

Memorandum



Date: July 17, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Agenda Item No. 4(D)

Subject: Ordinance Amending Section 29-54 of the Code Related to Tourist Development Tax

Recommendation

It is recommended that the Board enact the attached Ordinance (Ordinance) amending Section 29-54 of the Code of Miami-Dade County, Florida (Code) related to Tourist Development Tax.

Scope

The amendment to Section 29-54 of the Code regarding Tourist Development Tax revenues is countywide in nature.

As further explained below, this Ordinance approves an amendment to Section 29-54 of the Code which allows the County to pledge all Tourist Development Tax revenues collected annually to the repayment of any Tourist Development Tax Bonds (TDT Bonds) issued to finance tourist related facilities, such as a new baseball stadium or any other lawful purpose.

Fiscal Impact/Funding Source

This item will not create a fiscal impact to the County.

The amendment will authorize the County to pledge to the repayment of TDT Bonds, on a first lien basis, Tourist Development Tax revenues which consist of the proceeds of a special tax imposed on the leasing or letting of transient rental accommodations, primarily in hotels, motels and resorts, in Miami Dade County except Miami Beach, Bal Harbour and Surfside. The Tourist Development Tax is imposed at the rate of two percent of the total consideration charged for such accommodations.

Background

Currently, Section 29-54 of the Code provides that the Tourist Development Tax Revenues may be used, in addition to other tourist related purposes, as a secondary pledge to pay debt service on bonds issued to finance the construction, reconstruction, or renovation of professional sports franchise facilities (the "Professional Sports Tax Bonds"), if and only to the extent that the primary pledge or revenues are not sufficient to pay amounts due on said Professional Sports Tax Bonds. The County has previously issued Professional Sports Tax Bonds secured by a secondary pledge of all of the Tourist Development Tax.

The County's financing plan for the baseball stadium includes the issuance of additional Professional Sports Tax Bonds as well as TDT Bonds, which are separate items on this same agenda. In order to issue TDT Bonds, the County will refund the outstanding Professional Sports Tax Bonds to release the secondary pledge of the Tourist Development Tax. This will allow the County to pledge 100 percent of the Tourist Development Tax to the repayment of TDT Bonds. In order to release the Tourist Development Tax Revenues from the secondary pledge and to permit the pledge of all the Tourist Development Tax revenues on a first lien basis, Section 29-54 of the County Code needs to be amended.

The amendment provides in summary that if bonds secured by a first lien on Tourist Development Tax revenues are issued to finance the cost of tourist development facilities and for any other lawful purpose and are outstanding, the order of distribution of the Tourist Development Tax revenues shall be as follows:

- For the payment of debt service on bonds to be issued. Although 100 percent of Tourist Development Tax revenues will be pledged toward the payment of the TDT Bonds, the TDT Bonds will be structured such that no more than 20 percent of the Tourist Development Tax revenues will be used for their repayment. This structure will enable the County to receive the most advantageous ratings and lowest interest costs on the TDT Bonds.
- The remaining tourist development tax shall:
 1. Fund the Greater Miami Convention and Visitors Bureau at 60 percent of the total Tourist Development Tax collected in any year less \$600,000 (no change from current Code provision); and
 2. Fund the Cultural Affairs Council to promote tourism by sponsoring tourist oriented culture and special events with the amounts remaining after debt service payments and the Greater Miami Convention and Visitors Bureau is funded. This should amount to approximately 20 percent of the Tourist Development Tax collected.

It should be noted that the 20 percent share of the Tourist Development Tax that will be used to repay the TDT Bonds is the amount that previously went to the City of Miami (mainly to support the Orange Bowl). The amendment is structured to make sure that the Greater Miami Convention and Visitors Bureau annual funding from the Tourist Development Tax is not adversely affected.

