

PALM BEACH COUNTY

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 11 / _18_ /14 ☐ **Consent** [X] **Regular**

 [] **Ordinance** [] **Public Hearing**

Department

Submitted By: TOURIST DEVELOPMENT COUNCIL

Submitted For: TOURIST DEVELOPMENT COUNCIL

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve on preliminary reading and advertise for public hearing on December 16, 2014, at 9:30am: AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING SECTIONS 17-113 AND 17-116 OF THE CODE OF LAWS AND ORDINANCES; CODIFYING THE TOURIST DEVELOPMENT ORDINANCE OF PALM BEACH COUNTY, ORDINANCE 95-30, AS AMENDED; PROVIDING FOR AMENDMENT TO THE LEVY OF A SIXTH CENT OF TOURIST DEVELOPMENT TAXES; PROVIDING FOR AN AMENDMENT TO THE TOURIST DEVELOPMENT PLAN TO INCLUDE MARKETING, PROMOTION AND BEACH RENOURISHMENT; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR ENFORCEMENT; PROVIDING FOR PENALTIES; PROVIDING FOR CAPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

Summary: This Ordinance provides for the levy of a sixth (6th) cent Tourist Development Tax and the amendment of the Tourist Development Plan which will provide for the expenditure of one (1) cent of “bed” tax revenues to be used for one or more of the authorized uses pursuant Florida Statutes, 125.0104(5): AUTHORIZED USES OF REVENUE in Palm Beach County. (TDC) Countywide (DW)

Background and Policy Issues: Palm Beach County currently levies five cents in Tourist Development Taxes (“bed taxes”). The allocation of those revenues is set out in the Tourist Development Plan (“the Plan”). Chapter 125.0104, F.S., in addition a high tourism impact county may impose an additional one cent (“sixth cent”) and provide for the allocation of those new revenues by amending the “Plan” with an ordinance amendment approved by the extraordinary vote of the governing board. Currently the County uses the 2nd, 3rd and 5th cents for tourism promotion and beaches. The County will levy the “sixth cent” and reallocate “bed tax” revenues to provide for expenditures in accordance with their legally authorized use. Specifically, the “Plan” would be amended as follows:

(Continue on page 3)

Attachments: 1. Proposed Ordinance; 2. Dept of Revenue Letter; 3. League of Cities Letter; 4. Allocation Support; 5) 6th Cent Bed Tax Collection Projection; 6) 6th Cent Business Plan Recommendation

Recommended by:

Department Director

Date _____

Approved By:

Deputy County Administrator

Date

II. FISCAL IMPACT ANALYSIS


A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	(4,433,926)	(7,250,537)	(7,504,305)	(7,766,956)	(8,038,799)
Program Income (County)	-----	-----	-----	-----	-----
In-Kind Match (County)	-----	-----	-----	-----	-----
NET FISCAL IMPACT	=====	=====	=====	=====	=====
# ADDITIONAL FTE POSITIONS (Cumulative)	- 0-	0---	0---	0---	0-----

Is Item Included In Current Budget? Yes _____ No. X


Budget Account No.: Fund _____ Dept _____ U nit _____ Object _____
Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:
The additional one cent will be used for tourism promotion, beaches and any of the authorized uses pursuant to Florida Statutes, 125.0104(5): AUTHORIZED USES OF REVENUE in Palm Beach County


C. Department Fiscal Review: 

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:



OFMB



Contract Dev. ad Control

B. Approved as to form and Legal Sufficiency:



Assistant County Attorney

11/13/14

C. Approved as to Terms and Conditions:

Department Director

This summary is not to be used as a basis for payment.

Palm Beach County Agenda Item
Ordinance Change
Page 3

The 2nd, 3rd, 5th and 6th cent allocation to Category A Tourism & Promotion Discover (48.32%), Category B Cultural Council (20.72%), Category C Beach Renourishment (18.49%), Category D Film and Television (4.31%); Category G Sports Tourism (8.16%) and Category F Convention Center Operations transferred to Category E Special Projects & Events with no limits. Remaining Categories H and I remain unchanged.

This ordinance amendment provides for the levy of the “sixth cent” and the above described amendment to the Tourist Development Plan.

The levy and reallocation were reviewed by the Tourist Development Council on June 12th, 2014 which voted to recommend approval.

Palm Beach County bed tax collections for FY13 meet the requirements per F.S. 125.0104 of a high tourism impact county. An approved certification letter dated 3/10/2014 from the Department of Revenue was received by Palm Beach County providing authorization to levy the additional 6th Cent. Over the past several months the TDC Executive Director has made presentations to the TDC Board and its sister agencies, numerous business organizations and community leaders in support of the levy. Most recently the director presented to the League of Cities Board of Directors, October 22, 2014, at which time the Board voted Not to Oppose the new tax. (Attached)

ORDINANCE NO. 2014-

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING SECTIONS 17-113 AND 17-116 OF THE CODE OF LAWS AND ORDINANCES; CODIFYING THE TOURIST DEVELOPMENT ORDINANCE OF PALM BEACH COUNTY, ORDINANCE 95-30, AS AMENDED; PROVIDING FOR AMENDMENT TO THE LEVY OF A SIXTH CENT OF TOURIST DEVELOPMENT TAXES; PROVIDING FOR AN AMENDMENT TO THE TOURIST DEVELOPMENT PLAN TO INCLUDE MARKETING, PROMOTION AND BEACH RENOURISHMENT; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR ENFORCEMENT; PROVIDING FOR PENALTIES; PROVIDING FOR CAPTIONS; 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, roominghouse, 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 statute at subsection (3)(m) authorizes the Board to levy an additional one percent (1%) tourist development tax; and

WHEREAS, the Board now wishes to exercise the authority granted in the statute to levy an additional one (1) percent “bed tax” for a total of six percent (6%) tourist development tax within the boundaries of Palm Beach County ; and

WHEREAS, the Board also wishes to amend the Plan to provide for additional funding for major special projects and events pursuant to Section 125.0104 (5)(a); and

WHEREAS, the Board hereby finds and determines that the levy of the additional one percent (1%) in “bed taxes” and the revisions to the Plan will advance, further and promote Palm Beach County tourism.

