

**OFFICE OF THE CITY COUNCIL**

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 **PRELIMINARY MEETING MINUTES - amended**

*These minutes are unofficial until reviewed and approved by the TDC at a future meeting.*

**TOURIST DEVELOPMENT COUNCIL MEETING**

**Thursday, May 18, 2017**

**10:00 A.M.**

**117 West Duval Street**

**City Hall, First Floor**

**Lynwood Roberts Room**

**Attendance**

City Council President Lori Boyer, Board Chairperson (dep. 11:30 a.m.)

City Council Vice President John Crescimbeni, Board Vice Chairperson

City Council Member Greg Anderson, Board Member (arr. 10:08 a.m.)

Barbara Goodman, Board Member

M. G. Orender, Board Member-Excused

Kirit Patidar, Board Member

Craig Smith, Board Member (dep. 11:35 a.m.)

Jeffrey Truhlar, Board Member

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kyle Billy, Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

          **Meeting Convened 10:00 a.m. Meeting Adjourned: 12:26 p.m.**

Council President Boyer convened the meeting at 10:00 a.m. and the attendees introduced themselves for the record.

**Approval of Minutes**

The minutes of the TDC Special RFP Meetings of April 3, 2017 and April 5, 2017 were **approved unanimously**.

**TDC Financial Report**

Phillip Peterson of the Council Auditor’s Office gave the financial report for the quarter. TDC tax collections for the last 12 months are up 11.08% over the previous year, fiscal year collections to date are up 10.99% over the last year, and April 2017 collections are up 7.9% over April 2016. The revised budget of $7,365,873.77 less current encumbrances of $2,884,828.76, the CVB Convention Grant of $160,320.12, a Development and Planning Account Balance Available of $150,000 and Special Event Grants Balance Available of $6,000 leaves $64,835.50 remaining to be expended. The TDC is anticipated to have approximately $700,000 in fund balance by year-end given the current rate of collections. Mr. Peterson explained the distribution of interest earnings among the different subfunds rather than in a single line item.

**TDC FY17-18 Budget Proposal**

Mr. Peterson reviewed the TDC’s proposed budget for FY17-18 of $7,910,000, an increase of 7% over the current year’s $7,387,307. Since the current year collections are running above projections, the $7.9 million proposal for FY17-18 would be equal to the anticipated FY16-17 actual collections. He noted that the contractual allocation to the Gator Bowl game is increased from $440,000 to $460,000 and the development account budget is increased from $500,000 to $1 million. In response to a question from Council Member Anderson, the hoteliers on the council stated that they were comfortable with a $7.9 million budget that equals the anticipated current year actual level (by year-end) but have seen some slowing in hotel activity in May and would not be confident in budgeting any greater growth for next year.

The Chair opened the floor for public comment on the budget; there was no public comment.

**Motion** (Crescimbeni/2nd Goodman): approve the proposed FY17-18 budget as presented – **approved unanimously.**

**Encumbrances for Visit Jacksonville Convention Grants**

**Presenter:** Monica Smith, Vice President of Sales and Services

**Total Encumbrance Request CVB Grant Fund FY 2016-2017** $40,702.80

**Total Room Nights:** 12,380

**Name of Group:** Universal Technology Corporation (UTC) AA&S and PS&S Conference 2018

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** April 22-26, 2018

**Room nights:** 1,410 (at $3.54 per room)

**Estimated Attendance:** 400

**Funds Use:** AV, Marketing, Meeting Room Rental, Group Transportation, ReceptionFood & Beverage

**Funds to be encumbered: $4,991.40**

**Summary:** UTC has provided specialized research for our defense and commercial customers for over 55 years. UTC has an extended network of nationally and internationally recognized experts and partners throughout both academia and the aerospace industry, available on demand to solve your most complex problem. UTC is hosting a joint conference with Aircraft Airworthiness & Sustainment Conference (AA&S) and Propulsion Safety & Sustainment Conference.

**Name of Group:** Online Computer Library Center (OCLC) 2018 Resource Sharing Conference

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** March 11-15, 2018

**Room nights:** 590 (at $4.23 per room)

**Estimated Attendance:** 550

**Funds Use:** Group Transportation

**Funds to be encumbered: $2,495.70**

**Summary:** OCLC is a global library cooperative that provides shared technology services, original research and community programs for its membership and the library community at large. We are librarians, technologists, researchers, pioneers, leaders and learners. With thousands of library members in more than 100 countries, we come together as OCLC to make information more accessible and more useful.

