

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL SPECIAL MEETING MINUTES**

**Friday, September 23, 2016**

**2:00 PM**

**Lynwood Roberts Room**

**City Hall, First Floor**

**117 West Duval Street**

**Attendance**

City Council President Lori Boyer, Board Chairperson

City Council Vice President John Crescimbeni, Board Vice Chairperson

City Council Member Greg Anderson, Board Member – Late Arrival

Barbara Goodman, Board Member

M. G. Orender, Board Member

Kirit Patidar, Board Member

Craig Smith, Board Member

Jeffrey Truhlar, Board Member

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Council Research

Kyle Billy, Assistant Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

Also: Council Members Scott Wilson and Garrett Dennis (arr. 2:14)

See attached sign-in sheet for additional attendees

**Meeting Convened:** 2:05 p.m.

**Approval of Minutes**

The minutes of the August 17, 2016 meeting of the TDC were unanimously approved as distributed.

**Public Comments**

Chairwoman Boyer said that the TDC would not be taking action on any items today, but she would allow public comment for those who have requested to speak.

Sonny Bhikha, a Jacksonville hotelier and former TDC board member, commended Chairwoman Boyer for ensuring that the TDC follows the Ordinance Code and spends its revenues properly. He noted that Jacksonville very much needs Visit Jacksonville’s marketing and sales services and that 66% of the total bed tax is already allocated to debt service and maintenance on public sports facilities. He advocated for the greatest possible allocation of funding to marketing and promotion purposes.

Paul Daum of Corporate One Events Destination Management and Team Building explained that his business is extremely dependent on the success of the area’s hotels to which it provides destination management services and advocated for continued and increased investment in marketing and sales of the area via Visit Jacksonville in order to continue increasing hotel occupancy and room rates.

**Visit Jacksonville Presentation**

 Visit Jacksonville PowerPoint Presentation ………………………………………….Paul Astleford, President & CEO

Visit Jacksonville Marketing Plan for Marketing of Tourist Oriented Facilities & Attractions FY 2016-2017

Visit Jacksonville Convention and Special Event Marketing, including Convention Sales & Service FY 2016-2017

Chairwoman Boyer explained that Visit Jacksonville’s contract with the TDC calls for the organization to make an annual report to the TDC on its marketing plan and efforts and its convention sales efforts. The report was scheduled for the August meeting but was postponed at the end of that very lengthy meeting to this special meeting. She went through the Visit Jacksonville contract and provided Mr. Astleford with a list of all of the deliverables for him to cover in his presentation.

Mr. Astleford presented Council Member Anderson with a plaque expressing Visit Jacksonville’s appreciation and thanks for his service as Chair of the TDC for 2015-16.

Mr. Astleford outlined the series of presentations to be made by staff and board members, including a market overview, strategic business plan, marketing plan, sales and service efforts and budget overview, and thanked Ms. Boyer for the opportunity for Visit Jax to make what appears to be the first-ever presentation to the TDC on all of the organization’s operations and plans.

Katie Mitura gave a brief overview of the history of Visit Jacksonville since it obtained the TDC contract in 1996. She reported that 20.4 million visitors came to Jacksonville in calendar year 2015, of whom 48% were overnight visitors and 45% of whom were in Jacksonville to visit friends and family and don’t use hotels. 40% of the visitors were specifically marketed to and chose to visit Jacksonville. 32% of visitor expenditures were for lodging and 27% for food and beverages.

Bill Prescott gave an overview of Visit Jacksonville’s board of directors and reviewed its strategic plan. The strategic plan has five main objectives: 1) economic prosperity for Jacksonville, including lodging, food and beverages, attractions, and spin-off benefits; 2) recognition of Jacksonville as a premier visitor destination; 3) greater community pride, energy and engagement; 4) aspirational plan development – where do we want to be in 5 years and how do we measure progress on a monthly basis; and 5) create a city-wide asset development and utilization plan. In response to a question from Chairwoman Boyer about whether the Visit Jax board created its strategic plan with the TDC’s contract requirements specifically in mind, Mr. Prescott said that the plan is more focused on strategically growing and enhancing tourism than on responding to each requirement of the City contract. Visit Jax consulted with a variety of other tourism-related entities, but the plan is specific to Visit Jax’s vision and purposes.

Ms. Mitura said that length of stay is gradually increasing to 3 days per trip, and a large percentage arrive by personal vehicle, although arrival by air is increasing somewhat which shows that longer-distance marketing (beyond easy driving range) is having some effect. There has been notable growth in the 65+ age market; visitors with children are below expectations. Jacksonville is a very affordable destination so it attracts a somewhat lower-income clientele than other Florida markets. A majority of visitors come from Florida and Georgia, with the rest of the South Atlantic region (Carolinas and Virginia), Texas, California and the Chicago area strongly represented. Traffic to the Visit Jax web site grew 14% over the past year and 23% over 2014. STR data shows 34 consecutive months of hotel revenue growth. Jacksonville’s occupancy rate and average daily room rate are growing faster than Florida as a whole and many of the major Florida cities over the past several years.

