

Leon County Board of County Commissioners

Cover Sheet for Agenda #15

November 19, 2013

To: Honorable Chairman and Members of the Board

From: Vincent S. Long, County Administrator 

Title: Ratification of Board Actions Taken at the October 29, 2013 Workshop on the Future Uses for the One-Cent of Tourist Development Tax Currently Dedicated to a Downtown Performing Arts Center(s)

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

Fiscal Impact:

This item has no immediate fiscal impact; however, beginning with FY 2015, approximately 1/2 of the current one-cent of the tourist development tax dedicated to a performing arts center(s) would be reallocated to fund the cultural plan to include a capital grant program for cultural institutions that qualify under section 125.0104, Florida Statutes. The balance of the existing penny would be available to support ongoing needs related to future convention center space and/or any other statutory eligible use. The existing \$3.86 million unencumbered balance would be returned to the Tourism Trust Fund with the intent of the funds be utilized to support convention center space being developed by Florida State University. A Public Hearing will be required to execute these changes to the Tourism Plan in County Ordinance.

Staff Recommendation:

Option #1: Ratify Board actions, including the additional recommendation outlined in this item, taken at the October 29, 2013 Workshop on the Future Uses for the One-Cent of Tourist Development Tax Currently Dedicated to a Downtown Performing Arts Center(s).

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Report and Discussion

Background:

On October 29, 2013, the Board conducted a workshop to consider the future uses for the one-cent of tourist development tax (TDT) currently dedicated to a downtown performing arts center(s). The workshop was requested by the Board during the July 8, 2013 FY 2014 Budget Workshop, given the recommendation of the Leon County Sales Tax Committee, by a 12-2 vote, to place the Florida Center for Performing Arts and Education (FCPAE) as a Tier 3 project. This, in essence, eliminates the project from being recommended to receive funding through the sales tax extension which is a fundamental component of the business and construction plan developed by FCPAE.

Leon County currently collects all five cents allowable under section 125.0104, Florida Statutes. Four of the five cents are used to fund the Tourist Development Plan, including \$504,500 for the Council on Cultural Arts (COCA) and one cent is set aside, by interlocal agreement with the City and Community Redevelopment Agency (CRA), in an account dedicated for a performing arts center(s) in the downtown district of the CRA. Table #1 demonstrates the FY 2014 allocations using net figures.

Table #1: FY 2014 TDT Allocations

TDT Funding Recipient	Allocation by Ordinance (Cent)	Current Funding Level (\$)	% of Total Annual Revenue
Downtown Performing Arts Center (<i>per Interlocal Agreement</i>)	1	\$863,300	20%
Tourism Development Division -Marketing & Public Relations -COCA Re-granting*	4*	\$3,453,200	80%
Total	5	\$4,316,500	100%

*COCA received \$504,500 of TDT in FY 2014 as part of the County budget process. The \$504,500 for COCA is re-granted to various cultural institutions and organizations in Leon County. Additionally, the County provides COCA \$150,000 in general revenue support for administrative purposes. The funds are not dedicated by Ordinance under the Tourism Development Plan, but are allocated as part of the annual budget development process; whereas the FCPAE funding is dedicated in the Tourism Plan.

Analysis:

Staff presented its findings and recommendations to the Board during the workshop on the fate of the FCPAE performing arts center, which appears imminent, given the lack of private fundraising, the inability to garner support from the Sales Tax Committee, and the City's readiness to put the former Johns Building site on the market. Additionally, staff provided a series of recommendations with regard to the existing \$3.86 million of unencumbered funds dedicated to a performing arts center(s) in the downtown CRA, the reimbursement of \$508,425 for the demolition of the Johns Building site, and the utilization of future revenues from the existing one-cent dedicated to the PAC to support local cultural and arts organizations.

