



Interoffice Memorandum

NO ACTION

BCC Mtg. Date: October 18, 2016

October 11, 2016

To: Mayor Teresa Jacobs
-AND-
Board of County Commissioners

From: Eric D. Gassman, Deputy County Administrator

Subject: Option to Refund City's Venues Debt
Work Session – October 18, 2016

A handwritten signature in black ink, appearing to read "Eric D. Gassman", is written over the name in the "From:" field.

On September 9, 2016, Mayor Teresa Jacobs sent a letter to the Board of County Commissioners (Board) announcing her support for an additional \$45 million of Tourist Development Tax (TDT) funding to complete the second and final stage of the Dr. Phillips Center for the Performing Arts (DPC) and to establish a Sports Bid Fund in the initial amount of \$5 million with annual replenishment amounts of up to \$2 million.

In the same letter, the Mayor also outlined an option the County has under the Venues Agreement to prepay the City's contract TDT debt obligation – referred to as the "buy-out option". Under this option, the County would issue TDT refunding debt and remit all the funds necessary to the City's trustee to fully extinguish their debt obligation. The County would essentially be assuming the responsibility for making annual debt service payments on the refunding TDT debt, but then would retain the much larger surplus TDT revenue that was previously being remitted to the City. This option has the potential to free-up significant TDT funding, opening the door for the Board to consider other current spending priorities such as capital projects, events and promotional opportunities.

On September 30, 2016, the Tourist Development Council (TDC) discussed and voted unanimously to recommend approval to the Board for the additional \$45 million to DPC to complete the second and final stage of the performing arts center and for the creation of the Sports Bid Fund in the initial amount of \$5 million with annual replenishment amounts up to \$2 million. The TDT plan amendment and the Venues Agreement amendment to implement these recommendations are being scheduled for the Board's consideration on November 1, 2016.

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The TDC also unanimously voted in favor of recommending to the Board to exercise its option under the Venues Agreement to refund the City's contract TDT debt with County refunding TDT bonds, the buy-out option. Accordingly, County staff will present the buy-out option to the Board at the October 18, 2016 meeting. This presentation is being scheduled for informational purposes only. If the Board is interested in pursuing this option, County staff will bring back the appropriate bond resolution for approval at a future meeting.

Should you have any questions, please contact me.

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C: Ajit Lalchandani, County Administrator
Jeffrey J. Newton, County Attorney
Lila McHenry, Sr. County Attorney
Fred Winterkamp, Manager, Fiscal and Business Services