

5E-1

Agenda Item #:

PALM BEACH COUNTY

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 4/04/2017 | ] Consent [V] Regular  
[ ] Workshop [ ] Public Hearing

Department

Submitted By: TOURIST DEVELOPMENT COUNCIL

Submitted For: TOURIST DEVELOPMENT COUNCIL

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution supporting the continued existence and funding of Visit Florida, Enterprise Florida, Inc. (EFI) and the Office of Film and Entertainment (OFE) along with continuing the Florida Entertainment Sales Tax Exemption Program.

Summary: By adopting this Resolution, the Board of County Commissioners supports the existence and continued funding of Visit Florida, Enterprise Florida, Inc., and the Office of Film and Entertainment along with continuing the Florida Entertainment Sales Tax Exemption Program. A reduction or elimination of any of these economic drivers would substantially decrease visitation and have serious impacts on our local economy. Research supports that 25 percent of sales taxes collected across the State and in the Counties, is attributed to visitors experiencing our hotels, restaurants and attractions all of which drive our tourism economy. (Countywide) (DW)

Background and Justification: The Tourist Development Council Advisory Board at their February 9th meeting unanimously requested sending a letter of support to the Board of County Commissioners requesting a resolution supporting Visit Florida and all economic drivers affected. Any reduction in visitation translates into reduced Tourist Development Tax (TDT or bed tax) collections which would have serious impacts on the programs funded by our local bed taxes. These collections estimated to be \$50 million in Fiscal Year 2018 would impact: Restoration and renourishment of PBC beaches, debt servicing, maintenance and refurbishment of county assets built with tourism taxes (i.e. PBC Convention Center, convention center garage and the new Ballpark of the Palm Beaches), marketing and promotional activities to maintain/increase our 7.35 million visitors to PBC, maintain a groups and meeting sales force to assist with attracting corporate and association business to Palm Beach County hotels and the PBC Convention Center, provide marketing grants to cultural institutions within the county to drive increased visitation, provide sports tourism grants to attract sporting events and organizations to bring their games to PBC, create annual economic benefit to the County of \$7 Billion plus dollars and providing 66,000 plus tourism supported jobs in PBC.

Attachments:

- 1. Letter to the BCC from the TDC
- 2. Resolution

Recommended by: [Signature] Department Director

3/19/17 Date

Approved By: [Signature] County Administrator

3/22/17 Date

**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
	0	0	0	0	0
# ADDITIONAL FTE POSITIONS (Cumulative	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes \_\_\_\_\_ No. \_\_\_\_\_

Budget Account No.: Fund \_\_\_\_\_ Agency \_\_\_\_\_ Org. \_\_\_\_\_ Object \_\_\_\_\_  
Reporting Category \_\_\_\_\_

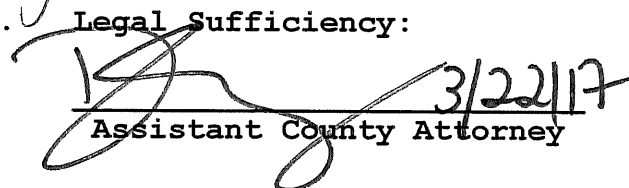
**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

**C. Department Fiscal Review: \_\_\_\_\_**

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

 _____ OFMB 2/3/15 RSD 3/15	 _____ Contract Dev. and Control 3/21/17 TW
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**B. Legal Sufficiency:**  
  
 \_\_\_\_\_  
 Assistant County Attorney  
 3/22/17

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

This summary is not to be used as a basis for payment.  
 O:\AgendaItems2017\ResolutionVisitFlorida



March 2, 2017

Commissioner Paulette Burdick, Mayor  
Commissioner Melissa McKinlay, Vice Mayor  
Commissioner Hal R. Valeche  
Commissioner Dave Kerner  
Commissioner Steven L. Abrams  
Commissioner Mary Lou Berger  
Commissioner Mack Bernard

Dear Honorable Palm Beach County Board of County Commissioners,

As your Advisory Board for tourism, the Tourist Development Council has continued to monitor the funding discussions impacting tourism currently occurring in Legislative sub-committees prior to the opening of the 2017 Session. Two House committees have met to date and passed bills related to funding of key economic drivers of the Florida economy.

- The House Careers and Competition Subcommittee passed a bill on February 8<sup>th</sup> to eliminate public funding for Visit Florida. In addition, the bill proposes the elimination of two key features of Florida's film, television and digital media industry, with the elimination of the Florida Office of Film & Entertainment (OFE) and the Florida Entertainment Sales Tax Exemption Program that provides a tax break for the purchase or rental of production equipment. The elimination of Enterprise Florida was also included in this bill.
- On February 21<sup>st</sup>, the House Appropriations Committee passed a bill to redefine the role and limit the Visit Florida budget to \$25 million dollars for the coming year, a 67 percent cut to tourism marketing year over year. Enterprise Florida elimination, along with the Florida Film Office and Entertainment Sales Tax exemption elimination passed.

Visit Florida announced earlier in the month that Florida has set another record in tourism by welcoming the highest number of visitors in the state's history with 112.8 million in 2016. This is the sixth consecutive record year for visitation to Florida, exceeding the previous high of 106.6 million in 2015 by 5.9 percent. Tourism jobs also hit a record high in 2016 of 1.4 million jobs, exceeding the previous record.

In Palm Beach County, our visitation performance is exceeding expectations with 7.35 million visitors, a 5.8% increase from 2015. Marketing and promotion by Visit Florida works and allows our PBC marketing agencies to leverage the costs of cooperative marketing opportunities and attending marketing trade shows to promote our County to the nation and key markets around the world.

