

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL MEETING MINUTES**

**Thursday, November 17, 2016**

**10:00 A.M.**

**Lynwood Roberts Room**

**117 West Duval Street**

**City Hall, First Floor**

**Meeting Convened 10:05 a.m. Meeting Adjourned: 2:28 p.m.**

**I. CALL TO ORDER**

**Attendance**

City Council President Lori Boyer, Board Chairperson

City Council Vice President John Crescimbeni, Board Vice Chairperson

City Council Member Greg Anderson, Board Member

Barbara Goodman, Board Member

M. G. Orender, Board Member (dep. 12:50)

Kirit Patidar, Board Member

Craig Smith, Board Member

Jeffrey Truhlar, Board Member-Excused

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

 **II. Introduction**

President Boyer called the meeting to order and the attendees introduced themselves for the record. Ms. Boyer described the various handouts from the Council Auditor, Visit Jacksonville and the Office of General Counsel.

**III. Approval of Minutes**

The minutes of the September 23, 2016 TDC special meeting were approved as distributed.

**IV. Public Comments**

None

**V. Ordinance 2016-599 - Tourist Development Plan Ordinance Code amendment**

President Boyer gave an explanation of the process for consideration of the revised Tourist Development Plan to date through the TDC and City Council and explained that the Council will be taking final action on the plan, as revised in committees, at its meeting next Tuesday. If the TDC has any proposed amendments, Ms. Boyer will propose them to the Council on behalf of the TDC at that meeting. She reviewed the seven proposed components of the revised plan, some subcomponents of which are “shall” items and some of which are “may” items. She noted that the special events grants component (#5) requires the TDC to develop guidelines for how to prioritize and award funding for events and to report back to City Council within 6 months with its recommendations. She explained that item #6 – acquisition of and improvements to publicly owned or certain privately-owned tourism attraction facilities – is a clarification of the existing requirement that has been in the current Tourist Development Plan for decades, but has never been implemented. Ms. Boyer explained the rationale for the minimum and maximum funding allocations in the various categories, all of which are based on a $6.5 million revenue stream. Current year collections are expected to be $7.3 million. She also noted that the TDC budget for FY16-17 exceeds the minimums in several categories in order to reflect the current contract with Visit Jacksonville.

In response to a question from Council Member Crescimbeni, Ms. Boyer explained her intention behind the provision for the operating hours of the visitor centers and kiosks. Mr. Crescimbeni asked for clarification of the intention behind the language regarding support for aquariums, museums, “and the like”. The City would be guided by the existing Florida Attorney General opinions (of which there are many) regarding what facilities do and do not qualify as “and the like”. In response to another question, Ms. Boyer said that the FY16-17 budget includes sufficient funding for operation of the current visitor centers for the 50 hours per week that the new plan would require.

No proposed amendments to the proposed plan were offered by the TDC for Council consideration.

**VI. TDC Financial Report**

Assistant Council Auditor Kyle Billy reviewed the TDC Revised Budget for FY16-17, noting that the budget complies with the minimum and maximum amounts provided in the revised Tourist Development Plan. Ms. Boyer noted that the budget contains $285,000 in unallocated special event grants, $142,207 in cash carryover and $79,257 in remaining unallocated appropriation, some or all of which could be recommended for use for special events grants to the City Council for a budget amendment at their meeting next week. In response to a question from Commissioner Patidar, Mr. Billy reported that the $440,000 grant to the Gator Bowl game (TaxSlayer Bowl) is a contractual obligation of the TDC to the Gator Bowl Association for 4 more years, at an escalating rate annually. Mr. Patidar felt that the TaxSlayer Bowl, while it may be a “signature event”, does not generate sufficient hotel room bookings to merit that large of a grant amount.

Mr. Billy reported on tourist development tax collections, which continue to grow year over year at a healthy rate. Collections for FY15-16 are $7,216,816. The City Finance Department is in the process of closing out the books for FY15-16 so the expense report is not yet available; it will be e-mailed to the members when it becomes available. In the future the TDC fund will be referred to as a “special revenue fund” rather than a “trust fund” to comply with standard accounting and auditing terminology.

