

Tourist Development Tax Public Hearing

July 22, 2009

Today's Public Hearing

- Levy of ½ of the remaining 5th cent based on Board direction of April 14, 2009
- Revision of current Beach Renourishment allocation from 70 to 50 percent based on Board direction of June 12, 2009
- Standardization of Definitions of Beach Maintenance, Beach Restoration, Beach Renourishment and Beach Erosion Control
- Changes to the Tourist Development Plan with regard to the Sports Stadium
- Changes to the SCVB Administrative Fees

Levy $\frac{1}{2}$ of Remaining 5th Cent

Unallocated 5th Cent

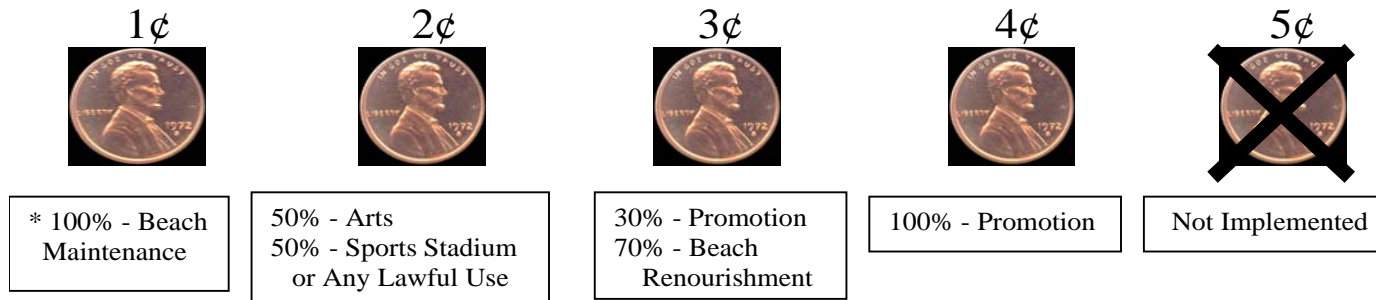
- Current discussion of levy of $\frac{1}{2}$ of the 5th cent (based on April 14, 2009 BCC Motion)
 - $\frac{1}{4}$ of the proceeds for the construction and operation of an aquatic nature center which will provide a venue for world-class rowing competition, boating and other related water activities
 - $\frac{3}{4}$ of the proceeds dedicated to tourism promotion; proceeds to be made available to the SCVB upon approval of a spending plan, with allocation to be reviewed in 2 years
- Levy to begin on May 1, 2010
- Levy will generate an estimated
 - \$304,989 per year for Aquatic Nature Center
 - \$914,967 per year for Promotion

Section 114-61

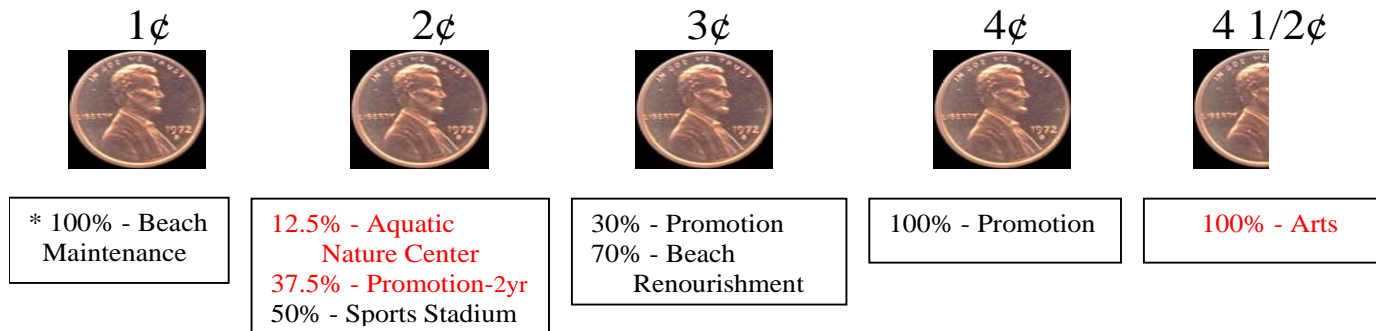
- (d) Additional One-Half Percent Levy (4 1/2 percent total TDT levy)
 - (2) The levy of the Additional One-Half Percent of TDT shall commence on May 1, 2010, with a total TDT levy of Four and One-Half Percent (4 1/2%) of each dollar of the total consideration charged for Tourist Accommodations.

