

TOURIST DEVELOPMENT COUNCIL MEETING MINUTES

Council President Scott Wilson, TDC Chairman
Thursday, September 26th, 2019 - 1:00 P.M.
Lynwood Roberts Room of City Hall (117 West Duval Street)

Meeting Convened: 1:03 p.m.
Meeting Adjourned: 3:21 p.m.

CALL TO ORDER

- Roll Call

TDC Member / Staff	Status
City Council President Scott Wilson (Board Chairperson)	Present
City Council Vice President Tommy Hazouri (Board Vice Chairperson)	Present
City Council Member Aaron Bowman (Member)	Excused
Steven Grossman (Member)	Present
Kirit Patidar (Member)	Excused
Craig Smith (Member)	Excused
Dawn Southworth (Member)	Present
Jeffrey Truhlar (Member)	Present
Lillian Graning (TDC Executive Director)	Present
Jeff Clements, City Council Chief of Research	Present
Kim Taylor, Assistant Council Auditor	Present
Lawsikia Hodges, Office of General Counsel	Present

- Introductions

Council Vice President Scott Wilson convened the meeting and the attendees introduced themselves for the record.

- Public Comments

None

OPERATIONS

1) Approval of Minutes

Motion (Hazouri, Southworth 2nd): approve the minutes of the TDC meeting of August 29th, 2019 as distributed - **approved 5-0.**

2) Financial Report.....Kim Taylor

Ms. Taylor reported on the comparison of TDC tax collections year over year: last 12 months to prior 12 months – up 2.14%; fiscal year to date (11 months) vs. prior fiscal year – up 1.05%; August 2019 vs. August 2018 – up 7.37%. Historical trends indicate a potential shortfall in collections of \$400,000 for the year. The remaining budgetary balances by account are as follows through August 31st: Tourist Bureau - \$0; Marketing - \$0; Convention Sales - \$0; Convention Grants - \$30,237.59; Development and Planning - \$35,000; Special Events Grants - \$1,622.28; Promotion of Equestrian Center – \$20,000; Remaining to be spent in accordance with the TDC Plan – 350,000; TDC Budget Reserve - \$500,000; TDC administrative budget – \$108,408.40; TDC special revenue fund - \$52,693; Development Account - \$3,341,075.63; Contingency Account - \$1,913,000. She noted that any unspent funds at year end will be swept to the Development Account for future allocation. Council Member Hazouri asked how potential users can apply for a portion of the \$350,000 allocated for the sports tourism initiative. It will be discussed at item #10 on the agenda.

3) Market Report.....Lillian Graning

Ms. Graning said that revenue collections for the month of August were good but the presence of Hurricane Dorian had a negative effect on occupancy. Dawn Southworth said that all hotels in the evacuation noted that the City both lost occupancy from overnight cancelations and from the fact that because the hurricane ultimately passed well offshore, the city did not get an occupancy bump from utility workers and other emergency responders coming to Jacksonville to stage a post-storm response. In response to a question regarding total market room nights from Mr. Truhlar, Ms. Graning noted that future STR property pipeline reports will allow the TDC more detailed insight into properties in various stages of development.

ACTION ITEMS

4) **Jax Ale Trail**.....Michael Corrigan

Mr. Corrigan presented the request to include Nassau County and Clay County in the Jax Ale Trail promotional materials in return for an annual fee of \$500 to be paid to the TDC by each participating brewery. Council Member Hazouri asked about a potential name change if other counties are involved; Mr. Corrigan said the name Jax Ale Trail and all branding would remain the same. In response to a question from Ms. Southworth about how Jacksonville breweries feel about adding breweries from other counties, Mr. Corrigan said that there is general support among all the breweries because it helps to build the brand for the area. Specific feedback both in favor and not were referenced in meeting materials. It also allows the CVB to get Jacksonville marketing materials into the adjoining counties at no cost.