**VII. Encumbrances for Visit Jacksonville Convention Grants**

 **Presenter:** Paul Astleford, President & CEO

 **Total Encumbrance Request - CVB Grant Fund for FY 2016-2017:** $31,908.40

 **Total Room Nights:** 7,182

Mr. Astleford explained that the applicants will be submitting applications with more detailed information on the proposed uses and will be requesting reimbursement of expenses after room night bookings are confirmed.

1. **Capella University Doctoral Residency-2018**

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Date: May 2-7, 2018

Room nights: 2,000 (at $5 per room)

Estimated Attendance: 850

Funds Use: AV, Marketing, Meeting Room Rental, Group Transportation, and/or Reception

Funds to be encumbered: $10,000

1. **Capella University Masters Residency-2018**

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Date: May 16-24, 2018

Room nights: 2,000 (at $5 per room)

Estimated Attendance: 745

Funds Use: AV, Marketing, Meeting Room Rental, Group Transportation, and/or Reception

Funds to be encumbered: $10,000

1. **National Team Roping League - League Finals - 2017**

Hotel(s) Utilized: Best Western Plus Cecil Field Inn and Suites, Best Western Southside Hotel & Suites, Comfort Suites Commonwealth, Country Inn & Suites Jacksonville/Orange Park, Fairfield Inn & Suites by Marriott Chaffee Road, Holiday Inn Express Chaffee - Jacksonville West, Hospitality Inn

Recreational Vehicle hook up spots utilized: Jacksonville Equestrian Center

Dates: January 25-29, 2017

Room nights: 640 (at $4.68 per room)

Estimated Attendance: 1,086

Funds Use: Venue Rental

Funds to be encumbered: $3,000

1. **National Team Roping League Rope for the Truck-2017**

Hotel(s) Utilized: Best Western Plus Cecil Field Inn and Suites, Best Western Southside Hotel & Suites Commonwealth, Country Inn & Suites Jacksonville/Orange Park, Fairfield Inn & Suites by Marriott Chaffee Road, Holiday Inn Express Chaffee - Jacksonville West, Hospitality Inn

Recreational Vehicle hook up spots utilized: Jacksonville Equestrian Center

Dates: May 4-7, 2017

Room nights: 120 (at $5 per room)

Estimated Attendance: 394

Funds Use: Venue Rental

Funds to be encumbered: $600

1. **Sanofi Genzyme Rare Disease National Sales Meeting-2018**

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Dates: February 12-16, 2018

Room nights: 1,760 (at $2.84 per room)

Estimated Attendance: 370

Funds Use: Meeting Room Rental and/or Group Transportation

Funds to be encumbered: $4,998.40

1. **Signature EquipoVision LLC Florida Spring Conference-2017**

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Dates: June 29-July 2, 2017

Room nights: 662 (at $5 per room)

Estimated Attendance: 2,000

Funds Use: AV, Meeting Room Rental, and/or Reception

Funds to be encumbered: $3,310

The commission approved the six convention grant encumbrances listed above.

**VIII**. **Florida First Coast of Golf Quarterly Report**

Dave Reese, President of First Coast of Golf, gave the quarterly report and reported that several initiatives in the Northeast and Georgia are attracting more golfers to the region. He recently attended the World Travel Market, met with Virgin America and British Airways and learned that their bookings from Europe to Florida have not been negatively affected by the “Brexit” vote (Great Britain leaving the European Union). He also announced that Northeast Florida has been named North American Golf Destination of the Year by the International Association of Golf Tour Operators – a very prestigious achievement. A social media campaign has been targeted at Allegiant Airline direct route destinations through Allegiant’s social media marketing agency.

**IX. New Marketing Event Grant Requests**

 **1.          THE PLAYERS Regional Tourism Cooperative 2017**

                        Applicant:         PGA Tour, Inc.