**Name of Group:** Online Computer Library Center (OCLC) Resource Sharing Conference 2019

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** March 17-21, 2019

**Room nights:** 590 (at $4.23 per room)

**Estimated Attendance:** 550

**Funds Use:** Group Transportation

**Funds to be encumbered: $2,495.70**

**Summary:** OCLC is a global library cooperative that provides shared technology services, original research and community programs for its membership and the library community at large. We are librarians, technologists, researchers, pioneers, leaders and learners. With thousands of library members in more than 100 countries, we come together as OCLC to make information more accessible and more useful.

**Name of Group:** Association for Student Conduct Administration Annual Conference 2019

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** February 2-12, 2019

**Room nights:** 2,300 (at $5 per room)

**Estimated Attendance:** 900

**Funds Use:** Reception Food & Beverage

**Funds to be encumbered: $11,500**

**Summary**: The mission statement of ASCA is to support higher education professionals by providing education materials and resources, intentional professional development opportunities and a network of colleagues to facilitate best practices of student conduct administration and conflict resolution on college and university campuses.

**Name of Group:** The Improved Benevolent & Protective Order of Elks of the World National Conference 2018

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** August 1-11, 2018

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

**Estimated Attendance:** 1,500

**Funds Use:** Reception Food & Beverage

**Funds to be encumbered: $10,000**

**Summary:** The Improved Benevolent and Protective Order of the Elks of the World (IBPOEW) currently boasts 500,000 members in over 1,500 lodges worldwide, the IBPOEW is the largest Black fraternal organization in the world. The IBPOEW's stated purpose is "that the welfare and happiness of its members be promoted and enhanced, that nobleness of soul and goodness of heart be cultivated, that the principles or Charity, Justice, Brotherly/Sisterly Love and Fidelity be inculcated, that its members and their families be assisted and protected, [and] that the spirit of patriotism be enlivened and exalted."

**Name of Group:** Smiths Medical Americas Business Meeting 2017

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** September 23-24, 2017

**Room nights:** 1,250 (at $2.80 per room)

**Estimated Attendance:** 375

**Funds Use:** AV

**Funds to be encumbered:** **$3,500**

**Summary**: Smiths Medical is a leading supplier of specialty medical devices and consumables that are vital to patient care around the world. Their broad portfolio offers products that aid in the delivery of medication, protect healthcare workers and patients from cross-infection and injury, manage patient airway and temperature, as well as deliver specialized care in areas of in vitro fertilisation, diagnostics and emergency patient transport. This meeting is of the Americas Division.

**Name of Group:** Florida Reining Horse Association Futurity Show 2017

**Hotel(s) Utilized:** Holiday Inn Express Chaffee - Jacksonville West

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

**Date:** November 3-5, 2017

**Room nights:** 240 (at $3 per room)

**Estimated Attendance:** 400

**Funds Use:** Marketing or Venue Rental at Jacksonville Equestrian Center

**Funds to be encumbered: $720**

**Summary**: The Florida Reining Horse Association (FRHA) is an affiliate of the National Reining Horse Association (NRHA). FRHA members range in skill and experience from green and rookie riders to NRHA Hall of Fame competitors. Accordingly, FRHA shows offer a full slate of classes designed to fit everyone’s need. This is FRHA’s second show in Jacksonville

**Name of Group:** Gladstein, Neandross & Associates (GNA) Natural Gas for High Horsepower (HHP) Summit 2017

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** November 5-10, 2017

**Room nights:** 1,000 (at $5 per room)

**Estimated Attendance:** 1,500

**Funds Use:** Group Transportation

**Funds to be encumbered: $5,000**

**Summary:** Born out of the North American shale gas revolution, the High Horsepower (HHP) Summit presents natural gas as a solution to high horsepower equipment operators aiming to significantly reduce fuel costs, improve environmental performance, and comply with important air quality regulations. The 2017 event will be held at the Prime Osborn Convention Center. The Summit, is thrilled to be heading to Jacksonville—an exciting epicenter of natural gas high horsepower projects!

Ms. Smith asked that the request for the Florida Reining Horse Association Futurity Show 2017 be withdrawn as the group did not meet the $1,000 minimum grant request. In response to a question from Council Member Crescimbeni, Ms. Smith provided more details about the use of TDC funds by groups for transportation purposes. In response to a question from Mr. Truhlar, Ms. Smith stated that these grants are extremely important for Jacksonville to be competitive with other counties.

