

CPFP GUIDELINES – CURRENT VS. PROPOSED CHANGES WITH REDLINE

CAPITAL PROJECTS FUNDING PROGRAM GUIDELINES

I. Background

Pinellas County currently collects a six percent (6%) Tourist Development Tax (“Bed Tax”) on all overnight tourism accommodations in the County. This tax is levied on customers of hotels, motels, condominiums, campgrounds, apartments, and private homes that rent accommodations for less than six (6) months in duration.

The Pinellas County Board of County Commissioners (BCC) has developed a Tourist Development Plan (“Plan”) to guide how these proceeds are spent. The Plan divides the potential uses of Bed Tax revenues into five (5) categories, A through E. For the purpose of allocating the total Bed Tax revenue collected in any fiscal year, the Plan has assigned each category of use to one of two groups; Group 1) sixty percent (60%) or three and six tenths (3.6) percents of the total six percents of Bed Tax revenue may be used for Categories A and/or B and any monies not utilized accordingly shall become reserves to be used for future Category A and/or B uses; Group 2) forty percent (40%) or two and four tenths (2.4) percents of the total six percents of Bed Tax revenue may be used for Categories C, D and E and any of monies not utilized accordingly shall become reserves to be used for future Categories C and/or D and/or E uses as defined and/or outlined below. Further, the BCC has expressed its intent to continue annual beach nourishment funding at a minimum of one-half (.5%) of 1 of the percents¹ from the total six percents of eligible tourist tax dollars, which as a Category C project shall be paid out of the forty percent (40%) portion of the plan.

These funding guidelines have been established by the Tourist Development Council (“TDC”), and approved by the BCC as part of its Capital Project Funding Program (“CPFP”). The CPFP will operate on a two year funding cycle beginning Fiscal Year (FY) 2019, or which will commence as otherwise approved by the BCC. Before the TDC initiates a funding cycle, the BCC may approve and establish a total pool of capital funding dollars available to fund projects for that CPFP funding cycle. These guidelines were developed to establish criteria to determine eligibility and define the application process, award criteria, and priorities for certain Group 2 tourist facilities as well as the sources and limits of funding available within each category of use. These projects may be implemented through service contracts and leases with parties with sufficient expertise or financial capabilities to operate such eligible facilities.

Category C, D and E uses are defined in the Plan as follows:

- a. Category C (Beach Improvement/Nourishment): Funding beach improvement, maintenance, renourishment, restoration and erosion control.

¹ By ordinance #93-87, the BCC has dedicated the first half of the 3rd percent for beach nourishment.

- b. Category D (Capital Funding/Debt Service Other): Funding annually as matching funds (applicants must have at least \$1.00 for every \$1.00 of Category D tourist tax funding) to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, or provide debt service on one or more publicly owned and operated convention centers, coliseums, or auditoriums as well as aquariums or museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, and sports and recreation facilities not eligible for Category E funding below (hereinafter referred to as “Eligible Facilities”). Eligible Facilities must be located within Pinellas County and demonstrate the ability to attract tourists from the State of Florida, nationally or internationally.

- c. Category E (Debt Service/Professional Sports and Convention Center Capital Costs): Funding for, which can include debt service payments for bonds issued, to finance, the construction, reconstruction, or renovation of any of the following facilities: (i) a professional sports franchise facility located within Pinellas County either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds; (ii) a retained spring training facility located within Pinellas County either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds; or (iii) a convention center located within Pinellas County, and to pay the planning and design costs prior to the issuance of such bonds.

Group 2 Capital Funding requests shall be considered in accordance with the following:

1. Funding for Category D projects requesting up to \$10 million net present value (NPV) shall be subject to these Guidelines and reviewed and considered in accordance with Sections II through IX herein.

2. Funding for Category D projects requesting more than \$10 million NPV, or that request funding that exceeds the total pool of available capital funding dollars established by the BCC for that funding cycle, or that cannot satisfy all the eligibility requirements herein but will provide significant ~~Marketing and~~ Tourism Economic Benefits as defined below, shall be first presented to the BCC for approval to allow the applicant to participate in the funding cycle application process. Upon receipt of this conceptual approval, these projects shall be subject to these Guidelines and reviewed and considered in accordance with Sections II

through IX herein, as well as any other requirements established by the BCC in accordance with the review and approval process.

