

**OFFICE OF THE CITY COUNCIL**

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**MEETING MINUTES**

**TOURIST DEVELOPMENT COUNCIL MEETING**

**Thursday, February 16, 2017**

**10:00 A.M.**

**117 West Duval Street**

**City Hall, First Floor**

**Lynwood Roberts Room**

**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

Kirit Patidar, Board Member

Craig Smith, Board Member

Jeffrey Truhlar, Board Member

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kyle Billy, Assistant Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

Greg Pease, Chief of Procurement

         **Meeting Convened:** 10:06 a.m. **Meeting recessed:** 11:32 a.m.

 **Meeting Resumed:** 1:31 p.m. **Meeting Adjourned:** 4:06 p.m.

**Introduction**

Chairwoman Boyer convened the meeting and the attendees introduced themselves for the record.

**Approval of Minutes**

The minutes of the TDC Quarterly Meeting of November 17, 2016 were **approved as distributed**.

The minutes of the TDC Special RFP Meeting of January 27, 2017 were amended to correct the spelling of the last name of Michael Munz, a speaker in the Public Comment period, and then **approved as amended.**

The minutes of the TDC Special RFP Meeting of February 3, 2017 were amended on page 2 to re-word the discussion of the RFP to reflect a decision by the TDC to structure the marketing and convention services RFP into as many as four individual RFPs for the various services desired. Another amendment was made on the bottom of page 3 to correctly reflect comments made by Paul Astleford of Visit Jacksonville “…advising the TDC of the importance of contracts not being so prescriptive as to limit the contractor’s ability…” The minutes were **approved as twice amended**.

The minutes of the TDC Special RFP Meeting of February 10, 2017 were **approved as distributed.**

**Public Comments**

None

**TDC Financial Report**

Assistant Council Auditor Billy reviewed the TDC’s financial report through December 31, 2016. Bed tax revenue for calendar years 2016 versus 2015 is up 12%; revenue for the fourth quarter of calendar year 2016 is up 14.46% over the same quarter of 2015; December 2016 revenue was up a surprising 41.13% over December 2015. The timing of the TaxSlayer Bowl may have had an impact on the December collection figures. Commissioner Truhlar said that the recent growth in collections is approximately 50% due to occupancy increases and 50% due to increasing average daily room rates. The revised operating budget of the TDC is $7.56 million with $5.39 million encumbered. The operating budget projects to a positive year-end fund balance of $303,038. Mr. Billy presented a new report showing budget, disbursement and encumbrance amounts for the seven TDC plan components – tourist bureau, marketing, convention sales, development and planning, special events grants, development account and contingency account. The report shows $35,000 available for allocation in the special events grant category and $184,254.50 not allocated and therefore available for allocation to any of the 7 categories.

Chairwoman Boyer distributed and briefly discussed a Visitor Tracking Analysis based on the Longwood report commissioned by Visit Jacksonville showing the breakout of leisure travel room occupancy trends.

The commission acknowledged receipt of the Visit Jacksonville Financial Statement for the Year Ended September 30, 2016. Ms. Boyer invited the group to review the document and pose any questions during the continuation of the meeting after the lunch recess.

**Visit Jacksonville Convention Grant Encumbrances**

Monica Smith, Vice President of Sales and Services for Visit Jacksonville presented the convention grant requests. Commissioner Truhlar asked for clarification of the grant approval process by Visit Jacksonville and the TDC. The General Counsel has opined that Visit Jacksonville cannot commit grant funding to conventions without TDC approval, so events are informed that Visit Jacksonville’s offer of assistance is contingent upon TDC approval. In response to a question from Commissioner Goodman, the group discussed the change in the allowable uses of convention grant funds in the last two years. Ms. Boyer explained that the requests for food and beverages, reception expenses, etc. differ from the requests that predominated for items such as attendee transportation and meeting audio/visual equipment when the focus of the groups was incentivizing events to utilize the Prime Osborn Convention Center. Conventions/meetings held in hotels rather than the convention center have different needs. Ms. Boyer asked Ms. Smith to track events that Visit Jacksonville assists so that different types of events can be distinguished – traditional convention and meeting events versus other events (sports, festivals, etc.) to which Visit Jax provides assistance. Council Member Crescimbeni requested that TDC staff provide him with the documentation for a recent grant-assisted event for his review.

In response to a question about whether the documentation provided by the grant recipients and their hotels is ever audited for accuracy, Phillip Peterson of the Council Auditor’s Office said that the only such reviews have been done at the request of the Visit Jax executive director or the Council President to address a particular issue with a submission. There is no regular sampling and testing of such documentation. Mr. Crescimbeni expressed a desire for some regular verification mechanism to ensure accuracy of reporting.

