ile #: <u>210181</u> Version: 1

Type: Department Staff Report

Title: Allocation of One-Half Cent of Tourist Tax Revenue

Mover: Susan Adams Seconder: Peter O'Bryan

Result: Pass

Agenda note:

Minutes note:

Director of Management and Budget Kristin Daniels referenced staff's memo dated January 21, 2021, as she reviewed her department's proposal to re-allocate one-half (1/2) of one cent of Tourist Tax revenue, as provided for in the spending plan for Historic Dodgertown/Jackie Robinson Training Complex (the Complex). Staff recommended redistributing the revenue to Beach Restoration and Tourist Promotion beginning in Fiscal Year (FY) 2021/22. Director Daniels noted that the Statutes did not allow for half-penny allocations, so the portions would be converted to represent a fraction of one cent.

Vice Chairman O'Bryan advocated for 75 percent of this new Tourist Promotion revenue to be held back as contingency for unforeseen mid-year opportunities. Chairman Flescher, and Commissioners Earman and Adams provided their rationale for supporting the proposed allocations, as well as supporting Vice Chairman O'Bryan's suggestion for a Tourist Promotion Fund reserve.

Commissioner Moss disapproved of continuing to collect the one (1) cent of Tourist Tax allocated to the Complex, stating that its purpose had been fulfilled when the improvement bond was repaid. County Administrator Jason Brown explained that though the bond was paid, the County was still contractually obligated to pay for the Complex's maintenance through at least FY 2028/29. County Attorney Dylan Reingold provided clarification of the State Statutes governing Tourist Tax spending in response to Commissioner Moss's comments. Commissioner Moss then suggested revisiting the issue to establish a sunset date, thereby reducing the Tourist Tax to three percent (3%), or three cents.

The other Board members disagreed with Commissioner Moss's suggestion, and were in favor of maintaining the fourth cent of the Tourist Tax for reasons which included relieving taxpayers from the increasing cost of beach re-nourishment, the necessity of maintaining the County's beaches, upkeep of the Complex which provided sports tourism dollars, and increased requests for Tourism Promotion funds.

Jennifer Bates, Tourism and Development Council (TDC) member, commented via Zoom that the fourth cent of the tax was crucial for tourism promotion, especially in light of reduced co-op dollars. She

also mentioned that the TDC was in talks to increase the Tourist Tax to

five percent (5%), as permitted by the State.

Action: Approved Additional Action

Action text: A motion was made by Vice Chairman O'Bryan, seconded by Commissioner

Adams, to approve staff's recommendation with additional direction to reserve 75% of the additional Tourism Promotion fund money for mid-year allocations.

The motion carried by the following vote:

Votes (5:0)