

### **Executive Summary**

\*\*\* This item to be heard at 1:00 pm. \*\*\* Recommendation that the Board discuss whether it wishes to consider an amendment to the Tourist Development Tax Ordinance No. 2017-53 to impose an additional one percent tax as a high impact tourism destination for a total six percent tax, and to provide direction to the County Attorney and Staff to start the process for the amendment and required referendum.

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**OBJECTIVE:** To discuss an ordinance amendment that would increase the Tourist Development Tax by 1% for the completion of the Paradise Coast Sports Complex and other important tourism-related uses, and to provide direction to the County Attorney and Staff.

**CONSIDERATIONS:** The Tourist Development Tax is a tax on the total rental amount collected from every person or other party who rents, leases, or lets for consideration living quarters or accommodation in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park, or condominiums for a period of six months or less. The Department of Revenue has confirmed that Collier County qualifies as a high-impact tourism county, which allows Collier County to impose an additional one percent on the current five percent Tourist Development Tax.

The process starts with the Board of County Commissioners enacting an ordinance levying the tax, followed by a referendum at a general election. The ordinance is approved by a simple majority vote. The next general election is November 3, 2026. The final text of the referendum in English and Spanish is due by noon on June 12, 2026. If the referendum is approved, the effective date of the levy and imposition of the tax authorized would be January 1, 2027.

Authorized uses of the sixth cent include:

To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote:

Aquariums, museums, zoos, fishing piers, and nature centers that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public.

Publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums within the boundaries of the county.

To promote and advertise tourism as evidenced by the promotion of the activity, service, venue, or event to tourists.

To fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus.

To finance beach park facilities, or beach, channel, estuary, or lagoon improvement, maintenance, renourishment, restoration, and erosion control.

To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or finance public facilities within the boundaries of the county or subcounty special taxing district in which the tax is levied, if the public facilities are needed to increase tourist-related business activities in the county and are recommended by the county tourist development council. Tax revenues may be used for any related land acquisition, land improvement, design and engineering costs, and all other professional and related costs required to bring the public facilities into service (Subject to additional requirements, including a supermajority vote of the Board).

**ADVISORY BOARD RECOMMENDATIONS:** If approved, the TDC will review this at the appropriate time.

**FISCAL IMPACT:** Tourist Development Tax (five percent) collections for FY 2024 totaled approximately \$48.6 million. Based on FY 2024 collections, imposing the additional one percent tax as a high-impact tourism destination could result in incremental revenue of approximately \$9.7 million annually. It should be noted that Tourist Development Tax revenue is highly variable, and past results are not necessarily indicative of future collections.

**GROWTH MANAGEMENT IMPACT:** There is no impact to the Growth Management Plan with this Executive Summary.

**LEGAL CONSIDERATIONS:** This item is approved as to form and legality and requires majority vote for approval. – JAK

**RECOMMENDATIONS:** For the Board to discuss an amendment to the Tourist Development Tax Ordinance No. 2017-53 to impose an additional one percent tax as a high-impact tourism destination for a total six percent tax for the completion of the Paradise Coast Sports Complex and other important tourism-related uses, and to provide direction to the County Attorney and Staff to start the process for the amendment and required referendum.

**PREPARED BY:** Burt L. Saunders, Commissioner, District 3

**ATTACHMENTS:**

1. Item 10 PSCS Hunden Slides

# Market Analysis Key Findings

## Sports



### Baseball/Softball:

- Florida has a robust and competitive baseball and softball tournament market.
- Tournaments held from late spring through early fall
- Optimally aligns with Collier County's off-peak tourism season



### Soccer:

- Strong national soccer facility
- Limited field counts results in utilizing other local complexes, hurting tournament operator appeal
- Although artificial turf poses heat challenges in summer, it is optimal for extending play during rain



### Basketball/Volleyball:

- Central Florida crowds the state's indoor sports market with many existing and proposed facilities
- Local demand is strong, but the peak athletic seasons for indoor sports overlap with soccer

## Sports Tourism - Supporting Elements & Catalysts



### Hotel:

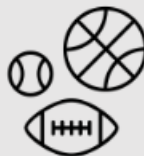
- The local hotels are overloaded during the winter months, limiting the opportunity for hotel booking growth
- Local hotels struggle during the summer due to limited demand drivers



### Retail & Restaurant:

- Downtown visitation is strong post and prior to events at PCSC

## Sports Tourism - National Case Studies



### Best Practices:

- Phased development allows for flexible additions like more diverse sports offerings to reduce seasonality
- Sports complexes boost local economies by attracting hotels and restaurants
- Mixing weekday leagues with weekend tournaments ensures steady use and revenue