        Presenter:                Matt Rapp, Executive Director, THE PLAYERS Championship

  Date:                         May 9-17, 2017

 Attendance: 200,000 +

 Location:                  Ponte Vedra Beach

 Grant Amount:        $250,000

                       Funds Use:  Advertising/Marketing outside geographic footprint of Northeast Florida

Mr. Rapp reported that Jacksonville’s “bang for the buck” is tremendous for its investment in THE PLAYERS grant – golfers are an affluent clientele and tend to be people of influence who can drive future business to Northeast Florida. The week of the tournament is one of the busiest weeks of the year at Jacksonville International Airport and the event draws golf fans from around the world to Jacksonville’s hotels. The PGA Tour has the goal of making The Players the best known, most respected tournament in the world. The City’s funding has been used to leverage additional funds from St. Johns County and the State of Florida (Visit Florida). The television broadcast reaches over 1 billion viewers worldwide, with numerous mentions of Jacksonville and Northeast Florida. The PGA Tour has invested tens of millions of dollars in capital improvements to the course over the past three years to ensure that it is a world-class venue for the event, and has done so without asking any government entity for taxpayer support. The event has generated $84 million for charity in its history, and over 80% of that has gone to Jacksonville-based organizations. Several years ago The Players decided to concentrate its charitable giving on youth programs (birth through college age) and pledged to raise and donate $50 million over 10 years, and is well on its way to reaching that goal.

Mr. Rapp clarified that the applicant for the grant is PGA Tour Inc., not the Players Championship, which is a wholly-owned subsidiary of the Tour. Mr. Rapp referenced an e-mail that he had sent to President Boyer yesterday giving specific room booking expectations. Ms. Boyer asked several questions about the City’s history of funding to The Players through various agencies (i.e. Office of Sports and Entertain-ment). Mr. Rapp felt that the Northeast Florida region doesn’t do as good a job as communities hosting tournaments in other parts of the country at leveraging the presence of the tournament for business recruiting purposes. As an example, Team Texas (the state of Texas’ economic development agency) has purchased a hospitality chalet at The Players this year and next year to market Texas to potential business clients. Dave Herrell, Director of Sports and Entertainment, reported that the City allocated $75,000 toward The Players for business development purposes in FY16 and again in FY17, which typically involves entertaining representatives of the universities of Florida and Georgia, the Southeastern Conference and Atlantic Coast Conference, etc. who have a relationship with events in Jacksonville.

Mr. Herrell and Paul Astleford both said that there needs to be greater coordination among the City and its related entities (Office of Economic Development, JAXUSA Partnership, Visit Jacksonville) to maximize the use of a Jacksonville-specific hospitality venue to market Jacksonville’s assets to tourism and business prospects. Commissioner Orender cautioned that the investment in a hospitality chalet is only the beginning of the process – a true, full-blown recruitment and marketing effort also requires buying clients airline tickets and hotel rooms and working many months in advance to identify and bring in the right people. Council Member Anderson suggested that a committee needs to be formed to explore opportunities related to The Players to coordinate all of the various actors and their allocations into the most effective City presence possible. Ms. Boyer appointed Council Member Crescimbeni to spearhead an effort to organize the City’s participation in The Players.

**Motion** (Smith): Approve the requested $250,000 for advertising, with the provision that up to $25,000 of that amount may be allocated toward a cooperative City effort to promote tourism through marketing at the tournament - **approved**.

 **2.     Greater Jacksonville Kingfish Tournament 2017**

                      Applicant:                Jacksonville Marine Charities, Inc.

    Presenter:                Jim Suber, Jacksonville Marine Charities

 Date:                          July 17-22, 2017

 Location:                   Sisters Creek

 Grant Amount:        $30,535

 Attendance: 5,000

 Room Nights:          50-100

                       Funds Use:               Southeast Regional Marketing/Advertising/Social Media

Captain Jim Suber, Chairman of Jacksonville Marine Charities, explained the intention of the Kingfish Tournament to advertise up the South Atlantic coast to North Carolina, throughout Florida, and on the Gulf Coast west to Louisiana to attract more participation from fishermen outside the region in the tournament. Council Member Crescimbeni requested tournament participation data for the past several years and requested the organization to commit to a room night amount and number of entrants as a measure of what the City is getting for its contribution. TDC Administrator Annette Hastings explained that the tournament had previously gotten event grant funding from the TDC but never asked for advertising funding. When the tournament made a request to the City Council earlier this year for rent forgiveness on the City building it occupies at Sister’s Creek Boat Ramp, several council members suggested that organizers approach the TDC for promotional funding.