3. Funding for Category E projects shall not be considered or awarded through the CFPF, as these types of project requests shall be first presented to the BCC ~~for initial approval by the County and the BCC. If funding is approved, the County will approve the project, and the BCC will administer the project.~~ for initial approval by the County and the BCC. If funding is approved, the County will approve the project, and the BCC will administer the project. reviews required for Category E funding, which may include all the documents required under the guidelines as well as other documents staff deems necessary to evaluate the project. Additionally, the BCC may in its sole discretion at the time of the conceptual approval identify a maximum funding amount it will consider. The TDC can provide guidance and recommendations throughout during the County's negotiation review process, as well as including making a funding recommendation on the project based on the proposed final deal terms to which will be subject to later approved approval by the BCC.

Prior to each CFPF application process funding cycle, Visit St. Petersburg/Clearwater ("VSPC") will hold a public information session to inform interested applicants of the program and provide detailed information, guidelines, and application forms, and respond to any questions. The informational meeting and the program will also be promoted through press releases, VSPC's electronic newsletter, and other communication tools available through resources at Pinellas County.

These CFPF guidelines are hereby further established to help prioritize and process requests for capital projects funding. It is the intent of the TDC to recommend funding as provided herein to multiple eligible capital projects as determined to be in the best interest of Pinellas County tourism.

II. Definitions

In the context of the Capital Projects Funding Program Guidelines, the following definitions apply:

"Capital Project" for purposes herein shall mean any construction or improvement project that receives CFPF funding that is listed in Categories D or E of the Plan in Section 118-32(a)(1) of the Pinellas County Code, and authorized by Section 125.0104, Florida Statutes ~~that provides a significant return on investment of Bed Tax to tourism economic benefits as defined in these Guidelines, the funding agreement, and/or~~ as otherwise determined by the BCC.

"Eligible Applicant" shall mean the owner and/or operator of a Capital Project and includes any of the following:

1. a public entity located in Pinellas County;

2. an organization that operates a publicly owned Capital Project in Pinellas County through a service contract or lease whose use of the facility is eligible for funding;
3. a non-profit entity open to the public that owns and operates a museum or aquarium open to the public.

“**Marketing**” shall mean advertising, direct sales, public relations, promotions, or research, exclusive of professional fees and services, designed to increase tourist-related business activity from outside Pinellas County.

“**Matching Funds**” shall mean and include any of the following assets or expenditures by applicant incurred or available after the application date:

1. cash funds;
2. in-kind contributions to the Capital Project;
3. land acquired for the Capital Project at the purchase price, or fair market value if donated;
4. costs of infrastructure improvements to real property necessary to complete the Capital Project;
5. Capital Project design and engineering costs;
6. capital equipment.

“**Sponsorship**” shall mean a mutually beneficial business arrangement between the County and applicant wherein County receives opportunities to promote the County as a tourism destination.

“**Tourism Economic Benefit**” shall mean all projected incremental increases in annual measurable returns from the Capital Project generated from Tourists visiting the tourism facility, including but not limited to transient lodging (Tourist room nights) and paid and/or documented attendance, measurable benefits from Marketing and Sponsorships provided by the applicant facility, and other governmental fees and taxes, as determined by the economic impact study referred to in III D.

“**Tourist**” shall mean a person who participates in trade or recreational activities outside the county of his/her the person’s residence or any person who rents or leases transient accommodations in Pinellas County as described in Section 125.0104(3)(a), Florida Statutes.

III. Eligibility

A. To be eligible for funding, Capital Projects must be located within Pinellas County and demonstrate the ability to attract tourists from the State of Florida, nationally or internationally, and be included in the Tourist Development Plan.

B. Project funds may be used to acquire, construct, extend, enlarge, remodel, repair, or improve Capital Projects as authorized in Section 125.0104, Florida Statutes.

C. Applicants applying for Category D funding must provide Matching Funds as defined above in a minimum ratio of one dollar matching funds to one dollar CPFPP funds (1:1).

D. Applicants must demonstrate the incremental economic impacts of the Capital Project through an economic impact study that determines the Tourism Economic Benefits of the proposed Capital Project. The study shall include a projection of incremental increases in annual Tourist room nights and annual Tourist paid and/or documented attendance, and projected increases in governmental revenues through taxes and fees, to be generated by the Capital Project. The study shall, at a minimum, apply the methodologies, satisfy the requirements, and address the findings specified ~~or required~~ by the County. The County reserves the right to determine compliance with the requirements and/or the validity of the findings, and may request such additional information, data, or analysis as determined necessary to evaluate the ~~return on investment~~ Tourism Economic Benefits of the proposed Capital Project. The study shall be completed at applicant's sole cost and shall be submitted at the time of filing the application.

