

# Leon County Board of County Commissioners

## Cover Sheet for Workshop Item

November 15, 2011

**To:** Honorable Chairman and Members of the Board

**From:** Vincent S. Long, County Administrator

**Title:** Workshop on the Allocation of Tourist Development Taxes

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<b>County Administrator Review and Approval:</b>	Vincent S. Long, County Administrator
<b>Department/Division Review and Approval:</b>	Alan Rosenzweig, Deputy County Administrator Ken Morris, Director of Economic Development & Business Partnerships
<b>Lead Staff/ Project Team:</b>	Lee Daniel, Director of Tourism Development

**Fiscal Impact:**

Currently, there is approximately \$4.1 million of tourism development taxes set aside for the Florida Center for Performing Arts & Education (PAC). This item recommends realigning up to \$1.0 million of existing tourist development tax revenue fund balance previously dedicated for the performing arts center to the Meridian Marker Amphitheater at Cascades Park. This action will result in a \$3.1 million balance in the performing arts center account.

This item also seeks to redirect the existing one cent of annual tourist development tax revenue (\$800,000) currently being dedicated for a performing arts center to the Division of Tourism Development's annual marketing budget. It is recommended this reallocation stay in effect until such time as the Board deems appropriate. Under the same pretenses, this item seeks to redirect the allocation of a ½ cent to the performing arts center which is currently scheduled for October 1, 2013. By redirecting the one cent away from the PAC, this item would increase the Tourism Development Department's total FY 2012 budget from \$3,215,785 to \$4,015,785 and would add \$800,000 to the marketing budget if the reallocation was made retroactive to October 1st.

**Staff Recommendations:**

- Option #1: Amend the Interlocal Agreement to reallocate up to \$1 million from the Tourist Development Trust Fund for a performing arts center to be used for the improvements to the Meridian Marker Amphitheater at Cascades Park, as outlined in Table #2, and contingent upon the City's willingness to amend its current policy to allow ticketed events in Cascades Park.
- Option #2: Amend the Interlocal Agreement with the City and the CRA and Ordinance No. 2011-07 (Tourist Development Plan) to redirect Tourist Development Tax Revenue (\$800,000) currently dedicated for a performing arts center to the Division of Tourism Development's annual marketing budget until such time as the Board deems appropriate.
- Option #3: Amend Ordinance No. 2011-07 (Tourist Development Plan) to delay the allocation of a ½ cent to the performing arts center which is currently scheduled for October 1, 2013, until such time as the Board deems appropriate.
- Option #4: Direct the County Administrator to notify the City and CRA of the Board's actions at today's workshop and request concurrence where applicable:
- The reallocation of up to \$1 million to the Meridian Marker Amphitheater at Cascades Park.
  - Amend the City's policy to allow ticketed events in Cascades Park.
  - Amend the Interlocal Agreement to reallocate the one penny to the Division of Tourism Development's annual marketing budget (the ½ penny is not part of the Interlocal Agreement).
- Option #5: Direct the County Attorney to schedule a Public Hearing to amend Ordinance No. 2011-07 (Tourist Development Plan) as provided in Options #2 and #3 to utilize these funds to enhance visitor marketing.
- Option #6: Direct the Division of Tourism Development to use the funds currently being set aside for a performing arts center for additional marketing activities contingent on the amendment to the Interlocal Agreement and Ordinance No. 2011-07.

## Report and Discussion

### **Background:**

At the economic development workshop on September 13, 2011, the Board approved over 30 recommendations including a request by Commissioner Dozier to schedule a workshop in the fall to discuss the allocation of all five cents of the tourist development tax (TDT). Commissioner Dozier specifically expressed an interest in discussing the funds currently being set aside for the PAC to (1) consider amending the Interlocal Agreement with the City of Tallahassee and the CRA to redirect \$1.2 million of the TDT funds from the PAC to construct a roof over the Meridian Marker Amphitheater stage at Cascades Park and (2) suspend any further TDT contributions to the PAC account until such time as the center is approved by the electorate as part of the sales tax extension.

Subsequent to the economic development workshop, the Board received a presentation on October 11, 2011 from the PAC President, Bob Inzer, on a revised plan for the PAC. The PAC has not met its fundraising goals and is considering a facility on a smaller scale. Following the presentation, Commissioner Desloge requested staff to bring back an agenda item regarding the Performing Arts Center some time after the November 15, 2011 Workshop on Allocation of Tourist Development Taxes.

### **Analysis:**

This workshop provides the Board an opportunity to review the current allocations of all five cents of the TDT and to consider utilizing funds currently set aside for the construction of a performing arts center for improvements to the Meridian Marker Amphitheater at Cascades Park including the construction of a roof over the amphitheater stage. Leon County currently collects all five cents of TDT authorized under Section 125.0104, Florida Statutes with each penny generating approximately \$800,000 annually. Table #1 details the current allocation of each penny, the future allocation based on the Board's direction at the March 17, 2011 FY 12 budget workshop, and the proposed allocation as recommended by staff in this item. This item also includes the original 2004 PAC Interlocal Agreement (Attachment #1), the amended 2007 Interlocal Agreement (Attachment #2), and the 2008 Interlocal Agreement pertaining to the use of TDT proceeds for demolition and site preparation to support the proposed PAC (Attachment #3).

**Table #1: Allocation of Tourist Development Taxes**

<i>Designated Funding Recipient</i>	<i>Current Allocation</i>	<i>Scheduled Allocation (October 1, 2013)</i>	<i>Proposed Allocation</i>
Performing Arts Center (per Interlocal Agreement)	1	1	0
Performing Arts Center (additional ½ cent)	0	½	0
Arts Exchange Project	0	½	0*
COCA	0**	1	0*
Division of Tourism Development	4	2	5
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>

\*This item does not make any recommendations with regard to the anticipated funding for the Arts Exchange Project or COCA as the Board has directed the Office of Management and Budget to conduct a management review of COCA.

\*\*COCA currently receives \$504,500 from the Division of Tourism Development

Four cents are currently used by the Division of Tourism Development to market Tallahassee and Leon County as a destination for leisure travel, meetings, and conventions, sporting events and film production. The current marketing plan includes research, advertising, website development, social media platforms, public relations, promotions, direct sales and visitor services. The Zimmerman Agency is under contract to assist with advertising, social and digital programs, and public relations. The Zimmerman Agency is complimented by Bonn Marketing Research, which provides primary research information, and Rowland Publishing which assists in the production of the annual Visitor's Guide that is included in this packet along with the 2010-2011 Year in Review (Attachment #4).

One cent is currently being set aside in a fund for a PAC to be constructed in the Downtown District of the Community Redevelopment Area. At the FY 12 budget workshop on March 17, 2011, the Board accepted the Tourist Development Council's recommendation to implement a 2-year hiatus for setting aside an additional ½ cent to the PAC, a ½ cent for the Arts Exchange Project, and one cent to the Council on Cultural Arts (COCA) which was initially scheduled to be effective on October 1, 2011 (Attachment #5). This would have dedicated three of the five pennies to various cultural projects and organizations, half of which would have been dedicated to the PAC had the Board not approved the 2-year hiatus, instead of marketing activities designed to draw additional visitors to the market. Based on the prior Board's direction, an additional half penny is scheduled to be set aside for the PAC effective October 1, 2013. There is approximately \$4.1 million in the account for the construction of the PAC. This workshop item provides an analysis on the current allocation of the TDT along with the anticipated ½ cent scheduled to commence in 2013 for the PAC. However, this item does not make any recommendations with regard to the anticipated funding for the Arts Exchange Project or COCA as the Board has directed the Office of Management and Budget to conduct a management review of COCA.

#### Meridian Monument Amphitheater

The Meridian Monument Amphitheater at Cascades Park will hold approximately 3,500 people for concerts, theater performances, and other special events. There will not be permanent seating installed but ample room exists for this size audience to bring blankets or folding chairs with the stage at the lowest elevation and grass terraces at higher levels from which to view the performances. A control room is planned to manage stage lighting and sound but, to date, funding has not been identified to furnish a roof for the amphitheater. Upon further research with the Cascades Park project team, the previous estimate of \$1.2 million for the amphitheater roof was a preliminary figure and the revised cost for construction is \$620,700 (Attachment #6). After consultation with the Blueprint 2000 project team, the timeline to construct the roof for the grand opening in the fall of 2012 can be met. Construction should take approximately four months.

The Tourist Development Council (TDC) took up this issue at its meeting on November 3, 2011 and made several recommendations, which are enumerated in a November 3, 2011 memo to the Board (Attachment #7). An area of concern identified by the TDC is the City’s current policy prohibiting an admission fee for events in City parks. In order to utilize TDT funds, the TDC recommends making seven improvements identified in Table #2 and encouraging the City to modify its prohibition on admission fees for special events at the Meridian Monument Amphitheater in Cascades Park. The improvements, along with the TDC’s ability to promote special events, are designed to utilize TDT funds as permitted by Florida Statutes and help draw visitors to this venue. The TDC articulated that the allocation of TDT funds to enhance the amphitheater is only appropriate if the venue can become a ticketed venue (for a limited number of events). This will provide a more suitable venue to draw the caliber of entertainment that would be a regional draw to enhance overnight commercial lodging.

Although there is a significant reduction for the actual cost to construct a roof, there would be additional costs associated with making the amphitheater suitable for ticketed events to book the caliber of talent capable of drawing overnight visitors. Portable fencing would need to be purchased that could be installed during ticketed events and stored away at other times. A drawing is attached that outlines where the temporary fencing could be placed (Attachment #8). In addition, a lighting package for the spectator area and other lighting and sound improvements would make the venue more concert ready (Attachment #9). The TDC also requested the Blueprint 2000 Project Team to identify cost estimates for other improvements including seating near the stage and an additional permanent restroom facility. Overall, the TDC recommended using up to \$1 million of TDT for these improvements. An estimated breakdown of these costs is illustrated in Table #2.

**Table #2: Proposed Amphitheater Enhancements**

<i>Type of Improvement</i>	<i>Cost</i>
Amphitheater Roof	\$620,700
Temporary Fencing	\$18,750
Color Kinetic Kit for Canopy	\$20,000
Permanent Sound System	\$20,000
Audience Lighting	\$25,000
Additional Restrooms	TBD*
Seating Near Stage**	TBD*
<b>Tentative Total</b>	<b>\$704,450</b>

\*Estimates will be completed by the end of November 2011.

\*\*Seating was recommended by the TDC as long as the total expenditure of TDT funds does not exceed \$1 million.

There is approximately \$4.1 million in the account for the PAC. Should the Board wish to redirect up to \$1 million for the amphitheater roof and amenities, it would leave approximately \$3.1 million in the PAC trust fund. Based on the wording in the Interlocal Agreement that the one-cent TDT be “dedicated exclusively for the debt service, construction and/or operational costs of a Performing Arts Center(s) to be located in the Downtown District Community Redevelopment Area,” the County’s Interlocal Agreement with the City and CRA may not require an amendment as the amphitheater could be considered a performing arts center within the Downtown District.

However, staff would recommend seeking the concurrence from the City and CRA and amend the Interlocal Agreement to reflect any action. Should the Board also wish to consider temporarily suspending the one penny currently dedicated to the PAC, an amendment to the Interlocal Agreement and Ordinance No. 2011-07 would be required (Attachment #10). This would unencumber approximately \$800,000 for FY 2012 that could be used for marketing or other purposes, assuming this suspension was made retroactive to October 1<sup>st</sup> of this year, and ensure that the TDT funds are being fully utilized to attract visitors.

At its November 3, 2011 meeting, the TDC was supportive of temporarily suspending the accrual of TDT funds for the PAC until such time as the PAC is approved by the voters as part of the infrastructure sales tax extension. This temporary modification would increase the total FY 2012 budget for the Division of Tourism Development from \$3,215,785 to \$4,015,785 and would more than double the existing media budget to allow for expansion in current markets and the opening of new markets. In coordination with the Zimmerman Agency and Bonn Marketing Research, staff has prepared some potential uses for any additional marketing funds. Some of the funds could be used to enhance the marketing of spring events given the anticipated hotel occupancy rates associated with the early adjournment of the legislative session and could provide support for the grand opening of Cascades Park (Attachment #11).

In regard to temporarily suspending the accrual of TDT funds for the PAC, the Board has several options it may want to consider. As recommended by the TDC, the Board could redirect funding until such time as the PAC is either placed on the next sales tax extension ballot or wait until the successful passage of the sales tax extension. Another option would be to tie the TDT funds to the PAC's fundraising goals. And finally, rather than tie the allocation of TDT funds to certain criteria, the Board may wish to redirect the funds until it deems appropriate. This final option provides the Board the greatest amount of flexibility given the uncertainty of the PAC fundraising, whether or not this project will be included on the sales tax extension, and the future needs for some of the other projects on the horizon that may seek to utilize TDT funds. Staff would also recommend extending the 2-year hiatus for the ½ cent to the PAC under the same conditions. Otherwise, the current 2-year hiatus will expire thus reinstating additional funding to the PAC on October 1, 2013.

#### Other Projects to Consider

A thorough review of the allocation of TDT funds would not be complete without mentioning two significant projects on the horizon that may seek to utilize TDT funds. On November 8, 2011, the Board selected Real Estate InSync to conduct the feasibility analysis for the proposed sports complex. Once an agreement is executed, the feasibility analysis is expected to take approximately 90 days and will include a market analysis on the type of sports and facilities that would provide the greatest return on investment, the County's financing options along with a cash flow analysis detailing the operating and capital costs, and the potential development or redevelopment scenarios for recommended sites.

A second project on the horizon is the proposed convention and events center with a headquarters hotel on the O'Connell property located south of the Leon County Civic Center and between Gaines Street and St. Augustine Road. The CRA Board recently received a presentation and draft feasibility study that stated Tallahassee could support a 100,000 square foot convention & events center with 15,000 square feet of flexible meeting space and a 300-room headquarters hotel with 28,000 square feet of space. According to the study, the convention & events center could also be used to host indoor sporting events such as basketball, volleyball, mat sports, and others. The economic impact of this facility was determined to be \$25.1 million annually and would create 320 jobs. However, the facility would operate with an annual operating deficit of approximately \$1.8 million. The CRA Board did not approve moving to Phase II of the project which would have been to issue a Request for Qualifications to gauge interest from the development community. It did direct City staff to bring back an agenda item to look at a smaller and less expensive facility with possible funding options. City staff is expected to bring these options back to the CRA in early 2012.

In reviewing the allocation of TDT funds, it should be taken into consideration that both of these projects may come before the Board in 2012. The TDC has recommended that the Board conduct another workshop on the allocation of TDT funds once the sports complex feasibility study has been completed. Although it is important to realize that there are potential projects competing for limited TDT funds, staff does not recommend a subsequent workshop at this time.

### Summary

Staff concurs with the TDC's recommendation to use of up to \$1 million of TDT funds to turn the Meridian Marker Amphitheater at Cascades Park into a suitable concert and performance venue with the additional amenities as outlined in Table #2. The construction of these improvements can be made in time for the grand opening of Cascades Park in the fall of 2012 and would provide both residents and visitors to Leon County an outdoor performing arts center in the Downtown District Community Redevelopment Area within the next twelve months. The TDC's recommendation is contingent upon the City's willingness to amend its current policy to allow ticketed events in Cascades Park so that the community could have a venue with the versatility and capability to attract entertainment, bring people to Leon County to stay overnight in commercial lodging, and visit local restaurants and retail establishments. This contingency is included in staff's recommendations via Option #1.

If the Board approves the reallocation of these funds to Cascades Park, the next step would be to request the City Commission and CRA concur with the reallocation of dollars and to amend the City's policy to allow ticketed events to the Amphitheater at Cascades Park.