TDT Ordinance Change

4¢ Levy Allocation



4 1/2¢ Levy Allocation



Notes: Initial 2% Levy - effective November 1, 1988
 First additional 1% Levy - effective April 1, 1997
 Second additional 1% Levy - effective May 1, 2007
 1/2 Third additional 1% Levy - effective May 1, 2010

Each penny estimated to generate approximately \$2.4 Million

* per Ordinance approximately 30% distributed to municipalities: City of Sarasota, City of Venice, Town of Longboat Key (municipalities use their allocation for Beach Renourishment)

TDC Motion of July 16, 2009

- Ask the BCC to hold off on any enactment on the additional ½ cent not only until the baseball decision is made but until the details of financing are clear and not until the TDC has had a chance to weigh in again.
- Motion passed 6-2

Examples of Room Rates at Area Hotels

Hotel	Rate/Night (weekend)*	Sales Tax @ 7%	TDT @ 4%	Total Bill (current)	TDT @ 4.5%	Total Bill (new rate)	Change
Hyatt Regency	\$143.65	\$10.06	\$5.75	\$159.45	\$6.46	\$160.17	\$0.72
Ritz-Carlton	\$309.00	\$21.63	\$12.36	\$342.99	\$13.91	\$344.54	\$1.54
Comfort Inn	\$79.95	\$5.60	\$3.20	\$88.74	\$3.60	\$89.14	\$0.40
The Colony	\$195.00	\$13.65	\$7.80	\$216.45	\$8.78	\$217.43	\$0.97
Tropical Breeze Resort	\$179.00	\$12.53	\$7.16	\$198.69	\$8.06	\$199.59	\$0.90
Siesta Condo @ The Beach Club	\$155.00	\$10.85	\$6.20	\$172.05	\$6.98	\$172.83	\$0.78
The Beach on Longboat Key	\$170.00	\$11.90	\$6.80	\$188.70	7.65	\$189.55	\$0.85

* Rates obtained from Hotel's website

Beach Renourishment Allocation

BCC Motion from June 12, 2009

- Decrease the Beach Renourishment allocation from 70 percent to 50 percent
- Reallocate the 20 percent to Beach Maintenance or Capital Improvements (Beach Park Facilities)
- Bring back a report for reconsideration in two years prior to review of the Budget

FY10 Estimated Penny Generation = \$2,439,912

Current 70% Allocation	\$1,707,938
<i>Proposed</i> 50% Allocation	\$1,219,956
20% Additional Funding Available per Motion	\$ 487,982