E. Capital Project completion timelines may not exceed three (3) years from execution of CPFPP funding award agreement with the County, ~~unless agreed to in writing by the parties based on the County's sole discretion~~. Any Capital Project or phase scheduled to be completed more than 3 years out shall require a separate CPFPP application.

F. For leased property, the following will govern the Capital Project scope and the lease period required to be eligible for funding:

Project Scope	Minimum Number of Remaining Years on Lease Period at Time of Application
BuildingFacility renovation, improvement	20 years
BuildingFacility expansion	30 years
BuildingFacility construction on leased land	50 years

G. Applicants ~~shall~~ must provide future Marketing and/or Sponsorship benefits as defined herein and as valued and approved by, or on behalf of, ~~Visit St. Petersburg/Clearwater ("VSPC") comparable to in an amount as determined by the County's funding contribution~~ BCC.

H. All applicants must agree to protect the County's capital investment interest resulting ~~therefrom~~ from County funding, and further agree to provide those legal protections as allowed by law, and as may be amortized over time, including but not limited to, naming County, at Applicant's sole cost, as an additional insured or loss payee, granting a consensual lien in the Capital Project securing the County's interest, or by any other means as may be applicable as determined appropriate in the sole discretion of the County.

IV. Funding Standards

A. Applicants must demonstrate that the Capital Project funded through the CPFPP meets the following annual minimum thresholds to be considered for funding:

1) Capital Projects seeking up to \$5,000,000.00 shall project ~~an incremental increase or maintain a minimum~~ of at least 25,000 paid or documented attendees annually and ~~generate an incremental increase of project or maintain~~ at least 10,000 Tourist room nights annually;

2) Capital Projects seeking more than \$5,000,000.00 shall project ~~an incremental increase or maintain a minimum~~ of at least 50,000 paid or documented attendees annually and ~~generate an incremental increase project or maintain a minimum~~ of at least 25,000 Tourist room nights annually.

~~4) Notwithstanding these threshold requirements, MLS training facility Capital Projects that are otherwise eligible for CPFPP funding and satisfy all other requirements of these Guidelines shall be eligible to apply for CPFPP funding.~~

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~~D.~~ Applicants receiving capital project funding will be required to sign a funding agreement ~~that has been~~ prepared by the County Attorney's Office ~~which they received and reviewed as part of the application process~~.

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E.B. ~~All~~ Other than funding for bond debt service, funding requests provided hereunder shall be on a reimbursement basis to the Applicant after completion and occupancy of the Capital Project upon submittal and review of supporting documentation as required in the funding agreement unless authorized differently by the BCC. Reimbursement payments may be amortized over multiple budget years as determined in the sole discretion of the County.

F.C. Any funding ~~reimbursement~~ provided through the CPFPP shall be limited to approved Capital Project costs/expenditures incurred after the application filing date.

V. Application and Program Timeline

A Program timeline, including application procedures and deadline shall be established by the TDC, publicly noticed and implemented by VSPC staff. All applications must be fully and timely completed, and the application together with supporting documentation as required herein must be submitted by one of the following methods: electronically online to the VSPC@_____ ; or submitted in person at VSPC office located at: _____ ; or mailed to VSPC office located at: _____ on or before _____ **DEADLINES ARE STRICTLY ENFORCED. A DATED POSTMARK WILL NOT BE ACCEPTED AS ACTUAL RECEIPT OF APPLICATION.** Late or partial applications cannot be accepted without specific action by the Pinellas County Board of County Commissioners.

VI. Required Documentation

FAILURE TO PROVIDE ALL OF THE FOLLOWING ITEMS (including the Application) MAY DISQUALIFY THE APPLICATION/FUNDING REQUEST.

- A. A TIMELY, FULLY COMPLETED, TYPED, SIGNED APPLICATION. “Not Applicable” or “N/A” should be marked for any questions deemed inapplicable to the application.
- B. Explanation and documentation of any security interest in the Capital Project, and the design, permitting, and construction status of the Capital Project.
- C. A Tourism Economic Benefits study/analysis of the proposed Capital Project completed in accordance with the requirements herein.
- D. An explanation of how the funds will be utilized, including amount requested, and itemized Capital Project budget (schedule of values).
- E. Match funding must be detailed including: any in-kind match must be identified and may not exceed 50% of the total projected cost; matching funds derived from *projected earned income* are not allowable for consideration; the amount and source of *all funds* for the proposed project must be disclosed at the time of application; Pinellas County will not recognize projected amounts and/or anticipated revenue from future fundraising or other activities as Matching Funds; only funds identified as “on hand” at the time of commencement of the Capital Project construction will count towards the required match and failure to provide verified proof of same may result in a loss of funding.
- F. The County reserves the right to request such additional information, documentation, or studies it deems necessary in its sole discretion to evaluate the return on investment of tourist tax capital funding and or the financial feasibility of the Capital

Project or the applicant, including but not limited to feasibility studies, plans and specifications, and/or applicant financial information.