The additional consideration before the Board is whether to amend the Interlocal Agreement and Ordinance No. 2011-07 to suspend any additional contributions being set aside for the PAC to utilize for additional marketing efforts. The TDC is supportive of redirecting the funds set aside for the PAC until such time as the PAC is approved by the electorate as part of the sales tax extension. However, staff recommends redirecting the funds until such time as the Board deems appropriate in order to provide the Board as much flexibility as possible given the uncertainty of the PAC fundraising, whether or not the PAC will be included on the sales tax extension, and the future needs for some of the other projects on the horizon. This recommendation would allow the Board to readdress PAC funding at any time.

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Staff also recommends this include both the one-cent currently dedicated to the PAC and the ½-cent set to commence on October 1, 2013. These actions would require amending the Interlocal Agreement with the City and CRA and require a Public Hearing to amend County Ordinance 2011-07 (Tourist Development Plan). The reallocation of these funds could be used for additional marketing initiatives and would more than double the existing media budget to allow for the expansion of existing efforts and a number of new programs all designed to improve visitation to Leon County, enhance the local economy and provide a return on investment on the TDT.

**Options:**

1. Amend the Interlocal Agreement to reallocate up to \$1 million from the Tourist Development Trust Fund for a performing arts center to be used for the improvements to the Meridian Marker Amphitheater at Cascades Park, as outlined in Table #2, and contingent upon the City's willingness to amend its current policy to allow ticketed events in Cascades Park.
2. Amend the Interlocal Agreement with the City and the CRA and Ordinance No. 2011-07 (Tourist Development Plan) to redirect Tourist Development Tax Revenue (\$800,000) currently dedicated for a performing arts center to the Division of Tourism Development's annual marketing budget until such time as the Board deems appropriate.
3. Amend Ordinance No. 2011-07 (Tourist Development Plan) to delay the allocation of a ½-cent to the performing arts center, which is currently scheduled for October 1, 2013, until such time as the Board deems appropriate.
4. Direct the County Administrator to notify the City and CRA of the Board's actions at today's workshop and request concurrence where applicable:
  - The reallocation of up to \$1 million to the Meridian Marker Amphitheater at Cascades Park.
  - Amend the City's policy to allow ticketed events in Cascades Park.
  - Amend the Interlocal Agreement to reallocate the one penny to the Division of Tourism Development's annual marketing budget (the ½-cent is not part of the Interlocal Agreement).
5. Direct the County Attorney to schedule a Public Hearing to amend Ordinance No. 2011-07 (Tourist Development Plan) as provided in Options #2 and #3 to utilize these funds to enhance visitor marketing.
6. Direct the Division of Tourism Development to use the funds currently being set aside for a performing arts center for additional marketing activities contingent on the amendment to the Interlocal Agreement and Ordinance No. 2011-07.
7. Amend the Interlocal Agreement with the City and CRA and Ordinance 2011-07 to redirect Tourist Development Tax Revenue (\$800,000) currently dedicated for a performing arts center to the Division of Tourism Development's annual marketing budget until such time as the proposed performing arts center is approved by the electorate for the next sales tax extension.
8. Do not reallocate one-time Tourist Development Tax funds from a performing arts center for the stated improvements to the Meridian Marker Amphitheater.
9. Tentatively schedule a workshop on the allocation of Tourist Development Taxes following the completion of the sports complex feasibility analysis.
10. Board direction.

**Recommendation:**

Options #1, #2, #3, #4, #5, and #6.

Attachments:

1. Original 2004 Interlocal Agreement
2. Revised 2007 Interlocal Agreement
3. 2008 Demolition & Site Preparation Interlocal Agreement
4. 2012 Visitor's Guide / Visit Tallahassee 2010-2011 Year in Review
5. March 17, 2011 FY 12 Budget Workshop Item
6. Fabritec Proposal on Roof Construction
7. TDC Chair Memo on Recommendations
8. Cascades Park/Amphitheater Architectural Drawing
9. Amphitheater Lighting and Sound Package
10. Ordinance No. 2011-07 and Exhibit A, Tourist Development Plan
11. Proposed New Marketing Initiatives

**INTERLOCAL AGREEMENT AMONG THE CITY OF TALLAHASSEE, LEON COUNTY, AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF TALLAHASSEE REGARDING THE CREATION AND OPERATIONS OF THE DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT AREA AND THE EXPANSION OF ANY COMMUNITY REDEVELOPMENT AREA**

This Interlocal Agreement ("Agreement") is made and entered into as of this 23<sup>rd</sup> day of June, 2004, by and between Leon County, Florida, a charter county and political subdivision of the State of Florida (the "County"), the City of Tallahassee, Florida, a municipal corporation created and existing under the laws of the state of Florida (the "City"), and the Community Redevelopment Agency of the City of Tallahassee, a body politic and entity created, existing and operating under Part III of Chapter 163, Florida Statutes (the "Agency").

**RECITALS**

WHEREAS, under the authority of Part III of Chapter 163, Florida Statutes (the "Act"), the City has previously created the Agency, which has the authority under the Act to plan, coordinate, and cause the redevelopment of areas of the City determined under the Act to be "slum or blighted areas"; and,

WHEREAS, the Agency is currently implementing a "community development plan" for a "community redevelopment area" (as those terms are defined in the Act) known as the "Downtown District Community Redevelopment Area" (the "District"), and the City may, from time to time, seek to declare other additional areas to be "slum" or "blighted" areas and to cause the Agency similarly to implement such "community redevelopment plans" within those "community redevelopment areas" to address the identified conditions of "slum" or "blight" in those areas; and,

WHEREAS, the County is of the belief and position that neither the City, nor the Agency may legally create or designate any new "community redevelopment area", or expand the boundaries of any existing "community redevelopment area" or exercise any powers within a new or expanded "community redevelopment area", without first obtaining from the County the specific delegation of powers enumerated in the Act or otherwise the County's consent thereto; and,

WHEREAS, the City and the Agency are of the belief and position that the City has the power and authority to create and designate any new "community redevelopment area", or expand the boundaries of an existing "Community Redevelopment Area" and exercise those powers enumerated in the Act, within the new "community redevelopment area" without first obtaining from the County any approval, delegation of powers, or consent; and,

WHEREAS, the County and City engaged in the procedures enumerated in the Intergovernmental Conflict Resolution Act, Chapter 164, Florida Statutes, in an effort to resolve their differences concerning the District; however, both parties reached an impasse, and subsequently on March 5, 2004, the County filed a Complaint against the City, challenging the creation of the District; and,

WHEREAS, the parties to this Agreement agree that the conflict between them is better resolved through negotiation and agreement rather than by litigation; and,

WHEREAS, the parties to this Agreement agree that should either party breach this Agreement or should the Agreement be terminated pursuant to Section 10 of the Agreement, that both parties specifically reserve the right to put forth their legal arguments previously articulated, and nothing herein shall be deemed to be a waiver thereof; and

WHEREAS, the parties to this Agreement agree that the establishment of a Community Redevelopment Agency and Tax Increment Financing are effective tools for the redevelopment of slum or blighted areas of the City; and

WHEREAS, the parties to this Agreement agree that it is the intent of both the City and the County that properties acquired by the Agency for the purpose of redeveloping slum or blighted areas of the District, with the exception of those intended to be maintained in public ownership, be placed back on the tax rolls as quickly and as expeditiously as possible and consistent with the approved redevelopment plan; and

WHEREAS, the County, the City and the Agency (hereinafter collectively referred to as the "parties") desire to enter into an Agreement of understanding to delineate their areas of responsibility with respect to the redevelopment of the District and the Agency's obligations and responsibilities to each taxing authority; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises hereinafter set forth, the parties do hereby agree as follows:

Section 1. Authority

This Interlocal Agreement is entered into pursuant to the powers and authority granted to the parties under the Constitution and the laws of the State of Florida, including expressly but not limited to the authority of Section 163.01, Florida Statutes, and the Act.

Section 2. Definitions

Unless otherwise defined herein, the following words and phrases shall have the following meanings:

- a. "Agency" means the Community Redevelopment Agency, or its successor, a public body corporate and politic.

- b. **“Act”** means Part III of Chapter 163 of Florida Statutes (2003).
- c. **“Agreement”** means this document and other terms and conditions which are included and the exhibits and documents that are expressly incorporated herein by reference.
- d. **“City”** means the City of Tallahassee, a Municipal Corporation under the laws of the State of Florida.
- e. **“Community Redevelopment Area”** means a slum area, and blighted area, or an area in which there is a shortage of housing that is affordable to residents of low or moderate income, including the elderly, or a coastal and tourist area that is deteriorating and economically distressed due to outdated building density patterns, inadequate transportation and parking facilities, faulty lot layout or inadequate street layout, or a combination thereof which the governing body designates as appropriate for community redevelopment.
- f. **“County”** means Leon County, Florida, a Political Subdivision of the State of Florida, a Charter County.
- g. **“Downtown Community Redevelopment Plan”** or **“Plan”** means the plan adopted by the City Commission on June 23, 2004, (attached hereto as Exhibit B) for redevelopment of the District, and any amendments or revisions to such plan as the City Commission may from time to time approve in compliance with and subject to the limitations of this Agreement.
- h. **“Downtown District Community Redevelopment Area”** or **“District”** means the area located within the corporate limits of the City and found and determined by the City Commission in Resolution No. 02-R-43, adopted on September 11, 2002, to be a slum and blighted area (as the term is defined in the Act), a copy of which Resolution is attached hereto as Exhibit A.
- i. **“Effective Date”** means the date upon which the last party to this Agreement has fully executed same in accordance with the formalities imposed upon such entity required by Florida Law.
- j. **“Increment Revenue”** means the amount calculated pursuant to Section 163.387(1), Florida Statutes.
- k. **“Project”** means land sales, purchases, proposals, programs, development agreements, and public and private construction related to redevelopment in the District, unless specifically prohibited by the terms of this Agreement, which are projected to exceed \$500,000, or the portion thereof

funded by the Downtown District Community Redevelopment Area Trust Fund ("Trust Fund"), is expected to exceed \$500,000. For purposes of calculating the threshold amount of \$500,000, only direct monetary expenditures on a Project from the Trust Fund, shall be included.

Section 3. Term of Downtown District Community Redevelopment Area and Agreement:

- a. The term of the District for purposes of completing all Projects contemplated hereunder shall be no later than thirty-five (35) years from the Effective Date of this Agreement. The City reserves the right to reduce the term of the District to less than 35 years as provided for in this Agreement, provided that all indebtedness, in whatever form agreed to, and other contractual obligations involving County funds have been fully satisfied. The City shall notify the County of such intent to terminate the District at least 180 days prior to such termination in accord with Section 13 (e) of this Agreement. During the term of the District, the County method of investment in any redevelopment activities proposed by the Agency within the boundaries of the District shall be subject to the terms and conditions of this Agreement and any amendments hereto.
- b. The term of this Agreement shall commence upon the Effective Date, and shall end upon dissolution of the District, however, in no event to exceed thirty-five (35) years from the Effective Date, unless earlier terminated pursuant to Section 9 of this Agreement.
- c. This Agreement is non-terminable and non-cancelable during its term, and any amendments thereto, except as provided in Section 9 herein.

Section 4. Community Redevelopment Area.

The parties recognize the validity of the existing Downtown District Community Redevelopment Areas created pursuant to City Resolution No. 02-R-43 adopted September 11, 2002. Any attempt to modify the boundaries of this District, as set forth and delineated in said Resolution, other than by dissolution of such District, shall require the prior written approval of the County. Further, the creation of a Community Redevelopment Agency or Community Redevelopment Area or any boundary adjustments to any existing or newly created Community Redevelopment Area, occurring after the effective date of this Agreement, shall also require the prior written approval of the County.

Section 5. Downtown District Community Redevelopment Area.

The County delegates to the City those powers contained in the Act for the District, and all parties agree to the following conditions:

- a. The District shall have duration of no more than thirty-five (35) years from the Effective Date of this Agreement. However, annual Increment Revenue, if necessary to meet the respective obligations set forth in

Section 6(c) hereof or to secure debt issued to meet such obligation, shall be collected for a period of no more than thirty (30) years from the date upon which the District was created by the City.

- b. The membership of the Agency shall consist solely of the membership of the City Commission, who shall act as its governing body and who shall have all those powers enumerated under the Act, unless otherwise conferred or delegated hereunder. In addition thereto, the County shall appoint two (2) ex officio members to the CRA, who each shall have a two-year term.
- c. There is hereby created a Project Review Committee for the District, which shall be comprised of four members, two of whom shall be City Commissioners and two of whom shall be County Commissioners, who shall each have a two-year term. The Agency shall not remove or otherwise diminish the authority conferred upon the Project Review Committee established herein. All decisions made by the Project Review Committee shall be made by a majority vote. In the event of a tie vote on any matter, such matter shall be referred to both the County Administrator and City Manager who shall jointly be required to propose a "Resolution" to the Project Review Committee. The Project Review Committee shall then be reconvened for purposes of consideration of the "Resolution" to said matter. Should the Project Review Committee not adopt the "Resolution," an impasse shall be declared. In the event that an impasse occurs, the Agency shall have the right, in its sole discretion, to withdraw that Project from further consideration.
- d. The Agency confers upon the Project Review Committee all those powers necessary and convenient to carry out and effectuate the specific purposes and provisions of this Agreement which relate to the Project Review Committee. The Project Review Committee shall be required to review and approve or reject all Projects, which are authorized by the Agency for funding from the Trust Fund at both the conceptual stage and at the acquisition, sale and/or construction stage, as the case may be. Every Project shall be reviewed by the Project Review Committee and be subject to their approval. The Project Review Committee shall be required to review and approve or reject all Requests for Proposals and Bids responsive thereto related to any Project, but shall not be responsible for the award and administration of such contract or agreement resulting from such procurement efforts. Final scope of such Projects shall also be subject to review and approval or rejection by the Project Review Committee.
- e. Oversight Review Board. There is hereby created an Oversight Review Board, which shall be comprised of five members consisting of the Mayor of the City of Tallahassee, the Chairman of the Leon County Board of County Commissioners, the Leon County Property Appraiser, the

Superintendent of the Leon County Schools, and the Leon County Clerk of the Court. The Oversight Review Board shall be convened solely to address matters upon which the Project Review Committee reaches an impasse. The decision of the Oversight Review Board shall be final and binding upon the Project Review Committee and all Parties. In the event that the Oversight Review Board is unable to resolve a matter by majority vote, referred to it by the Project Review Committee, an impasse shall be declared and the matter shall be resolved in accordance with Section 10, Dispute Resolution.

**Section 6. Financial Provisions**

- a. **Tourist Development Tax.** The County agrees to impose an additional one-cent tourist development tax on a County-wide basis, as set forth in Section 125.0104(3)(l), Florida Statutes (2003). The proceeds of one cent of the tax imposed pursuant to Section 125.0104(3)(c) and (d), Florida Statutes (2003) which is required to be remitted to the County Tourist Development Trust Fund, in accordance with Section 125.0104(3)(i), Florida Statutes (2003), shall be dedicated exclusively for costs associated with a Performing Arts Center(s) to be located in the Downtown District Community Redevelopment Area. The Performing Arts Center project(s) shall be specifically subject to the review and approval or rejection of the Project Review Committee. Upon the request of the Agency, the County shall authorize, approve, and execute such documents as are necessary to authorize and permit the Agency to issue debt and pledge the above referenced proceeds for the repayment of that debt including the payment of debt service and costs of issuance. Any portion of the Tourist Development Tax not needed for the payment of debt service, construction and/or operational costs for the Performing Arts Center(s), shall at the option of the Agency and upon approval of the Project Review Committee be returned to the Leon County Tourist Development Trust Fund, for use for the purposes thereof.
  