**Name of Group:** Fraternal Order of Police Florida Lodge

**Hotel(s) Utilized:** Lexington Hotel & Conference Center Jacksonville Riverwalk

**Date:** October 10-14, 2017

**Room nights:** 400 (at $3 per room)

**Estimated Attendance:** 150

**Funds Use:** AV, Marketing, Meeting Room Rental, Group Transportation, Reception

**Funds to be encumbered: $1,200**

 **Name of Group:** Florida Reining Horse Association

**Hotel(s) Utilized:** Fairfield Inn & Suites by Marriott Chaffee Road, Holiday Inn Express Chaffee - Jacksonville West, Hospitality Inn

**Recreational Vehicle hook up spots utilized:** Jacksonville Equestrian Center

**Date:** February 23-26, 2017

**Room nights:** 755 (at $3 per room)

**Estimated Attendance:** 3,000

**Funds Use:** AV, Marketing, Venue Rental at Jacksonville Equestrian Center

**Funds to be encumbered: $2,265**

**Name of Group:** American Academy of Neurology Sports Concussion Conference

**Hotel(s) Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** July 13-16, 2017

**Room nights:** 595 (at $5 per room)

**Estimated Attendance:** 400

**Funds Use:** AV and/or Group Transportation

**Funds to be encumbered: $2,975**

**Name of Group:** ECRM Select Cosmetics, Fragrance & Bath EPPS 2018

**Hotel(s) Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** January 13-18, 2018

**Room nights:** 2,590 (at $2.89 per room)

**Estimated Attendance:** 600

**Funds Use:** Reception Food & Beverage

**Funds to be encumbered:** $7,500

**Total Encumbrance Requests for CVB Grant Funds FY 2016-2017: $13,940.00**

**Total Room Nights: 4340**

**Motion** (Patidar): approve the four grant requests totaling $13,940, subject to the room night commitments being achieved – **approved unanimously**.

**Reconsideration of Authorized Use of Previous CVB Grants**

Ms. Boyer reported that documentation received from the National Barrel Horse Association for recent events listed Equestrian Center rental as a use of the funds, which was arguably not a use approved by the TDC which approved funding for a “meeting room”. Visit Jacksonville has requested the TDC to reconsider the grants and authorize Equestrian Center rental as the only approved use for the grant funds for these two specific events from 2015 through 2019.

**Name of Group:** National Barrel Horse Association’s Fiddler’s Turkey Run

November 26-28, 2015

November 24-26, 2016

November 23-25, 2017

November 22-24, 2018

November 28-30, 2019

**Name of Group:** National Barrel Horse Association’s Shamrock Showdown

March 10-13, 2016

March 15-18, 2017

March 14-18, 2018

March 13-17, 2019

Ms. Boyer offered an opportunity for public comment on this proposal – there was none.

**Motion** (Goodman): approve use of grant funds for Equestrian Center rental for the 9 National Barrel Horse Association events listed above – **approved unanimously**.

**New Marketing Event Grant Requests**

**Jacksonville Gran Prix Power Boat P1 2017**

Applicant:         Jacksonville Office of Sports & Entertainment

Presenter:                 Dave Herrell, Sports & Entertainment Officer

Date:                         June 2-3, 2017

Attendance: 3,000

Room Nights: 400

Location:                  Memorial Park/St. Johns River

Grant Amount:        $20,000.00

TDC Grant Funding Award 2016: $20,000.00

Funds Use:   Regional, National & International Television Distribution

Dave Herrell, City Sports and Entertainment Officer, discussed the value of the international television exposure generated by this event and stated that the Sports and Entertainment Office makes a $10,000 contribution to the event. Azam Rangoonwala of Powerboat P1 showed a video clip of the coverage the City of Jacksonville receives on the international television broadcast and described the valuation of the media exposure both via television and via the Jacksonville-branded boat that will race in all of the P1 races in Florida in 2017. Commissioners asked questions about how the company tracks room nights and what local marketing improvements are contemplated.

**Motion** (Crescimbeni/2nd Anderson): approve the request for $20,000 for marketing

**Motion** (Patidar): amend the motion to approve $10,000 for this year and make no further grants to this event in the future – **dies for lack of a second**

Commissioner Goodman advocated for following the usual event funding practice of either funding an event at reducing levels for several year and then discontinuing or declaring an event to be a signature event and funding it permanently. She does not believe this event produces enough impact to qualify as a signature event and therefore recommended no funding be awarded.