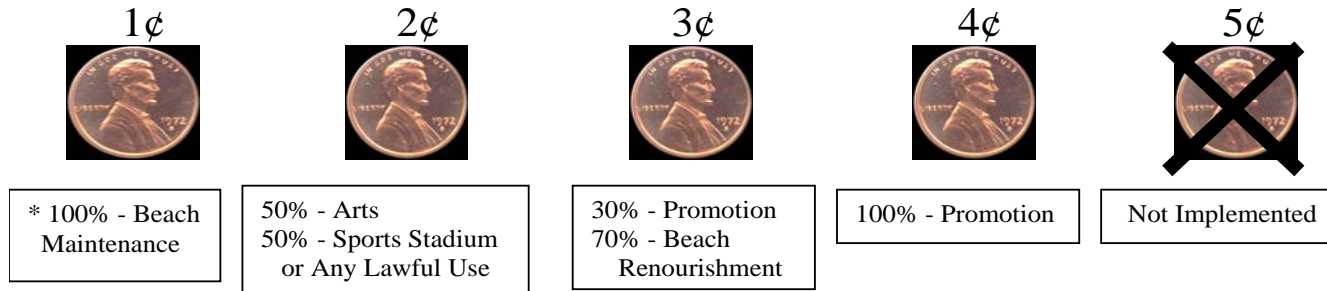
Beach Renourishment Fund

10 Year Forecast (FY09 – FY18)

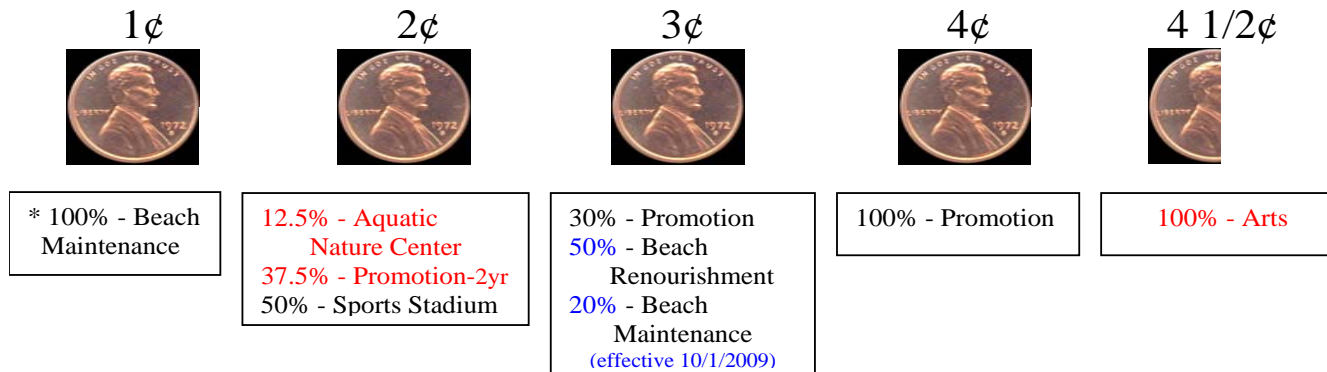
- Expenditures
 - Discussions with engineering and financial staff for the Cities of Sarasota and Venice confirm allocation from 1st Penny is sufficient for their needs over the next 10 years
- TDT Capital Projects
 - Planned projects
 - Siesta Key (Budgeted) – Total \$ 5.50M (Target start FY16)
 - Manasota Key (Tentatively Budgeted) – Total \$ 7.57M (Project not yet approved; Target start FY13)
 - North Manasota Key Project (Preliminary Evaluation only) – Total \$7.7M (Project not yet approved; Target start FY19)

TDT Ordinance Change

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4 1/2¢ Levy Allocation



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Section 114-64

- (f) The expenditure of revenue from the First Additional One Percent Levy imposed pursuant to Section 114-61(b) and F.S. § 125.0104(3)(d) shall be limited to advertising designed to increase tourist-related business activities in Sarasota County and to beach renourishment, beach restoration and beach erosion control in Sarasota County. The revenue from the First Additional One Percent Levy shall be allocated 30 thirty percent (30%) to advertising/promotion, and 70 fifty percent (50%) to Beach Renourishment, Beach Restoration and Beach Erosion Control, and twenty percent (20%) to Beach Maintenance. The Board shall review this allocation within 2 years of the October 1, 2009 effective date. The Board shall appoint an existing organization within the community, or establish a tourism board, made up of qualified members of the community, for purposes of coordinating all tourist development activities on behalf of the County

TDC Motion of July 16, 2009

- Recommend to BCC that the future allocations of 20% beach re-nourishment be used towards promotion vs. other uses.
- Motion passed 5-3

Standardization of Definitions

- Beach Maintenance

- 1) Removal of litter and trash, addition of trash receptacles, installation of beach mats to ensure public ADA access
- (2) Maintenance and purchase of beach maintenance equipment (e.g., tractors, surf rakes, vehicles, all terrain vehicles, loaders, dump trucks, hand tools and implements)
- (3) Maintenance of and improvements to beach structures, including restroom facilities, picnic shelters, pavilions, lifeguard structures, decks, sidewalks, irrigation, dune and revetment walkovers, fencing, and maintenance facilities and construction or purchase of maintenance buildings and sheds (exclusive of concession areas leased to private operators, parking lots and utility costs)

Standardization of Definitions (con't.)

- Beach Maintenance (con't.)

- (4) Clearing of vegetative obstructions to shoreline access, removal of nuisance/invasive vegetation and wildlife, removal of beach shoreline obstructions; beach cleaning and grooming to remove wrack line debris (e.g., red drift algae, dead fish)
- (5) Informational signage and maintenance related to events programming to ensure that a clean and safe beach, public beach park, or public beach access is maintained

Standardization of Definitions (con't.)

- Beach Restoration

Beach Restoration includes the addition of sand to control beach erosion; the removal of shoreline obstructions and shoreline armoring that may interfere with natural coastal processes; restoration of coastal ecosystems through the removal of invasive/nuisance plants and/or wildlife and/or planting of appropriate native vegetation; restoration of native coastal dunes, wetland or coastal hammock habitat.