Motion (Truhlar, Hazouri 2nd): approve participation of Nassau and Clay Counties in the Jax Ale Trail promotional materials in return for an annual fee of \$500 to be paid into the TDC Special Revenue Fund by each participating brewery - **approved 5-0.**

5) **CVB Grant Consideration**.....Michael Corrigan

FCSAA Volleyball Tournament

October 31 – November 23, 2109

Hampton Inn and Suites Deerwood Park, Hampton Inn Jacksonville South, Sonesta Suites Baymeadows

250 room nights @ \$4/room night

Estimated attendance 750

Funds use: Venue/meeting room rental

Funds to be encumbered: \$1,000

Mr. Truhlar questioned the strategy behind targeting this event on the same weekend as the Florida/ Georgia and the Sea and Sky Air Show. Visit Jax said it was because it's a multi-year event and the next two years will not be on that busy weekend. Mr. Truhlar asked for clarification that the request is for the venue for the tournament, not "meeting room rental" since none of the listed hotels has meeting rooms. Mr. Corrigan confirmed that is the case and said that in future requests should be worded more clearly to make the use apparent.

FL Association of State and Federal Education Program Administrators

April 26 – May 1, 2020

Hyatt Regency Riverfront Hotel

960 room nights @ \$4/room night

Estimated attendance 500

Funds use: A/V, reception food and non-alcoholic beverages

Funds to be encumbered - \$3,840

- 6) Visit Jacksonville FY 18-19 Budget Adjustment Request.....**Michael Corrigan
Mr. Corrigan presented a request to move \$20,000 from the Media/Influencer budget line item and \$5000 from the Brochure/Collateral Printing line item to allocate \$25,000 to the Visitor Magazine line item in order to get the appropriation and the printing done in the fiscal same year. Steve Grossman asked about the value of a printed magazine in a digital era. Mr. Corrigan said gradually diminishing, but it is currently required by the TDC contract. He's looking for opportunities to co-produce the publication but reflects that it's a requirement of the current contract. Chairman Wilson asked that this requirement be a point of discussion in next year's Visit Jax budget preparation.

Motion (Grossman, Hazouri 2nd): approve the requested \$25,000 budget adjustment - **approved 5-0.**

7) CVB & Equestrian Center Grant Administration

Ms. Graning reflected that the TDC rarely provides feedback on CVB's requests and proposed delegation to Visit Jacksonville and the Equestrian Center operator to make grant commitments (within budgetary constraints) based on established criteria (room nights, stall nights), provide the details of those commitments to TDC staff for encumbrance and notice to TDC members, allowing TDC staff to process reimbursements according to proof and actualization after events are complete. This would speed up the process and help make Jacksonville more competitive in alignment with practices in other cities. She requested authority to work with the General Counsel's Office on pursuing legislation to reflect this adjustment. Ken Jones of the Jacksonville Equestrian Center said his organization is in agreement with the method suggested. The group clarified that the grants approved earlier in the meeting would be processed under the existing system and that the new system would take effect upon legislative approval.

Motion (Hazouri, Truhlar 2nd): authorize staff to pursue legislation implementing the new system described by Ms. Graning and further detailed in meeting materials - **approved 5-0.**

8) Grant guideline amendment consideration

Ms. Graning said that the Special Events and Marketing grants have their own guidelines for reimbursement, but there is no provision for TDC to pay all or a portion of the grants if the events aren't realized due to unavoidable circumstances (such as a hurricane). She is requesting authorization for staff to develop a revision to the grant guidelines to allow for TDC board consideration of potential partial payments to grant recipients if a natural disaster, act of God, or other extenuating event prevents a TDC funded event from happening. Lawsikia Hodges said there is no need to change grant guidelines but rather to utilize existing authority to craft supplemental rules to address this situation. Mr. Truhlar said he wouldn't want to authorize expenditures that could have been avoided, but would perhaps allow funds already expended (i.e. for advance marketing) to be reimbursed. Mr. Hazouri asked for an analysis of the Florida State/Boise State game finances - what was granted, what impact was expected, who lost how much money for what items because the game was moved, etc. Robert Leverock of the Jacksonville Sports Council explained that the promoters spent \$7,400 of the \$20,000 grant award before the game was relocated and is still calculating the total finances of the event. They had to pay the entertainers because they cancelled less than 72 hours before the event, but negotiated a reduced fee.