Any reduction in visitation translates into reduced Tourist Development Tax (TDT or bed tax) collections which would have serious impacts on the programs funded by our local bed taxes. These collections estimated to be \$50 million in Fiscal Year 2018 would impact:

- Restoration and Renourishment of Palm Beach County beaches
- Debt servicing, maintenance and refurbishment of County assets built with Tourism Taxes: PBC Convention Center, Convention Center Garage, and the new Ballpark of the Palm Beaches



Palm Beach County Tourist Development Council  
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DISCOVER  
**THE PALM BEACHES**  
FLORIDA  
Tourist Development Council

- Marketing and promotional activities to maintain/ increase our 7.35 million visitors to PBC
- Maintain a Groups and Meeting Sales force to assist with attracting corporate and association business to Palm Beach County hotels and the PBC Convention center
- Provide marketing grants to cultural institutions within the County to drive increased visitation
- Provide sports tourism grants to attract sporting events and organizations to bring their games to Palm Beach County
- Creating annual economic benefit to the county of \$7 Billion plus dollars
- Providing 66,000 plus tourism supported jobs in Palm Beach County

A possible decrease in Sales Taxes could be experienced with decreased visitation as research supports that 25 percent of sales taxes collected across the State and in the Counties, are attributed to visitors experiencing our hotels, restaurants and attractions all driving our tourism economy. We fully support the need for increased transparency at Visit Florida, as we already expect this from our own contracted agencies in Palm Beach County. This is public tax money and the expectation of a return on the investment of this tourist development tax is no less than what we would all expect as taxpayers and business owners.

Unless there is an objection, I will be submitting attached resolution for your approval at the April 4th County Commission meeting in support of funding Visit Florida, funding Enterprise Florida, and the Florida Office of Film and Entertainment along with continuing the Florida Entertainment Sales Tax Exemption Program.

Submitted by:



Glenn Jergensen, TDC Executive Director

On behalf of:

2017 Tourist Development Council Members  
Commissioner Paulette Burdick, Mayor, TDC Chair  
Mr. David Burke, Vice Chair  
Mr. Roger Amidon  
Mr. John Tolbert  
Mr. James Bronstien  
Mr. Donald Dufresne  
Ms. Sylvia Moffett, Commissioner West Palm Beach  
Ms. Christina L. Romelus, Commissioner City of Boynton Beach  
Ms. Davicka Nicole Thompson

CC: County Administrator Verdenia C. Baker  
Sr. Asst. County Attorney Dawn Wynn



Palm Beach County Tourist Development Council  
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**RESOLUTION NO. R-2017-**

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF THE PALM BEACH COUNTY, FLORIDA, SUPPORTING THE CONTINUED EXISTENCE OF VISIT FLORIDA, ENTERPRISE FLORIDA AND THE OFFICE OF FILM AND ENTERTAINMENT.**

**WHEREAS**, Florida has set another record in tourism by welcoming the highest number of visitors in the state's history with 112.8 million in 2016. This is the sixth consecutive record year for visitation to Florida, exceeding the previous high of 106.6 million in 2015 by 5.9 percent; and

**WHEREAS**, Florida has set another record in tourism jobs achieving a record high in 2016 of 1.4 million jobs, exceeding the previous record in 2015; and

**WHEREAS**, visitation, as research supports, accounts for 25 percent of sales taxes collected across the State and in the Counties, and is attributed to visitors experiencing our hotels, restaurants and attractions all of which drive our tourism economy; and

**WHEREAS**, the Tourist Development Council has been established pursuant to statute to review and make recommendations to the Board of County Commissioners concerning the tourism promotion and the authorized use of Bed Tax; and

**WHEREAS**, the County's marketing agencies benefit from the cooperative advertising and promotion created by the State of Florida Destination Marketing Organization known as VISIT FLORIDA by leveraging the synergies afforded by multiple Florida destinations working together to promote the State and local Counties; and

**WHEREAS**, the Florida Office of Film and Entertainment has been a key service provider for over 40 years for the entertainment production industry, which the Palm Beach County Film & Television Commission collaborates with regularly for production leads and resources; and

**WHEREAS**, the Florida Entertainment Sales Tax Exemption and the elimination of this program would raise taxes for production companies doing work in Florida, and therefore should be maintained; and

**WHEREAS**, Enterprise Florida, Inc. (EFI) provides Florida businesses with the resources to expand and diversify the state's economy through job creation. In pursuit of its mission, EFI works closely with a statewide network of economic development partners and is funded both by the State of Florida and by private-sector businesses.

**WHEREAS**, in Palm Beach County, our visitation performance has exceeded expectations with 7.35 million visitors, a 5.8% increase from 2015; and

**WHEREAS**, the Palm Beach County tourism industry creates an annual economic benefit of \$7 billion dollars and provides 66,000 plus tourism supported jobs.

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

The Board of County Commissioners supports the existence and funding of VISIT FLORIDA, Enterprise Florida and the Florida Office of Film and Entertainment and the continued Florida Entertainment Sales Tax Exemption program for continued economic diversity.

The foregoing Resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

- Commissioner Paulette Burdick, Mayor
- Commissioner Melissa McKinlay, Vice Mayor
- Commissioner Hal R. Valeche
- Commissioner Dave Kerner
- Commissioner Steven L. Abrams
- Commissioner Mary Lou Berger
- Commissioner Mack Bernard

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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

SHARON R. BOCK, CLERK & COMPTROLLER

By: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By:  \_\_\_\_\_