



AGENDA REPORT
July 24, 2018

Legislative intent and permission to advertise, RE: Changes to Tourist Development Tax Budget Plan - Commissioner Curt Smith, District 4

SUBJECT:

Legislative intent and permission to advertise, RE: Changes to Tourist Development Tax Budget Plan.

FISCAL IMPACT:

FY 18/19--Up to \$1,000,000 in Beach Improvement and Maintenance Funding

DEPT/OFFICE:

Tourism Development

REQUESTED ACTION:

It is requested that the Board of County Commissioners consider the attached draft ordinance with highlighted changes and approve permission to advertise the proposed changes to the County's Tourist Development Tax Budget Plan, Sec. 102-119, Brev. County Code, for public hearing. The recommended changes will provide up to \$1 million per year of Tourist Development Tax revenue to be used for Indian River Lagoon-related projects (see attached plan outline).

SUMMARY EXPLANATION and BACKGROUND:

Pursuant to the Local Option Tourist Development Act, Fla. Stat. § 125.0104, 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, mobile home park, recreational vehicle, condominium, or timeshare resort for a term of 6 months or less is exercising a privilege which is subject to taxation under the Act, 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. Brevard County has in place a five-percent (5%) tourist development tax rate imposed and levied in accordance with the Act.

In order to administer the revenues received from the levy and imposition of the tourist development tax ("TDT"), the Brevard County Board of County Commissioners established the Brevard County Tourist Development Council ("TDC"). As part of its responsibilities and duties, the TDC has reviewed the County's existing Tourist Development Tax Budget Plan outlined in Sec. 102-119, Brev. County Code, ("Budget Plan") and determined changes are needed to include lagoon and estuary projects to be

funded within the Beach Improvement fund. Specifically, the proposed changes to the Budget Plan add and make these types of projects eligible for TDT revenues as well as create limits and expectations of the level of funding these certain statutorily-approved projects are entitled to in order to best serve the County's tourism industry.

On July 13th, the TDC voted 8-0 in favor to recommend the revised Budget Plan (attached) for consideration by the Board of County Commissioners. Upon granting legislative intent and permission to advertise, the ordinance amending the Budget Plan's language to include lagoon and estuary projects will be scheduled for future public hearing before the Board of County Commissioners.

Contact: Commissioner Curt Smith, District 4, curt.smith@brevardfl.gov
Eric Garvey, Executive Director, TDO
Phone/e-mail: 321-433-4470 eric.garvey@visitspacecoast.com

ATTACHMENTS:

Description

- ▢ **Tourism + Lagoon Plan Outline**
- ▢ **TDT Ordinance Amendment (strike through)**
- ▢ **TDT Ordinance Amendment (clean copy)**



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July 25, 2018

MEMORANDUM

TO: Eric Garvey, Tourism Development Director

RE: Item J.1., Legislative Intent and Permission to Advertise for Changes to Tourist Development Tax Budget Plan

The Board of County Commissioners, in regular session on July 24, 2018, approved legislative intent and granted permission to advertise the proposed changes to the County's Tourist Development Tax Budget Plan, Section 102-119, Brevard County Code, for public hearing; the recommended changes will provide up to \$1 million per year of Tourist Development Tax revenue to be used for Indian River Lagoon related projects.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cmw

cc: Commissioner Smith
Finance
Budget



Tourism+Lagoon Plan Outline

- Beginning in FY19, \$1 million per year will be available for Indian River Lagoon (IRL)-related projects to support the work plans of Save Our Indian River Lagoon (SOIRL) and the IRL National Estuary Program (NEP).
- The annual amount of \$1 million is subject to the full funding of Priority #1 – Beach Improvement and Maintenance projects which have inherent uncertainty related to weather events.
- IRL project funding allocation may not be used to finance projects with a multi-year debt obligation.
- Up to ten percent (10%) of the funds may be used for a communications plan focused on IRL-specific tourism marketing, public information and education.
- The remaining funds, minimum of 90%, will be structured as a competitive project grant program.
- Projects over \$50,000 require matching funds at a minimum ratio of 1:3 or 300% match by a non-County source.
- A Competitive Grant Program will be established under the TDC Beach Committee with annual approval by the TDC of grant program policies and procedures and project grant awards.
- Projects with awards greater than \$100,000 must be approved by the Brevard County Board of County Commissioners following a recommendation by the TDC.
- Projects must demonstrate a benefit to the health of the IRL and a positive impact to Brevard County tourism.
- The Tourism+Lagoon Plan will focus on projects with the following objectives:
 - Shoreline Restoration and Protection w/ sustainable technology “Living Shorelines”
 - IRL Shoreline and Causeway Litter Control
 - Improved and Sustainable Recreational Access
 - Support for Sport Fishing and Wildlife Viewing through Marine Life Monitoring and Habitat Restoration
 - Water Quality Testing related to Tourism Promotion and Special Events
 - Public Information and Education
- By leveraging with matching funds, the #LagoonLife plan has the potential for \$40 million in IRL projects over the next ten years.

