

**May 8, 2018  
ITEM 14.E.1**

**INDIAN RIVER COUNTY  
BOARD OF COUNTY COMMISSIONERS**


**INTER-OFFICE MEMORANDUM**

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TO: Members of the Board of County Commissioners

DATE: May 2, 2018

SUBJECT: Discussion on Tourist Development Council Ordinance

FROM: Tim Zorc  
Commissioner, District 3 

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Request for discussion on distribution allocations that are governed by our local ordinances for Tourist Development Tax funds. The annual Tourist Development Tax revenue for budget year 2018/19 is likely to surpass \$1 million in unencumbered funds to be used to promote local tourism.

How is Tourist Tax Collected and Spent?

- A. 1-1/2 Cents for Tourism Development Agencies
- B. 1-1/2 Cents for Beach Restoration
- C. 1 cent for Dodgertown Purchase

In past years, the Tourist Development Council voted to distribute and award 95-100% of the 1 ½ cents for Tourism Development unencumbered funds to specific agencies. Below is the distribution of the funds for FY 2017/2018:

AGENCY	2017/2018
	BUDGET APPROVED
Indian River County Chamber of Commerce	\$457,386
Sebastian Chamber of Commerce	\$94,283
Cultural Council of Indian River County	\$60,000
Indian River County Historical Society	\$15,000
Treasure Coast Sports Commission	\$188,000
Vero Heritage, Inc.	\$13,000
<b>TOTAL</b>	<b>\$827,669</b>

The total amount requested and approved resulted in an increase of \$70,890.00 due in part to possible loss of funding from the State to Visit Florida.

**Proposed discussion on new allocation formula.**

- 80% of the “A” unencumbered funds to be distributed to agencies listed above who have historically received the Tourist funds
- **20% of the “A” unencumbered funds to be distributed as follows:**
  - **5% or \$75,000 (whichever is greater) dedicated to Passenger Aviation Marketing to be used solely to promote and advertise tourism to our area**
  - **10% dedicated to new “Authorized Uses of Revenue” as listed in Florida Statute 125.0104**
  - **5% Reserve Funds to be maintained until 10% of the prior year’s unencumbered operating budget, then 5% to be moved into the newly adopted expense categories**
- Items “B & C” will continue to be collected and dispersed as in prior years.

It is understood that the use of local funds for capital expenditures would require a change in the Comprehensive Plan to adopt the new Authorized Uses of Revenue listed in Florida Statute.

Attachments:

- 1) Florida Statute 125.0104 approved in 1987
- 2) Indian River County Ordinance 2000-029
- 3) Florida Statute 125.0104 approved update in 2018