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

Section 1. : Section 17-113. Levy of Tourist Development Tax is amended to read as follows:

Section 17-113. Levy of tourist development tax.

(a) The levy and imposition of the tourist development tax (hereinafter the “tax”) throughout Palm Beach County, Florida, is hereby reestablished and reenacted herein at a rate of one (1) percent which commenced on the first day of the month following approval of the referendum held September 7, 1982; which increased to two (2) percent on January 1, 1984; to three (3) percent on February 1, 1989; to four (4) percent on January 1, 1994; and to five (5) percent on December 1, 2006; and to six (6) percent on February 1, 2015, of each whole and major fraction of each dollar of the total rental charged every person who rents, leases, or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, roominghouse, mobile home park, recreational vehicle park, or condominium for a term of six (6) months or less, unless such person rents, leases, or lets for consideration any living quarters or accommodations which are exempt according to the provisions of Chapter 212, Florida Statutes. When receipt of consideration is by way of property other than money, the tax shall be levied and imposed on the fair market value of such nonmonetary consideration.

(b) The tax shall be in addition to any other tax imposed pursuant to Florida Statutes, Chapter 212, and in addition to all other taxes and fees and the consideration for the rental or lease.

(c) The tax shall be charged by the person receiving the consideration for the lease or rental, and it shall be collected from the lessee, tenant, or customer at the time of payment of the consideration for such lease or rental.

Section 2. Section 17-116. Tourist Development Plan shall be amended to read as follows:

Section 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, Section 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) commencing February 1, 2015:

(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 (c) of this Section 17-116.

f. Category F: Provide for the operation and maintenance of a convention center. To be funded pursuant to Subsection (c) of this Section 17-116.

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 of 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.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

(2) Percent of yearly revenue:

(2)

Category	^e percentage tax	^d percentage tax	^d percentage tax	^a percentage tax	^a percentage tax	total 2 nd , 3 rd and 5 th
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) of	this	Section	17-116.
F	See	subsection	(c) of	this	Section	17-116.
G		2.14	2.14		2.72	7.00
H	100					
I				100		

Category	1 st percentage tax	2 nd percentage tax	3 rd percentage tax	4 th percentage tax	5 th percentage tax	Total 2 nd 3 rd and 5 th	6 th percentage tax	Total 2 nd 3 rd 5 th and 6 th
A		16.05	16.05		20.37	52.47	35.88	48.32
B		6.89	6.89		8.73	22.51	15.38	20.72
C		7.05	7.05			14.1	31.66	18.49
D		1.2	1.2		1.52	3.92	5.47	4.31
E	See	subsection	(c) of	this	Section	17-116.		
F	See	subsection	(c) of	this	Section	17-116.		
G		2.14	2.14		2.72	7	11.62	8.16
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 commencing October 1st 2014 a total of two hundred fifty thousand dollars (\$250,000) of the second, third and fifth percent of bed tax revenues shall not be allocated for the operation and maintenance costs of a convention center (Category F), but shall be transferred to an account (Category E) which shall be reserved for special major projects and events, and a total of one hundred fifty thousand dollars (\$150,000) of the second, third and fifth percent of bed tax revenues and one hundred twenty-five thousand dollars (\$125,000) of the sixth percent of 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, Section 125.0104(5), and is consistent with the plan. ~~The Category E reserve account shall not exceed one million dollars (\$1,000,000.). In the event the account balance does exceed one million dollars (\$1,000,000.), the excess revenues shall revert to Categories A, B, C, D, and G in the percentages allocated in subsection (b).~~ The Category E reserve account shall not be limited to any amount.

~~(2) *Special allocations from the operating reserve fund of the first percent tax:*~~

~~Notwithstanding the allocation of the first percent of bed tax revenues to the use provided for in Category H:~~

~~(a) Two million dollars (\$2,000,000.00) of the operating reserve fund of the first percent of the bed tax shall be immediately allocated for the promotion and marketing of Palm Beach County tourism; and~~

~~(a)(b)~~ Six million dollars (\$6,000,000.00) of the operating reserve fund of the first (1st) 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.

(a) The effective date of the levy and imposition of the tax authorized under this paragraph shall be the first day of the second month following approval of the Ordinance by the Board or the first day of any subsequent month as may be specified in the Ordinance.

~~(b) Upon fulfillment of the funding obligations set forth above in subsections (2) a. and b., revenues from the first 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 facility and/or 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.~~

(c) (f) *Administration 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 F.S. §125.0104, 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 3. 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 4. 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 5. 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 6. 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 7. 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 8. PENALTY:

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

Section 9. 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.

Section 10. 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: _____
Mayor

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
County Attorney

EFFECTIVE DATE: Filed with the Department of State on the ____ day of _____, 2014.



Executive
Director
Marshall Stranburg

March 10, 2014

The Honorable Priscilla Taylor
Mayor
Palm Beach County Commission
301 North Olive Avenue
West Palm Beach, Florida 33401

Dear Mayor Taylor:

I am in receipt of a request for certification of Palm Beach County as a having sufficient taxable sales to qualify as a High Impact Tourist County pursuant to the requirements of section 125.0104 (3)(m) Florida Statutes. This provision reads:

- (m)1. In addition to any other tax which is imposed pursuant to this section, a high tourism impact county may impose an additional 1-percent tax on the exercise of the privilege described in paragraph (a) by extraordinary vote of the governing board of the county. The tax revenues received pursuant to this paragraph shall be used for one or more of the authorized uses pursuant to subsection (5).
2. A county is considered to be a high tourism impact county after the Department of Revenue has certified to such county that the sales subject to the tax levied pursuant to this section exceeded \$600 million during the previous calendar year, or were at least 18 percent of the county's total taxable sales under chapter 212 where the sales subject to the tax levied pursuant to this section were a minimum of \$200 million, except that no county authorized to levy a convention development tax pursuant to s. 212.0305 shall be considered a high tourism impact county. Once a county qualifies as a high tourism impact county, it shall retain this designation for the period the tax is levied pursuant to this paragraph.
3. The provisions of paragraphs (4)(a)-(d) shall not apply to the adoption of the additional tax authorized in this paragraph. The effective date of the levy and imposition of the tax authorized under this paragraph shall be the first day of the second month following approval of the ordinance by the governing board or the first day of any subsequent month as may be specified in the ordinance. A certified copy of such ordinance shall be furnished by the county to the Department of Revenue within 10 days after approval of such ordinance.