Standardization of Definitions (con't.)

- Beach Renourishment and Beach Erosion Control

Beach Renourishment is the process of replenishing a beach with sand. It may be brought about naturally by longshore transport along the shoreline, or artificially by the deposition of dredged or mined materials.

Beach Erosion Control is any means to control the wearing away of a shoreline by natural or man-made processes. Examples of beach erosion control include nourishment; creation and/or planting of a dune or other native coastal habitat; coastal armoring such as a bulkhead, rock revetment, soil-cement revetment; installation of a groin, geo-textile tube, sand by-pass system, or other such technology; dune and revetment walkovers; the use of best management practices to control siltation.

Changes to the Tourist Development Plan with regard to the Sports Stadium

Section 114-64(d)(3)

Twenty-five percent (25%) of the annual revenues generated by the Initial Two Percent Levy, \$23.7 million of which shall be used to finance the renovation of the Ed Smith Stadium and/or the construction of a sports stadium and ancillary facilities (\$18.7 million Net Present Value from proposed bond issue, \$2 million in accumulated TDT revenues for any lawful use, \$3 million to repay interfund transfers of non-tax revenues) and the balance for any future capital repairs or improvements to the stadium (the “Stadium Allocation”), ...

(2) the execution of an agreement between the City of Sarasota and the County providing for the transfer of ownership of the Ed Smith Stadium site to the County at nominal cost, and transfer of accumulated Office of Tourism Trade & Economic Development (“OTTED”) funds and OTTED bond proceeds to the County in an amount estimated to be not less than \$7.5 million.

Section 114-64(d)(3) (con't.)

Further, following issuance of the bonds for renovation and/or construction of a sports stadium, TDT revenues shall be set aside annually in an amount sufficient to cover debt service for that year until such time as the bonds have been fully redeemed. Any TDT revenues collected in excess of the debt service for any given year shall be used toward repayment of the interfund transfer of non-tax revenues used for stadium renovation/construction costs and capital repairs and improvements to the stadium.

In the event the conditions precedent set forth in this subsection are not satisfied by September 30, 2009, that portion of the Initial Two Percent Levy set aside for the Stadium Allocation shall be used by the County for any lawful use authorized in Section 125.0104, Florida Statutes, as determined by the Board pursuant to Section 114-64(b) herein.

Changes to the SCVB Administrative Fees

Changes to the SCVB Administrative Fees

- (3) (4) The County will pay for administrative expenses incurred by such organization, up to a maximum of the lesser of ~~\$25,000.00~~ \$50,000.00 or five percent of the portion of ~~tourist development tax~~ TDT which is allocated to tourist promotion activities during any fiscal year.

TDC Action of May 21, 2009

- TDC recommended to the BCC that the cap be increased from \$25,000 to \$50,000 on administrative expenses incurred as part of the tourism promotion activities by the SCVB
- Motion passed 4-1