The TDC deferred consideration of the request to a planned January TDC meeting.

 **3.       Springing the Blues 2017**

                      Applicant:               Jax Beaches Festivals, Inc.

    Presenter:                Sam Veal, Director, Jax Beaches Festivals

 Date:                          April 7-9, 2017

 Location:                   Jacksonville Beach

 Grant Amount:        $10,000

 Attendance: 200,000

 Room Nights:          Guaranteed: 2,000 @ $5.00 per room night

 Projected: 8,000

                       Funds Use:               Regional Marketing/Media

 Sam Veal explained that the apparent drop in the number of room nights for 2016 resulted from a change in the data collection methodology; when the minimum room night requirement was met, data collection stopped unlike in previous years when rooms above the minimum threshold continued to be counted. Council Member Crescimbeni posed questions about previous funding for the event and the differences between Springing the Blues and the group’s Seawalk Music Festival. He suggested that the TDC require a full count of hotel room bookings, not just a certification that the minimum has been achieved. President Boyer said that could be achieved by incorporation into the grant application guidelines. Lawsikia Hodges said that she is not yet completely satisfied with the charitable solicitation exemption letter the organization has submitted and recommended that the TDC rescind its previous decision to allow a letter from an applicant’s attorney as evidence of exemption from the Florida Department of Agriculture certification of registration requirement as an organization soliciting charitable contributions. Mr. Veal said that he feels his organization is exempt from the state registration requirement because it is not an IRS 501(c)(3) charitable organization and does not consider the fundraising it does to be for a “charitable” purpose.

**4. Community First Seawalk Music Festival 2017**

                      Applicant:               Jax Beaches Festivals, Inc.

    Presenter:                Sam Veal, Director, Jax Beaches Festivals

 Date:                          February 25-26, 2017

 Location:                   Jacksonville Beach

 Grant Amount:        $10,000

 Attendance: 200,000

 Room Nights:          Guaranteed: 2,000 @ $5.00 per room night

 Projected: 8,000

                       Funds Use:            Regional Marketing/Media

**Motion** (Crescimbeni): approve the allocation to the Springing the Blues Festival, contingent upon receipt of documentation from the Florida Department of Agriculture regarding the organization’s certification or exemption from the need for certification for charitable solicitation, and with the understanding that the organization will provide a report on the total number of room nights related to the event, not just certification that the minimum threshold has been reached.

**Motion** (Patidar): approve an allocation of $5,000 to the event with the understanding that this will be the last time the TDC intends to fund the event.

Mr. Veal withdrew the applications for Springing the Blues and for the Community First Seawalk Music Festival.

President Boyer requested a report from the Council Auditor’s Office about any amounts of tourist development tax funds allocated to the Beaches cities and what use those cities make of their bed tax allocation.

**X. New Marketing Initiative Grant Request**

**1. Florida’s First Coast of Golf Marketing Cooperative FY 2016-2017**

**Applicant:** Florida’s First Coast of Golf

**Presenter:** David W. Reese, President, Florida’s First Coast of Golf

**Date:**                           October 1, 2016-September 30, 2017

 **Grant Amount:** $111,628.50

2nd Quarterly Payment - $37,209.50

3rd Quarterly Payment - $37,209.50

4th Quarterly Payment - $37,209.50

 **Room Nights:** Projected:    81,984

  **Funds Use:** Advertising/Marketing Programs for Leisure Golf Tourism

President Boyer explained three possibilities for how TDC funding could be allocated to First Coast of Golf for marketing purposes – from cash carryover, the remaining appropriation amount of $79,257 that has to be spent in accordance with the Plan, or direct Visit Jacksonville to do specific golf advertising and they could choose to contract with Mr. Reese.