The taxable rental receipts reported to the Department of Revenue by The Honorable Anne Gannon, Tax Collector of Palm Beach County, are as follows:



Executive
Director
Marshall Stranburg

	Taxable Rental Receipts as reported by Palm Beach County
December 2013	\$66,367,194.65
November 2013	\$50,333,471.58
October 2013	\$32,780,029.91
September 2013	\$27,424,816.57
August 2013	\$32,244,039.45
July 2013	\$34,786,809.07
June 2013	\$36,635,066.82
May 2013	\$42,681,294.64
April 2013	\$57,742,048.95
March 2013	\$93,022,501.28
February 2013	\$80,135,643.36
January 2013	\$69,275,888.11
Total - Calendar Year 2013	\$623,428,804.39

Based on these reported taxable rental receipts, Palm Beach County meets the requirement of section 125.0104(3)(m)2., Florida Statutes, that the sales subject to the tax levied under 125.0104, Florida Statutes, during calendar year 2013 exceeded \$600 million. By this letter, the Department of Revenue certifies that the sales subject to tax levied pursuant to section 125.0104 exceeded \$600 million in the previous calendar year.

Please note that section 125.0104(3)(m)2., F.S., further provides that no county authorized to levy a convention development tax pursuant to s. 212.0305, F.S., shall be considered a High Tourism Impact County. In certifying the required level of taxable activity, the Department of Revenue makes no determination of whether Palm Beach County is authorized to levy a convention development tax pursuant to s. 212.0305, F.S.

Please let me know if you have any questions or need additional assistance on this matter.

Sincerely,

Bob McKee
Chief Economist
Office of Tax Research
Florida Department of Revenue

cc: The Honorable Anne Gannon, Tax Collector
Robert Weisman, County Administrator
Verdenia Baker, Deputy County Administrator
Glenn Jergensen, Executive Director, Tourist Development Council

Child Support Enforcement – Ann Coffin, Director • General Tax Administration – Maria Johnson, Director
Property Tax Oversight – James McAdams, Director • Information Services – Damu Kuttikrishnan, Director



Palm Beach County
LEAGUE of CITIES, Inc.

October 31, 2014

Mr. Glenn Jergensen
Executive Director
PBC Tourist Development Council
1555 Palm Beach Lakes Blvd., Suite 900
West Palm Beach, FL 33401

Re: 6th Cent Business Plan Recommendation

Glenn
Dear Mr. Jergensen,

Thank you for attending the League's October 22, 2014 meeting to inform the board of the Council's upcoming proposition to the Board of County Commissioners to increase the bed tax rate. After much discussion, the League of Cities Board of Directors voted 'no objection' to the Tourist Development Council's 6th Cent Business Plan Recommendation.

Respectfully,

Richard Radcliffe
Richard Radcliffe
Executive Director

www.leagueofcities.org | rradcliffe@pbcgov.org
Richard Radcliffe, Executive Director
(561) 355-4484 | (Fax) 355-6545
P.O. Box 1989, Gov. Center, West Palm Beach, FL 33402
Office: 301 North Olive Ave., Suite 1002.17 West Palm Beach, FL 33401



TDC Bed Tax Revenue Forecast

Revised Allocation from Workshop

Tourism Promotion
Collections

5 Cents

Projection 2015
Oct 14 to Sept 15

5% Growth over Prior YR

+ 1 Cent

Projection 2015
Oct 14 to Sept 15

Proposed 6th Cent

6 Cents

Projection 2015
Oct 14 to Sept 15

Total 6 Cents Bed Tax

Discover	\$ 10,583,163	30.9%	\$ 2,415,157	35.21%	\$ 12,998,320	31.6%
Cultural Council	\$ 4,540,251	13.2%	\$ 1,035,067	15.09%	\$ 5,575,319	13.5%
Film Film & Television Commission	\$ 790,661	2.3%	\$ 368,024	5.37%	\$ 1,158,685	2.8%
Sports Commission	\$ 1,411,895	4.1%	\$ 782,051	11.40%	\$ 2,193,946	5.3%
ERM Beach Renourishment Program	\$ 2,843,960	8.3%	\$ 2,131,500	31.08%	\$ 4,975,460	12.1%
Opportunity Reserve (Special Projects)	\$ 406,091	1.2%	\$ 126,875	1.85%	\$ 532,966	1.3%
Convention Operations	\$ -	0.0%	\$ -	0.00%	\$ -	0.0%
1st Cent Funds Used: Debt Service for Construction/ Expansion/Improvements; Convention Ctr Operations	\$ 6,858,674	20.0%	\$ -	0.00%	\$ 6,858,674	16.7%
4th Cent Funds Used: Debt Service for Construction/ Expansion/Improvements; Convention Ctr Operations	\$ 6,858,674	20.0%	\$ -	0.00%	\$ 6,858,674	16.7%
Total Bed Tax Revenues all Cents	\$ 34,293,370	100.0%	\$ 6,858,674	100.00%	\$ 41,152,044	100.0%

Revised Allocation from Workshop

3 Cents

+ 1 Cent

4 Cents

Discover	\$ 10,583,163	52.47%	\$ 2,415,157	35.88%	\$ 12,998,320	48.32%
Cultural Council	\$ 4,540,251	22.51%	\$ 1,035,067	15.38%	\$ 5,575,319	20.72%
Film Film & Television Commission	\$ 790,661	3.92%	\$ 368,024	5.47%	\$ 1,158,685	4.31%
Sports Commission	\$ 1,411,895	7.00%	\$ 782,051	11.62%	\$ 2,193,946	8.16%
ERM Beach Renourishment Program	\$ 2,843,960	14.10%	\$ 2,131,500	31.66%	\$ 4,975,460	18.49%
Opportunity Reserve (Special Projects)	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Convention Operations	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Bed Tax Revenues to Allocate	\$ 20,169,931	100.0%	\$ 6,731,799	100.00%	\$ 26,901,730	100.00%