TDT Revenue Allocation

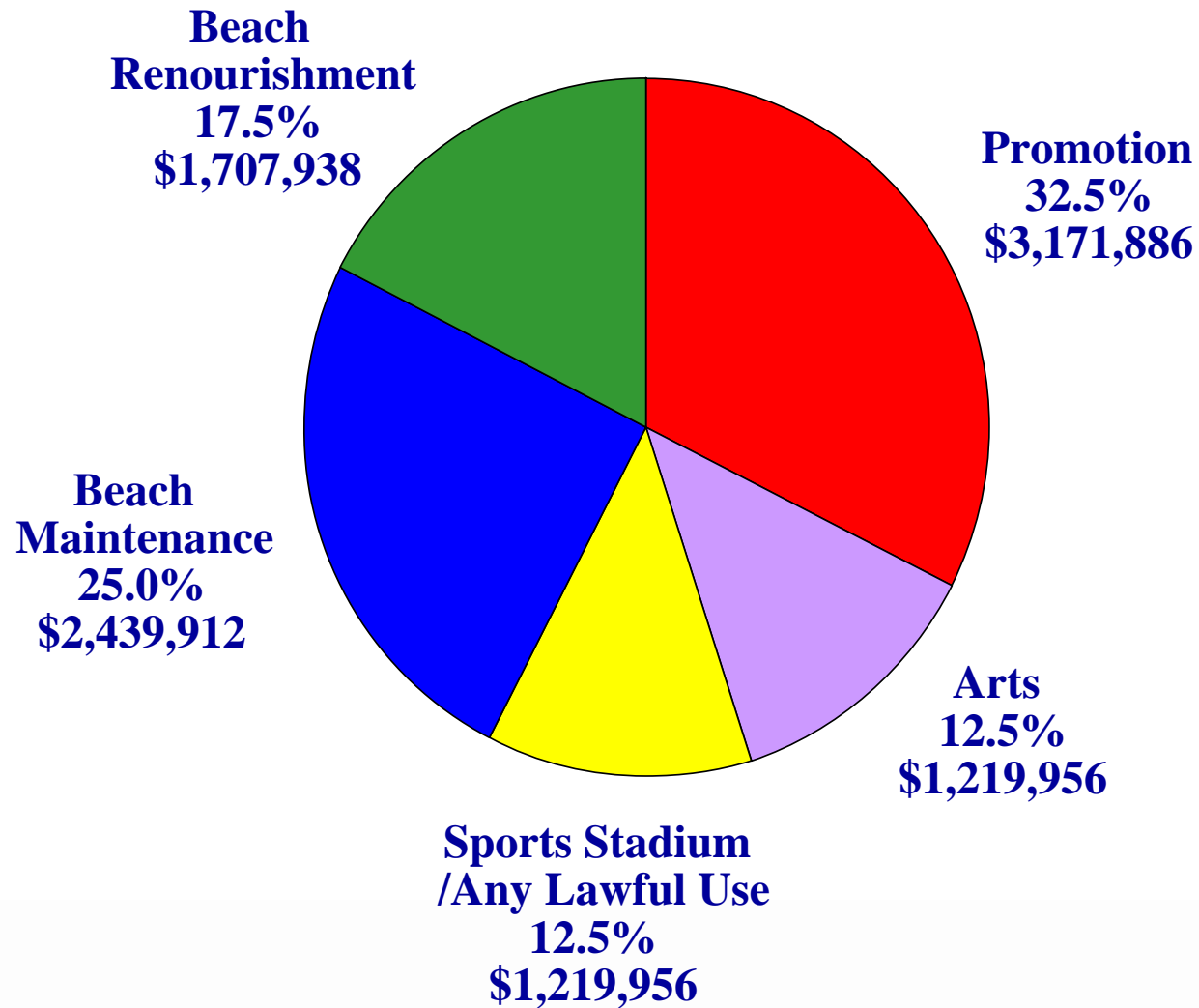
FY10 Estimated Penny Generation = \$2,439,912

(4¢ = \$9,759,648)

Current 4¢ Levy		
Category	Allocation Percentage per Ordinance	FY10 Estimated Dollars
Promotion	32.5%	\$3,171,886
Beach Maintenance & Beach Park Facilities	25.0%	\$2,439,912
Beach Renourishment	17.5%	\$1,707,938
Arts	12.5%	\$1,219,956
Sports Stadium / Any Lawful Use	12.5%	\$1,219,956

