

**OFFICE OF THE CITY COUNCIL**

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**July 23, 2013**

**5:30p.m.**

## Duval County Tourist Development Council

**Special Meeting Visit Jacksonville Marketing Plan**

**TDC Minutes**

**July 18, 2013**

**Conference Room A, Fourth Floor, Suite 425**

**City Hall @ St. James**

**Meeting Convened: 11:00a.m.** **Meeting Adjourned: 12:15 p.m.**

**Roll Call:**

Council President Bill Gulliford

Council Member Richard Clark

Council Member Warren Jones

Sonny Bhikha

Henry Fonde

M G Orender-Excused

David Potts

Fred Pozin

Annette R. Hastings, Executive Director

Janice Billy, Assistant Council Auditor

Phillip Peterson, Council Auditor’s Office

Jim McCain, Asst. General Counsel

Paul Astleford, President, Visit Jacksonville-Excused

**Others Present:**

Alan Verlander, Executive Director, City of Jacksonville Sports & Entertainment; Joel Lamp, Manager-Business Development, City of Jacksonville Sports & Entertainment; Quint Davis, CEO, Festival Productions-New Orleans; Ted Carter, Executive Director, Office of Economic Development; Tonisha Gaines, Director, Special Events; Bill McConnell, General Manager, SMG; Larry Wilson, Regional Vice President, SMG; BeLinda Peeples, ECA to Vice President Yarborough; Kimberly Morgan, Visit Jacksonville; Katie Kurycki, Visit Jacksonville.

**Call to Order:**

Chairman, Bill Gulliford, called the meeting to order at 11:00 a.m., noting the presence of a quorum.

**Purpose of the Special TDC Meeting**:

Chairman Gulliford stated the purpose of this special called TDC meeting was to consider for approval the application for Florida Country Superfest 2014, 2015 and 2016.

**TDC Financial Report** : **Janice Billy, Assistant Council Auditor**

Ms. Janice Billy, Assistant Council Auditor, stated for the purpose of this meeting the TDC Financial Report for June 2013 showed there was a TDC Budgetary Balance availableof $151,101.36, and a balance of $1,456,538.08 in the TDC Contingency Account Budget.