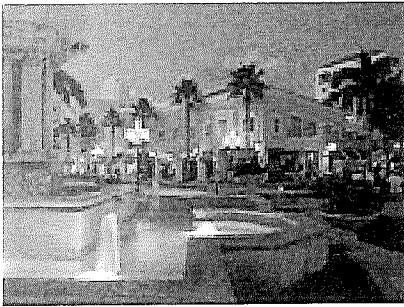
Opportunity Reserve (Special Projects)	\$ 406,091	\$ 126,875	\$ 532,966
Convention Operations	\$ -	\$ -	\$ -
1st Cent Funds Used: Debt Service for Construction/ Expansion/Improvements; Convention Ctr Operations	\$ 6,858,674	\$ -	\$ 6,858,674
4th Cent Funds Used: Debt Service for Construction/ Expansion/Improvements; Convention Ctr Operations	\$ 6,858,674	\$ -	\$ 6,858,674
Total Bed Tax Revenues all Cents	\$ 34,293,370	\$ 6,858,674	\$ 41,152,044

PALM BEACH COUNTY
Tourist Development Council
 Bed Tax Collections
 FY 2003 to Present

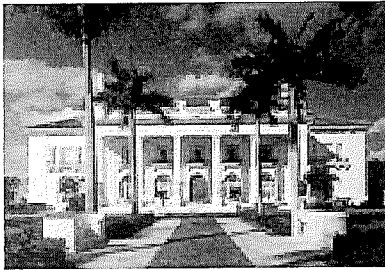
GROSS COLLECTIONS

**MONTH: INDUSTRY
 (COLLECTION)**

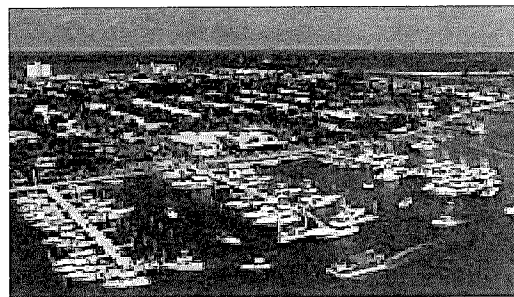
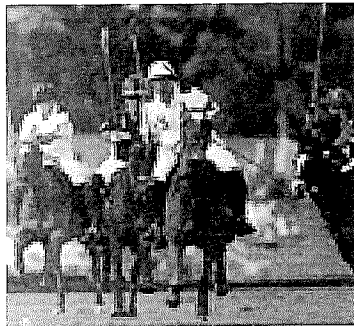
		Actual	Gth @ 3.5%		Total	Feb 1st	Full Base				
	2013	2014	5 Cents	6th Cent	2015	Lost	6th Cent	6th Cent	6th Cent	6th Cent	6th Cent
			2015	2015	2015	Funding	2015	2016	2017	2018	2019
SEP (OCT)	1,405,509	1,370,952	1,418,935		1,418,935	283,787	283,787	293,720	304,000	314,640	325,652
OCT (NOV)	1,785,170	1,635,182	1,692,413		1,692,413	338,483	338,483	350,330	362,591	375,282	388,417
NOV (DEC)	1,794,668	2,516,341	2,604,413		2,604,413	520,883	520,883	539,113	557,982	577,512	597,725
DEC (JAN)	3,187,043	3,323,289	3,439,604		3,439,604	687,921	687,921	711,998	736,918	762,710	789,405
JAN (FEB)	3,453,672	3,576,572	3,701,752		3,701,752	740,350	740,350	766,263	793,082	820,840	849,569
FEB (MAR)	4,006,494	5,107,085	5,285,833	1,057,167	6,343,000		1,057,167	1,094,167	1,132,463	1,172,100	1,213,123
MAR (APR)	4,656,021	4,746,723	4,912,859	982,572	5,895,430		982,572	1,016,962	1,052,555	1,089,395	1,127,524
APR (MAY)	2,851,113	3,408,662	3,527,965	705,593	4,233,558		705,593	730,289	755,849	782,304	809,684
MAY (JUN)	2,125,978	2,480,364	2,567,177	513,435	3,080,613		513,435	531,406	550,005	569,255	589,179
JUN (JUL)	1,830,471	1,910,875	1,977,756	395,551	2,373,307		395,551	409,395	423,724	438,555	453,904
JUL (AUG)	1,818,223	1,795,741	1,858,592	371,718	2,230,310		371,718	384,729	398,194	412,131	426,555
AUG (SEP)	1,609,331	1,970,481	2,039,448	407,890	2,447,337		407,890	422,166	436,942	452,234	468,063
TOTAL FISCAL	\$30,523,693	\$33,842,267	\$35,026,747	\$4,433,926	\$39,460,673	\$2,571,423	\$7,005,349	\$7,250,537	\$7,504,305	\$7,766,956	\$8,038,799
				Full Cent			Full Cent	Full Cent	Full Cent	Full Cent	Full Cent
Growth Over Prior Year	11.1%	10.9%	3.5%	\$ 7,005,349	16.6%		3.5% Growth	3.5%	3.5%	3.5%	3.5%
		\$6,768,453	Full Cent								