**Public Comments:** Paul Astleford, CEO of Visit Jacksonville, stated that Phoenix, Arizona is advertising the availability of convention grants as part of its event recruiting effort.

**Motion** (Truhlar/2nd Patidar): approve the 7 remaining convention grants requests in the amount of $39,982.80 – **approved unanimously**.

**New Marketing Event Grant Requests**

 **1.          USATF Regional 4 Junior Olympic Track & Field Championship 2017**

            Applicant:          USATF Florida Association

        Presenter:                   Angela D. Harris, Youth Chair/President, USATF

  Date:                         July 6-9, 2017

 Attendance: 4,500 per day for 4 days

 Room Nights: 2,500

 Room Night Rebate: $5.00

 Location:                   University of North Florida/Hodges Stadium

 Grant Amount:        $40,000.00 (@16 per room night)

                       Funds Use:   Offset Cost of Rental Facility Fee of UNF Hodges Stadium

Angela Harris of USATF advocated for the grant to attract the Junior Olympic event. Chairwoman Boyer stated that she has confirmed that UNF’s Hodges Stadium qualifies as a public facility and therefore is eligible for funding. Several TDC commissioners questioned the late timing of the request and the overall event budget if the grant should not be made. There was a discussion of the group’s 2015 event in Jacksonville and the difficulty in proving the room night bookings that resulted from the event, which is an ongoing issue with these grants in general. President Boyer posed several questions about the budget, the expected number of athletes and the expected number of public attendees to understand the budget request. Commissioner

**Motion** (Patidar/2nd Goodman): provisionally approve $25,000 for facility rental expense offset, with a room night guarantee of 2,500 room nights at $10 per room night, pending submission of an acceptable revised and clarified budget at the June TDC meeting, and with the proviso that the TDC may recoup a portion of its grant if the post-event financial report shows that the event generated a profit~~, and assuming a $5 per room night guarantee (proportionally reduced for any room shortfall)~~ -

**Public Comments:** none

The motion was **approved unanimously**.

**TDC Omnibus RFP ESC-0136-17 –Greg Pease, Chief of Procurement**

Mr. Pease thanked the members for reviewing the RFPs and announced that Visit Jacksonville was the top scorer for each of the three RFPs and the only respondent to score above the minimum threshold of 65 points for each component. The CSPEC Awards Committee will meet this afternoon to review and confirm the scoring sheets and the full CSPEC will meet on Monday for the interview portion of the process (1 hour for each component) with Visit Jacksonville. The TDC reserves the right to not award one or all of the components. President Boyer provided a list of questions for each of the 3 components that she wants to be answered during the interviews on Monday, noting that since only 1 respondent will be interviewed, the committee will have the freedom to ask any question it wants without having to worry about posing the same questions to multiple respondents.

Council Member Anderson asked Mr. Pease to recalculate the scores throwing out the highest and lowest score for each component for comparison purposes with the total scores. Commissioners expressed general disappointment with the quality of all of the RFP responses and indicated that they would have many questions at the Monday meeting.

Council President Boyer read aloud the following list of questions for which she would like to have answers during the RFP presentations and interviews by Visit Jacksonville next week.

Marketing:

• What is the role of Tempest Interactive Media and why are they the specified booking interface platform?

• What is the justification for overhead costs and what is the explanation for salaries/wages associated with the Dalton Agency (including how many and who)?

• How does the proposed event advertising differ from current methods?

• Explain audio tours and the connection to Jacksonville University and/or UNF

• Is the plan to conduct experience development (culture etc.) according to the same schedule for each theme?

Conventions:

• How does your new plan differ from the plan you have now?

• Where can the proposed budget be reduced?

• What is the cost of the UF survey?

• How much additional staffing will be needed?

• Did you include the costs of interstate and downtown signage in your budget?

• Did you include the capital costs for kiosks? How many?

• If the goal is to increase foot traffic by 5 percent, how is that determined and measured?

• Explain “convention center advocacy” in concrete terms.

• FAM trips did not generate a list of PGA lead. Can you justify the expense?

• What are your targets and goals per year?

• What is the RELO expense in your budget?

• Explain the 2-3 year delay in developing new collateral.

• How will you address the creation of objective, not promotional, performance measures as required by the TDC?

• Do you meet with and discuss content of STR Destination Map with providers?

• Does the staffing level (and allocation) remain constant from the current year?

• What would you cut from your budget if requested to reduce it to $2.3M?