VII. Evaluation Process

A. Review & Evaluation Process.

i. Staff review and evaluation.

A.a. Each application will be initially reviewed by VSPC staff and the County Attorney's office, as may be needed, to ensure statutory eligibility and compliance with the requirements in state statutes, county ordinances and these Guidelines regarding proper usage of Bed Tax funds.

A. The TDC shall establish a Capital Projects Funding Committee ("Committee") for each capital funding cycle. Prior to the meeting referred to below, Committee members will individually review and score applicant projects based on the rating criteria and scale in these Guidelines.

A. The Committee and staff will hold a meeting to announce the score of all applications. At this meeting, before announcing individual scores, Committee members will have the opportunity to ask questions and/or seek clarification from applicants in order to finalize their review of an applicant's project.

A. Once all Committee members have had any and all questions answered from applicants, they will announce their scores.

A. Staff will then average the scores and announce the total points and average score for each application which will be announced in ranking of highest to lowest average score.

F. Only Capital Projects that score at least 700 points will be eligible for funding consideration.

G. Members of the Committee will begin with the highest scoring applications and determine recommended funding amounts for each application.

b. Select VSPC staff, along with VSPC's consultant of record will evaluate each application using the rating criteria below and determine the tourism and marketing value of the event:

VIII. Rating Criteria

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- A. Annual Tourism Economic Benefits of the Capital Project for a period of ten (10) years after project stabilization. 300 points
- B. Number of projected Tourist room nights and Tourist attendance generated annually within Pinellas County as a result of the Capital Project. 250 points
- C. Total Marketing and Sponsorship benefits to be provided by Applicant to promote the destination to Tourists jointly with VSPC in a manner consistent with the VSPC annual marketing plans and TDC tourism marketing priorities. 250 points
- D. The contribution of the Capital Project to Pinellas County's reputation as an attractive destination for Tourists Internationally, Nationally and/or in the State of Florida. 100 points
- E. The extent that the Capital Project achieves geographic distribution of CFPF funding throughout Pinellas County. 100 points

— All those rating the applications will base their scores for each of the items in the rating scale as follows:

- 0%—9% unresponsive to the requirements of the criteria being rated
- 10%—39% does not meet all of the requirements of the criteria being rated
- 40%—69% meets the minimum requirements of the criteria being rated
- 70%—89% exceeds the minimum requirements of the criteria being rated
- 90%—100% substantially exceeds all requirements of the criteria being rated

Note: All applications receiving an average score of 700 points or above out of the maximum 1,000 points will be considered eligible for funding consideration. A score of 700 points or higher does not guarantee funding.

1. Annual Tourism Economic Benefits of the Capital Project for a period of ten (10); (30 points).
2. Number of projected Tourist room nights and Tourist attendance generated annually and the projected minimum growth rate per year; (25 points).
3. Total Marketing and Sponsorship benefits; (20 points).
4. Contribution of the Project to the County's strategic plan; (20 points).
5. The extent that the Capital Project achieves geographic distribution of CFPF funding throughout Pinellas County; (5 points).

ii. VSPC staff will then make its funding recommendations to the entire TDC who will then review and finalize their funding recommendations for BCC review and approval.

iii. BCC Review.

a. The BCC will review the funding recommendations of both VSPC staff and the TDC.

b. Negotiations of funding agreement terms will not begin until BCC review and approval of those funding recommendations.

IX.VIII. Timeframe for Capital Project Funding Awards

The TDC will establish and post a schedule for consideration and award of CPF funding.

X.IX. Funding Procedures

Capital Project Funding recipients will ~~be reimbursed for eligible expenditures~~ receive funding as authorized by and set forth in the Funding Agreement. ~~Recipients should submit~~ As may be applicable, as required, original invoices must be submitted to VSPC. ~~Payments designated County staff.~~ Any payments will only be made ~~as reimbursements to applicant,~~ and not directly to third parties. Capital Project funds approved and allocated hereunder shall be paid in the amounts and the term as provided in the funding agreements.

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