6th Cent Business Plan Recommendation




Palm Beach County Florida
THE BEST OF EVERYTHING.®



Bed Tax -Revenue Growth

Updated for 2014 Actual



2013 Collections \$30.5M
11.0% ahead of 2012 Fiscal Year



2014 Collections Actual \$33.8M
10.9%+ above previous year

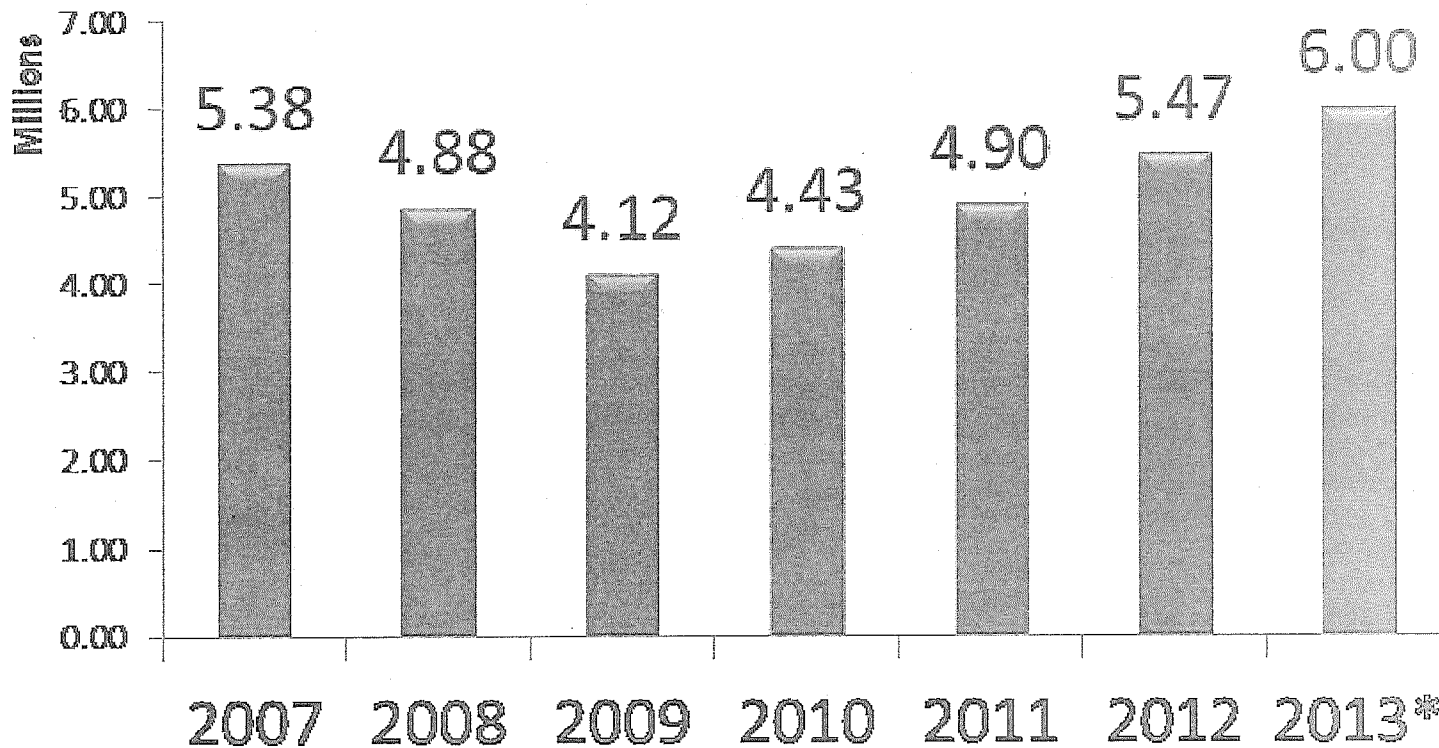
2015 Budgeted Collections @ 5 Cents \$35.0M
3.5%+ above previous year