# Preliminary Recommended Site Layout




## Hunden Recommendations

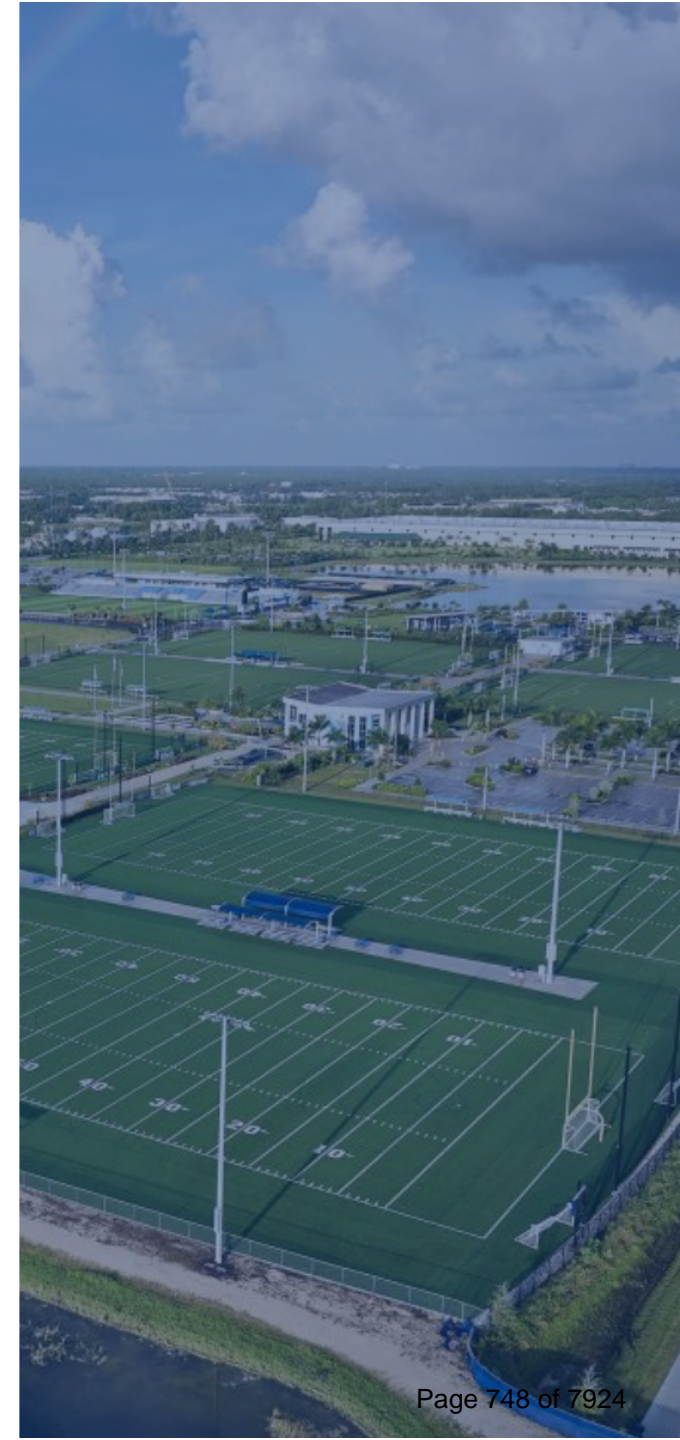
- Eleven dedicated diamonds
  - Softball: 5 diamonds
  - Baseball: 6 diamonds





# Hunden Recommendations

Asset	Hunden Recommendations
<b>Outdoor Field Expansion</b> 	<ul style="list-style-type: none"> <li>Eleven dedicated diamonds               <ul style="list-style-type: none"> <li>Softball: 5 diamonds</li> <li>Baseball: 6 diamonds</li> </ul> </li> </ul>
<b>Additional Facility Amenities</b> 	<ul style="list-style-type: none"> <li>Enhanced food &amp; beverage option on the east side of the Complex, adjacent to the expanded fields</li> <li>Dedicated parking on east side of Complex</li> </ul>
<b>Future Phase (3-5 Years)</b> 	<ul style="list-style-type: none"> <li>Indoor fieldhouse               <ul style="list-style-type: none"> <li>6 basketball courts/12 volleyball courts</li> <li>Medical offices &amp; meeting space</li> <li>Gathering place/lightning shelter</li> <li>Hurricane shelter</li> </ul> </li> </ul>