**Application Presentation:**

 **Florida Country Superfest 2014, 2015, & 2016**

**Presenter:** Alan Verlander Executive Director

City of Jacksonville- Sports & Entertainment

Joel Lamp, Manager-Business Development

 City of Jacksonville Sports & Entertainment

 Quint Davis, CEO, Festival Productions-New Orleans

 **Date:** June 14-15, 2014

 TBD-2015

 TBD-2016

**Location:**  EverBank Field

**Grant Amount:** $300,000.00-2014

$300,000.00-2015

 $300,000.00-2016

 **Room Nights:** Guarantee 7,500 @ $40.00 per room night

 Project 10,000 @ $30.00 per room night

 **Room Night Rebate**: None

 **Funds Use:** Promotion/Marketing

**Discussion:**

* Mr. Alan Verlander, Executive Director for the City of Jacksonville Sports and Entertainment thanked everyone for coming to the special TDC meeting and made the presentation for the Florida Country Superfest. Mr. Verlander stated the City of Jacksonville Sports & Entertainment was in support of the event. He noted it will be a change agent that will be transformational for our community and could be the largest economic impact event that would surpass the Florida-Georgia Game and Gator Bowl Game. Mr. Verlander introduced the following groups who were supportive behind the event:
	+ Bill McConnell, SMG General Manager
	+ Larry Wilson ,SMG Regional Vice President
	+ Joel Lamp, Office of Sports & Entertainment
	+ Ted Carter, Office of Economic Development
	+ Tonisha Gaines, Office of Special Events
	+ Visit Jacksonville
	+ Jacksonville Hotel and Lodging Association
	+ Mr. Quint Davis, Festival Productions
* Mr. Verlander showed a video clip, which would be the model for Florida Country Superfest, from the Bayou Country Superfest held at the LSU Tiger Stadium in Baton Rouge, LA.
* Bill McConnell, General Manager of SMG, stated under the new SMG contract with the City of Jacksonville came with a charge to make it a priority to help bring big events to Jacksonville. SMG has worked with AEG/Live and Mr. Quint Davis of Festival Productions and is support of the event.
* Mr. Larry Wilson, Regional Vice President for SMG, noted for the record that the reason for calling the TDC special meeting was because country music acts are booked a year in advance and they need to make a decision in the next fourteen to eighteen days so they would not loss the music talent on hold.
* Mr. Quint Davis, CEO, Festival Productions-New Orleans, did an overview of the background and business model for this event to be held in Jacksonville covering:
	+ New Orleans Essence Music Festival
	+ New Orleans Jazz & Heritage Festival
	+ AEG Live Partnership $6,000,000.00 Investment
	+ Bayou Country Superfest- Tiger Stadium/ Baton Rouge
	+ Jacksonville Marketing/Promotion for Florida Country Superfest
	+ Bayou Country Superfest Festival Data/Occupancy and Rate Comparison
	+ Jacksonville Local Partnership-Business Model Risk Assessment
		- * Local Participation-Support
			* Corporate Partnerships/Sponsorships
			* Ticket Sales
			* Leadership of TDC, City, & Mayor
* Mr. Verlander stated the reason for the proposal before the TDC due to the City being asked to make a $500,000.00 commitment along with a financial commitment by AEG of $6,000,000.00.
* Mr. Ted Carter, Executive Director, Office Economic Development, stated for the record that the Office of Economic Development and Mayor Alvin Brown were supportive of the event based on the potential economic impact to Jacksonville and the $6,000,000.00 investment by the promoter and it is of no risk to the City. Mr. Carter noted this event will put Jacksonville on the world stage as far as country music.
* TDC member Mr. Fred Pozin noted for the record that TDC member Mr. MG Orender was unable to attend the special meeting as he was out of the country. Chairman Gulliford was in agreement since this was a special called TDC meeting that Mr. Orender comments would be submitted for the record and questions about Florida Country Superfest application would be discussed by the TDC regarding;
	+ Duval County Economic Impact-Florida Sales Tax/ TDC Regional Impact
		- * Majority Impact Duval County/Downtown
			* Florida Sales Tax Revenue/Visit Florida Investment
	+ Three Year Guarantee/Extension/Cancellation
		- * Mutual Evaluation First Year
			* Three Year Benchmark Event
			* Commitment to City
* Requested Amount $300,000.00
	+ - Three Time Normal Ask of Funds
		- No Monday Holiday for Two Day Event
			* Dates of Weekend Event/ Saturday-Sunday Night Stay
	+ Stadium Expenses/Ticket Sales/P & L Statement
		- * Wave Fees/First $600,000.00 Stadium Expenses Paid Back
			* Ticket Sales
			* Revenue Loss City Facilities
	+ Guarantee of $150,000.00
		- * Proposal $300,000.00
			* AEG Investment of $6,000,000.00
* TDC Member David Potts asked for the ticket pricing and Mr. Davis stated there would be a level in prices of tickets from $40.00 to $200.00, with two night discount packages.
* Mr. Potts was leery of just asking TDC for $300,000.00 and wanted to know if the City was putting in seed money. He noted it should be a partnership, and funding coming from other surrounding TDC’s. Mr. Verlander said the City was not putting in money but there potential to use a new SMG event fund.
* Mr. Pozin noted that Duval County had 18,000 hotel rooms and expressed apprehension getting 10,000 room nights from the drive market for Duval County and a Sunday night stay and did not think it would overflow into the other surrounding counties. Mr. Verlander noted the demographics and felt the event would draw from Alabama and Georgia.
* Council Member Jones asked how the event would be promoted and had a question regarding it being a two day event not held on a Monday holiday. Mr. Wilson noted this would be held in the summer when people were on vacation.
* Mr. Pozin also expressed concern about the room night projection given the fact Florida Country Superfest would be held on a weekend where there is not Monday holiday unlike Bayou Country Superfest which was held on Memorial Day Weekend. It was discussed whether visitors would book a hotel for a Sunday night stay. Mr. Davis gave reassurance because the event would be on Saturday and Sunday evening until 10 p.m., visitors would stay over Sunday night.
* Mr. Bhikha stated that in order for the TDC to recover the $300,000.00, based on 2 cents of 6 cents out of each dollar the TDC receives, the hotels would have to generate $15 million dollars and that is not going to happen. The Stadium is already getting 4 cents of bed tax collections.
* Mr. Bhikha proposed a TDC maximum grant of $150,000.00 at $15.00 per room night which would be good seed money to start the event
* Council Member Richard Clark agreed that the City should contribute and match the TDC amount to get to numbers they needed and the other $200.000.00 would come from outside sources and private dollars.
* Council Member Clark asked for clarification if Sports & Entertainment were asking for a three year commitment. Mr. Verlander stated they were asking for a three year commitment for the event.
* Chairman Gulliford noted the problem with a multi-year funding commitment is it takes away the ability of the TDC to negotiate for other sources of revenue if event is successful.
* Chair Gulliford asked for clarification and Mr. Bhikha stated his motion was for one year for $150,000.00. The applicant would need to come back in years two and three to TDC and make a presentation for funding.
* Mr. Pozin offered a friendly amendment of a TDC absolute guarantee grant in the amount of $100,000.00 with an additional maximum grant capped at the amount of $100,000.00 at $10.00 per room night for a total maximum TDC grant of $200,000.00. Visit Jacksonville would be responsible for tracking and verify room nights. Mr. Pozin would not go beyond the first year.
* Mr. Bhikha noted the biggest challenge was trying to document room nights for this type of event and wanted a model for tracking room nights. Mr. Bhikha asked Visit Jacksonville how it could be done. Ms. Katie Kurycki stated Visit Jacksonville could use the STAR/Smith Travel Report and the 2013 numbers could be used as the baseline for comparison for the event in 2014 along with room night pick-up report from hotels.
* Mr. Verlander asked for clarification regarding the $100,000.00 tied to room nights. It was stated that if the room nights over these dates increased by 10,000 then the Florida Country Superfest would get the full reimbursement grant of $100,000.00. The total grant would be capped at $200,000.00.
* Council Member Clark stated he would sponsor a bill and asked for Council President/TDC Chairman Gulliford and Council Member Jones to be co-sponsors on the legislation to appropriate $150,000.00 from Council Special Operating Reserve to provide additional funding for promotion of Florida Country Superfest. The bill would be introduced and placed on the addendum of the City of Council agenda for Tuesday, July 23, 2013, and would go through one committee cycle. The promoter was in agreement to wait one cycle which would be three weeks.
* Being no future discussion a motion was made to approve a maximum grant of $200,000.00.
* Ms. Billy restated for clarification the motion would be:
	+ $200,000.00 would be placed as a line item TDC Budget for FY 2013-2014
	+ $100,000.00 of the grant will be guaranteed
	+ $100,000.00 of the grant would be based $10.00 per room night and numbers benchmarked from 2013 to 2014 (attachment STAR Report)