- b. **Gaines Street Reconstruction Project.** The County agrees to contribute \$10.7 million, to be derived from its share of sales tax extension revenues as identified in Leon County Ordinance 00-35, to be used exclusively for the Gaines Street Reconstruction project as set forth in Leon County Resolution 00-30, dated June 1, 2000, as amended by Leon County Resolution No. R.03-63, dated September 23, 2003, provided the City contributes a minimum of \$17 million, derived from its share of sales tax extension revenues, to be used for the Gaines Street Reconstruction project, as identified herein, and the east/west pairing reconstruction project associated with the Gaines Street Reconstruction project and associated land acquisition and transportation related improvements in connection therewith. The County shall remit the subject funds to the City not later than 180 days from receipt of written notice from the City that the City funds have been contributed and the County funds are needed for the project. The subject funds shall be deposited into a City Project Work

Order for the project and the responsibility for design, construction and operation of the project shall be strictly that of the City.

- c. Joint Funding of Downtown District Community Redevelopment Area Trust Fund. The County agrees to pay \$15,000,000 and the City agrees to pay \$13,000,000 by September 30, 2005, to the Trust Fund. In no event shall funds from Sales Tax, Municipal Service Taxing Unit or utility service revenues be used to make these contributions. If these payments are made prior to September 30, 2005, then the entity making the payment will be relieved from any future Increment Revenue payments required to be made to the District.

Based on the need for the funding of Projects approved by the Project Review Committee, and other permitted uses of Trust Fund monies, the Agency, shall make written demand on the City and County for payment into the Trust Fund of all or a portion of the outstanding balance owed, which may be due after September 30, 2005. Any such partial payment shall be in the respective percentages of the total obligation set forth above. Such payment shall be made, with accrued interest, within 180 days of Notice by the Agency.

In the event the Agency does not demand payment as described above of the full agreed upon amount prior to September 30, 2005, interest on the outstanding balance will be paid into the Trust Fund on October 1 of each year in which payment is deferred, accruing at 4.50 % or the annual Consumer Price Index ("CPI") rate in effect on October 1 of each year, whichever is greater. "CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84-100 (unadjusted), as published monthly by the Bureau of Labor Statistics, United States Department of Labor.

Until the principal and all accrued interest, if any, of the agreed amounts are paid (County - \$15,000,000; City - \$13,000,000), the City and the County agree to pay annually the Increment Revenue to the Trust Fund. The Agency will remit to the account designated by the County the increment amount attributed to the EMS Municipal Services Taxing Unit and the Indigent Health Care Municipal Services Taxing Unit collected within the District. Such remittance will be made within ten (10) calendar days of receipt of payment by the Agency. The remaining amount contributed by each entity will be applied to the outstanding balance owed by that entity, including interest owed as described above.

If either the City or the County desire to finance its required contribution or any portion thereof through the issuance of debt secured by Increment Revenue collected within the District, the Agency agrees upon the request of such party to authorize, approve, and execute such documents as are necessary to authorize and permit that Party to issue debt and pledge the

Increment Revenue for the repayment of that debt, including the payment of debt service and cost of issuance.

Once the total amount owed is paid off by either Party, that Party shall be fully relieved of any obligation to remit Increment Revenue to the Agency or District Trust Fund.

- d. Trust funds shall not be used to provide direct lease subsidies within the District. Trust funds shall not be used to provide indirect lease subsidies unless they are specifically approved by the Project Review Committee. A lease subsidy is defined as any payment from the Trust Fund, through the Agency, to either a property owner or a tenant for the express purpose of reducing the tenant's lease costs. The requirement of inclusion of retail or commercial space in a given Project shall not constitute a lease subsidy.
- e. Funds and other assets received by the Agency unrelated to the District or through grants, gifts, donations, or in any other manner accruing to the District, including Increment Revenue contributed by the City in excess of its required obligation under Section 6(c) hereof and Increment Revenue from the Downtown Improvement Authority, except as described below, shall remain the assets and/or funds of the Agency and shall not be in any way subject to the provisions of this Agreement. Funds and other assets received by the Agency from the sale or lease of Projects financed by the Agency within the District shall remain subject to the provisions hereof for the entire Term of this Agreement
- f. In the event of any subsequent refinancing of debt secured by Increment Revenue or Tourist Development Tax revenue issued pursuant to this Agreement, any debt service savings shall accrue to the benefit of the Trust Fund.
- g. As a result of the provisions of this Agreement, subject to the provisions of Section 6(c) hereof, the County is hereby relieved of its obligation under the Act to deposit Increment Revenue or any other funds into the Community Redevelopment Downtown District Trust Fund, and the City and the Agency shall be deemed to have waived their rights under the Act to require the County to make such payments.

Section 7. Records and Reporting. For Projects within the Downtown District Community Redevelopment Area. The Agency shall:

- a. Maintain books, records, documents, and other evidence according to generally accepted governmental accounting principles, procedures and practices, which sufficiently and properly reflect all costs and expenditures of any nature, incurred by the City and/or Agency in connection with the Projects or otherwise paid or to be paid from either Incremental Revenues or the proceeds of increment obligations, or paid from revenues derived from the Tourist Development Tax or revenues otherwise contributed by

the County to the District, and said books, records, documents and other instruments shall be retained by the City and the Agency for a period of three full years after termination of this Agreement. However, notwithstanding the above, construction records, documents, and reports shall be retained by the City and the Agency for a period of five full years after completion of any such Project, unless said records, documents, and reports are required to be maintained pursuant to federal income tax regulations for arbitrage rebate calculation purposes, upon which said records, documents, and reports shall be retained for a period of three years after termination of this Agreement; and

- b. Provide to the Project Review Committee, within 45 days after March 31 and September 30 of each year, a report which shall contain a narrative description of the work completed on any Projects according to the project schedule, a description of any change orders then pending or executed, and a budgetary summary detailing planned expenditures and actual expenditures; and
- c. Provide the County and the City upon completion of construction of any Project with a certification to the County from a professional engineer licensed to practice in the State of Florida, that the improvements have been completed according to the plans and specifications approved for such Project; and
- d. Within 120 days after the end of each fiscal year, provide the Project Review Committee a report for the preceding fiscal year itemizing all expenditures made by the City and/or Agency from proceeds of Increment Revenue, increment obligations, Tourist Development Tax proceeds, and/or other County contribution to the Trust Fund, setting forth all interest earnings from the investment of proceeds of Increment Revenue, increment obligations, Tourist Development Tax proceeds, and/or County revenue contributions, and calculating the balance of any unexpended proceeds.

Section 8. Audit.

- a. The County shall have the right from time to time at its sole expense to audit the compliance by the City and the Agency with the terms, conditions, obligations, limitations, restrictions and requirements of this Agreement, and such right shall extend for a period of three (3) years after termination of this Agreement. However, notwithstanding the above, the right to audit from time to time for compliance by the City and the Agency with the terms, conditions, obligations, limitations, restrictions and requirements of this Agreement as it relates to construction of Projects shall extend for a period of five (5) years after the completion of the Projects.
- b. The County shall have full access, for inspection, review, and audit purposes, to all items referred to in the preceding paragraph.

- c. The City and the Agency shall insure that all aforementioned recordkeeping, reporting, and audit requirements are included in any contracts and subcontracts entered into by the City and/or Agency with any party for the construction, purchase, sale or lease related to a Project authorized in this Agreement.
- d. During the term of this Agreement, or any amended term of this Agreement, the City and the Agency shall provide to the County an annual report as required by Sections 163.387(8) and 163.356(3), Florida Statutes. The City and the Agency shall include a comparison of plan goals, objectives, and policies to annual program accomplishments and an analysis comparing current tax base to the base year, in addition to the statutorily required financial statements.
- e. During the term of this Agreement, or any amended term of this Agreement, the City and the Agency shall provide a report to the County on an annual basis, as required by Section 163.356(3)(c), Florida Statutes, to effectively demonstrate accountability for the resources and activity. The activity report shall be provided in a format approved by the County, City and Agency, and must include both expenditures for the current fiscal year and cumulative financial information for each individual project or activity undertaken pursuant to the Community Redevelopment Area Plan. Specific details of the reporting shall be part of the terms and conditions of any amendments to this Agreement.

**Section 9. Termination.**

- a. If any Party fails to comply with any terms or conditions of this Agreement or default in any of its obligations under this Agreement, and shall fail within thirty (30) calendar days after written notice to the non-compliant party to correct such default or non-compliance, the non-defaulting party, at its option may forthwith terminate this Agreement.
- b. In the event that either the City or the Agency removes or otherwise diminishes any delegated authority under this Agreement, as identified under Section 5, or otherwise defaults in any of its obligations under this Agreement, the County, at its sole option, may forthwith terminate this Agreement, and the City or the Agency, jointly and severally shall be liable to County for all funds paid pursuant to the provisions of this Agreement by the County to the Trust Fund or to any other fund or entity, or otherwise owed or pledged thereto, for the purposes of and retroactive to the effective date of this Agreement. In the event that the County defaults in any of its obligations under this Agreement, the City and Agency shall have all rights and privileges under Chapter 163, Florida Statutes, and the County shall be liable to the Agency for all Increment Revenue otherwise due to the Agency since the date of this Agreement, notwithstanding the limitations set forth in this Agreement.

- c. The grounds for termination and the remedy set forth in this Section are intended to be cumulative with those set forth in other paragraphs in this Agreement, as well as those otherwise available to the parties at law or at equity.

Section 10. Dispute Resolution.

- a. The parties shall attempt to resolve any disputes that arise under this Agreement in good faith and in accordance with this Paragraph. The provision of the “Florida Governmental Conflict Resolution Act” shall not apply to disputes under this Agreement, as an alternative dispute resolution process is hereby set forth in this Section 10. The aggrieved party shall give written notice to the other party, in the manner set forth in Section 13.e., setting forth the nature of the dispute, date of occurrence (if known), and proposed resolution, hereinafter referred to as the “Dispute Notice.”
- b. Should the parties be unable to reconcile any dispute, the appropriate Agency, City and County personnel shall meet at the earliest opportunity, but in any event within ten (10) days from the date that the Dispute Notice is received, to discuss and resolve the dispute. If the dispute is resolved to the mutual satisfaction of both, they shall report their decision, in writing, to the City Manager and County Administrator. If they are unable to reconcile their dispute, they shall report their impasse to the City Manager and the County Administrator who shall then convene a meeting of the City Manager and County Administrator at their earliest opportunity, but in any event within 20 days following receipt of a Dispute Notice, to attempt to reconcile the dispute.
- c. If a dispute is not resolved by the foregoing steps within thirty (30) days after receipt of the Dispute Notice, unless such time is extended by mutual agreement of the parties, then either party may require the dispute to be submitted to mediation by delivering written notice thereof (the “Mediation Notice”) to the other party. The mediator shall meet the qualifications set forth in Rule 10.010(c), Florida Rules for Mediators, and shall be selected by the parties within 10 days following receipt of the Mediation Notice. If agreement on a mediator cannot be reached in that 10-day period, then either party can request that a mediator be selected by an independent conflict resolution organization, and such selection shall be binding on the parties. The costs of the mediator shall be borne equally by the parties.
- d. If an amicable resolution of a dispute has not been reached within 60 calendar days following selection of the mediator, or by such later date as may be mutually agreed upon by the parties, then such dispute may be referred to binding arbitration by either party. Such arbitration shall be

conducted in accordance with the Florida Arbitration Code (Chapter 682, Florida Statutes).

1. Such arbitration shall be initiated by delivery, from one party (the "Claimant") to the other (the "Respondent"), or a written demand therefore containing a statement of the nature of the dispute and the amount, if any, involved. The Respondent, within ten (10) days following its receipt of such demand, shall deliver an answering statement to the Claimant. After the delivery of such statements, either party may make new or different claims by providing the other with written notice thereof specifying the nature of such claims and the amount, if any, involved.

2. Within ten (10) days following the delivery of such demand, each party shall select an arbitrator and shall deliver written notice of that selection to the other. If either party fails to select an arbitrator within such time, the other party may make application to the court for such appointment in accordance with the Florida Arbitration Code. Within ten (10) days following delivery of the last of such written notices, the two arbitrators so selected shall confer and shall select a third arbitrator. Each of the arbitrators so appointed shall have experience in local government issues relating to Community Redevelopment Agencies.

3. The arbitration hearing shall be commenced in Leon County, Florida within sixty (60) days following selection of the third arbitrator. Except as may be specifically provided herein, the arbitration shall be conducted in accordance with Rules R-23 – R-48 of the Commercial Arbitration Rules of the American Arbitration Association.

Section 11. Procedure for the Creation of New Community Redevelopment Agencies or the Expansion of Existing Community Redevelopment Agencies.

The City and County agree either Party may only propose new Community Redevelopment Areas in areas within the City limits or boundary adjustments to existing Community Redevelopment Areas, subject to the provisions of this Section. Should either the City or County propose a new Community Redevelopment Area, or a boundary adjustment to an existing Community Redevelopment Area, it shall be required to first receive the prior written approval of the other Party. The City and the County agree to negotiate the boundaries, the duration of future Community Redevelopment Areas and such Increment Revenue in good faith.

Section 12. Charter Amendments

The City and County pledge that neither the City nor the County shall initiate any charter amendment to either the City or County Charter during calendar year 2004 which

in any way concern, effect or otherwise impact the budgetary or operational matters of either entity.

Section 13. General Provisions.

- a. Assignment. The parties shall not assign any portion of this Agreement without written consent first obtained from the other parties and any assignment made contrary to the provisions of this Paragraph may be deemed a default of the Agreement and, at the option of the other parties, shall not convey any rights to the assignee.
- b. Compliance with Applicable Law. In providing services and otherwise carrying out its obligations under this Agreement, the parties shall comply with Applicable Law. Such compliance shall include obtaining any and all federal, state, or local permits or licenses required to perform its obligations under this Agreement.
- c. Independent Contractor. Nothing in this Agreement shall be construed to create a relationship or employer and employee or principal and agent, partnership, joint venture, or any other relationship other than that of independent parties contracting with each other solely for the purpose of carrying out the provision of the Agreement. Nothing in the Agreement shall create any right or remedies in any third party, it being solely for the benefit of the County, the City and the Agency.
- d. Non-waiver. Failure to enforce or insist upon compliance with any of the terms or conditions of this Agreement or failure to give notice or declare this Agreement terminated shall not constitute a general waiver or relinquishment of the same, or of any other terms, conditions, or acts; but the same shall be and remain at all times in full force and effect.
- e. Notice. If written notice to a party is required under this Agreement, such notice shall be given by hand delivery, recognized overnight delivery service, or by first class mail, registered and return receipt requested, to the County as follows:

County Administrator  
Leon County Courthouse  
301 South Monroe Street  
Tallahassee, Florida 32301

and to the City as follows:

City Manager  
City Hall

300 S. Adams Street, Box A-21  
Tallahassee, Florida 32301

and to the Agency as follows:

Executive Director  
City Hall  
300 S. Adams Street  
Tallahassee, Florida 32301

- f. Force Majeure. A party's timely performance of its obligations under this Agreement, only to the extent it is specifically affected thereby, shall be suspended, without forfeiture of any performance bond or the incurring of any financial liability, when and only for as long as performance of such obligations is prevented by reason of any of the following cases: (i) acts of God, including without limitation severe weather events, (ii) operation of law, and (iii) any other event beyond the reasonable control of the party whose performance is affected, to the extent not caused by such party's willful or negligent acts or omissions, except in those cases where that party could have reasonably foreseen and reasonably avoided the occurrence. The party affected by any such event shall give written notice thereof to the other party as soon as practicable after it becomes aware of such an event and, to the extent practicable, shall specify the anticipated length of the delay. The affected party shall use reasonable efforts to minimize the impact of that delay on that party's performance. Neither party shall be liable to the other for damages caused by such events. This provision shall not apply to obligations to make payments under Paragraph 6 of this Agreement.
- g. Choice of Law, Venue, and Severability. This Agreement shall be construed and interpreted in accordance with Florida Law. Venue for any action brought in relation to this Agreement shall be placed in a court of competent jurisdiction in Leon County, Florida. If any provision of this Agreement is subsequently held invalid, the remaining provisions shall continue in effect.
- h. Indemnification. To the extent permitted by law, each party agrees to indemnify, defend and hold harmless the other party, its officials, officers, and employees, from and against all liabilities, damages, costs and expenses, including but not limited to a reasonable attorney's fee, to the extent that same are caused by the negligent or wrongful acts or omissions of the indemnifying party, or its officials, officers, or employees, in the performance of this Agreement. The liability of each party, as set forth in this Paragraph, is intended to be consistent with limitations of Florida law,

including the State's waiver of sovereign immunity pursuant to Section 768.28, Florida Statutes. No obligations imposed by this Paragraph shall be deemed to alter said waiver or to extend the liability of a party beyond such limits, nor shall any such obligation be deemed or construed as a waiver of any defense of sovereign immunity to which the indemnifying party may be entitled.