**Motion** (Truhlar): amend the motion approve a $15,000 grant with 50% being for room nights at $5 per night and 50% being a marketing grant – **withdrawn**

A public comment opportunity was offered – none was offered.

The Crescimbeni motion for $20,000 for marketing purposes was **approved 6-2** (Patidar and Goodman opposed), with the proviso that the application be revised to uncheck the “signature event” box.

**The meeting was recessed from 11:32 a.m. to 1:31 p.m.**

**Jacksonville Jazz Festival 2017**

Applicant:                City of Jacksonville Office of Special Events

Presenter:                Dave Herrell, Sports & Entertainment Officer

Date:                          May 25-28, 2017

Location:                   Downtown, Landing, Hemming Park, Main Street, Florida Theatre

Grant Amount:        $60,000.00

Attendance: 130,000++

Room Nights: 1,500

TDC Grant Funding Award 2016: $20,000.00

Funds Use:               Digital and Print Marketing/Promotion Outside a 200 Mile Radius

Dave Herrell said that the Office of Sports and Entertainment has spent the last year re-thinking the future of the Jazz Festival to maximize its regional and national impact and potential for success. A new web site and digital marketing strategy were developed to revitalize the historic brand and the performer lineup is being re-thought. Attendees at the 2016 festival were surveyed to find out how they heard about the event, where they were traveling from to attend the event, and how they felt the event could be improved. The goals for 2017 include driving more tourism activity, positioning the brand regionally and nationally, creating a better experience for attendees, driving more 3-day VIP package sales, and diversifying the performer lineup. A decision has been made to keep the festival in the core of downtown, but also considering partnering with the Jacksonville Jaguars to utilize the Daily’s Place amphitheater and covered Flex Field in 2018 and beyond. The City plans to target marketing in Atlanta, Washington, Chicago, Charlotte and Greensboro NC for 2017. The hope is to elevate its profile to a “can’t miss” event with strong ties to economic development.

The City General Fund provides $296,000 of the approximately $1 million budget for the festival, and the request of TDC is for $60,000 (up from $20,000 last year) for marketing and promotion. At the request of Ms. Boyer, Mr. Herrell said that Sports and Entertainment decided not to request any TDC funding this year for the Sea and Sky Spectacular because that event is predominantly an event drawing local attendees and does not merit TDC funding. Brent Fine of the Special Events Division said that the marketing plan includes poster advertising in the Atlanta airport and electronic advertising to mobile devices at the airports in Washington, Charlotte, Chicago and Greensboro. In response to a question from Commissioner Goodman about the event budget, Mr. Fine stated that the Special Events Trust Fund would be utilized this year to make up the deficit between all available revenues, including the requested $60,000 from the TDC, and the million dollar budget. Council Member Crescimbeni requested a report on the number of jazz festivals around the United States and the circulation numbers for the jazz magazines in which print advertising is planned. Mr. Herrell pointed out that the Memorial Day weekend will be huge for entertainment in Jacksonville between the Jazz Festival and the opening of the Daily’ Place amphitheater with concerts on Saturday, Sunday and Tuesday nights. Commissioners asked questions about the event budget (largely provided by the City in various forms) and how success will be measured. Mr. Herrell talked about increasing the quality, reputation and reach of the event and increasing hotel occupancy. Ms. Boyer tabled the request and asked Mr. Herrell and his staff to come up with more specific measures of success and more clarity on several budget lines for discussion at the next TDC special meeting on the marketing RFP. The committee asked for 3 years’ worth of the STR hotel occupancy report for past jazz festival weekends for the downtown hotels and the overall county. Commissioner Orender suggested consideration of moving the festival from Memorial Day weekend with its many conflicting events to earlier in the spring (February or March) when there are fewer events and Jacksonville’s weather is good enough to attract numerous visitors from the north.

**Florida First Coast of Golf Quarterly Report**

Dave Reese of First Coast of Golf reported that golfing activity in Jacksonville is up substantially over the past year. He attended the large golfing convention in Orlando and sensed high energy and enthusiasm for the new golf season. The Traveling Golfer television show (broadcast in the Maryland/Viriginia/

Pennsylvania region on Comcast Sports Net) filmed an episode here that will be shown in May. Golf writer familiarization trips have been hosted for writers from Germany and Austria. The Jacksonville region is number one in Florida in the increase in rounds played in early 2017. Tourist rounds did decline somewhat in 2016 due to a combination of warm winter weather in the Northeast (golfers could play at home rather than travel south) and the effects of Hurricane Matthew.