If bonds secured by the Tourist Development Tax are not issued or are no longer outstanding, then the order of distribution of the tourist tax revenues shall be as follows:

- Fund the Greater Miami Convention and Visitors Bureau at 60 percent less \$600,000;
- Fund the Cultural Affairs Council to promote tourism by sponsoring tourist oriented culture and special events at 20 percent; and
- Fund tourist related facilities, promote tourism and fund tourist oriented events located within the municipal boundaries of the City of Miami as determined by the Board of County Commissioners at 20 percent.



Senior Advisor to the County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: July 17, 2008


FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 4(D)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 4(D)
7-17-08

ORDINANCE NO. _____

ORDINANCE AMENDING SECTION 29-54 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA RELATED TO TOURIST DEVELOPMENT TAX; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Section 29-54 of the Code of Miami-Dade County, Florida, is amended to read as follows:¹

Sec. 29-54. Disposition of revenues; review of expenditures.

(a) *Tourist development room tax.*

- (1) Collections received by the Tax Collector from the tourist development room tax, less costs of administration, are to be deposited in the "Miami-Dade County Tourist Development Trust Fund," herewith established, and used in accordance with the Miami-Dade County Tourist Development Plan, provides for the allocation of funds as follows:

>>When bonds secured by the Tourist Development Tax are issued to finance the cost of tourist related facilities and for any other lawful purpose and are outstanding, to pay debt service on such bonds first and

1. To fund the Greater Miami Convention and Visitors Bureau (sixty (60) percent of the total Tourist Development Tax collected in each year less \$600,000, the allocation of which

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

shall be made by the Board of County Commissioners after receipt of the recommendations of the Miami-Dade County Tourist Development Council). Funds allocated pursuant to the recommendations of the Tourist Development Council shall be for the tourism purposes described in the following subparagraph 2.

2. To promote Miami-Dade County tourism by sponsoring tourist-oriented culture, cultural and special events such as visual and performing arts including theater, concerts, recitals, opera, dance, art, exhibitions, festivals and other tourist-related activities. (Tourist Development Tax remaining after debt service on the bonds is paid and the Greater Miami Convention and Visitors Bureau is funded pursuant to subparagraph 1 above). In determining which expenditures to fund from this allocation, the County Commission may consider the recommendations of the Miami-Dade County Cultural Affairs Council.

If bonds secured by the Tourist Development Tax are not issued or are no longer outstanding, then<<

[[1]] >>3<<. To fund the Greater Miami Convention and Visitors Bureau (sixty (60) percent less >>\$600,000<< ~~[[the following amounts]]~~, the allocation of which shall be made by the Board of County Commissioners after receipt of the recommendations of the Miami-Dade County Tourist Development Council~~[[(i) \$550,000 in 1993-94; (ii) \$550,000 in 1994-95; and \$600,000 in 1995-96 and each year thereafter.]]~~). Funds allocated pursuant to the recommendations of the Tourist Development Council shall be for the tourism purposes described in the following subparagraph 2.

[[2]] >>4<<. To promote Miami-Dade County tourism by sponsoring tourist-oriented culture,

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cultural and special events such as visual and performing arts including theater, concerts, recitals, opera, dance, art, exhibitions, festivals and other tourist-related activities. (Twenty (20) percent). In determining expenditures from the twenty (20) percent portion of this allocation the County Commission may consider the recommendations of the Miami-Dade County Cultural Affairs Council.

[[3]] >>5<<. To promote tourism, to fund tourist-related facilities as allowed by law, and to fund tourist-oriented events located within the municipal boundaries of the City of Miami, as determined by the Board of County Commissioners. (Twenty (20) percent).

~~[[4. To use as a secondary pledge to pay debt service on bonds issued to finance the construction, reconstruction, or renovation of professional sports franchise facilities (the "Professional Sports Franchise Facilities Tax Revenue Bonds"), if and only to the extent that the primary pledge of revenues are not sufficient to pay amounts due on said Professional Sports Franchise Facilities Tax Revenue Bonds.]]~~

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Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

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Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

Section 5. This ordinance does not contain a sunset provision.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:



Prepared by:



Gerald T. Heffernan