- i. Amendment. Neither this Agreement nor any portion of it may be modified or waived orally. The provisions hereof may be amended or waived only pursuant to an instrument in writing, approved by the City Commission, the Governing Board of the Agency, and the County's Board of County Commissioners, and jointly executed by the parties hereto. This Agreement shall be enforced and be binding upon, and inure to the benefits of, the parties hereto and their respective successors and assigns, if any. Any party to this Agreement shall have the right, but not obligation, to waive any right or rights, limitation or limitations, or condition or conditions herein reserved or intended for the benefit of such party without being deemed to have waived other rights, limitations, or conditions. However, any such waiver shall be valid only if expressly granted in writing as described above.
- j. Third Party Beneficiary. This Agreement is solely for the benefit of the County, the City, and the Agency, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party. Nothing in this Agreement, either express or implied is intended or shall be construed to confer upon or give any person, corporation, or governmental entity or agency, other than the parties hereto, any right, remedy, or claim under or by reason of this Agreement or any provisions or conditions hereof.
- k. Severability. The provisions of this Agreement are declared by the parties to be severable. However, the material provisions of this Agreement are dependent upon one another, and such interdependence is a material inducement for the parties to enter into this Agreement. Therefore, should a material term, provision, covenant, or condition of this Agreement be held unenforceable by a Court of competent jurisdiction, the party protected or benefited by such term, provision, covenant, or condition may demand that the parties negotiate such reasonable alternative contract language or provisions as may be necessary either to restore the protected or benefited party to its previous position, or otherwise mitigate the loss of protection or benefit resulting from the mitigation.
- l. Litigation. In exchange for the full compliance of the terms and conditions of this Agreement, the County agrees to dismiss with prejudice the lawsuit filed against the City of Tallahassee, Case No. 2004-612 dated March 5, 2004 with each party to pay its own attorneys fees and costs. In

addition, the Parties agree not to challenge an Agency bond validation, if any, for the funding of the other parties' contribution to the Trust Fund.

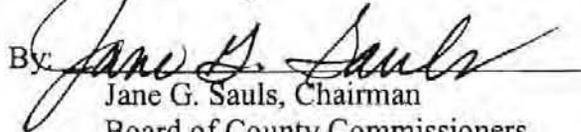
- m. Limited Application. Except with respect to Sections 4 and 11 herein, this Agreement shall in no event be construed as applying to the Frenchtown Southside Community Redevelopment District established September 23, 1998.

**IN WITNESS WHEREOF**, the parties cause this Agreement to be executed by their duly authorized representatives this 16<sup>th</sup> day of August, 2004.

Approved as to form:  
COUNTY ATTORNEY'S OFFICE  
LEON COUNTY, FLORIDA

By:   
Herbert W.A. Thiele, Esq.  
County Attorney

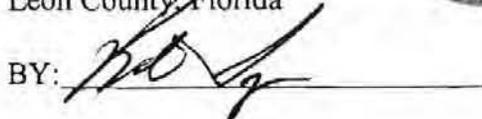
LEON COUNTY, FLORIDA

By:   
Jane G. Sauls, Chairman  
Board of County Commissioners

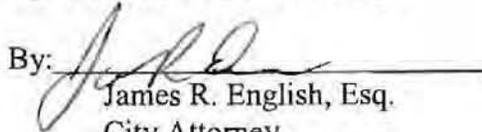
Date: August 16, 2004

Attest:  
Bob Inzer, Clerk of the Court  
Leon County, Florida

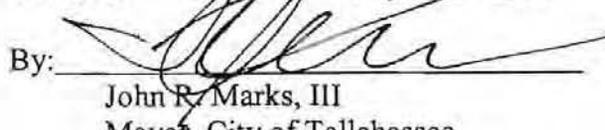


BY: 

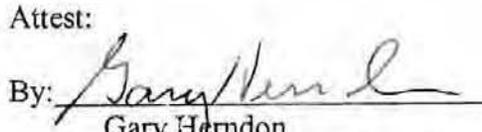
Approved as to form:  
CITY ATTORNEY'S OFFICE

By:   
James R. English, Esq.  
City Attorney

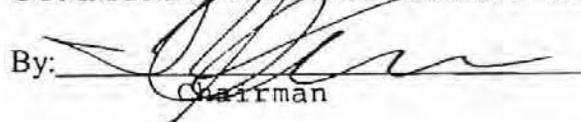
CITY OF TALLAHASSEE, FLORIDA

By:   
John R. Marks, III  
Mayor, City of Tallahassee

Date: August 16, 2004

Attest:  
By:   
Gary Herndon  
City Treasurer-Clerk

COMMUNITY REDEVELOPMENT AGENCY

By:   
Chairman

**FIRST AMENDMENT TO INTERLOCAL AGREEMENT  
AMONG THE CITY OF TALLAHASSEE, LEON COUNTY, AND THE  
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF  
TALLAHASSEE REGARDING THE CREATION AND OPERATIONS OF THE  
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT AREA AND THE  
EXPANSION OF ANY COMMUNITY REDEVELOPMENT AREA**

This First Amendment to the Interlocal Agreement ("Agreement") is made and entered into as of this 4<sup>th</sup> day of October, 2007, by and between Leon County, Florida, a charter county and political subdivision of the State of Florida (the "County"), the City of Tallahassee, a municipal corporation created and existing under the laws of the state of Florida (the "City"), and the Community Redevelopment Agency of the City of Tallahassee, a body politic and entity created, existing and operating under Part III of Chapter 163, Florida Statutes (the "Agency").

**RECITALS**

WHEREAS, the County, City, and Agency entered into the Agreement as of the 23<sup>rd</sup> day of June, 2004, regarding the Downtown District Community Redevelopment Area (the "District"); and

WHEREAS, the Agreement defines the area encompassed by the District; and

WHEREAS, the Agreement includes provisions for the joint funding of the Downtown District Community Redevelopment Area Trust Fund (the "Trust Fund") by the County and the City; and

WHEREAS, the Agreement provides for funding of costs associated with the Performing Arts Center and Gaines Street Reconstruction projects;

WHEREAS, the parties to the Agreement agree that it is in the best interest of the Agency, the City, and the County (hereinafter collectively referred to as the "Parties") to expand the boundaries of the District, modify the Parties' funding obligations, expand the membership of the Agency Board, and provide for consideration of additional Projects; and

WHEREAS, the Agreement provides that any provisions of the Agreement may be amended or waived only pursuant to an instrument in writing, approved by the City Commission, the Governing Board of the Agency, and the County's Board of County Commissioners, and jointly executed by the Parties; and

WHEREAS, the Agreement provides that any proposed boundary adjustment to the District requires the prior written approval of the City and County; and

WHEREAS, the Parties desire to enter into an amendment to the Agreement to provide the prior written approval of the proposed adjustment to the District boundary, change the calculation method for City and County contributions, expand the membership of the Agency Board, and provide for consideration of additional Projects.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises hereinafter set forth, the Parties do hereby agree as follows:

1. Section 2.h. is hereby deleted, replaced, and superceded by the following:

**2.h. “Downtown District Community Redevelopment Area” or “District”** means the area located within the corporate limits of the City and found and determined by the City Commission in Resolution No. 02-R-43, adopted on September 11, 2002, to be a slum and blighted area (as the term is defined in the Act), a copy of which Resolution is attached hereto as Exhibit A. The District shall also include the areas depicted on Exhibit A-1 attached hereto and made a part hereof, contingent upon City adoption of the appropriate resolution and that shall be incorporated herein by reference.
2. Section 5.b. is hereby deleted, replaced, and superceded by the following:

b. The membership of the Agency shall consist of the Mayor of the City, the four (4) members of the City Commission, and the four (4) members of the County Commission as appointed by the Board of County Commissioners, who shall act as its governing body and who shall have all those powers enumerated under the Act, unless otherwise conferred or delegated hereunder.
3. Sections 5.c., 5.d., and 5.e. are hereby deleted.
4. Section 6.a. is hereby deleted, replaced, and superceded by the following:

a. Tourist Development Tax. The County agrees to impose an additional one-cent tourist development tax on a County-wide basis, as set forth in Section 125.0104(3)(1)(4), Florida Statutes (2003). The proceeds of one cent of the tax imposed pursuant to Section 125.0104(3)(c) and (d), Florida Statutes (2003) which is required to be remitted to the County Tourist Development Trust Fund, in accordance with Section 125.0104(3)(i), Florida Statutes (2003), shall be dedicated exclusively for the debt service, construction and/or operational costs of a Performing Arts Center(s) to be located in the Downtown District Community Redevelopment Area. Upon the request of the Agency, the County shall authorize, approve, and execute such documents as are necessary to authorize and permit the Agency to issue debt and pledge the above referenced proceeds for the repayment of that debt including the payment

of debt service and costs of issuance. Any portion of the Tourist Development Tax not needed for the payment of debt service, construction and/or operational costs for the Performing Arts Center(s), shall be returned to the Leon County Tourist Development Trust Fund, for use for the purposes thereof.

5. Section 6.c. is hereby deleted, replaced, and superceded by the following:

c. Joint Funding of Downtown District Community Redevelopment Area Trust Fund.

(1) The County's annual contribution of Increment Revenue to the Trust Fund shall be equal to an ad valorem tax rate of 4.29 mills of the incremental increase in ad valorem taxes and the City's annual contribution of increment revenue to the Trust Fund shall be equal to an ad valorem rate of 3.7 mills of the incremental increase in ad valorem taxes, except as provided in section (2) below. The incremental increase in ad valorem taxes shall be determined as provided in Section 163.387(1), Florida Statutes.

(2) The City and County recognize that the modifications to the contributions to the Trust Fund made by this amendment results in a reduction in the revenue previously available for the Trust Fund in the early years of the District. To mitigate the impact of this revenue reduction, the City and County agree to provide supplemental contributions to the Trust Fund in fiscal years 2006-07, 2007-08 and 2008-09. The supplemental contributions will be in the amounts to ensure that the Trust Fund receives the total revenue equal to \$1,537,659, which is the amount of revenue that the Trust Fund received in fiscal year 2005-06. The amount the City and County will contribute will be determined by applying the annual contributions to the Trust Fund that are collected for those years to the \$1,537,659 revenue target. If the Increment Revenue contributions do not equal or exceed the \$1,537,659 revenue target, then the City and County will make supplemental contributions to the Trust Fund sufficient to reach that revenue target. The County will provide 53.6% and the City will provide 46.4% of the required total supplemental contribution amount. These contributions shall be made at the same time as the City and County submit their required Increment Revenue payment to the Trust Fund.

6. Section 6.d. is hereby deleted, replaced, and superceded by the following:

d. Lease subsidies shall be an eligible expenditure of Trust Funds. A lease subsidy is defined as any payment from the Trust Fund, through the

Agency, to either a property owner or a tenant for the express purpose of reducing the tenant's lease costs.

7. Section 6. is hereby amended to add item 6.h. as follows:
  - h. The Agency agrees that it shall consider continuing to provide further financial support for the Performing Arts Center project, contingent upon: (1) determination of the actual total costs; (2) availability of a funding source for Agency participation; (3) availability of other funding sources for the majority of the costs of the Performing Arts Center project, and (4) location of the Performing Arts Center within the boundaries of the District.
8. Section 6. is hereby amended to add item 6.i. as follows:
  - i. The Agency agrees that it shall work with the County to develop a plan for additional public parking in the District, particularly to address the needs for parking to accommodate those serving on jury duty at the Leon County Courthouse. The Agency will provide funding to support bus service to transport jurors from the County's public parking lot on Duval Street to the County Courthouse. The schedule and frequency of such service shall be coordinated with the Clerk of the Courts.
9. Section 7 b. is hereby deleted:
10. Section 7.d. hereby deleted:
11. The City and County execution of this amendment shall constitute the City and County required prior written approval to the proposed District boundary adjustment as required by Section 11 of the Agreement.

All other terms and conditions of the Agreement remain in full force and effect, except as amended herein.

**IN WITNESS WHEREOF**, the Parties have caused this First Amendment to the Interlocal Agreement to be executed by their duly authorized representatives this 4<sup>th</sup> day of October, 2007.

LEON COUNTY, FLORIDA

By: C. E. DePuy, Jr.  
C.E. DePuy, Jr., Chairman  
Board of County Commissioners



ATTEST:  
Bob Inzer, Clerk of the Court  
Leon County, Florida  
BY: [Signature]

Approved as to Form:  
Leon County Attorney's Office  
BY: [Signature]  
Herbert W.A. Thiele, Esq.  
County Attorney

CITY OF TALLAHASSEE

By: [Signature]  
John R. Marks, III  
Mayor, City of Tallahassee

Date: 10/1/07

ATTEST:  
By: [Signature]  
Gary Herndon  
City Treasurer-Clerk

Approved as to Form:  
By: [Signature]  
James R. English  
City Attorney

COMMUNITY REDEVELOPMENT  
AGENCY

By: [Signature]  
John R. Marks, III  
Chair

**INTERLOCAL AGREEMENT AMONG THE CITY OF TALLAHASSEE, LEON COUNTY AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF TALLAHASSEE REGARDING THE USE OF DESIGNATED TOURIST DEVELOPMENT TAX FUNDS FOR DEMOLITION AND SITE PREPARATION TO SUPPORT THE PROPOSED DOWNTOWN PERFORMING ARTS CENTER IN THE DOWNTOWN DISTRICT COMMUNITY DEVELOPMENT AREA**

**WHEREAS**, the City of Tallahassee ("City"), Leon County, Florida ("County"), and the Tallahassee Community Redevelopment Agency ("CRA") entered into an interlocal agreement ("Interlocal Agreement") dated June 23, 2004 concerning the Downtown Community Redevelopment District ("District"); and

**WHEREAS**, Section 6.a. of the Interlocal Agreement provided that the County would levy an additional one-cent of Tourist Development Tax to support the development of a Performing Arts Center, which the County has adopted by ordinance; and

**WHEREAS**, in 2006 the City, County and CRA approved the First Amendment to the Interlocal Agreement which provided that the CRA would be responsible for the allocation of the designated Tourist Development Tax revenue to support the development of the Performing Arts Center; and

**WHEREAS**, in 2005 the City acquired the property bounded by Bronough Street, Gaines Street, Madison Street and Duval Street ("Johns Building Block") from the State of Florida; and

**WHEREAS**, in 2007 the City entered into an Option Agreement for Sale and Purchase with the Florida Center for Performing Arts and Education Inc. ("Florida Center") for the Johns Building Block for the purposes of constructing a Performing Arts Center subject to the Florida Center meeting certain milestones to demonstrate the capacity to fund the construction of proposed Performing Arts Center; and

**WHEREAS**, in 2008, the CRA and the Florida Center entered into an agreement for funding in the amount of \$562,500.00 for a public awareness program and a private fundraising campaign for the proposed Performing Arts Center; and

**WHEREAS**, the Florida Center has requested that the existing Johns and Clemons buildings on the Johns Building Block, (the "Johns and Clemons Buildings") be demolished and the site restored to support the development of the proposed Performing Arts Center; and

**WHEREAS**, on June 17, 2008 the CRA Board of Directors approved an action to enter into an agreement with the City to provide funding up to \$796,000.00 from the

designated Tourist Development Tax to fund the costs associated with the demolition of the Johns and Clemons Buildings; and

**WHEREAS**, on July 9, 2008 the Tallahassee City Commission approved an agreement with the CRA to administer and oversee the demolition and site preparation work associated with the demolition of the Johns and Clemons Buildings, with the CRA providing the funding for the demolition and associated site work in an amount not to exceed \$796,000.00; and

**WHEREAS**, on July 22, 2008 the Leon County Board of County Commissioners approved an agreement with the City and CRA to release the designated Tourist Development Tax funds in an amount not to exceed \$796,000.00 to the CRA for the costs associated with the demolition and site preparation work on the Johns Building Block to support the proposed Performing Arts Center.