**TDC Action:**

A motion was made and seconded to approve a maximum reimbursement award grant of $200,000.00 for the Florida Country Superfest 2013-2014. Conditions of the grant are the first $100,000.00 will be reimbursement for marketing/promotion not tied to a specific number of documented room nights and the additional maximum reimbursement amount of $100,000.00 will be at $10.00 per documented room night increase using the STAR/Smith Travel Research Report of June 2013 as benchmark for comparison with STAR/Smith Travel Research Report for June 2014. The funds are to be used for promotion and marketing of the event and encumbered out of the TDC Budget for FY-2013-2014.

**Approved 7-0.**

**Adjourned:**

There being no further business to discuss, the meeting was adjourned at 12:15 p.m.

**Note: Per the Actions of the TDC:**

**Ordinance 2013-518 was introduced by Council Member Clark and Co-Sponsored by Council Members Gulliford and Jones and placed on the City Council Addendum Tuesday, July 23, 2013, at 5p.m. Ordinance 2013-518 with Exhibit 1 Attachment)**

Note: Audio CD, Materials, and Ordinance 2013-518 are on File in City Council Legislative Services Division

**Minutes:** Annette R. Hastings-TDC 07/23/13 “Draft” Copy of Minutes/CityC

**Tapes:** Audio CD 1-LSD

**Materials:** Submitted to LSD 07/23/13

 TDC Meeting Notice July 18, 2013

 Agenda

 Sign-in Sheet

 E-mail copy: MG Orender

 Application Packet: Florida Country Superfest

 STAR/Smith Travel Report