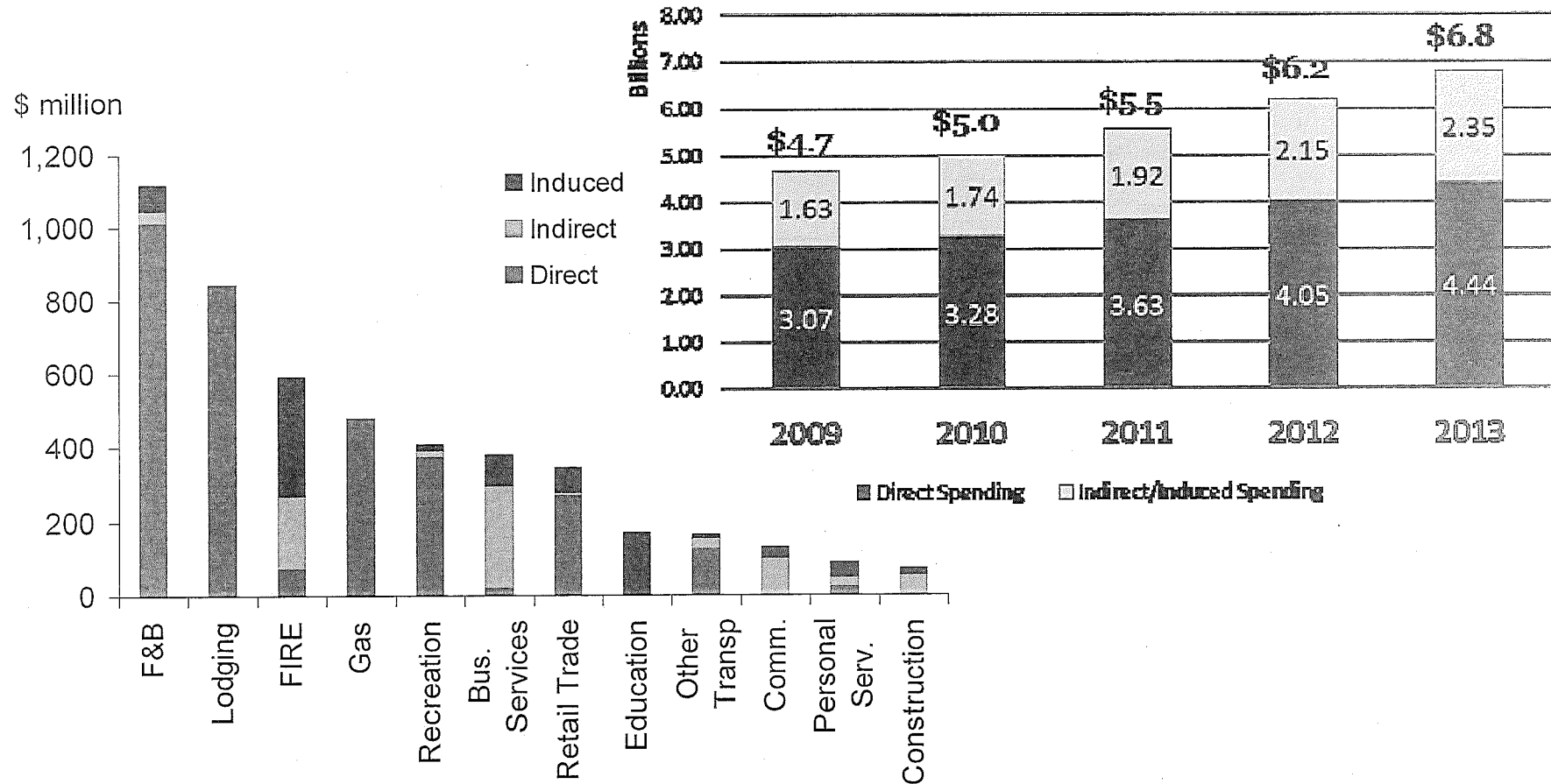
Add One Cent for 7 Months

2015 Collections @ 6 Cents \$39.5M
17.0%+ above previous year

PBC VISITATION



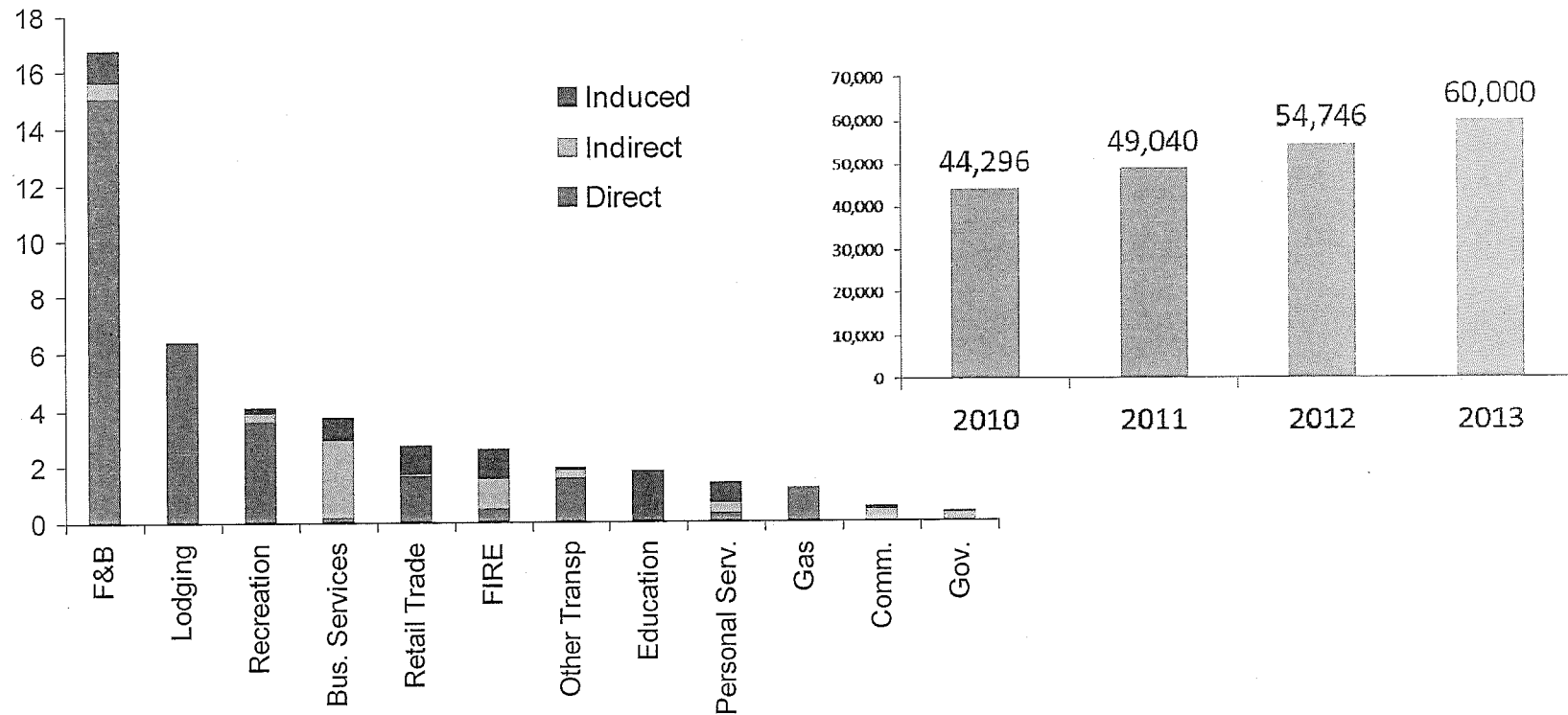
2013 ECONOMIC IMPACT



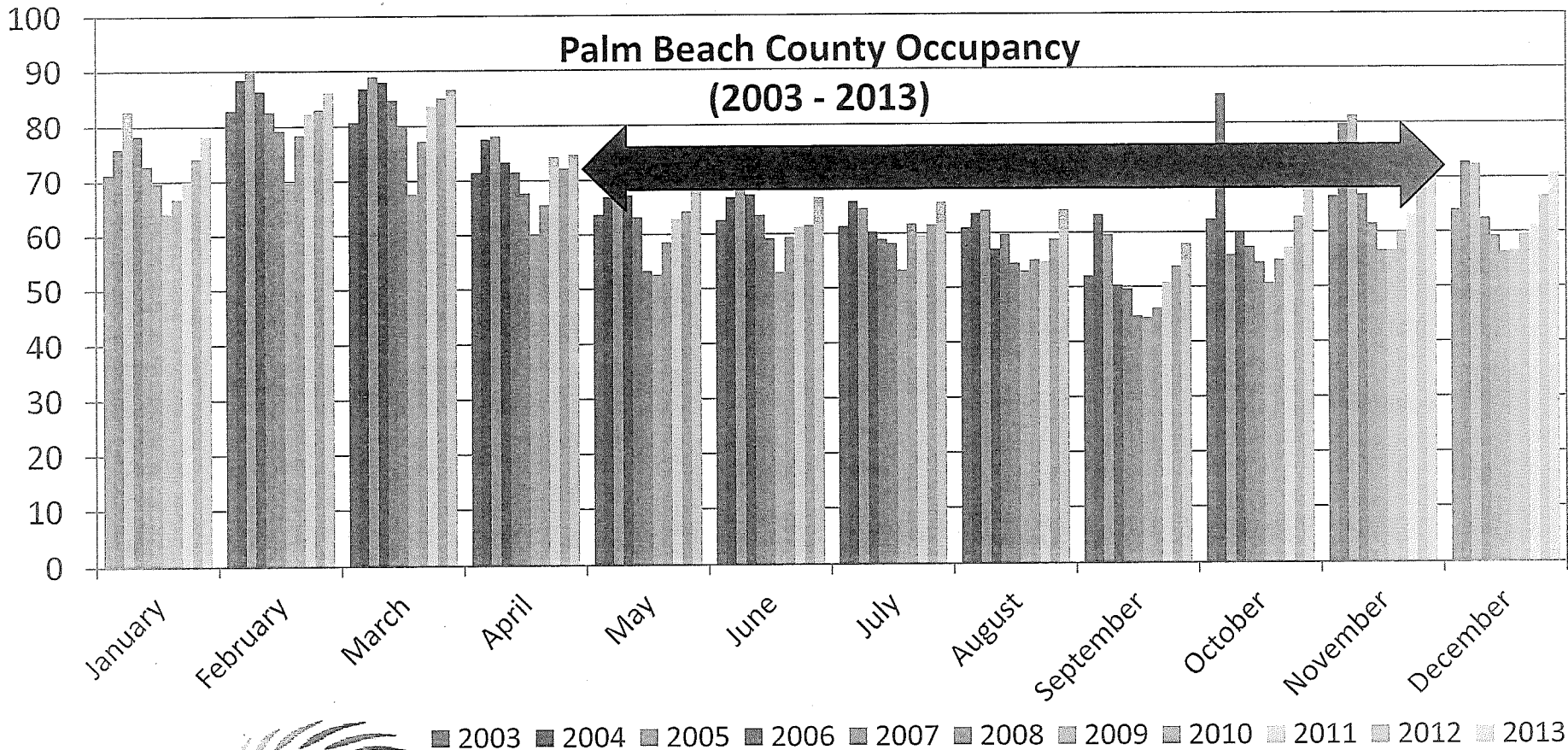
PBC JOBS

Tourism Employment by Industry

Thousands



PBC Monthly Occupancy (2003-2013)



Benefits of Investing in Occupancy Growth for Palm Beach County

- Every 1% increase in Annual Occupancy fills ~ 56,000 Rooms
- Every 1% increase in Annual Occupancy creates 600 New Jobs*
- Every 1% increase in Occupancy generates an estimated \$8 M in Gross Hotel Revenue and returns \$400K in Tourist Development Tax (Bed Taxes) for Palm Beach County
- Every 1% increase in Annual Occupancy returns an estimated \$30M in Direct Visitor Spending to the County Economy
- Every 1% increase in Occupancy returns an estimated \$48M in Annual Economic Impact to Palm Beach County

Source: 2012 Economic Impact Study Direct Spend/RN \$380.00, Economic Impact/RN \$700.00

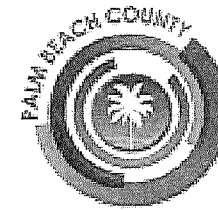
*Visit Florida Jobs Metric: Every 100 Visitors creates /supports one Hospitality/Tourism Job

Tourism Leadership Partners



DISCOVER
THE PALM BEACHES

The Official Tourism Marketing Corporation
for Palm Beach County



**FILM AND
TELEVISION**
COMMISSION



**Department of
Environmental
Resources Management**
*Beach Renourishment
Programs*

 **Palm Beach County Convention Center**

THE BEST OF EVERYTHING FOR EVERY EVENT™