**NOW, THEREFORE**, for and in consideration of the foregoing recitals and the mutual covenants and promises hereinafter set forth, the parties do enter into this Agreement and do hereby agree as follows:

Section 1. Authority

This Agreement is entered into pursuant to the powers and authority granted to the parties under the Constitution and the laws of the State of Florida, including expressly but not limited to the authority of Section 163.01, Florida Statutes, and the Act.

Section 2. Definitions

Unless otherwise defined herein, the words and phrases used herein shall have the same meanings as defined in Section 2 of the Interlocal Agreement, as amended, and are incorporated and made a part hereof by reference.

Section 3. Incorporation of Sections of the Interlocal Agreement

Sections 7, 8, 9, 10 and 13 (a)-(k) of the Interlocal Agreement, as amended, are incorporated and made a part hereof by reference.

Section 4. Provision of Funds

The County will provide the CRA with \$508,425.00 from the designated Tourist Development Tax revenue upon full execution of this Agreement. The CRA will provide funding to the City for the expenses associated with the demolition of the Johns and Clemons Buildings and associated site preparation (collectively the "Scope of Work") as provided in the Proposed Demolition Costs (Attachment 1). The City will execute and administer all contracts for the work identified in Attachment 1 and provide direct project oversight.

If during the course of the Scope of Work, additional costs are encountered, above those identified in Attachment 1, the City shall provide the CRA with a written justification for the additional expenses and a revised Demolition Cost estimate. CRA

staff shall review the revised Demolition Cost estimate and determine whether the additional costs are consistent with the approved Scope of Work and costs to support the proposed Performing Arts Center. If the CRA staff determines that the revised Demolition Cost estimate is consistent with the approved Scope of Work, then the CRA will submit a request to the County for the additional funds identified in the revised Demolition Cost estimate. The County shall provide the CRA with the requested additional funds from the designated Tourist Development Tax revenue. In no event shall the total amount of funding provided under this agreement exceed \$796,000.00.

Upon the completion of the Scope of Work, the City shall provide to the CRA and the County a final report identifying all expenses incurred. The CRA shall verify that the City has been properly reimbursed for all approved expenses as provided for in the Demolition Cost estimate. Upon the completion of the Scope of Work, the CRA shall remit to the County any unexpended Tourist Development Tax funds that were provided through this Agreement. These remitted funds shall be returned to the appropriate funds available for the Performing Arts Center from the Tourist Development Tax.

#### Section 5. Reimbursement of Tourist Development Tax Funds

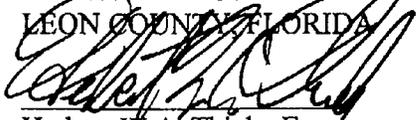
The reimbursement of the Tourist Development Tax funds by the City to the CRA, and by the CRA to the County, will be required if or (a) the City terminates its Option Agreement for Sale and Purchase of the Johns Building Block with the Florida Center; or (b) the City enters into another Option Agreement for Sale and Purchase of the Johns Building Block and the terms of that agreement do not require the construction of a Performing Arts Center, the City must provide the reimbursement to the County within twelve months of the date of either action described in (a) or (b). However, if the City terminates the Option Agreement for Sale and Purchase with the Florida Center, and within a twelve month period of the termination, enters into a new Option Agreement for Sale and Purchase for the Johns Building Block that provides for the construction of a Performing Arts Center by another party, the reimbursement will not be required..

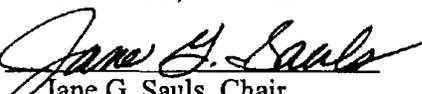
If the proposed Performing Arts Center is not constructed on the Johns Building Block then the City agrees to reimburse the CRA, which agrees to reimburse the County, for the Tourist Development Tax funds that were expended for the demolition and associated site improvements described in the Scope of Work. The County shall return the funds reimbursed by the City to the funds available for the Performing Arts Center from the Tourist Development Tax.

**IN WITNESS WHEREOF**, the parties cause this Agreement to be executed by their duly authorized representatives this 22<sup>nd</sup> day of July, 2008.

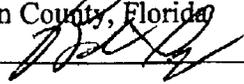
**LEON COUNTY, FLORIDA**

Approved as to form:  
COUNTY ATTORNEY'S OFFICE  
LEON COUNTY, FLORIDA

  
Herbert W.A. Thiele, Esq.  
County Attorney

By:   
Jane G. Sauls, Chair  
Board of County Commissioners

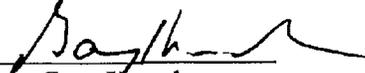
Date: 8-26-08

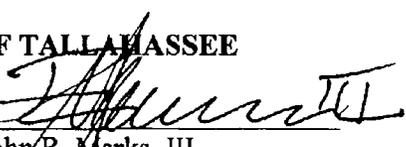
Attest:  
Bob Inzer, Clerk of the Court  
Leon County, Florida  
BY: 



**CITY OF TALLAHASSEE**

ATTEST:

By:   
Gary Herndon  
City Treasurer-Clerk

By:   
John R. Marks, III  
Mayor, City of Tallahassee

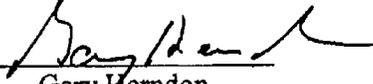
Date: 9-11-08

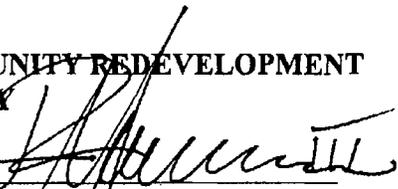
Approved as to Form:

By:   
Ann Wild  
Assistant City Attorney

**COMMUNITY REDEVELOPMENT  
AGENCY**

ATTEST:

By:   
Gary Herndon  
City Treasurer-Clerk

By:   
John R. Marks, III  
Chair

Date: 9-11-08

Approved as to Form:

By:   
Ann Wild  
Assistant City Attorney

**Attachment 1**

**GAINES STREET DEMOLITIONS - PROPOSED COSTS**

<b>ITEM</b>	<b>JOHNS BLD</b>	<b>CLEMONS BLD</b>	<b>319 WEST MADISON</b>	<b>TOTAL</b>
Environmental Assessment (provided by State)				
Permit Application	\$ 800.00	\$ 325.00	\$ 1,000.00	\$ 2,125.00
Abatement	98,125.00	44,187.50	31,780.00	174,092.50
Deconstruction	5,800.00	1,000.00	7,750.00	14,550.00
Mechanical	2,900.00			2,900.00
Demolition	119,564.00	15,035.00	19,755.00	154,354.00
* Below Grade Abatement (1 ton)		272.57		272.57
Site Cleanup	15,370.00	1,500.00	5,650.00	22,520.00
<b>TOTAL LOW BIDS:</b>	<b>\$ 242,559.00</b>	<b>\$ 62,320.07</b>	<b>\$ 65,935.00</b>	<b>\$ 370,814.07</b>
Permitting (estimated)	3,000.00	1,500.00	1,500.00	6,000.00
Abatement Monitoring	25,500.00	15,500.00	12,500.00	53,500.00
Estimated 108 tons of concrete @ \$272.57		29,437.56		29,437.56
Oil Tank	16,608.00			16,608.00
Well	7,342.00			7,342.00
Contaminated Soil	16,643.00			16,643.00
HVAC Removal	13,256.00			13,256.00
Fencing (Johns and Clemons in one block)	7,630.00		1,680.00	9,310.00
Construction Management	20,000.00			20,000.00
<b>TOTAL RELATED COSTS:</b>	<b>\$ 109,979.00</b>	<b>\$ 46,437.56</b>	<b>\$ 15,680.00</b>	<b>\$ 172,096.56</b>
<b>PLUS: TOTAL LOW BIDS (ABOVE):</b>	<b>\$ 242,559.00</b>	<b>\$ 62,320.07</b>	<b>\$ 65,935.00</b>	<b>\$ 370,814.07</b>
	<b>\$ 352,538.00</b>	<b>\$ 108,757.63</b>	<b>\$ 81,615.00</b>	<b>\$ 542,910.63</b>
10% Contingency	35,253.80	10,875.76	8,161.50	54,291.06
<b>GRAND TOTAL:</b>	<b>\$ 387,791.80</b>	<b>\$ 119,633.39</b>	<b>\$ 89,776.50</b>	<b>\$ 597,201.69</b>
<b>CRA / BED TAX FUNDING:</b>	<b>\$ 387,791.80</b>	<b>\$ 119,633.39</b>		<b>\$ 507,425.19</b>
<b>COT FUNDING:</b>			<b>\$ 89,776.50</b>	<b>\$ 89,776.50</b>

\* Below Grade Abatement: The Clemons Building has asbestos insulated piping underneath the building that is encased in solid concrete. The pricing in the bids was on a per ton basis as there is no way to calculate the exact volume and weight of the concrete.

**Workshop 11/15/2011**  
**Attachment #4**

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**Board of County Commissioners**  
**Leon County, Florida**

www.leoncountyfl.gov

**Budget Discussion Item**  
**Executive Summary**

March 17, 2011

**Title:**

Tourist Development Tax Allocations

**Staff:**

Parvez Alam, County Administrator

Vincent S. Long, Deputy County Administrator

Alan Rosenzweig, Assistant County Administrator

Scott Ross, Director, Office of Management and Budget

Lee Daniel, Director, Tourism Development

PA  
↓  
AR  
NR

**Issue Briefing:**

This Budget Discussion Item provides the Board a review of the current structure for the allocation of the Tourist Development Tax and seeks consideration of the recommendation from the Tourist Development Council for FY 2012.

**Fiscal Impact:**

This item has a fiscal impact. Under the current structure for the allocation of the Tourist Development Tax, the Tourism Development Department receives the revenue from four of the five pennies, which generates approximately \$3.2 million per year for marketing and operational purposes. If the allocation that will become effective on October 1, 2011 is not modified, the Tourism Development Department's FY 2012 allocation will be reduced from the current 4-cents to 2-cents. Based on approximately \$800,000 generated per penny, the TDC's available budget would be reduced from \$3.2 million annually (including the \$504,500 to COCA for re-granting to other cultural institutions) to \$1.6 million.

**Staff Recommendation:**

Option #1: Accept the March 3, 2011 recommendation from the Tourist Development Council.

Option #2: Authorize staff to prepare a draft ordinance and schedule a public hearing to amend Section 11-47 of the Code of Laws of Leon County, Florida, providing for amendments to the Leon County Tourist Development Plan, Exhibit A for April 12, 2011, at 6:00 p.m.

**Report and Discussion**

**Background:**

In June 2004, the Board approved an Interlocal Agreement with the City and the Community Redevelopment Agency (CRA) to address the Downtown Community Development District (Attachment #1). The Agreement addresses a number of issues relating to the overall structure of the district, the financing and the approval of projects. Specifically, Section 6(a) of the Interlocal Agreement provides that the County will impose an additional one-cent Tourist Development Tax on a countywide basis, pursuant to Section 125.0104 (3)(1), Florida Statutes, which may be used to promote and advance tourism in Leon County.

Further, the Interlocal Agreement provides that the proceeds of one cent of the tax previously imposed by the County be segregated from other Tourist Development Tax revenue, and dedicated exclusively for the costs associated with the construction and operation of a performing arts center to be located in the Downtown District Community Redevelopment Area.

Subsequently, at its January 29, 2009 meeting, the Board voted unanimously to (1) authorize staff to prepare a draft ordinance and to schedule a public hearing to consider levying the fifth-cent tourist tax and (2) direct staff to include funding for the Council on Culture and Arts (COCA) in a revised tourist development plan, whether the plan is funded by three or four-cent. At this time, the Board also directed staff to review how the fourth cent tax is being utilized, as requested by the Tourist Development Council (TDC) (Attachment #2).

At its February 26, 2009 meeting, the Board voted unanimously to schedule the first and only public hearing to consider the adoption of an ordinance authorizing the levying and imposition of an additional one percent (fifth cent) Tourist Development Tax for March 19, 2009 at 6:00 p.m., and direct the County Attorney to (1) draft an ordinance to levy the fifth cent to support Tourist Development Council activities until 2012; at which time the fifth cent would be split between the Performing Arts Center and the Art Space Project and (2) designate one of the existing pennies to fund COCA related activities (Attachment #3). At the Public Hearing on March 19, 2009, the Board approved Ordinance 09-06 (Attachment #4). Table 1 reflects the current allocation of the Tourist Development Tax and the allocation that will become effective on October 1, 2011.

Table. 1 Allocation of Tourist Development Tax (Five Cents)

	<b>Current Allocation (Cent)</b>	<b>Allocation (Effective October 1, 2011)</b>
Performing Arts Center ( <i>per Interlocal Agreement</i> )	1	1
Performing Arts Center	0	½
Total Performing Arts Center	1	1 ½
Arts Exchange Project	0	½
COCA	0	1
Tourism Development Department	4	2
<b>Total</b>	<b>5</b>	<b>5</b>

On August 25, 2009, the Board adopted Ordinance 2009-28 which provides for the Leon County Tourist Development Plan (Attachment #5). This plan serves as a blueprint to guide the activities of

the Leon County TDC and the expenditure of tourist development tax revenue. According to the Plan, tourist revenue may be spent on the following elements:

- Advertising
- Public Relations/Promotions
- Research and Analysis
- Direct Sales
- Convention and Visitor Services
- Special Events
- Administration.

In addition, the Plan breaks down the allocation of the tourist development tax, as specified above.

**Analysis:**

If the Board does not make changes to the current structure, beginning on October 1, 2011, the following commitments will commence or continue with the existing five cents of Tourist Development Tax:

- One-cent currently set aside by the Interlocal Agreement for the Performing Arts Center will continue.
- An additional ½ cent will be set aside for the Performing Arts Center, which is not tied to the Interlocal Agreement.
- An additional ½ cent will be set aside for the Arts Exchange Project.
- One-cent will be dedicated to fund COCA related activities.
- The remaining two cents will be dedicated to the Tourism Development Department for marketing and operational purposes.