TDT 4¢ Levy

FY10 Estimated Revenue \$9,759,648



TDT Revenue Allocation

FY10 Estimated Penny Generation = \$2,439,912

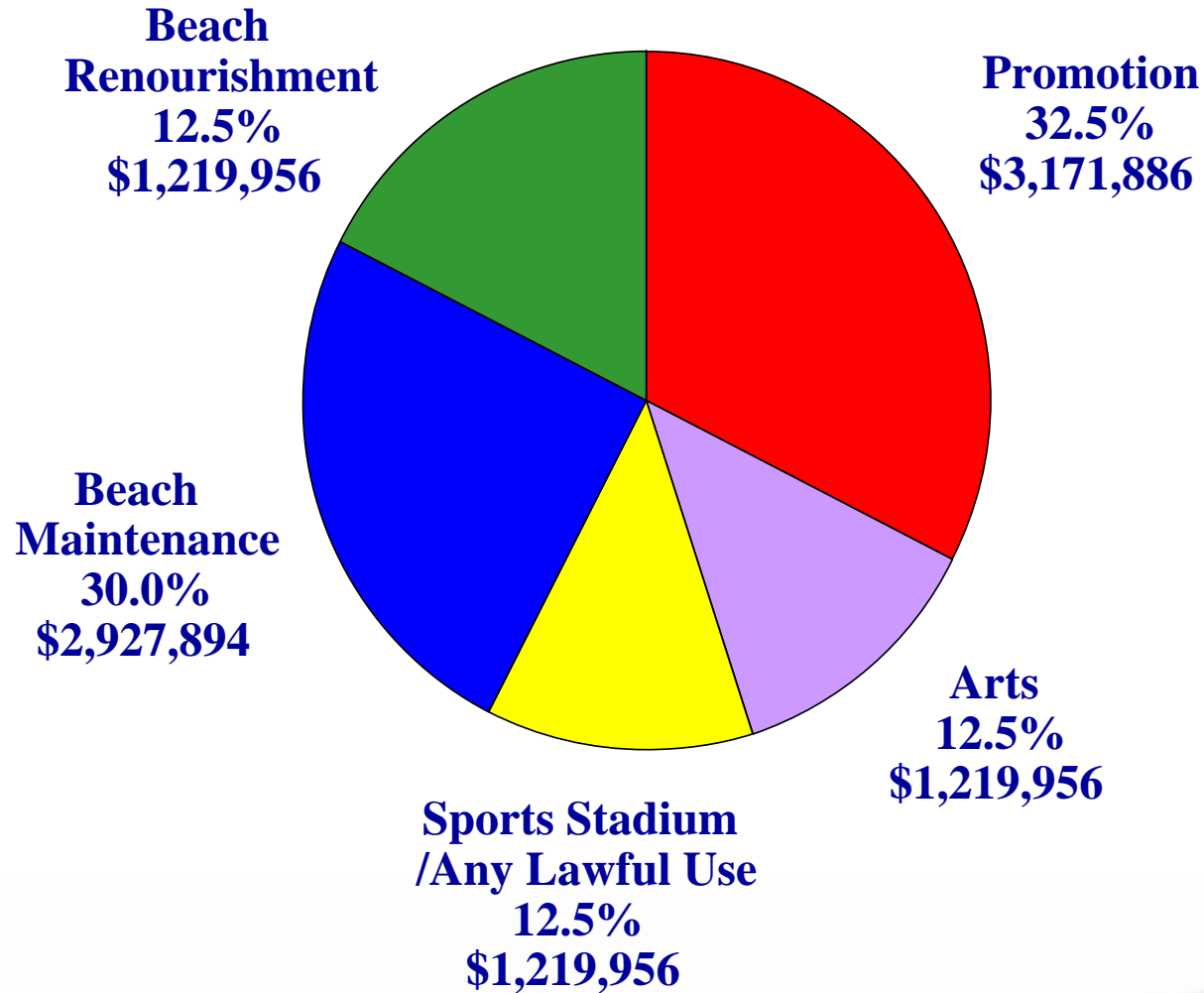
(4¢ = \$9,759,648)

4¢ Levy (with Beach Renourishment reallocation)

Category	Allocation Percentage	FY10 Estimated Dollars
Promotion	32.5%	\$3,171,886
Beach Maintenance & Beach Park Facilities	30.0%	\$2,927,894
Beach Renourishment	12.5%	\$1,219,956
Arts	12.5%	\$1,219,956
Sports Stadium / Any Lawful Use	12.5%	\$1,219,956

