

November 20, 2018
ITEM 14.A.1

**INDIAN RIVER COUNTY
BOARD OF COUNTY COMMISSIONERS**

INTER-OFFICE MEMORANDUM

TO: Members of the Board of County Commissioners

DATE: November 13, 2018

SUBJECT: Request from Vero Beach Councilwoman Laura Moss to change the County Tourist Development Ordinance to allow funds to be used to “finance beach park facilities.”

FROM: Peter O’Bryan
Commissioner, District 4

Since the beginning of 2018, City of Vero Beach Councilwoman Laura Moss has generated numerous letters and agenda items regarding the Local Option Tourist Tax. Councilmember Moss has numerated various complaints over how the Tourist Tax funds are allocated. One specific area that Councilwoman Moss has repeatedly requested is that the County change the allowed uses of the tourist tax so that the City of Vero Beach could use tourist taxes to build a new lifeguard tower/headquarters at Humiston Beach (attachment 1). Florida Statute 125.0104 allows authorized uses including “To finance beach park facilities”. The County’s Tourist Tax Ordinance (1987-11, attachment 2) does not authorize uses for beach park facilities.

At the May 15, 2018 meeting of the City of Vero Beach City Council, under discussion on an agenda item from Councilmember Moss, Councilmember Zudans asked if the county would consider revising the Tourist Tax ordinance to include beach park facilities. While not expressing support for the change, I told Councilmember Zudans that “in the spirit of compromise” I would place the item on a Board of Commissions agenda.

County Ordinance 87-11 establishes the Tourist Development Council (TDC) and outlines the initial spending plan for the first two years of tourist tax collections. 87-11 divided the Taxing District into 2 districts; District I which encompasses Vero Beach, and District II which is the geographic remainder of the county, including the other municipalities. Section I. 3 outlines the Tourist Development Plan, which by specific reference only applies to the first 2 years of tourist tax collection and expenditures. “There are hereby adopted the plans for tourist development for each district created by the Tourist Development Council with regard to the specific revenue and expenditures for the first twenty-four months following the levy of the tourist development tax.” The spending plan is attached (attachment 3). However 87-11 is very clear on how future expenditures are

allocated. Section I.1.d states; “The Council shall, from time to time, make recommendations to the Board of County Commissioners for the effective operation of the special projects or for uses of the tourist development tax revenue.”

The county currently collects 4 cents of tourist tax allocated as follows: 1 and ½ cents for Tourism Development Agencies, 1 and ½ cents for Beach Restoration and 1 cent for the Dodgertown Purchase. Of the 1 and ½ cents for Tourism Development, the Tourist Development Council has historically made recommendations to the Board of County Commissioners (BCC) for funding allocations that put “heads on beds”. In addition the 1 and ½ cents for Beach Restoration have historically gone towards placement of sand on the beaches, and the resulting permit requirements (sea turtle monitoring, beach profile surveys, etc). The TDC and the BCC have not recommended funding for beach park facilities. Over the years the county has utilized local option sales tax to repair lifeguard stations after storms.

At the May 16, 2018 meeting of the TDC there was discussion on two requests directly from the City of Vero Beach (COVB) and the fact that this might set precedent on allowing all jurisdictions to make individual requests to the TDC instead of the collaborative efforts that have been in existence, and highly successful. After this discussion, by a vote of 6-1, the TDC voted to “remove the City of Vero Beach Centennial Celebration request and the City of Vero Beach Airport request from further consideration for funding by the Tourist Development Council”. However, in keeping with the collaborative spirit of the TDC, the TDC voted 7-0 to “move additional funds into the Chamber’s request with the specific purpose of supporting marketing efforts for the Vero Beach Airport” (May 16, 2018 TDC minutes, attachment 4).

Recommendation. The Board should have discussion on the subject of changing the Tourist Development Ordinance, allow comments from the Public, and then the Board should consider whether to change Ordinance 87-11 to allow for expenditures to finance beach park facilities.

The Chairman recommends that the Board does not change the ordinance, continuing with the current model which has been collaborative and successful.