This structure will reduce the amount of tourist revenue available for marketing and operational purposes from the current 4-cents (minus \$504,500 provided to COCA for re-granting to local cultural institutions for marketing and programming) to 2-cents. Based on approximately \$800,000 generated per penny, the TDC's available budget would be reduced from approximately \$3.2 million annually (including the \$504,500 to COCA) to \$1.6 million. Table 2 reflects the allocation effective October 1, 2011 and the estimated revenue each agency/project would generate per year.

Table 2. Allocation of Tourist Development Tax Revenue (*effective October 1, 2011*)

Allocation	Amount (Cent)	Revenue Estimate (per fiscal year)	%
Performing Arts Center ( <i>per Interlocal Agreement</i> )	1	\$800,000	20%
Performing Arts Center	½	\$400,000	10%
Total Performing Arts Center	1 ½	\$1,200,000	30%
Arts Exchange Project	½	\$400,000	10%
COCA	1	\$800,000	20%
Tourism Development Department	2	\$1,600,000	40%
<b>Total</b>	<b>5</b>	<b>\$4,000,000</b>	<b>100%</b>

Table 3 details the impact of keeping the October 1, 2011, Tourist Development Tax allocation in place would have on the current marketing program, which essentially reduces the budget by half from \$3.2 million to \$1.6 million.

**Table 3: Impacts of Funding Reductions**

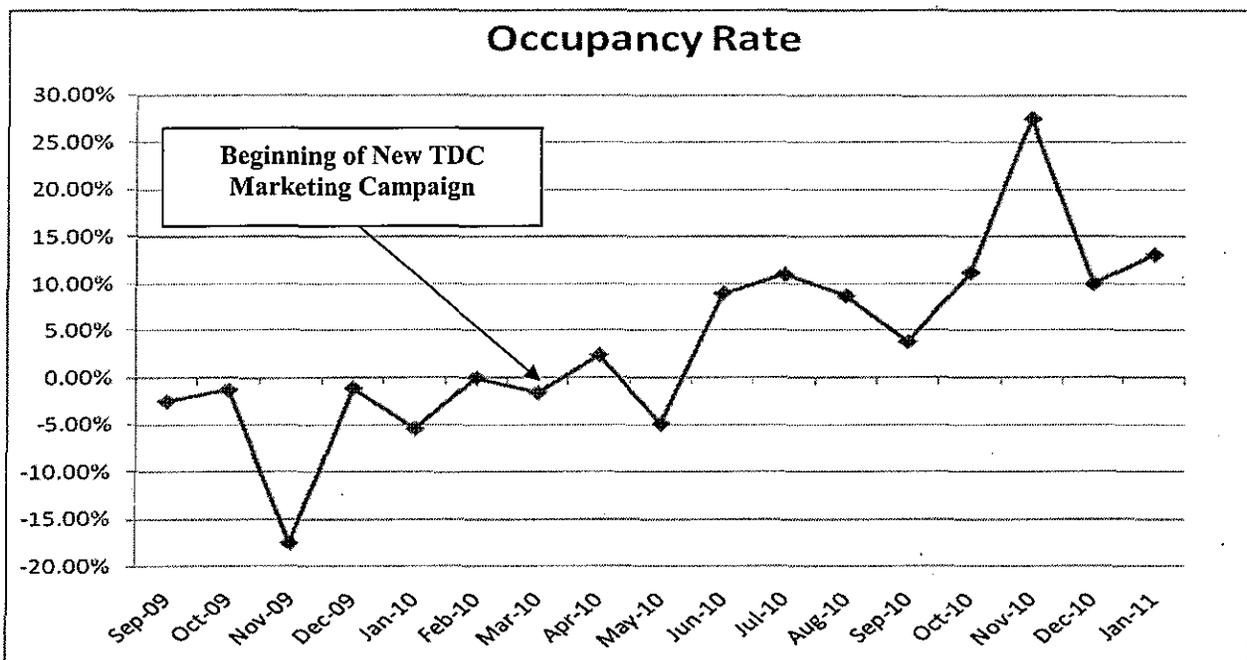
<b>Program Area</b>	<b>\$3.2 million</b>	<b>\$1.6 million</b>	<b>Impact</b>
Advertising & Public Relations	\$725,000	\$362,500	Elimination of all traditional media advertising <sup>1</sup>
Marketing Research	\$80,000	\$40,000	Insufficient funds to conduct beneficial strategic research <sup>2</sup>
Sports Council	\$222,158	\$111,080	Potential loss of 13,000 room nights and \$11.25 million in annual community revenue <sup>3</sup>
Meetings & Conventions	\$68,777	\$34,389	Potential loss of 3,250 room nights and \$1.25 million in annual community revenue <sup>4</sup>
Leisure Travel	\$31,790	\$15,895	Goal of impacting 150,000 consumers and 10,000 travel agents cut by 50% <sup>5</sup>
Marketing Communications	\$42,245	\$21,123	Goal of 150 print and online stories cut by 50% resulting in \$1 million loss in media exposure <sup>6</sup>
Visitor Services	\$62,445	\$31,223	Ability to service conference, weddings and reunion groups cut by 50%

1. Available media dollars would be reduced to \$195,500 of the total \$362,500 advertising & public relations budget. At this reduced level the marketing consultant recommends eliminating all traditional media such as Southern Living, Atlanta Magazine, Garden & Gun, and more due to ad costs which results in a lack of reach and frequency necessary to impact the market.
2. \$40,000 for marketing research would not fund a program with enough sampling capability to be statistically useful, so the TDC would be eliminating this important aspect of the marketing mix.
3. The sports council would be attending only 5 shows versus 12 and would have the Bid Pool portion of its budget reduced from \$174,000 to \$87,000 resulting in a 50% reduction of the room night goal of 26,000. Only 13,000 room nights would result in a loss of \$11.25 million of community economic impact in the first year alone.
4. Meetings & Conventions would only be attending 4 shows versus 12 and conducting 1 sales mission versus 8 causing a goal reduction from 6,500 room nights to 3,250. This reduction would result in a loss of \$1.25 million of community economic impact in the first year alone.

5. Leisure Travel would be attending only 7 shows versus 13 and conducting 2 sales missions versus 4 resulting in a 50% reduction in the goal of impacting 150,000 consumers and 10,000 retail travel agents.
6. Marketing Communications goal of generating 150 favorable print and online stories about Leon County and Tallahassee would generate an advertising equivalent value of almost \$2 million. A 50% reduction would cost the county \$1 million in public relations exposure in key markets.

Chart 1 shows the impact on hotel occupancy rates since starting the new TDC marketing ad campaign in March 2010, funded largely by the implementation of the additional penny bed tax.

**Chart 1: Hotel Occupancy Rate Since Beginning of New Marketing Campaign**



Research conducted by staff in February 2011 showed that Leon County is the highest of the major counties in Florida in terms of dedicating a percentage of its Tourist Development Tax (TDT) to arts and culture. Under the current FY 2011 scenario, Leon County dedicates 33% (includes the \$504,500 provided to COCA) of its TDT collections to the arts, and if the current FY2011 scenario remains in place, this amount will grow to 60% beginning on October 1, 2011. Some other counties and their dedicated percentage to the arts include:

- **Leon County (33%); However, effective October 1, 2011, the amount will be (60%).**
- Alachua County (17%)
- St John's County (15%)
- Palm Beach County (13%)
- Sarasota County (10%)
- Brevard County (1.5%)
- Broward County (1.5%)
- Pinellas County (1.5%)

If the Board decides to keep the current structure in place, in addition to dramatically reducing the amount of funds available for marketing, the ability to utilize any portion of the Tourist Development Tax for projects such as a Sports Complex, the development of a convention and events center, or other projects that may have the potential to offer a substantial return on investment, is severely limited.

#### Performing Arts Center

As discussed earlier, through an Interlocal Agreement with the City of Tallahassee and the CRA, one penny of the Tourist Development Tax is dedicated exclusively for the costs associated with the construction and operation of a performing arts center. In addition, another ½ cent scheduled to commence on October 1, 2011, which is not tied to the Interlocal Agreement, is also dedicated to the performing arts center.

In an agreement with the City for the Sale and Purchase of the proposed Performing Arts Center site, the Florida Center for Performing Arts and Education (FCPAE) is obligated to meet certain fundraising milestones to demonstrate their capacity to fund the construction of the proposed Performing Arts Center, including raising \$20 million in five years, with 25% (\$5 million) of the amount raised by July 1, 2010 and 50% (\$10 million) raised by July 1, 2012. However, as discussed at the January 18, 2011 Board meeting (Attachment #6), FCPAE has not met its fundraising goals, and was provided a two year extension to the agreement at the City's August 25, 2010 meeting. In addition, the FCPAE President informed the Board that the Committee will provide a revised plan this summer on the scope of the project.

Given the current status of the Performing Arts Center project scope and delayed fundraising efforts, the Board may consider utilizing the additional ½ cent allocation for more immediate TDC needs. Again, the ½ cent is not a part of the Interlocal Agreement, and is, therefore, available for other appropriations to meet the needs of the TDC, such as marketing, which includes advertising, public relations, sales, services, social media and research. The Board may wish to further consider contacting the City in an effort to amend the current Interlocal Agreement to possibly fund other projects that may boost tourism in Leon County, as presented in the February 8, 2011 meeting regarding funding for the Baroque Paintings Exhibit at the Mary Brogan Museum (Attachment #7).

#### Council on Culture and Arts (COCA)/Arts Exchange Project

Beginning on October 1, 2011, one of the existing tourist development tax pennies is scheduled to be designated to fund COCA related activities, and a ½ cent will be set aside for the Arts Exchange Project. Currently, COCA receives \$504,500 from the Tourist Development Council budget for the purpose of re-granting funds to cultural organizations and institutions throughout Leon County for marketing and programming purposes. COCA also received \$150,000 from general revenue in FY 2011 to support its operational expenses.

#### Recommendation from the Tourist Development Council

The Tourist Development Council met on March 3, 2011 to discuss the current structure for expenditures of the five-cent TDT as well as the implications of the changes scheduled to take place on October 1, 2011. The TDC emphasized the need to adequately market Tallahassee as a destination for leisure, sports, conference, group and film business and that the possibility of reducing the marketing budget under the current four-cent level could have a negative impact on hotels and motels, restaurants, retail establishments and the many other businesses that are impacted

by tourism. It was also discussed that the County, even at the 33% level, has made a significant investment in arts and culture, and to maximize the benefit of this investment takes significant marketing resources. The TDC further discussed that even with great cultural assets, it does no good unless you can properly market them. Otherwise, the return on this significant investment will not reach its potential.

As described in Chapter 125.0104 (4) (e) the Tourist Development Council “shall make recommendations to the county governing board for the effective operation of the special projects or for uses of the tourist development tax revenue.” Based on this directive, on March 3, 2011, the Tourist Development Council unanimously passed the following recommendation (Attachment #8):

“Due to the current economic climate and the need to create and preserve jobs, the Tourist Development Council recommends a 2-year hiatus in implementing the additional tourist development tax revenue to the Performing Arts Center, Arts Exchange and COCA.”

Amending the Tourist Development Plan

In order to accept the Tourist Development Council’s recommendation or make any other modifications to the allocation of the tourist development tax, the Board will have to hold a public hearing to adopt an ordinance to amend Section 11-47 of the Code of Laws of Leon County, Florida, providing for amendments to the Leon County Tourist Development Plan, Exhibit A. The current Plan specifically references the additional ½ cent to fund the Arts Exchange project and the additional ½ cent to support the Performing Arts Center, which are both scheduled to commence on October 1, 2011.

Table 3 reflects the current allocation of the Tourist Development Tax that will remain in effect on October 1, 2011 if the Board accepts the Tourist Development Council’s recommendation.

Table 3. Allocation of Tourist Development Tax

	<b>Current Allocation (Cent)</b>
Performing Arts Center ( <i>per Interlocal Agreement</i> )	1
Arts Exchange Project	0
COCA*	0
Tourism Development Department	4
<b>Total</b>	<b>5</b>
*COCA will continue to receive \$504,500 from the TDC’s budget in FY 2012 for the purposes of re-granting funds to other cultural institutions. In addition, COCA will receive \$150,000 from general revenue to support its operational expenses.	

Options:

1. Accept the March 3, 2011 recommendation from the Tourist Development Council.
2. Authorize staff to prepare a draft ordinance and schedule a public hearing to amend Section 11-47 of the Code of Laws of Leon County, Florida, providing for amendments to the Leon County Tourist Development Plan, Exhibit A for April 12, 2011, at 6:00 p.m.
3. Do not accept the March 3, 2011 recommendation from the Tourist Development Council.
4. Do not authorize staff to prepare a draft ordinance and schedule a public hearing to amend Section 11-47 of the Code of Laws of Leon County, Florida, providing for amendments to the Leon County Tourist Development Plan, Exhibit A for April 12, 2011, at 6:00 p.m.
5. Board Direction.

Recommendation:

Option #1 and #2.

Attachments

1. Interlocal Agreement between Leon County, the City of Tallahassee, and the Community Redevelopment District
2. January 29, 2009 Agenda Item and Excerpt of Follow-up
3. February 26, 2009 Agenda Item and Excerpt of Follow-up
4. Ordinance 09-06 Authorizing the Levying and Imposition of an Additional 1% Tourist Development Tax
5. Ordinance 2009-28 Leon County Tourist Development Plan
6. January 18, 2011 Agenda Item
7. February 8, 2011 Agenda Item and Excerpt of Follow-up
8. Recommendation from the Tourist Development Council



**Dallas Headquarters**  
8505 Chancellor Row  
Dallas, TX 75247  
214.905.9500 Tel  
214.905.9514 Fax  
**West Coast**  
350 Kalmus Drive  
Costa Mesa, CA 92626  
800-50-SHADE Tel  
714-427-6982 Fax

**June 20, 2011**

## **Proposal**

**Meridian (Cascade Park) – One (1) Tensile Membrane Canopy**  
Cascade, Florida

**Attn: Mark T. Llewellyn, P.E.**  
**Co: Genesis Group**  
**Tel: (850) 224-4400 Ext.111**  
**Email: mark@genesisgroup.com**

**CC: FT PR07-FL-286 CC**

### **Proposal Description**

USA Shade & Fabric Structures, Inc. branded as FabriTec Structures is pleased to offer the following design/build proposal for the above project. FabriTec will design, engineer, fabricate, supply and install One (1) tensile membrane canopy supported by steel and cables in general appearance with drawings C02.01, C06.02, C06.03, S01.01, S01.17, S01.18, AS0.1 dated (10-22-09) and as further described below:

We acknowledge the receipt of addendums 1,2,3,4.

The project has a total fabric plan area of approximate 4,005 square feet with a total fabric surface area of approximately 4,360 square feet.

**The client has requested that we divide our scope into two phases to allow the GC to complete all foundation work on the site prior to the release of the scope to complete the fabrication of the tensile membrane canopy.**

**Phase 1:- Provide final modeling, reactions and complete the layout for the base plate and anchor bolt design.**

**Phase 2: - Finalize remaining Construction Documents and Engineering Report**  
**- Fabrication and Installation of the Tensile Membrane Canopy**

**Proposal Pricing: \$620,700 (Six Hundred and Twenty Thousand, Seven Hundred Dollars)**

**Phase 1: Completion of Base Plate and Anchor Bolt Design: \$14 500.00**

**Phase 2: Final CD's, Fabrication and Installation: \$606 200.00**

This proposal is valid for **30 days**.

Our proposal shall be referenced in any contract/purchase order drafted for this project.