ORDINANCE NO. 2018-____

AN ORDINANCE OF BREVARD COUNTY, FLORIDA, AMENDING SECTION 102-119 OF THE CODE OF ORDINANCES OF BREVARD COUNTY, FLORIDA, RELATING TO THE BREVARD COUNTY TOURIST DEVELOPMENT TAX; SPECIFICALLY AMENDING SECTION 102-119 OF THE CODE OF ORDINANCES OF BREVARD COUNTY, FLORIDA, RELATING TO THE TOURIST DEVELOPMENT TAX BUDGET PLAN; PROVIDING FOR THE INCLUSION OF LAGOON- AND ESTUARY-RELATED PROJECTS INTO SECTION 102-119(4)a. OF THE CODE OF ORDINANCES OF BREVARD COUNTY, FLORIDA; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Brevard County Board of County Commissioners (“Board”) has levied and imposed a tourist development tax pursuant to Section 125.0104, Florida Statutes; and

WHEREAS, the Brevard County Tourist Development Council (“TDC”) is an advisory board established by the Board; and

WHEREAS, among other duties and functions, the TDC is responsible for making recommendations to the Board to allocate certain levels of funding types of eligible projects and purposes that can receive tourist development tax revenues raised by the tax levied and imposed pursuant to Chapter 102, Article III of the Code of Ordinances of Brevard County, Florida; and

WHEREAS, the Board most recently adopted a tourist development tax budget plan in October 2017; and

WHEREAS, since that time, the Florida Legislature has amended the types of projects and purposes that are eligible to receive tourist development tax revenue listed in Section 125.0104, Florida Statutes, to include lagoon- and estuary-related projects; and

WHEREAS, the TDC voted to incorporate these changes into the Tourist Development Tax Budget Plan; and

WHEREAS, the Board has reviewed the suggested changes to the Tourist Development Tax Budget Plan and has determined that such changes will provide for the advancement, growth, and promotion of tourism in the County, while also helping to address the health, safety, and welfare of the Indian River Lagoon; and

WHEREAS, in order to incorporate these changes into the Tourist Development Budget Plan, this ordinance must receive an affirmative vote of a majority plus one additional member of the Board of County Commissioners.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA, as follows:

SECTION 1. Section 102-119(4)a., Code of Ordinances of Brevard County, Florida is hereby amended to read as follows:

- (4) Under the provisions of, and pursuant to, F.S. § 125.0104(3)(d) and subsection 102-117(b), an additional one-percent tourist tax is hereby levied and imposed throughout the county as provided by this article. The proposed uses of the tax revenue from this additional one-percent tourist development tax, in order of priority, by special use category, shall be allocated as follows:
- a. Sixty-five percent of the net revenue, estimated to be \$3,831,526.00 for the 24 months following the passage of this section, would be utilized as provided in F.S. § 125.0104(5)(a)5., to finance beach park facilities or beach, estuary, or lagoon improvement, maintenance, renourishment, restoration and erosion control, including shoreline protection, enhancement, cleanup or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shoreline, estuary, lagoon, or river. However, any funds identified by ~~at~~the County as the local matching source for beach renourishment, restoration, or erosion control projects included in the long-range budget plan for the state's beach management plan, pursuant to F.S. § 161.091, or funds contractually obligated by the County in the financial plan for federally authorized shore protection project may not be used or loaned for any other purpose. Beach improvement and maintenance projects are to receive full funding as the top priority. As the second priority, lagoon- and estuary-related projects shall only receive up to one million dollars (\$1,000,000.00) per year starting in fiscal year 2019, and any such project with a total expected cost that exceeds fifty thousand dollars (\$50,000.00) must obtain matching funds from one (1) or more non-County source(s) at a minimum ratio of 3:1, or 300% match prior to receiving tourist development tax revenue. Subject to the limitations provided for in this subsection, the remaining amount of the net revenue shall be used for acceptable purposes identified in F.S. § 125.0104(5)(a)5.

Section 2. Inclusion in Code. It is the intention of the Board that the provisions of this Ordinance shall become and be made part of the Brevard County Code of Ordinances; and that the sections of this Ordinance may be renumbered or re-lettered and that the word "Ordinance" may be changed to "Chapter," "Section," "Article," or such other appropriate word or phrase in order to accomplish such intentions.

Section 3. Severability. If any provision of this Ordinance or application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared severable.

Section 4. Effective Date. This Ordinance shall become effective upon filing with the Office of Secretary of State of Florida.

DONE, ORDERED, AND ADOPTED in Regular Session, this ___ day of _____, 2018.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA

By: Scott Ellis, Clerk of Court

By: Rita Pritchett, Chair
(as approved by the Board on _____)

DRAFT