Motion (Hazouri, Southworth 2nd): authorize staff to draft policy revisions regarding partial payments for events impacted by natural disasters, acts of God, etc. and present for TDC consideration – **approved 5-0.**

9) Strategic Plan Components

Ms. Graning asked for authority from the board to pursue an RFP process in partnership with the City's Procurement Division for strategic planning research. This first step is not to determine the full strategic

Motion (Truhlar, Grossman 2nd): authorize staff to pursue an RFP process in partnership with the City's Procurement Division for an initial data acquisition phase of a larger strategic planning process - approved 5-0.

10) Sports Tourism Initiative funding allocation

Council President Wilson said the City Council approved the bill appropriating \$350,000 for the initiative and it is awaiting signature by the Mayor. Michael Corrigan presented the Sports Tourism proposal, noting that sports tourism is one of the fastest growing segments in the country. He said the initiative would have four primary purposes: 1) Visit Jacksonville would become the local organizing committee and main point of contact for sporting events; 2) establish regular meetings with all essential partners from the City, event locations, hotels, SMG to include regular pre-bid discussions; 3) assist the City on large scale opportunities that the City will continue to recruit and manage; and 4) serve as the expert and liaison between all parties for recruiting and booking events. The goal for year 1 is to increase room night bookings from 93,713 to 95,000, which is the first step in building Jacksonville's marketing brand for more substantial future growth.

Mr. Hazouri said he thought the majority of the money was to be spent on new projects arising during the year and asked for clarification on how applications would be made and funds allocated, and particularly how this new \$350,000 would relate to what Visit Jax already does with regard to promoting sporting events. Ms. Graning drew a distinction between existing TDC marketing efforts aimed at enticing fans to attend existing sports events in Jacksonville and this new initiative to attract the events and teams themselves (i.e. baseball and volleyball tournaments). In response to Council Vice President Hazouri's question, Sarina Wiechens confirmed that \$5,000 of the proposal included promotional materials. Mr. Hazouri expressed concern in that he understood the \$350,000 was to be used for direct incentives for event production agents, not marketing. Ms. Graning confirmed both that the TDC could make that determination at this point and the difference between sports spectator attraction and sports competition recruitment in terms of what is in the existing contract with Visit Jacksonville.

Ms. Southworth said that Visit Jax has converted a CSS Sales position into a sports market leadership position without TDC's approval when the city already has several organizations that are focused on sports and have long-standing relationships in the sports industry. She asked that the TDC bring those existing private organizations in to a working committee to see what would be most strategic rather than Visit Jax taking on the task itself. Mr. Corrigan said Visit Jax observed during the last NCAA men's basketball tournament in Jacksonville in March that there was no local organizing committee. Visit Jax doesn't want to run events or garner sponsorships but rather facilitate and recruit to attract more events that will increase hotel occupancy. Ms. Southworth wanted to know who was involved in meetings with Visit Jax and decided that this sports initiative is something that the City needs. Mr. Corrigan said a meeting was held in conjunction with preparations for the NCAA basketball regional that included SMG, City Parks and Recreation Department (which includes the Special Events Division), Jacksonville University (the institutional host for the tournament) and the University of Florida. Ms. Southworth felt

Sarina Wiechens said that Visit Jax didn't take away a National Accounts Manager from group tour sales, but did hire someone with expertise in the sports area to do both functions with a higher total room production goal related to sports. In response to a question from Mr. Truhlar about whether Visit Jax is on pace to meet its contractual room booking goals, Mr. Corrigan said that they have already met this year's goal. Mr. Truhlar asked if there is a 5-year plan for how this initiative could break even through bed tax generation and indicated that he is uncomfortable with the overhead and administrative costs that TDC is being asked to absorb. Ms. Wiechens said the \$72,175 overhead cost figure is not coming out of the \$350,000, it's just to inform the TDC about what the cost would be if this were to be a stand-alone contractual arrangement. Mr. Truhlar asked if the typical CVB grant guidelines and TDC approval would apply to this funding and was told yes, they would for the \$130,000 allocated to sporting event grants.