Please note: Due to raw material cost fluctuations, Phase 2 of this proposal could be subject to change depending on final contract date.

### **Scope of Work**

**Design/Engineering Design to FBC 2007, 110 mph wind speed, importance 1.0 factor, exposure B**  
FabriTec includes the following:

1. Design Concept Refinement (1 Refinement max. included).
2. Final reaction loads for foundation design by others.

3. Design and Engineering for tensile membrane canopy system and associated components.
4. Patterning for fabrication of architectural membrane.
5. Design and Engineering support for building department approval.
6. Wet sealed design drawings and calculations by licensed Professional Engineer.

FabriTec **does not** include the following:

1. Design or Engineering of any mechanical, electrical, lighting, sprinkler system and lightning protection systems.
2. Design or Engineering of concrete footings, attachments to existing structures, piers, foundations or anchor bolts.
3. Design or Engineering of gutters, downspouts, scuppers or diverters.
4. Design or Engineering of other site work or general contractors work.

#### Furnished Materials

FabriTec includes the following:

1. Fabricated PTFE architectural membrane. Color to be white
2. Finish painted structural steel directly associated with tensile membrane structure down to and including base plates. *All field connections to be bolted – No Field Welding.*
3. Finish painted membrane plates. Color to be white.
4. Anodized aluminum clamp system with stainless steel fasteners.
5. Galvanized edge cables with PVC coating for cables in contact with fabric as required. Galvanized support cables not in contact with the membrane.
6. One (1) year workmanship warranty and fabric manufacturer's standard pass thru warranty. *Because of surety requirements, any performance bond, that may be required, will cover only the first year of the warranty. The warranty will be a separate document between USA Shade & Fabric Structures and the Owner, and will be executed at the time of completion of the work.*
7. Repair kit with maintenance documents.
8. Performance and payment bonds.
9. Use tax

FabriTec **does not** include the following:

1. Building permits or fees of any kind
2. Any site demolition, other buildings, landscaping or restoration work.
3. Any Site survey.
4. Any mechanical, electrical, lighting, sprinkler system or lightning protection systems or attachments to our work.
5. All attachments to wall or roof for structural support.
6. Any gutters, downspouts, scuppers or diverters or attachment to our work.
7. Concrete pedestals, footings, foundations, grouting, building embedments, anchor bolts / templates and/or installation.
8. No mock ups have been included.

**Note:** FabriTec provides reaction loads at the base plates and details showing diameter and projection of the anchor bolts. The GC's structural engineer is responsible to determine the size and shape of the foundations, size and type of rebar cages and length and shape of the anchor bolts.

#### Installation

FabriTec will be responsible for the erection of our furnished materials for the tensile membrane canopy. FabriTec will provide necessary labor at Non Union / Prevailing wage structure. FabriTec will also provide necessary equipment, rigging and tools required for the installation of our scope.

FabriTec assumes the following:

1. The tensile membrane canopy will be accessible by drive up for unloading of our trucks and installation with our equipment, including personnel man-lifts, 300 ton crane and forklifts. We will require having access, storage and assembly areas for the truss and components within 65' of the structure (see attached sketch for approximate location).
2. The ability to perform all work with clear, sequential, and continuous access without interruption during normal daytime working hours. We have assumed (one) mobilization for

the installation of steel and fabric; if additional mobilizations are required there will be an additional charge. We will have exclusive access to the area required for the work as may be required during the installation process.

3. No special entry conditions / requirements or daily site delays accessing the work areas.
4. Secure storage of our tools, equipment and materials within close proximity to the installation site will be provided, free of charge.
5. Our price assumes others to provide 200 amp / 110volt service and necessary potable water available within 100' of our work.
6. Site sanitary facilities and refuse containers by others within 200' of work area.
7. FabriTec will leave its work and materials in a clean condition at the conclusion of our work. Any additional cleaning that may become necessary will be the responsibility of others.
8. FabriTec shall be reimbursed for work stoppage or delays caused by other parties.
9. Barricades and public safety requirements, should they be required, are not included.

Project Schedule      *Schedule durations are subject to review and modification in 30 days.*

**Note:** No work will commence until our accounting department receives a fully executed contract and financial sovereignty of our client.

<b>Finalize Contract:</b>	<b>Approx. 3 to 4 weeks from Notice to Proceed</b>
Final Design Concept:	Approx. 2 to 3 weeks from Notice to Proceed
Concept Approval:	We assume 1 week from Concept Drawing Submittal
Final Design:	Approx. 12 weeks from Notice to Proceed, receipt of deposit and receipt of ALL Pertinent Design Information (final reaction loads available in approximately 7 weeks)
Design Approvals:	We assume 3 weeks from Final Design Submittal
Shop Drawings:	Approx. 7 to 9 weeks from Final Design Approval*
Fabrication & Delivery:	Approx. 10 to 11 weeks from shop drawing Completion
Substantial Completion:	Approx. 2 to 3 weeks from receipt of all materials on site

Items in Bold run concurrently in the schedule and are not additive.

*\*An as-built survey of the anchor bolts is required prior to shop drawing completion.*

#### Payment Terms

**10% deposit required at order.** Monthly progress billings will be submitted by the 25<sup>th</sup> projected to the final day of each month. A detailed payment schedule will be drawn upon award of contract. All payments are due within 30 days of receipt of the invoice. For late payment of invoices interest will be charged at 1% per month.

#### Additional Comments

1. We propose the use of a standard AIA Design/build contract as the form of agreement. Any changes or services outside this form of agreement will impact the price, scope of work and schedule.
2. Any deviations from the drawings or specifications without the consent by both FabriTec and the Owner/Contractor will be subject to a Change Request/Change Order. Additional funds will be invoiced as required.
3. We exclude all liquidated and consequential damages.
4. This offer does not include Builder's Risk Insurance. We will require to be named as an additional insured on the Owners/GC's Builder's Risk Policy and we will have no responsibilities for any deductibles.
5. Owner/GC shall provide an as-built survey or drawing showing the intended location for the structure before engineering begins. If the appropriate tolerances are not held in placing the anchor bolts and it results in additional re-engineering or re-work there will be additional costs and it will be the subject of a change order.
6. Due to the specialty nature of our work, the products used and limited availability of scope items we cannot commit to any MBE/WBE/DBE goals required on the project.
7. When applicable, FabriTec reserves the right to implement a surcharge for significant increases in raw materials, including the following, but not limited to: fuel, steel and concrete. Due to the duration of proposals and contracts, FabriTec reserves the right to implement this surcharge when raw material cost increases warrant it as applicable. *Due to recent significant*

*increases which have been experienced in raw material steel prices, it will be necessary to order, bill for and be paid for steel as soon as final sizes can be determined.*  
**End of Proposal**

Regards,

**Claude Centner**  
Executive Vice President  
USA Shade & Fabric Structures, Inc. branded as FabriTec Structures

**USA Shade & Fabric Structures is hereby authorized to proceed with the work:**

**Authorized Signature** \_\_\_\_\_ **Dated:** \_\_\_\_\_

# BOARD OF COUNTY COMMISSIONERS

## MEMORANDUM

**DATE:** November 3, 2011

**TO:** Honorable Chairman and Members of the Board

**FROM:** Marc Bauer, Chair  
Leon County Tourist Development Council 

**SUBJECT:** Recommendations for November 15, 2011 Workshop

---

The Tourist Development Council (TDC) held its regularly scheduled meeting on November 3, 2011.

After hearing a presentation from Jon Moyle on the revised plan for the Florida Center for Performing Arts & Education (PAC), the TDC discussed a number of possible recommendations for your consideration at the November 15 Workshop on the allocation of the five pennies collected of the Tourist Development Tax. Those recommendations are listed below and were unanimously approved by the members present:

1. Recommend that if deemed necessary by the county attorney, the Board of County Commissioners (BCC) opens discussion with the City of Tallahassee and the Community Redevelopment Agency to amend the current Interlocal Agreement on the Florida Center for Performing Arts & Education.
2. As part of this amendment, dedicate up to \$1 million of the existing \$4.1 million in the PAC account to fund the construction of a roof over the stage at the Meridian Marker Amphitheater at Cascades Park and to purchase the temporary fencing that would be needed to secure the venue for ticketed events, purchase and install a spectator lighting package, permanent sound system and the color kinetic kit for the canopy. These enhancements would cost \$704,450. The TDC also felt that other improvements needed to be researched including the possibility of adding seating near the stage and the construction of another permanent restroom facility. The Blueprint 2000 Project Team will provide staff with these additional costs in the next two weeks, and the TDC felt that an additional expenditure of up to \$295,550 for these improvements would be prudent to make the venue even more concert ready.
3. As part of this amendment, effective October 1, 2011, suspend any further Tourist Development Tax funds going to the PAC account until such time as the PAC is recognized as an official Blueprint 2020 project and approved by the electorate.
4. Allow the Tourism Development Department the use of the penny currently going to the PAC for FY 2012 for additional marketing.
5. Schedule a Public Hearing to amend the Exhibit A, Tourist Development Plan that is an attachment to Ordinance 2011-07 dealing with the Tourist Development Tax to allow the one year use of these additional marketing funds.

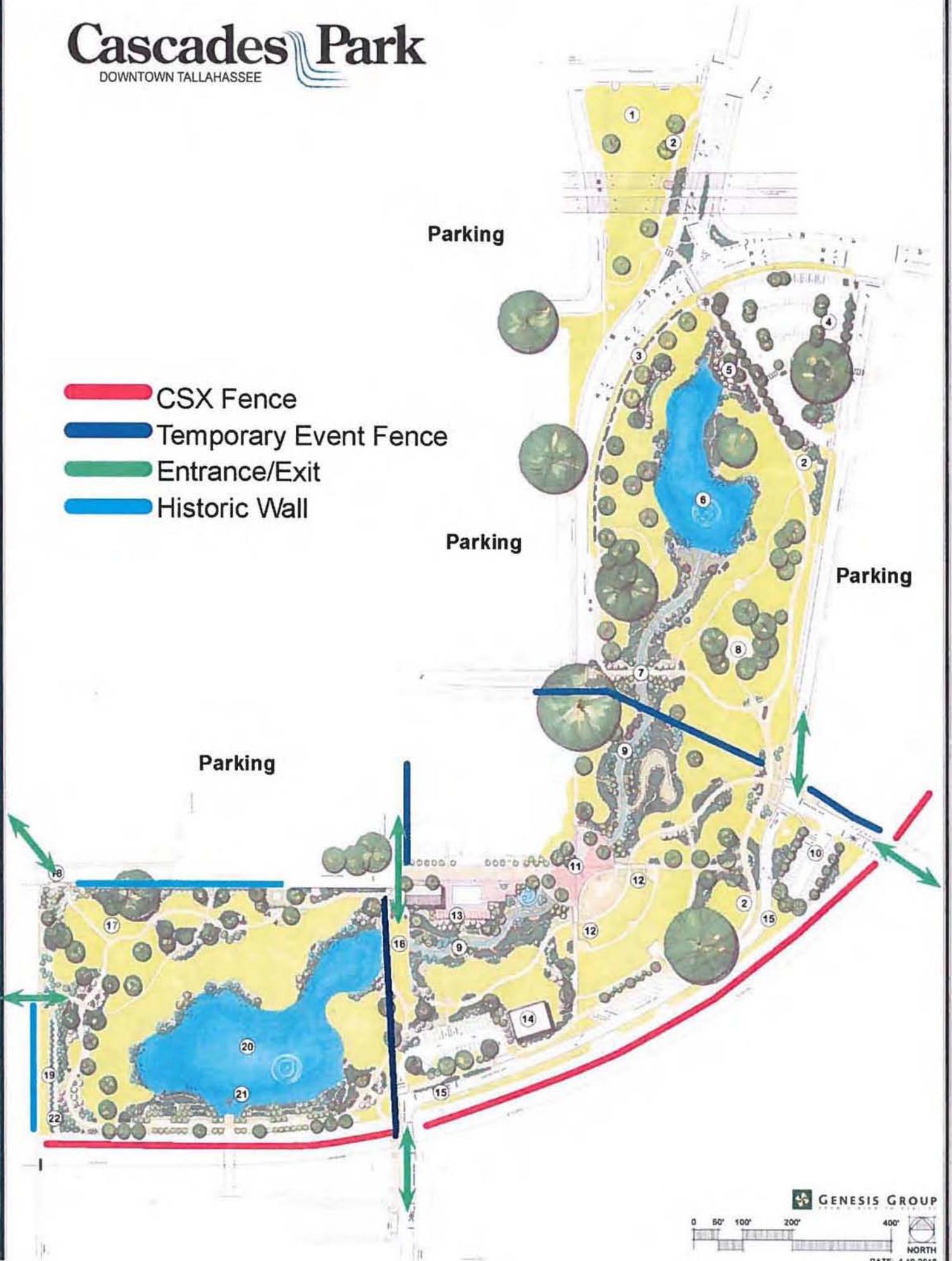
6. That the BCC conduct a workshop to discuss the allocation of all five cents of the Tourist Development Tax once the sports complex feasibility study is complete.
7. Keep the approximate \$3.1 million that would remain in the PAC account intact until such time as the workshop referenced in #6 above is conducted.
8. If the city does not amend its policy to approve the use of the Meridian Marker Amphitheater as a ticketed venue at certain times, recommend against using Tourist Development Tax funds for any of the improvements to Cascades Park.

Please let me know if you have questions or need additional information. Thank you for your consideration of these TDC recommendations.

# Cascades Park

DOWNTOWN TALLAHASSEE

-  CSX Fence
-  Temporary Event Fence
-  Entrance/Exit
-  Historic Wall



**CASCADES PARK  
 AMPHITHEATER  
 EQUIPMENT**

DESCRIPTION	UNIT	QUANTITY	UNIT COST	LINE ITEM COST	TOTAL COST
CROWD STOPPER BARRICADES	Each (8ft)	150.00	\$ 125.00	\$ 18,750.00	
COLOR KINETIC KIT FOR CANOPY	LS	1.000	\$ 20,000.00	\$ 20,000.00	
PERMANENT SOUND SYSTEM	LS	1.000	\$ 20,000.00	\$ 20,000.00	
AUDIENCE LIGHTING	LS	1.000	\$ 25,000.00	\$ 25,000.00	
<b>AMPHITHEATER EVENT EQUIPMENT</b>					<b>\$ 83,750.00</b>

ORDINANCE NO. 2011- 07

1  
2  
3  
4 AN ORDINANCE OF THE BOARD OF COUNTY  
5 COMMISSIONERS OF LEON COUNTY, FLORIDA,  
6 AMENDING ARTICLE III OF CHAPTER 11 OF THE  
7 CODE OF LAWS OF LEON COUNTY, REGARDING THE  
8 TOURIST DEVELOPMENT TAX; AMENDING SECTION  
9 11-47 OF THE CODE OF LAWS OF LEON COUNTY,  
10 FLORIDA, RELATING TO THE TOURIST  
11 DEVELOPMENT PLAN; PROVIDING FOR CONFLICTS;  
12 PROVIDING FOR SEVERABILITY; AND PROVIDING  
13 AN EFFECTIVE DATE.  
14

15  
16 WHEREAS, the Leon County Tourist Development Plan serves as the blueprint to guide  
17 the activities of the Leon County Tourist Development Council and the expenditure of tourist  
18 development tax revenue; and

19 WHEREAS, the Board desires to amend the Leon County Tourist Development Plan;

20 BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON  
21 COUNTY, FLORIDA, THAT:

22 **Section 1.** Section 11-47 of Article III of Chapter 11 of the Code of Laws of Leon  
23 County, Florida, entitled "Tourist Development Plan Funded," is hereby amended to read as  
24 follows:

25 **Sec. 11-47. Tourist Development Plan Funded.**

26 The tax revenues received pursuant to this article shall be used to fund the Leon County  
27 Tourist Development Plan dated April 12, 2011 ~~August 25, 2009~~, which is attached hereto as  
28 Exhibit A and which is hereby adopted and incorporated into this article.

