:**

The provisions of this Ordinance shall become effective upon filing with the Department of State.

**APPROVED and ADOPTED** by the Board of County Commissioners of Palm Beach County, Florida, on this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

SHARON R. BOCK,  
CLERK & COMPTROLLER  
PALM BEACH COUNTY

PALM BEACH COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Priscilla A. Taylor, Mayor

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

By: \_\_\_\_\_  
County Attorney

EFFECTIVE DATE: Filed with the Department of State on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.