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The Board discussed the aforementioned issues extensively and approved Options #1, #3, and #4 as listed:

1. Authorize the County Administrator, to take steps necessary to return the \$3.86 million unencumbered balance set aside for the downtown performing arts center back into the Tourist Development Tax Trust Fund including:
 - a. Issue a notification letter to the City of the Tallahassee, the Community Redevelopment Agency, and the Tourist Development Council summarizing the Board's direction and request the City and CRA to formally acknowledge and concur with this action as it relates to the Interlocal Agreement.
 - b. Request that the Board's actions taken at this workshop be placed on the January 23, 2014 Community Redevelopment Agency agenda for discussion to include the \$508,425 reimbursement to the County for the demolition and clearing of the Johns Building site.
 - c. Schedule a Public Hearing to modify the Tourist Development Plan in accordance with the Board's direction.
 - d. **Additional Recommendation:** Because this issue is subject to the existing Downtown CRA Interlocal Agreement, the County Administrator seeks Board authorization to meet with the City Manager in advance of the CRA meeting to include additional policy options related to the reimbursement of the demolition of the John's Building for CRA consideration, which may be mutually beneficial to the County and the City, avoid the re-opening of the entire interlocal agreement, advance the larger goals of the CRA, and result in CRA support of the Board's actions. Of course, any issues which the CRA approves, which are in addition to or inconsistent with the Board's action, will be subsequently agendaed for Board consideration and will require Board approval.
3. Authorize the County Administrator to extend an invitation to President Barron for the Board's Annual Retreat scheduled for December 9, 2013 to provide additional information on the revitalization plans for the Civic Center and the development of an adjacent FSU-branded conference hotel.
4. Direct the Leon County Tourist Development Council to bring back recommendations to the Board on the utilization of a full cent dedicated to arts and culture in conjunction with the Cultural Review Planning Committee's final report to include:
 - a. The current funding levels for the Council on Cultural Arts.
 - b. The creation of a capital grants program for cultural institutions, with the associated application process and guidelines, allowable under section 125.0104, Florida Statutes.
 - c. Additional arts and culture investment opportunities available with TDT funds to enhance visitation.

The Board did not approve Option #2, to authorize the County Administrator to explore leveraging the unencumbered TDT funds to ensure the desired amount of meeting space is sought through FSU's RFP process for a conference hotel. However, the Board directed the County Administrator to bring back Option #2 for further discussion if, in the County Administrator's opinion, the timing of the issue becomes critical. Further, the Board's approval of Option #3 to invite President Barron to the Annual Retreat will give the Board an opportunity to obtain additional information about the project of 371

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In its deliberation and approval of Options #1 and #4, the Board reiterated its support and the long-term community need for a performing arts center with the understanding that the private financial support was still not adequate for this project to proceed at this time. In turn, the Board agreed to allocate a full one-cent of TDT toward cultural funding (i.e. COCA granting, cultural capital grant program). This will provide an additional \$358,800, or a 71% increase, in TDT funding for local arts and cultural organizations. The Tourism Development Council will bring recommendations back to the Board on the utilization of these funds for FY 2015, including the creation of a cultural capital grant program, in conjunction with the Cultural Review Planning Committee's final report.

Finally, the remaining balance of the one penny, currently allocated towards a performing arts center (\$504,500), would be available for either additional support for additional marketing and public relations for the County's tourism program or any other tourism-related expenses authorized by state statute and County policy. Staff will await further direction from the Board on these funds following the Annual Retreat, if any, and proceed accordingly with the intent of modifying the Tourism Plan and TDT allocation for the start of FY 2015. Until final direction is taken by the Board at a scheduled Public Hearing, and the CRA/City concurs that the performing arts center project is not proceeding in accordance with the current interlocal agreement, the ongoing one-cent dedicated to a performing arts center(s) and the \$3.86 million in unencumbered funds will remain in effect.

Options:

1. Ratify Board actions, including the additional recommendation outlined in this item, taken at the October 29, 2013 Workshop on the Future Uses for the One-Cent of Tourist Development Tax Currently Dedicated to a Downtown Performing Arts Center(s).
2. Do not ratify the Board's actions taken at the October 29, 2013 Workshop on the Future Uses for the One-Cent of Tourist Development Tax Currently Dedicated to a Downtown Performing Arts Center(s).
3. Board direction.

Recommendation:

Option #1.