Visit Jax has re-done its web site recently and enhanced the ability of the web site to be user-friendly on mobile devices. User-generated content online is vital to attracting tourism and a company has been hired to search and consolidate all Jacksonville-related posts and online content. Self-posted online content (especially Youtube videos) is a huge factor in attracting people to new destinations, more important now than purchased media placements.

Key target markets: active tourism (nature and outdoor activities), culture and arts, culinary scene, special events, conventions and meetings and niche markets (i.e. medical tourism). Online efforts will be targeted to the Northeast in the coming year (Washington, Philadelphia, New York). Marketing initiatives include Sip and Savor Jax, Kids Free November, Winter on the Water, Jax Ale Trail and Jax Heritage Trail (African-American self-guided tour). Found Only In Jax highlights the things that makes Jacksonville unique. Over 70 travel writers have been attracted from around the world to learn about the Jacksonville market and write about it for their media outlets. Jacksonville was recently highlighted on Fodor’s web site as the next up-and-coming travel destination and two Chinese travel writers on a recent familiarization trip generated over 15,000 comments on Chinese social media.

Media marketing is split 80% toward leisure travel and 20% toward business travel. The Charlotte market will be targeted with a leisure travel video campaign in 2017. TDC dollars fund 7 web sites targeted at different travel markets. There are 4 visitor welcome centers: Greenleaf Building downtown, Jacksonville Landing, Jacksonville International Airport and the Beaches Museum. Jacksonville’s top international markets are the United Kingdom, Canada, Germany, Brazil and France.

In response to a question from Chairwoman Boyer, Ms. Mitura stated that advertising revenue pays for the majority of the visitor magazine, with TDC funding paying for the remainder of the monthly cost of production. Ms. Boyer suggested that Visit Jax explore cooperative funding relationships with neighboring county TDCs regarding funding for non-Jacksonville attractions (e.g. St. Augustine, Fernandina Beach) featured in non-paid content in the visitor magazine. That content is provided because a very frequent question to Visit Jax from potential visitors regards what other attractions ought to be seen in the Northeast Florida area. In response to a question from Council Member Anderson about what has changed in the last several years, Ms. Mitura said that potential visitors are more aware of Jacksonville than in the past, at least in part due to Jacksonville –specific advertising that distinguishes the city from other destinations and builds awareness. First-time visitors often come to Jacksonville to attend a specific event (football game, Players Championship, concert) or visit family, and then return to experience other amenities and attractions on subsequent visits.

Monica Smith of Visit Jax’s convention sales and services staff talked about the meeting industry in general, the convention sales process and the convention travel calendar. Meetings generate visitors who support the local economy, and face-to-face meetings are the best ways to make sales and grow businesses. Jacksonville needs to do a better job of attracting companies and groups to schedule meetings in Jacksonville and then attract meeting attendees to attend the event and extend their stay for a day or two for tourism purposes. Jacksonville needs to develop a reputation as a “cool” and desirable location to attract meeting attendees. Business meeting and conference activity is projected to be flat for the foreseeable future and is very subject to economic factors. Logistics are very important to meeting planners (travel accessibility, market affordability, hotel and meeting room availability) and the willingness of local market to make concessions to attract the business. The convention sales process begins with building destination awareness for Jacksonville, then researching potential clients, building and establishing client relationships, qualifying meeting and event RFPs, developing proposals and coordinating site visits and eventually confirming bookings and preparing to service the event. It takes an average of 10 contacts with a potential client to turn them into a solid lead and make Jacksonville competitive for an event. Jacksonville has a reputation for being “high touch” and very helpful to event managers.

Visit Jax is a coordinator and broker, matching up the needs of the meeting planner with the resources of Jacksonville’s hotels and attractions. They are very proactive in seeking out many kinds of meetings and events (associations, corporate and government meetings, reunions, multicultural events, sports, religious, educational, military and fraternal events), and are reactive in the areas of group tours, weddings and social events. Staff will attend 29 trade shows to develop contacts with meeting and event planners. They will also attend seven sales missions and client events to other cities for recruitment purposes and will attend 3 pre-promotional conference events (attending a conference that is booked for Jacksonville the next year to market the destination to the current year’s attendees). Visit Jax currently has 162 meetings and events in the recruitment pipeline. The number of meeting events and room nights booked have declined over the last 2 years (FY14-15 and FY15-16) compared to FY12-13. Out-of-county event bookings are very small (less than 4%) and will decline even further with a change in policy.