• Will your Board’s Chair attend the interviews next week?

• What is the relationship between the board and staff?

• Do you have a contract oversight/audit committee?

• How do you evaluate your staff’s performance?

Tourism:

• Does Visit Jacksonville have a lease in Greenleaf through the next 2 years?

• Elaborate on tourism bureau staffing budget, which appears substantially greater than $350,000

• Are there any issues with the conflict form?

**Visit Jacksonville President’s Report - Paul Astleford, President & CEO**

Mr. Astleford said that total room revenue for the past year is up, but room night performance is only 59% of the goal. That is due in part to a deficit of 2 employees in the sales and service area pending a decision on whether Visit Jacksonville gets the new contract or not. The report also for the first time reflects the removal of bookings that subsequently cancel, which the TDC requested. Commissioner Truhlar asked if there was any way to use STR data to determine market segmentation to learn more about how much impact group marketing is having. That data is very problematic and many hotels do not report segmentation to STR. Council Member Crescimbeni asked if the TDC could require reporting of market segmentation as a condition of making grants or could otherwise incentivize hotels to report segmentation data.

Mr. Astleford distributed the convention calendar for the remainder of the year. He reported that a problem identified on visitor surveys is the impression of Jacksonville as a location. The City ranks very well on most other meeting-related factors but the overall city impression is problematic. Katie Mitura reviewed marketing metrics and marketing efforts in cities around the country. A new program has begun to target smartphone advertising in several cities. Jacksonville is beginning to see an increase in interest in the family tourism segment. Social media hits and visitor center visits are increasing over last year. Several familiarization trips were hosted (German golf writers, a Canadian fishing writer) and Jacksonville is beginning to show up on various “hot places to visit” lists. A fishing campaign (magazine advertising, online video, web information) is underway. Council Member Crescimbeni asked questions about the post-convention email survey, who it surveys and the response rate. He asked Visit Jacksonville to provide him with copies of emails received apart from the survey that comment on the experience of meeting planners in Jacksonville.

Monica Smith reported on the experience of 9 meeting planners invited to Jacksonville for The Players Championship weekend who were given tours of facilities, a river taxi tour, and other familiarization functions. TPC week saw increased hotel bookings and Airbnb bookings over last year. Mr. Astleford reported that the hospitality chalet at the TPC worked much better this year through the partnership with the City – the experience was much better than last year. Council Member Crescimbeni asked for a more detailed report at the next meeting on overall attendance at the chalet, the number of county vs. non-county attendees, etc. He asked for information from City Sports and Entertainment Officer Dave Herrell on his impression of the success and productivity of the hospitality chalet. Mr. Astleford said that next year they will display many more pictures of Jacksonville attractions and scenery in the chalet.

Mr. Astleford reported on the redevelopment of Nantes, France, one of Jacksonville’s Sister Cities, and the opportunity to bring one of the architects of that renaissance to come and speak to Jacksonville leaders about the redevelopment process. He asked if the TDC could pay his travel to Jacksonville from an East Coast city to speak about his experience. The group debated whether or not this would be a legitimate TDC expenditure. Private fundraising was suggested.

**Florida’s First Coast of Golf Quarterly Report-David Reese, President**

Mr. Reese reported that the changes to the Stadium Course for this year’s TPC spread out the crowds so the appearance on television may have looked like attendance was smaller when it was not. His group has enjoyed the new advertising campaign and is beginning to shoot a series of short YouTube videos highlighting various aspects of the golfing scene in Jacksonville. Targeted marketing to cities like Boston and Toronto will gear up later in the summer when new direct flights begin. Council Member Crescimbeni asked for a report on contacts made with brew pubs for the golf/beer joint marketing effort.

**Other Business**

**TDC Guidelines and Application Revisions**

Lawsikia Hodges said that these will be topics to take up after the award of the new marketing and convention contracts.

**Old Business**

None

**Closing Comments**

A Special Meeting of the TDC was scheduled for June 14th. The date of the next Quarterly Meeting scheduled for August 2017 will be announced at a later date.

In response to a question from Council Member Crescimbeni, Monica Smith reported ~~that Visit Jacksonville has hired the former President of the Macon CVB as a temporary contractor. T~~ two employees have recently left the staff to take other positions or to relocate out of town.

**Adjourn**

The meeting was adjourned at 12:26 p.m.

Jeff Clements, Council Research Division Posted 5.25.17, 4:00 p.m.