 **Palm Beach County Florida**
THE BEST OF EVERYTHING™
Tourist Development Council



Proposed Sixth Cent – Staff Recommendation

TDC Bed Tax Revenue Forecast

Revised Allocation from Workshop

5 Cents

+ 1 Cent

6 Cents

Tourism Promotion

Projection 2015

Projection 2015

Projection 2015

Collections

Oct 14 to Sept 15

Oct 14 to Sept 15

Oct 14 to Sept 15

5% Growth over Prior YR

Proposed 6th Cent

Total 6 Cents Bed Tax

Discover	\$ 10,583,163	30.9%	\$ 2,415,157	35.2%	\$ 12,998,320	31.6%
Cultural Council	\$ 4,540,251	13.2%	\$ 1,035,067	15.1%	\$ 5,575,319	13.5%
Film Film & Television Commission	\$ 790,661	2.3%	\$ 368,024	5.4%	\$ 1,158,685	2.8%
Sports Commission	\$ 1,411,895	4.1%	\$ 782,051	11.4%	\$ 2,193,946	5.3%
ERM Beach Renourishment Program	\$ 2,843,960	8.3%	\$ 2,131,500	31.1%	\$ 4,975,460	12.1%
Opportunity Reserve (Special Projects)	\$ 406,091	1.2%	\$ 126,875	1.8%	\$ 532,966	1.3%
Convention Operations	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
1st Cent Funds Used: Debt Service for Construction/ Expansion/Improvements; Convention Ctr Operations	\$ 6,858,674	20.0%	\$ -	0.0%	\$ 6,858,674	16.7%
4th Cent Funds Used: Debt Service for Construction/ Expansion/Improvements; Convention Ctr Operations	\$ 6,858,674	20.0%	\$ -	0.0%	\$ 6,858,674	16.7%
Total Bed Tax Revenues all Cents	\$ 34,293,370	100.0%	\$ 6,858,674	100.0%	\$ 41,152,044	100.0%

Hotel Bill Past Season

Impact Five Cents vs. Six Cents

Peak Season	Average Nights Stay	Nights	Bed Tax	Bed Tax	Additional 1 Cent
		4	5%	6%	