In response to a question from Chairwoman Boyer about the decline in events and repeat bookings over the last couple of years, Ms. Smith said that it is largely attributable to a reduction in the convention sales force from 9 to 5 over the past few years, plus 2.5 convention servicing personnel which previously did not exist. Mr. Astleford noted that the shift from convention sales to marketing was made at the direction of the TDC, which wanted more emphasis on marketing. The rules have also changed regarding how convention sales personnel get credit for booking an event (which might have primarily been through the efforts of a host hotel), which accounts for some of the decline in events and room nights showing as credited to Visit Jax. Council Member Anderson asked Visit Jax to recalculate the event and room night figures for earlier years to factor out the effect of the change in the booking credit policy so that the figures are comparable across the last 4 years. In response to another question Ms. Smith said she sees the need for at least one additional staff person devoted to recruiting small meetings to fill smaller hotel vacancies. Mr. Astleford also said that changing TDC practices with regard to giving event grants to some small meetings has impacted some return bookings, and Ms. Smith said that a number of groups are dealing directly with hotels for their rebookings and not using the CVB’s services, which hurts the reported numbers even if the groups are actually returning to Jacksonville. Council Member Crescimbeni asked the CVB staff for information on the top reasons why Jacksonville fails to land meeting business. In response to another question from Mr. Crescimbeni, Mr. Astleford said that LGBT anti-discrimination issues are beginning to be much more important in recent years and may become a major factor in conference booking in the near future as the national debate intensifies.

Chairwoman Boyer felt there must be some way to track returning business that doesn’t come through Visit Jax’s convention bureau – that’s a great outcome if a group comes back without needing a TDC grant or any CVB assistance, and we need to capture that success story and distinguish it from a group that doesn’t come back to Jacksonville at all. Ms. Boyer noted the “chicken and egg” conundrum of Jacksonville’s preponderance of non-full service hotels (84% of the available rooms) – the City can’t attract higher-end groups that spend a lot of money because we have so few full-service hotels, but we don’t have many high-end, full-service hotels because we attract a predominantly bargain-conscious clientele looking for limited service facilities with low rates. Mr. Astleford said that ultimately the community will have to determine if it wants to make the city convention-competitive by strategically investing in a hotel that will make a convention center successful.

The council was in recess from 4:57 to 5:04 p.m.

**Visit Jacksonville Budget FY 2016-2017**

Mr. Astleford briefly reviewed the Visit Jax revised budget of $4.82 million for FY16-17, which allocates the administrative costs as required by state law for use of TDC funds. He noted that the sales side of the business is much more labor intensive than the marketing side, which largely accounts for the allocation percentage to the different functions. Of the $1,205,186 approved by City Council for the first quarter Visit Jax budget, not more than $566,437 shall be used for marketing of tourist facilities and not more than $686,955 shall be used for convention sales, service and promotion. The remaining three quarters of the budget will be allocated after the City Council approves the new Tourist Development Plan. Deputy General Counsel Lawsikia Hodges said that the fourth amendment to the contract between the City and Visit Jacksonville Inc. provides for the allocation of the $1,205,186 for the first quarter and adds a new public records provision required by state law. Once the City Council approves the TDC first quarter budget next week, Ms. Boyer can approve expenditures as the TDC Chair consistent with the current plan.

**Visit Jacksonville Contract**

Chairwoman Boyer said that the TDC acts as the oversight body for the contract between the City and Visit Jacksonville and must ensure that the terms of the agreement are complied with and that the requirements of the TDC are enshrined in Visit Jacksonville’s strategic plan. Regardless of whether the TDC has fulfilled its oversight role in the past, it will begin doing so now, developing and enforcing performance measures and requiring the production of contract deliverables by Visit Jax.

**Other Business**

Ms. Boyer reported that most of the TDC grant recipients that did not have all of their required documentation as of the last meeting have since submitted that documentation; only one has not produced the full documentation. She also said that the amount of paperwork and processing time on the City side for small event grants is staggering and not worth the effort for very small grants. Thus, the TDC may need to consider a threshold grant amount.

In response to a question from an audience member, Lawsikia Hodges reported that after reviewing the governing documents of the Jacksonville Chamber of Commerce and Visit Jacksonville, Visit Jacksonville is similar enough to a “chamber of commerce” to be considered as a “similar association” for TDC funding allocation purposes under Section 125.0104(5)(a)(4), *Florida Statutes.*

**Meeting Adjourned:** 5:38 p.m.

Jeff Clements, Council Research Division

Posted 9.27.16 2:30 p.m.