**Motion** (Crescimbeni): approve a single quarterly payment to First Coast of Golf of $37,209.50 for the period of January to March 2017

**Motion** (Anderson): friendly amendment to the Crescimbeni amendment to allocate the $37,209.50 from the Cash Carryover budget line (subject to City Council approval next week) under the Category 2 Marketing Component

The Crescimbeni motion with the Anderson amendment was **approved**.

**Motion** (Crescimbeni): transfer the remainder of the Cash Carryover (after the allocation to First Coast of Golf) to the remaining appropriation to be spent in accordance with the Plan line for future allocation by the TDC (subject to City Council approval next week).

**XI. Visit Jacksonville Reports**

Visit Jacksonville President’s Report……………………………………………………..Paul Astleford, President & CEO

Mr. Astleford reported that October 2016 will be the 36th consecutive month of growth in hotel occupancy and revenue, and Jacksonville is doing remarkably well in comparison with other cities both in Florida and nationally. In response to a question from President Boyer, Monica Smith, Director of Convention Sales and Marketing reported that the performance report on the group sales booking productivity for the last 12 months, while very high at 94.1%, is a percentage of a goal that was reduced from the prior year’s goal based on actual sales. Ms. Smith explained how cancellations of convention bookings are recorded as historical data, but aren’t reflected in the performance data for the year in which the booking was made because it doesn’t happen until after the booking year is closed out. Ms. Smith offered to provide event cancellation data if the TDC is interested in seeing that data.

TDC Liaison Representative Report……………………………………………………………..MG Orender, TDC Member

Mr. Orender had departed earlier in the meeting so there was no report.

**XII. Visit Jacksonville Contract**

Visit Jacksonville Contract Amendment # 5…………………………….Lawsikia Hodges, Deputy General Counsel

**Motion**: approve a contract amendment #5 to fund Visit Jacksonville for the remaining three quarters of the fiscal year 2016-17 consistent with the budget to be adopted by City Council at its meeting next week and consistent with the revised Tourist Development Plan also to be adopted by City Council next week – **approved**.

**XIII. Tourist Development Council Advisory Committee**

The existing Tourist Development Plan provides for the appointment of a Tourist Development Council Advisory Committee but that committee has never been created. President Boyer asked the group to consider, for discussion at a future meeting, whether such a committee might be useful.

**XIV. Visit Jacksonville Financial Review**

In preparation for the upcoming RFP drafting process, Ms. Boyer had asked the Council Auditor’s Office to provide a review of Visit Jacksonville’s finances (not a full formal audit, but a review of a selection of transactions). The results will be compiled and reported at a future meeting. Assistant Council Auditor Kyle Billy said that some issues had been identified relating to compliance with City travel policies that will be reported after further consultation with Visit Jacksonville and finalization of the report. Ms. Boyer requested the review so that the RFP for convention and visitor marketing services can be drafted carefully to reflect exactly what services the TDC wants provided, with good performance measures.

**XV. Other Business**

* Request for Proposal (RFP) Committee

Ms. Boyer will appoint a committee to begin developing the RFP, which will include Commissioner Orender who worked on the last RFP several years ago. Ms. Boyer cautioned the members that once the RFP development begins, TDC members cannot have any discussion with entities that may be potential proposers for the contract about any subject matter contained in the RFP.

**XVI. Old Business**

* IRS Form 990 Clarification

The TDC discussed how old a Form 990 the body would accept to accompany a grant application, given that it may take 12 to 18 months for the forms to be processed and posted on the IRS Exempt Organizations web site. If a filing is being appealed to the IRS it may not be posted for several years.

* Charitable Permit

**Motion** (Crescimbeni): require that applicants for TDC grants present either a Florida Department of Agriculture charitable solicitation registration or a letter from that department stating that the organization is exempt from the registration requirement – **approved**.

**XVII. Closing Comments**

* Next Quarterly Meeting Scheduled for Thursday, February 16, 2017 and a Special Meeting will be scheduled at the call of the Chair in January to discuss the development of the convention and visitor services RFP and other topics that may arise in the interim.

**XVIII.       Adjourn**

Jeff Clements, Council Research Division

Posted 11.18.16 10:30 a.m.