Mr. Truhlar recalled that Rick Catlett, President and CEO of the Jacksonville Sports Council, speaking to the TDC at a previous meeting, had said the city could be more competitive for events if it let private sector organizations solicit the bids. He wondered how the Public Records Law would come into play if they get TDC funding for that function. Lawsikia Hodges said she would need to explore what Sunshine Law exemptions apply to these activities. Ms. Graning said a grant and incentive structure is one of the program elements under the scope of work of the initiative, and the TDC could develop a set of criteria and standards for awarding grant requests brought to it by a variety of entities. Mr. Grossman said the TDC was previously told that some of the private sector organizations in town were pulling back from being in the business of recruiting sport events, so there was a gap in the marketplace that needed to be filled for marketing the City's availability to event organizers. This appears to be a marketing program to fill that gap. After a year or two it will be more apparent whether there really is a need and how well this pilot program is performing. Ms. Southworth questioned whether the TDC knows definitively that local entities really are pulling out of the recruiting business. She sees a need to get everyone to the table to discuss who's willing and able to do what before decisions are made about using these dollars.

Alan Verlander, CEO of Airstream Ventures, said that sports is already an important market in Jacksonville and could be even bigger with proper promotion and resources. Outside of the City's venues and the WW Motocross Park on the Westside, Jacksonville doesn't have a lot of facilities for massive events. If you're going to market yourself as a destination, then you need to be able to handle what organizers want to bring. Relationships are extremely important in the sporting world and are built up over years of personal contacts and trust. He's excited by the concept of a sports initiative, but wants to be sure it attracts events that match our facilities. You need to be realistic about what you can really handle in City venues and parks, college campuses and some private facilities in town. Mr. Grossman asked if there is an existing entity that can attract events to town and sell the City as a destination. Mr. Verlander said there are several that do it now, but marketing in the world of sports means relationship-building. There is no one acknowledged lead agency. Ms. Graning said it's important to differentiate marketing from recruiting as they are two different activities. Marketing could include information gathering, packaging and dissemination to describe Jacksonville to potentially interested promoters; recruiting is about building the relationships and actively pursuing events as discussed earlier.

Robert Leverock of the Jacksonville Sports Council recounted that in 2013 the Mayor and Chamber of Commerce got together with the Jacksonville Sports Council to have a private sector entity doing the recruiting job that is not subject to the public records laws. His organization is and will continue to be in the event recruitment business.

Council Member Hazouri said he thought the City Council understood this sports initiative to be a funding source for local organizations to support local sporting events and not part of Visit Jax's recruiting of events from out of town. Mr. Truhlar indicated the he opposed to using this fund for local event support – those bed tax dollars need to be recruiting visitors from out of town. Mr. Corrigan said the initiative is meant to bring in lots of smaller sporting events (youth softball tournaments, NCAA Division II tournaments of all kinds) rather than a handful of big events like a major college football game. Mr. Truhlar asked if Visit Jax is out actively recruiting events or is packaging our facilities and advertising them for whoever might be interested. Mr. Corrigan said the answer is both, because both of those avenues will bring more people town.

Action Item Was Deferred

11) Visit Jacksonville Updates

Brain Kincaid of the Dalton Agency presented the evolution of the "It's Easier Here" campaign, which is producing very good results since its introduction, well exceeding national benchmarks. He said they want to freshen up the campaign and inject some new content contrasting negatives of other cities with positive aspects of Jacksonville and presented several concept boards including messages like "Less Theme, More Parks", "Less 9-5, More hang 10", "Less lines, more unwind", etc. Adara Inc. data shows rate of return on the advertising buy of 5 to 1 and the click-through rate is substantially higher than national average. Council Member Hazouri asked how success is measured. Mr. Kincaid said that digital media allows individual visitors can be tracked from the time they hit a web site through all page clicks. Television and billboards are harder to track.

Katie Mitura of Visit Jacksonville said their mobile app is going very well, recording 6,900 users and 8,400 individual sessions. The top out-of-town markets are New York City, Orlando, and Austin. The trip planner feature is very popular. The app offers 31 general tours, 4 audio tours, and an augmented reality feature showing historic buildings.