TDT 4¢ Levy

(with Beach Renourishment reallocation)
FY10 Estimated Revenue \$9,759,648



TDT Revenue Allocation

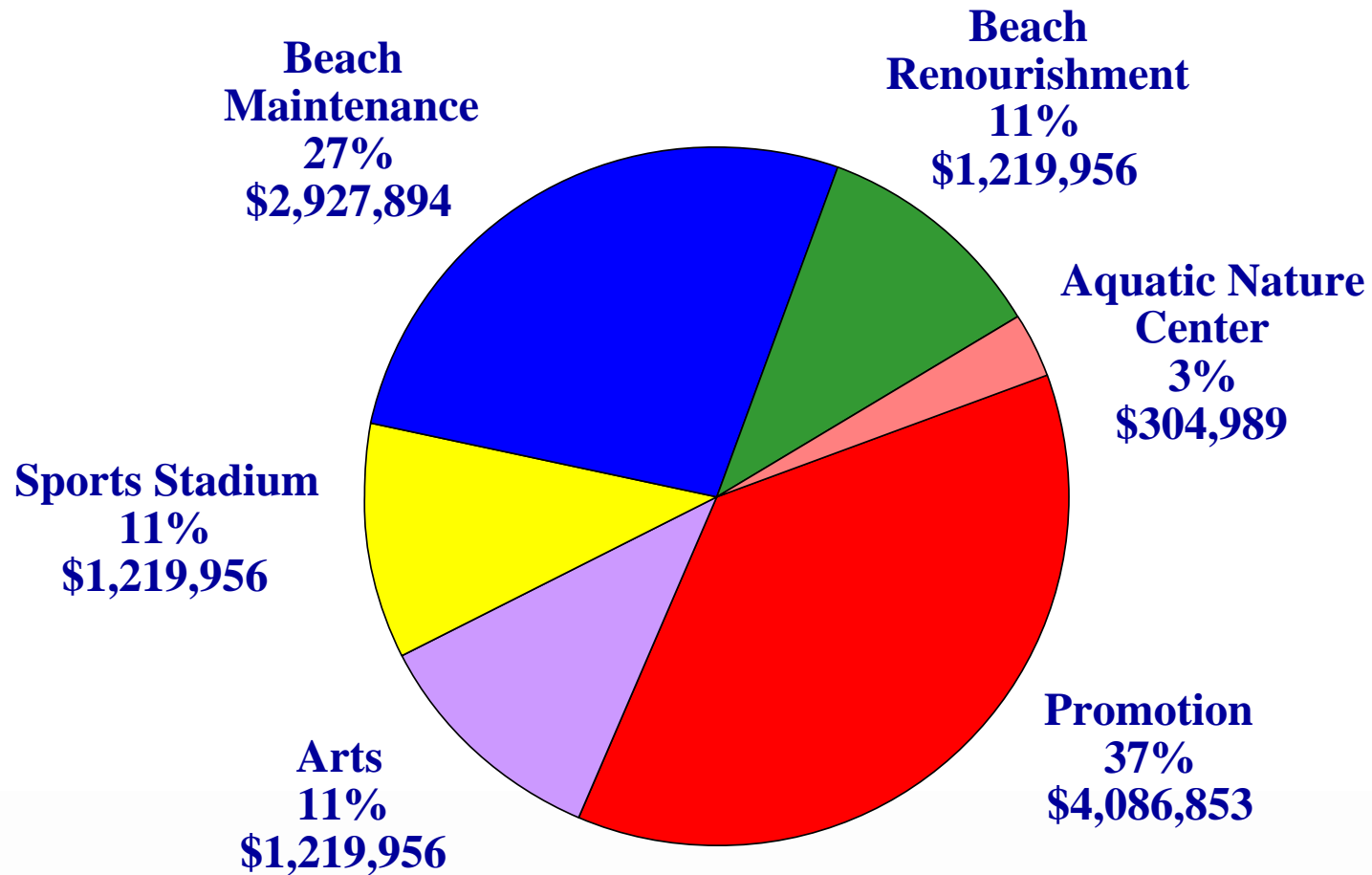
FY10 Estimated Penny Generation = \$2,439,912
 (4 1/2¢ = \$10,979,604)

Potential 4 1/2¢ Levy (with Beach Renourishment reallocation)

Category	Allocation Percentage*	FY10 Estimated Dollars
Promotion	37%	\$4,086,853
Beach Maintenance & Beach Park Facilities	27%	\$2,927,894
Beach Renourishment	11%	\$1,219,956
Arts	11%	\$1,219,956
Sports Stadium	11%	\$1,219,956
Aquatic Nature Center	3%	\$304,989

*Percentages Rounded

TDT Potential 4 1/2 ¢ Levy
(with Beach Renourishment reallocation)
FY10 Estimated Revenue \$10,979,604



TDT Revenue Allocation

FY10 Estimated Penny Generation = \$2,439,912
 (4 1/2¢ = \$10,979,604)

Potential 4 1/2¢ Levy		
Category	Allocation Percentage*	FY10 Estimated Dollars
Promotion	37%	\$4,086,853
Beach Maintenance & Beach Park Facilities	22%	\$2,439,912
Beach Renourishment	16%	\$1,707,938
Arts	11%	\$1,219,956
Sports Stadium	11%	\$1,219,956
Aquatic Nature Center	3%	\$304,989

*Percentages Rounded

TDT Potential 4 1/2 ¢ Levy

FY10 Estimated Revenue \$10,979,604