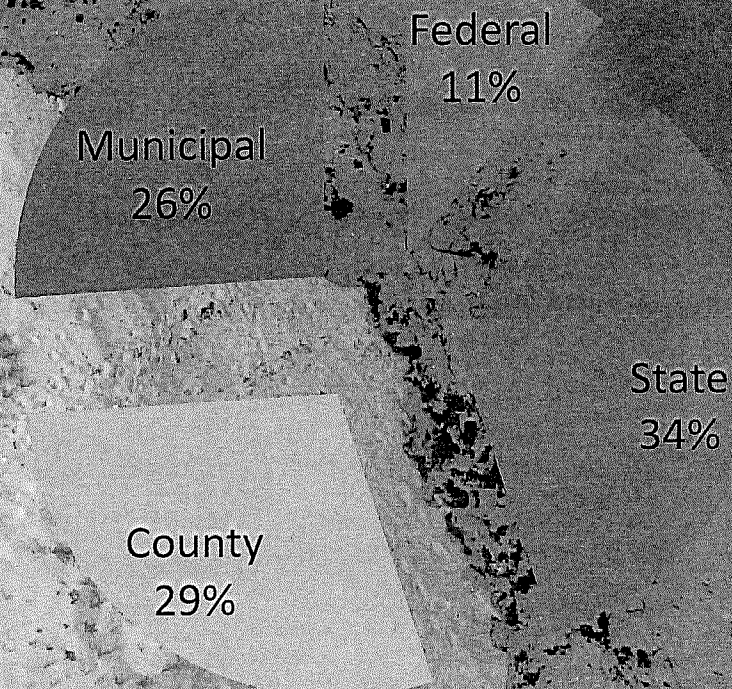
<u>Projected Hotel Bed Taxes</u> <u>Average Stay</u>	January 2014 ADR	Average Hotel Bill	Average Bed Tax on Hotel Bill	Average Bed Tax on Hotel Bill	Additional Four Night Tax Paid
PBC Airport/Downtown WPB	\$ 139.03	\$ 556.12	\$ 27.81	\$ 33.37	\$ 5.56
PBC Beach Properties	\$ 350.12	\$ 1,400.48	\$ 70.02	\$ 84.03	\$ 14.00
PBC I95 Corridor	\$ 123.38	\$ 493.52	\$ 24.68	\$ 29.61	\$ 4.94
PBC Turnpike	\$ 163.64	\$ 654.56	\$ 32.73	\$ 39.27	\$ 6.55
PBC US1 & Federal Hwy	\$ 98.32	\$ 393.28	\$ 19.66	\$ 23.60	\$ 3.93

Summer Season	Average Nights Stay	Nights	Bed Tax	Bed Tax	Additional 1 Cent
		4	5%	6%	

<u>Projected Hotel Bed Taxes</u> <u>Average Stay</u>	September 2013 ADR	Average Hotel Bill	Average Bed Tax on Hotel Bill	Average Bed Tax on Hotel Bill	Additional Four Night Tax Paid
PBC Airport/Downtown WPB	\$ 80.47	\$ 321.88	\$ 16.09	\$ 19.31	\$ 3.22
PBC Beach Properties	\$ 177.52	\$ 710.08	\$ 35.50	\$ 42.60	\$ 7.10
PBC I95 Corridor	\$ 77.57	\$ 310.28	\$ 15.51	\$ 18.62	\$ 3.10
PBC Turnpike	\$ 93.06	\$ 372.24	\$ 18.61	\$ 22.33	\$ 3.72
PBC US1 & Federal Hwy	\$ 62.55	\$ 250.20	\$ 12.51	\$ 15.01	\$ 2.50

**So what does it cost to maintain our local
beaches if all of our partners contribute?**

\$14m/yr



DISCOVER STRATEGY

Description

Deploy traditional and digital marketing in new Markets:

- Philadelphia, Boston, DC/Baltimore, Atlanta

In State Florida Drive Investment

Dominate Advertising in the Airports of MIA & FLL

Convention Center/Hotel Advertising & Incentives

Investment

\$2,400,000

Return on Investment

\$19M in Hotel Room Revenue – 8:1

\$112M in Total Economic Impact – 47:1

\$1.2M in Bed Taxes

Continued focus on Leisure Traveler
with Convention/Hotel Ramp

CULTURAL STRATEGY

Description

Deploy traditional and digital marketing in new media initiatives:

- Media- Strategize with Discover on Key Culture Markets
 - Chicago, Philadelphia, Atlanta, Florida Drive

Innovation Fund Co-op with Partners new initiatives:

Cultural Concierge with Partners:

Investment

\$1,000,000

Return on Investment

\$5.7 M in Hotel Room Revenue – 5:1

\$50M in Total Economic Impact – 45:1

\$345,000 in Bed Taxes

Cultural Visitors Tend to Stay Longer
and Spend more on Hotels & Dining

SPORTS STRATEGY

Description

- Create new event funding platforms
 - Major Grant Program
 - Regional/National Grant Program
 - Small Cap Grant Program
- Event Servicing/Hosting Fund
- Funding program for media/promotional driven projects

Investment

\$782,000

Return on Investment

\$6.5 M in Hotel Room Revenue – 8:1

\$35M in Total Economic Impact – 45:1

\$315,000 in Bed Taxes

Sports Visitors Tend to be Families and
Sector tends to be Recession Resistant

FILM & TV STRATEGY

Description

Development & Sponsorship Program

- Designed to secure new Tourism Branded Television Content for Tourism Product Placement
- Position us as a County Match Partner with the State

Investment

\$368,000

Return on Investment

\$2.5 M in Hotel Room Revenue – 7:1

\$11 M in Total Economic Impact – 31:1

\$150,000 in Bed Taxes

Program Content is the new Currency

- 
- **Special Projects Opportunity Fund**
Incentive Program Investment \$200K
 - **Success Measured by ROI**
 - **Available during Construction period**



Estimated Return on 6th Penny Investment

A \$6.8 million investment in the proposed programs should generate:

- 5 additional points of occupancy
- 310,000 additional visitors
- 290,000 additional room nights sold
- 3,000 new jobs created

Incremental Growth	ROI on \$6.8 M
\$39M in Room Revenue	\$5.00 to \$1
\$2.3M in Bed Taxes	\$0.30 to \$1
\$148M in Direct Visitor Spending	\$19 to \$1
\$8.3M in Sales Taxes	\$1.20 to \$1
\$238M in Total Economic Impact	\$30 to \$1

Board Questions & Recommendation