12) Use/Cap of contingency/development funds

Ms. Southworth expressed concern about the loss of two festivals (Funkfest, Welcome to Rockville) and the need to consider supporting new events to make up for those losses. She sees a lot of distractions that discourage visitors from staying in downtown – vacant buildings, buildings being demolished and leaving vacant lots, etc. There is new development going on around the perimeter of downtown, but she fears that the next couple of years will be difficult for hoteliers, especially downtown, and the TDC should be working with hotels and Visit Jax to try to cushion the blow. Ms. Graning said that the TDC can determine how to use the available Development and Contingency funds with City Council approval and can be creative in its thinking and explore new types of incentives to attract the sorts of events the body wants to prioritize. Mr. Grossman said he hopes that the strategic plan, will inform the use of the Development and Contingency funds. Mr. Hazouri asked who knows why people do or don't come to Jacksonville with their events, and was told that it's Visit Jax who records the data associated with lost opportunities. Mr. Truhlar asked what "capping" the Development account means. Kim Taylor said the Ordinance Code mandates a minimum of \$500,000 be allocated to the Development and Contingency funds each year and it would be up to the TDC to determine how to use those funds and whether to recommend a Code change regarding those two funds, but that any unspent funding budgeted by the TDC is swept into the Development account at the end of each fiscal year. Ms. Southworth cautioned that room bookings are not guaranteed to increase year over year and she suggested the need for the TDC and Visit Jax to collaborate with the hoteliers to determine what's needed and what can be done to improve booking performance.

13) Review of grant Return On Investment

Ms. Graning said that since she has been with the TDC she hasn't seen much discussion of measuring return on investment for the grants given to various types of events (CVB/Equestrian Center grants, Marketing, and Special Event grants.). She explained the ROI chart in the agenda package and the various data included (actual room nights, actual visitors, estimated economic impact, grant dollars and ROI per visitor or per dollar invested). She advocated for a standardized methodology to evaluate the relative worth of various kinds of events and for use of the data to drive future decision making and investment in the highest ROI uses.

14) TDC Meeting Frequency & Schedule

The TDC is no longer required to meet monthly, but Mr. Truhlar felt that quarterly might not be often enough to keep up with the work flow. Mr. Grossman said that with the full-time TDC staff and delegation efforts, 6 meetings per year would be sufficient. The group has traditionally taken breaks in December and July to match the City Council breaks. Ms. Graning said that she had not yet received any grant applications for the October meeting, but expected the majority to be presented at the first FY 19/20 meeting. The group decided to meet bi-monthly beginning in November, 2019. Ms. Graning will poll the members not present today to ask their preferences for a November meeting date.

15) Old business

Mr. Grossman expressed concern about the plan to put a visitor information center into the Times-Union Center for the Performing Arts. He doesn't feel that foot traffic will be very good and it's a significant investment. Mr. Corrigan said that the closure and impending demolition of the Jacksonville Landing will mean even less traffic in that location. Design is well underway, but there is still time to put a hold on the project if the TDC wants to do that. He said that if a decision is made to continue with the T-U Center location, he will seek an amendment to Visit Jax's contract to change the attendance numbers for the downtown visitor center location given the new location and the Landing demolition. Ms. Wiechens clarified that there will already be a design bill but that Visit Jacksonville would be happy not to commence due to developments since the commitment was made. Ms. Southworth said that downtown is in such a state of flux that maybe a hold on construction would be the wisest course. In response to a question about whether Visit Jax can stay in its current location on Laura Street, Mr. Corrigan said he would need to explore that with their current landlord. Bill McConnell, General Manager of SMG Jacksonville, said that the company has been planning to do what TDC directed and that time is critical if TDC wants to delay construction, which could get underway in the next month if all the City entities (Parks, Recreation and Community Services Department, Public Works Department, TDC) sign off on the final plans. Mr. Hazouri suggested Snyder Memorial on Hemming Park as an alternative. The riverfront could be a fine location eventually after the future of the Landing site is determined, but that may be a few years. Chairman Wilson said he will call a special TDC meeting when Visit Jax has explored its lease option and SMG can report on the construction schedule. Mr. Corrigan suggested that the Mobile Visitor center was the best way to increase traffic with thousands of interactions per placement. Lawsikia Hodges said that legislation would be needed to undo the City Council authorization of the CIP expenditure for the project if the decision is made to delay.

New business - none

CLOSING CONSIDERATION

Next meeting: November 20, 2019 at 1:00pm in Don Davis Room, City Hall

Minutes Taken by Jeff Clements, City Council Chief of Research
904-255-5137 jeffc@coj.net

Minutes Posted by Lillian Graning, Executive Director of TDC
On 10.19.19 1:00pm