29 **Section 2.** **Conflicts.** All ordinances or parts of ordinances in conflict with the  
30 provisions of this ordinance are hereby repealed to the extent of such conflict, except to the  
31 extent of any conflicts with the Tallahassee-Leon County 2010 Comprehensive Plan as amended,

1 which provisions shall prevail over any part of this ordinance which is inconsistent, either in  
2 whole or in part, with the said Comprehensive Plan.

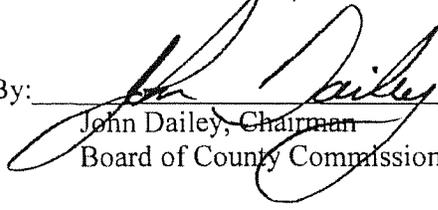
3 **Section 3. Severability.** If any word, phrase, clause, section or portion of this  
4 ordinance shall be held invalid or unconstitutional by a court of competent jurisdiction, such  
5 portion or words shall be deemed a separate and independent provision and such holding shall  
6 not affect the validity of the remaining portions thereof.

7 **Section 4. Effective date.** This ordinance shall have effect upon becoming law.

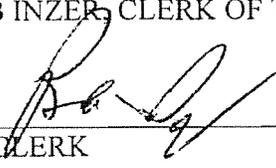
8 DULY PASSED AND ADOPTED BY the Board of County Commissioners of Leon  
9 County, Florida, this 12<sup>th</sup> day of April, 2011.



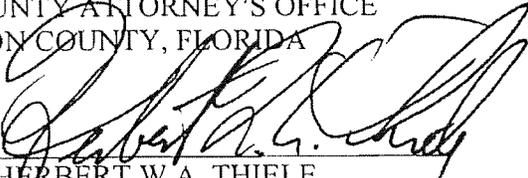
LEON COUNTY, FLORIDA

By:   
John Dailey, Chairman  
Board of County Commissioners

17 ATTESTED BY:  
18 BOB INZER, CLERK OF THE COURT

19  
20  
21 By:   
22 CLERK

23  
24 APPROVED AS TO FORM:  
25 COUNTY ATTORNEY'S OFFICE  
26 LEON COUNTY, FLORIDA

27  
28  
29 By:   
30 HERBERT W.A. THIELE  
31 COUNTY ATTORNEY

## EXHIBIT A

### **LEON COUNTY TOURIST DEVELOPMENT PLAN**

**(Date of Adoption: April 12, 2011)**

The Tourist Development Plan contained herein will serve as a blueprint to guide the activities of the Leon County Tourist Development Council (TDC) and the expenditure of tourist development tax revenue. The goal of this plan is, including but not limited to: increasing the number, length of stay and expenditures of visitors to the County in pursuit of business, conference/convention, leisure, educational, sports or film related travel.

As designed in Section 125.0104, Florida Statutes, the TDC shall act as an advisory council to the County Commission on matters pertaining to the expenditure of tourist development tax proceeds. This body shall meet at least quarterly and, from time to time, shall make recommendations to the County Commission for the effective operation of the special projects or for uses of the tourist development tax revenue and perform such other duties as may be prescribed by county ordinance or resolution. The TDC shall continuously review expenditures of revenues from the tourist development trust fund and shall receive, at least quarterly, expenditure reports from the County. Expenditures which the TDC believes to be unauthorized shall be reported to the County Commission and the Department of Revenue.

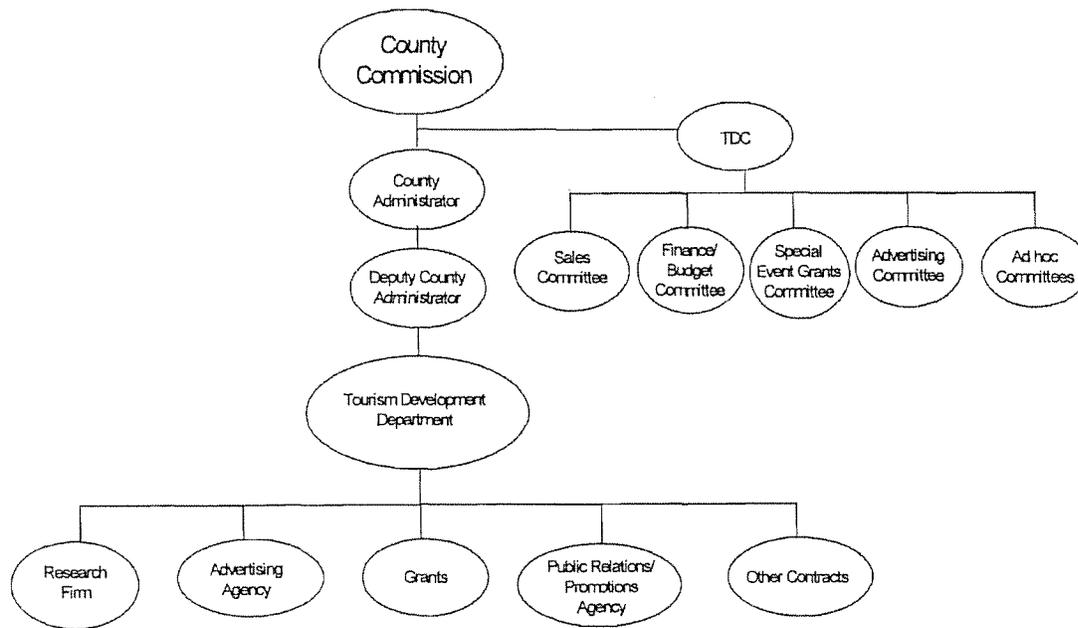
An annual Marketing Plan and budget will be developed by County staff, utilizing industry stakeholder input, and thereafter presented to the TDC for its consideration. The TDC will then issue a recommended Marketing Plan to the County Commission.

Expenditures which the TDC believes support an optimum Marketing Plan for Tourist Development may be allocated to the following elements: (1) advertising; (2) public relations/promotions; (3) research and analysis; (4) direct sales; (5) convention and visitor services; (6) special events; and (7) administration. The budget allocations for construction, operation, maintenance, and associated costs of a Performing Arts Center have been established by Ordinance at 20% of tourist development tax collections and 30% commencing on October 1, 2013. In addition, commencing on October 1, 2013, 10% of tourist development tax collections will be allocated for a purpose consistent with Section 125.0104(5), Florida Statutes.

All expenditures of tourist development tax revenues, including the Marketing Plan shall be presented to the County Commission as annual recommendations of the TDC, but in no case, shall the total of all budget allocations exceed 100 percent of the annual estimated revenue budget.

It is the intent of the County Commission that excess funds accumulated annually in the Fund Balance may be used in non-budgeted tourism promotion situations, such as following natural disasters, emergencies, or other unanticipated events, subject to the approval of the County Commission.

Staff assistance to the TDC shall be provided by Leon County employees in the Department of Tourism Development under the direction of the County Administrator or his designee, on behalf of the Board of County Commissioners. The director of this department shall report to the County Administrator through the Deputy County Administrator. The operational flow of the TDC is presented below:



In order for the TDC to have best possible information to serve as an advisory council to the County Commission, tourism development staff will provide at least quarterly reports to the

TDC on its activities. In addition, the contractors providing services for marketing research, advertising and public relations/promotions will also make similar reports. Periodic issues relating to the tourism industry will be presented and discussed as desired or necessary.

The TDC will recommend expenditure of available tourist development tax dollars in the following categories:

### **Advertising**

Advertising is an important component in the TDC's Marketing Plan. An advertising agency or agencies may be retained by the County after a thorough search of appropriate firms is conducted. The agency will work with staff and the TDC's advertising committee and be responsible for developing an image of the County that will be uniformly projected in all the visitor related advertising including TV, radio, print, internet, etc.

The agency, as directed and coordinated by staff, will be responsible for the following tasks:

1. Create, produce and place advertising messages that increase awareness of the County as a destination for business, convention, sports, film, leisure travel and other niche markets once identified.
2. Develop a media plan that identifies the optimum utilization of available advertising dollars to both leisure and various trade markets.
3. Develop cooperative advertising programs with hotels, airlines, attractions and other industry stakeholders.
4. Maximize the reach and effectiveness of [www.visittallahassee.com](http://www.visittallahassee.com) and any other Web sites that may be utilized by the County for tourism promotion.
5. Provide support in the development and production of targeted collateral materials such as the Visitor Guide.
6. Other tasks as assigned.

### **Public Relations/Promotions**

A public relations firm may be retained by the County to perform the following functions:

1. Develop a public relations strategy consistent with the goals of the Marketing Plan for Tourist Development.

2. Develop and coordinate promotions to support advertising efforts.
3. Develop and implement publicity strategies for key markets and targeted media.
4. Design and implement strategies to communicate with local citizens the achievements and goals of the TDC.
5. Develop and coordinate strategies to support advertising and publicity efforts.
6. Other tasks as assigned.

### **Research and Analysis**

Research will help provide a clear understanding of who is the County's core customer and identify the size and scope of certain target markets to help to refine the creative message intended to be conveyed. The research firm of record will seek to generate information from visitors and potential visitors which can be utilized in developing marketing strategies. The information will be gathered by interviews with visitors at hotels, airports, attractions and other businesses frequented by tourists, business conferences and conventions, and special events. Interviews may also be conducted with visitors in key target cities and via the Internet to determine their perceptions of Tallahassee as a destination for convention, vacation, business, etc. Questions will be asked and research analyzed on items such as length of stay, money spent, demographic considerations and interest in specific activities, etc. Research and analysis will be utilized to help establish benchmarks from which to measure the TDC's success with advertising, promotion and direct sales strategies. Research will provide the necessary information to make course corrections in marketing strategy.

### **Direct Sales**

Direct sales shall comprise a very important component of the Marketing Plan. It is vital to effectively mesh the direct sales efforts with the advertising and public relations strategies in order to be successful in winning leisure, sports and convention and conference business. Direct sales involves a host of activities directed at conference planners, travel agents, tour operators, consumers, film producers, sports promoters and others as identified including attending related trade and consumer shows, conducting sales missions, direct mail and email, and joining and becoming active in trade associations. It also involves doing a good job of servicing these groups when they come to Leon County. The advertising and public relations agencies will be

supportive and ensure printed materials, ads, and publicity are cohesive and effectively communicate the tourism related messages of the TDC and County.

### **Convention and Visitor Services**

An essential ingredient in marketing conventions to prospects is the quality of services rendered. Details must be efficiently handled to make a convention a success, such as: hotel rooms, air and ground transportation, support services, catering, etc. A welcoming and informative visitor services program is also important in making all guests feel that the County is a special destination and one worth returning to on a regular basis.

### **Special Events**

The Marketing Plan shall also recognize the importance of special events in drawing visitors to the destination, especially in shoulder months. The TDC will recommend a grant program to assist groups and organizations in marketing new and existing events that are proven or have the potential to draw overnight visitation to the County.

### **Administration**

The County will hire professional staff as necessary to handle administrative matters and to carry out its policies. The responsibilities of the director shall include but not be limited to the following:

1. Ensure all programs and activities comply with state and federal statutes and local ordinances.
2. Direct, coordinate and monitor activities of all professional staff and tourism related firms or vendors under contract with the County.
3. Develop, direct, coordinate and monitor the annual Marketing Plan as recommended by the TDC and approved by the County Commission.
4. Direct, coordinate and monitor the marketing grant program as approved by the TDC.
5. Coordinate and act as liaison to all local and regional stakeholders involved with tourist related development including the Chambers of Commerce, universities, arts groups, state and local tourist agencies, hotels, attractions and restaurant associations, etc. Also work with local, state and regional media to effectively communicate TDC and County

programs to the public and to convey the importance of increased visitor business to the local economy.

6. All other duties as assigned.

### **Performing Arts Center**

Commencing on October 1, 2013, 30% of the tourist development tax collections shall be utilized for the construction, operation, maintenance, and associated costs of a Performing Arts Center.

### **Arts Exchange**

Commencing on October 1, 2013, 10% of the tourist development tax collections shall be utilized to support the Arts Exchange project, or other use consistent with Section 125.0104(5), Florida Statutes.

### **Summary**

The goal of the Tourist Development Council is to be a respected and trusted advisory council to the County Commission on matters relating to the expenditure of tourist development tax proceeds. It is the intention of the TDC to maximize the involvement and coordination among local stakeholders for the overall achievement of our community visitor goals. The TDC will work closely with staff and the contractors to develop and recommend the best possible annual Marketing Plan and budget with the understanding that maximizing the amount of tourist development tax dollars available for marketing is a vital consideration.

The County Commission shall adopt, upon recommendation of the TDC, a tourism vision statement and a tourism mission statement that will provide additional guidance for all TDC recommendations.

<b>POTENTIAL NEW AND EXPANDED MARKETING PROJECTS IF RESOURCES BECOME AVAILABLE</b>	
<b>Project/Initiative</b>	<b>Projected Cost</b>
Develop series of 1-2 minute videos and place on Time Warner's Travel on Demand Video Channels in primary and secondary markets with other uses on primary website, Facebook, etc.; also can use as High-Definition B-Roll footage.	\$75,000
Increase reach and frequency of advertising including expansion of African American market, initiate LGBT and sports publications such as running and hiking, kayaking, fishing and birding.	\$266,500
Increase marketing partnerships with FAMU and FSU.	\$50,000
Substantial outdoor campaign to raise the awareness of Tallahassee as a destination to the drive market.	\$100,000
Purchase of a mini van for use for attending travel shows, sales missions, Visitor Guide distribution and other means; van will be wrapped to serve as a rolling billboard for Tallahassee.	\$38,000
Targeted radio campaigns for seasonal promotions.	\$50,000
Additional marketing research to possible include Clartias Cluster Profiling Study of Past Visitors and Conversion Study.	\$30,000
Add a second cycle for meetings and special event grants.	\$40,000
Increase convention bid and transportation grant line items from the current \$20,000 and \$25,000 to \$30,000 and \$35,000.	\$20,000
Add 9 new consumer shows including the Boston Globe and DC Travel & Adventure Expo, a trade show in Chicago and a Pensacola, Mobile and New Orleans sales mission.	\$22,000
Add 4 new sports shows including the American Swim Coaches Association, S.P.O.R.T.S., American Baseball Coaches Association and NIRSA.	\$10,000
Spring photo shoot.	\$15,000
Add more resources to TripAdvisor for banner advertising to support seasonal campaigns.	\$25,000
Spring bile rally co-promotion with Tallahassee Harley Davidson reaching out to Harley owners in select drive markets.	\$10,000
Update Mobile Website to increase functionality and tie closer to main site.	\$12,000
Redesign and program an updated Calendar of Events for the website to better accommodate the number and variety of events.	\$8,500
Create tool on website for visitors to build their own itinerary through a type of shopping cart functionality; once built, visitor can print or email the custom itinerary to their in-box.	\$10,000
Develop Locally Grown concept into a Restaurant Week campaign and FRLA partnership.	\$10,000
Purchase of 4 iPads for staff use when traveling and making presentations.	\$2,500
New stationery package with branded folder and note cards.	\$4,000
2 additional Bloggers to give more coverage to Dining, Shopping and Nightlife making them 3 separate categories.	\$1,500
Other: Marketing Support for Cascades Park Grand Opening.	\$800,000