**Golf Marketing Initiative Grant Request**

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:        $74,419.00

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

In response to a question from Ms. Boyer about why golf print ads and publications for the area seem to highlight Amelia Island and St. Johns County courses and assets more so than Jacksonville, Mr. Reese explained the advantages of highlighting the unique assets of the region (World Golf Hall of Fame, The Player’s Championship, coastal golf opportunities, availability of teaching academies) that make the area attractive to the nation and the world. Attracting golfers from around the world to the area will fill hotel rooms in Jacksonville. Ms. Boyer requested information on the number of rounds of golf played in each of the counties and the contributions of the TDCs from the area counties to the First Coast of Golf to help determine the proportionality of TDC contributions to golf rounds played to hotel occupancy. Commissioner Orender, as operator of several golf courses and an avid golfer, said that most golfers traveling to play golf will rent a car, book a hotel in a relatively central location, and will drive from that hotel to play multiple courses. Council Member Crescimbeni asked the Council Auditor’s Office if they could help devise more accurate measures of return on investment return on investment on the TDC’s allocations to the First Coast of Golf. Mr. Reese committed to revising the organization’s publications to be more Jacksonville-centric if the grant is approved.

**Motion** (Anderson): approve allocations of $25,000 for each of the third and fourth quarters for Duval-centric marketing – **approved unanimously**.

In response to a question from Commissioner Truhlar about the appointment of the final vacant position on the TDC, Ms. Boyer explained the complications involved in complying with the membership categories regarding 2 Beaches residents and a representative of the airline industry.

**Visit Jacksonville Report**

Given the lateness of the hour the TDC omitted a formal report from Visit Jacksonville. Paul Astleford requested commissioners to review the handout that contains all of the information that would have been presented orally and offered to answer any questions. In response to a question from Ms. Boyer, Monica Smith of Visit Jax explained the booking increase goal for the year of 99,000 rooms, an increase of 10% over 2016. She also answered a question about a staffing change at the agency, which eliminated one national sales position and converted another sales position to an “express manager” responsible both for recruiting and subsequently servicing meeting business.

**Introduction to RFPs in Template Form - Greg Pease**

**Tourist Bureau Services**

Chief of Procurement Greg Pease gave an overview description of the RFP format and reviewed the draft RFP page-by-page. Section 4 beginning on page 29 is what is unique to this particular RFP – much of the remainder is standard boilerplate RFP language. Attachment B – Evaluation Matrix – is also unique to this RFP and lays out the evaluation criteria the TDC has approved. Ms. Boyer asked the members to read through each of the RFPs prior to the next special meeting to lay the groundwork for the discussion there. Mr. Pease offered to answer any commissioner questions via phone call or e-mail in advance of the next meeting to assist in preparation. Ms. Hastings will send Mr. Pease’s e-mail to the TDC members.

**TDC RFP Legal Questions - Lawsikia Hodges, Deputy General Counsel**

Ms. Hodges said that the TDC’s hiring of a private agency to perform a governmental service that the public agency would otherwise be performing itself subjects the private entity to the Government in the Sunshine Law, depending on the particular circumstances involved. She agreed with Ms. Boyer’s characterization that entities hired by the TDC to provide tourist bureau and convention marketing services would most likely be covered by the Sunshine Law because they are providing a governmental service. She noted that the entity’s IRS taxability status has no impact on this determination and reiterated that such determinations are very case-specific and subject to interpretations of case law and attorney general opinions. Private entities providing such public functions are subject to Government in the Sunshine only to the extent that it relates to their contract for the governmental service, not to their work with any other private client. Council Member Anderson asked for clarification as to whether the Government in the Sunshine and public records laws also apply to the parent company of a subsidiary company created specifically to bid for the contract. Commissioner Goodman suggested adding language to the RFP documents stating that entities may be subject to Government in the Sunshine and public records laws. Ms. Hodges said that best practice is to include such language in the contract. Paul Astleford stated that to his knowledge very few convention and visitor bureaus are subject to Government in the Sunshine, to which Ms. Boyer responded that Florida’s very broad Sunshine and public records laws are unlike what is applicable anywhere else in the United States. Ms. Hodges also noted that Visit Jacksonville is required by its current contract to comply with the City’s standard travel policies.

**Closing Comments**

The next meeting will be on Thursday, February 23 at 1:00 p.m. The TDC will take up Jazz Festival grant request and then return to the RFP discussion. Ms. Hodges will also provide a response to the question posed at an earlier meeting about how much, if any, and what type of private advertising may be included in CVB publications.

The meeting was adjourned at 4:06 p.m.

Jeff Clements, Council Research Division

Posted 3.24.17 11:00 a.m.