# Demand & Financial Projections Summary

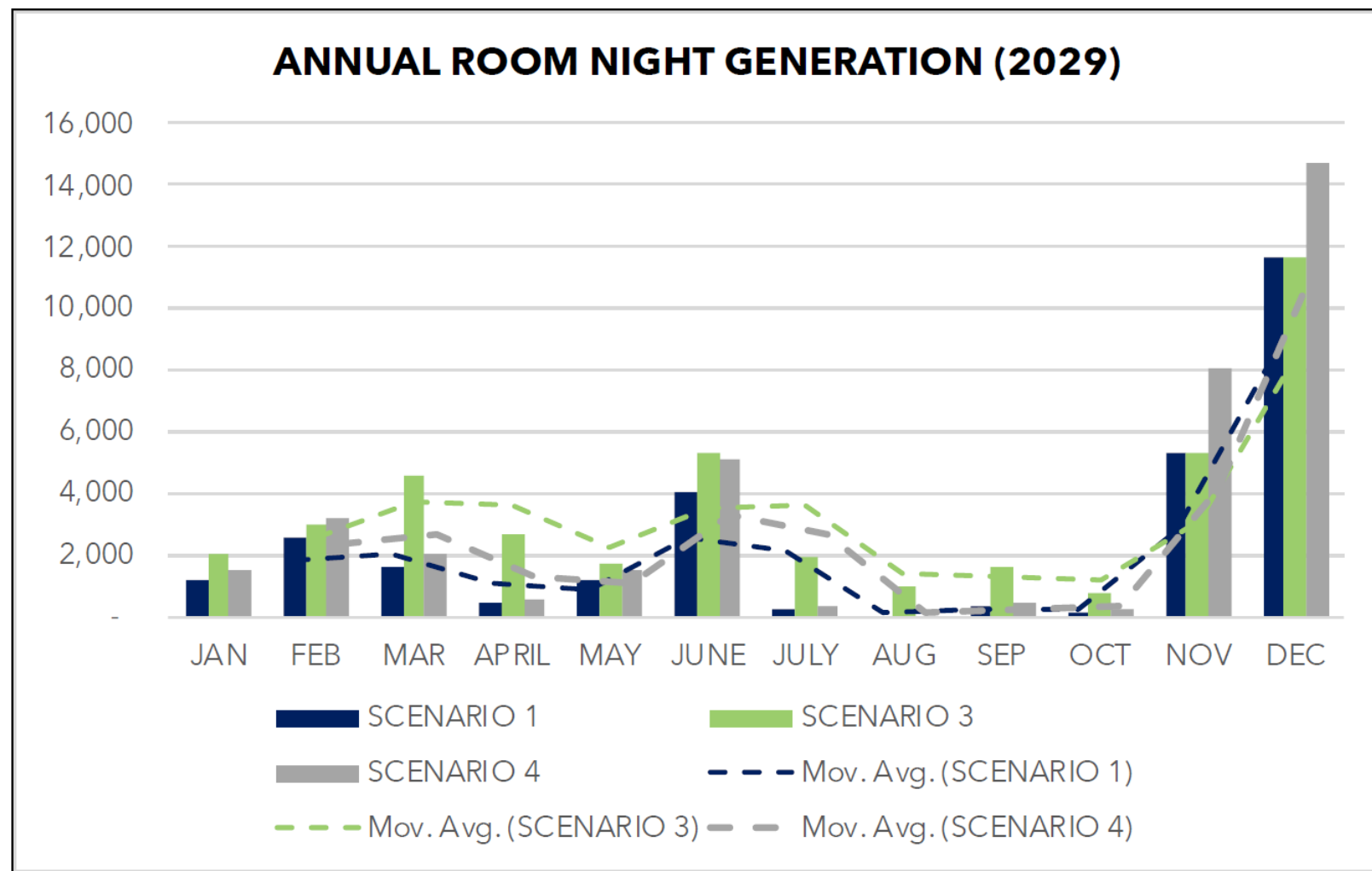
By comparing projections for PCSC in its current form and potential expansions, we are able to evaluate which scenario maximizes the facility’s Return on Investment (ROI). Hunden projects scenario three, a major expansion with baseball and softball diamonds, would produce the highest Net Operating Income (NOI) and operating margin.

Recommended				
Year 5 Summary	SCENARIO 1 Current PCSC	SCENARIO 2 +9 <sup>th</sup> Field	SCENARIO 3 +Outdoor Expansion	SCENARIO 4 +Indoor Expansion
NOI	\$228,000	\$368,000	\$1,638,000	\$987,000
Operating Margin	7%	10%	27%	16%
Visits	428,960	433,470	517,772	590,680

# Room Night Generation Seasonality

Scenario 3, in which Paradise Coast Sports Complex undergoes a major expansion of baseball and softball diamonds, would generate the most annual hotel rooms for Collier County and therefore, the most TDC funds.

Baseball and softball fields generate room nights in Collier County's down season, supporting local hotels. Meanwhile, an indoor complex would further stress hotels during the peak winter season, causing some leaked hotel rooms to nearby counties, and thus producing fewer TDC dollars.



# Tournament Opportunity Implications

## Field Count Expansion at PCSC Is Required to Become an Anchor

Recommendations for 12 diamonds and 16 multipurpose fields highlight the need for large, versatile facilities to host events at a single, anchored venue, which in turn boosts competitiveness in the sports tourism market.

## Effective Sports Tourism Requires Coordination

Youth sports tourism is highest with transportation and lodging, highlighting the continual need for nearby and available hotels. Limited winter lodging capacity and affordability restrict tournament growth.

## Hotel Seasonality Is a Major Key to Sports Tourism Success

Youth sports tourism is highest with transportation and lodging, highlighting the continual need for nearby and available hotels. Limited winter lodging capacity and affordability restrict tournament growth.

