

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL SPECIAL PRELIMINARY MEETING MINUTES**

**Wednesday, June 28, 2017**

**2:00 P.M.**

**City Council Conference Room A**

**Suite 425, City Hall**

**117 West Duval Street**

*These minutes are not official until reviewed and approved by the TDC at a future meeting.*

City Council President Lori Boyer, Board Chairperson

City Council Vice President John Crescimbeni, Board Vice Chairperson **-** Excused

City Council Member Greg Anderson, Board Member

Barbara Goodman, Board Member - Excused

M. G. Orender, Board Member (arr. 2:15 p.m.)

Kirit Patidar, Board Member - Excused

Craig Smith, Board Member (arr. 2:31 p.m.)

Jeffrey Truhlar, Board Member

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Council Research

Kim Taylor, Assistant Council Auditor

Jim McCain, Assistant General Counsel

Greg Pease, Chief of Procurement

**Meeting Convened 2:10 p.m. Meeting Adjourned: 4:55 p.m.**

**Call to order**

Chairwoman Boyer called the meeting to order and the attendees introduced themselves for the record. The purpose of meeting is to discuss contracts for the convention sales and marketing components, and recommendations for the new tourist bureau services RFP.

**Approval of Minutes**

The distributed minutes of the June 14, 2017 TDC Special Meeting were amended on page 4 in the first paragraph to more correctly reflect a statement by M.G. Orender that he felt the TDC was not the appropriate body to develop creative content for a city branding campaign.

**Motion** (Truhlar/2nd Orender): approve the minutes of the June 14, 2017 TDC Special Meeting as amended – **approved unanimously**.

**Motion** (Truhlar/2nd Orender): approve the minutes of the June 16, 2017 meeting of the TDC Subcommittee on Convention Sales and Services as distributed – **approved unanimously**.

**Convention Sales & Services Plan Component Contract**

Report of TDC Convention Sales & Service Subcommittee – Ms. Boyer reviewed the metrics discussed by the subcommittee with Visit Jacksonville at its last meeting and chose 5 measures for the TDC’s contract evaluation purposes: 1) room night future production (contracts obtained in a given year for future years); 2) room night actualization (current calendar year actual occupancy); 3) group segment revenue per available room (REVPAR); 4) awareness of Jacksonville as a destination (as measured by Smith Travel as part of the STR report surveys); and 5) percentage of new business (at least 50% of both future production and actualized new business per year). The metrics will be used to evaluate performance each year and could serve as a trigger to reopen negotiations with Visit Jax, but would at least give the TDC the opportunity to evaluate resource allocation year by year. Commissioners asked questions about the subcommittee’s discussions and selections. The group discussed the factors that make REVPAR a difficult variable to measure (many confounding variables), so that factor will be weighted less than other factors, particularly measures 1 and 2 regarding room nights. Monica Smith said that Visit Jax will revisit and update the TDC on the factors that affect REVPAR on a regular basis (i.e. construction of new hotels, regional and national economic trends, etc.), recognizing that those factors are not within Visit Jax’s control.

**Motion** (Truhlar/2nd Anderson): approve the 5 metrics proposed by the subcommittee to be used for negotiations.

The Chair offered an opportunity for public comment on the motion – there was no comment.

The Truhlar motion was **approved unanimously**.

The group discussed whether to weight the 5 factors. Ms. Boyer read into the record a recommendation submitted via e-mail by TDC member Kirit Patidar to weight the factors as follows: 1- 35%, 2 – 35%, 3 – 5%, 4 – 5%, 5 – 20%. A suggestion was made to leave the factors unweighted in the first year to build a baseline of experience. Council Member Anderson felt that weighting the factors would give both parties to the contract a better understanding of expectations. Paul Astleford, CEO of Visit Jacksonville, stated that measure number one – future bookings – is the standard measure of success in the industry. President Boyer said the subcommittee felt strongly that metric number two – room night actualization – was very important as a measure of how well future bookings convert to actuality and will annually prompt a discussion with the TDC about why contracts are or are not converting.

Ms. Boyer noted that the contract is currently written as a reimbursement contract, but she would like to see a hard number imposed on the sales staff that generates the room production number included in the annual budget. She also noted that there was an error in the RFP referencing subsections of the Tourist Development Plan ordinance that referenced only two sections (i. and vi. instead of i. – vi.) when all of the sections in between were intended to be included as well. This will be corrected in the contract document to reflect the original intent.

**Marketing Services Plan Component Contract**

Visit Jacksonville was the high scoring respondent on this component. Ms. Boyer offered a proposed list of factors to be covered in the contract to be drafted by the Office of General Counsel:

1) TDC to be presented with all new campaigns and associated budgets for prior approval.

2) The element regarding production of marketing materials should include a requirement to present a schedule of materials (brochures, videos, maps, etc.) marketing existing facilities to be produced in the coming fiscal year and to show samples and concepts.

3) New web site host – Visit Jax needs to present to the TDC mock-ups and alternative designs for new website content.

4) Kiosk content – require Visit Jax to annually discuss what will be presented on the kiosks for TDC’s approval.

5) Identify research needs and a report on Jacksonville’s assets and deficiencies in area attractions that might help the area be more attractive to visitors.

6) The TDC will pay for the Longwood destination study and that amount will be removed from the contract budget.

7) The marketing component budget needs to be adjusted to reflect the transfer of one employee from convention marketing to the tourist bureau function and an associated shift in the overhead cost; Visit Jax said that the budget already reflects the difference from the RFP response. Similar to the discussion in Convention Sales and Service above, there was an error in the RFP referencing subsections of the Tourist Development Plan ordinance that referenced only two sections (i. and x. instead of i. – x.) when all of the sections in between were intended to be included as well. This will be corrected in the contract document to reflect the original intent.

In response to a question from Council Member Anderson about branding efforts, Ms. Boyer recounted the discussion at the previous meeting about the need for Jacksonville to have a unified brand and the desire to see a better product than the RFP response presented. Mr. Astleford explained the difference between “brand essence” and a “branding campaign”. Michael Munz of the Dalton Agency said that the “brand essence” effort is something beyond the scope of what Visit Jacksonville can perform – it requires the full commitment of the Mayor and City Council. Mr. Orender said that it would be advisable for Visit Jacksonville to make reports on all of the contract elements on a periodic basis so that the TDC is apprised of all the activities taking place and doesn’t have to try and absorb all of Visit Jax’s budget elements and proposals in one overloaded budget meeting. Ms. Boyer is going to recommend to incoming Council President Anna Lopez Brosche that more meetings be held in the spring of each year to prepare gradually for the budget process in the late summer, with separate meetings being held for the different contract components to allow full concentration by the TDC on each element.

Mr. Munz said that marketing opportunities will arise throughout the year as events materialize (i.e. big sporting or concert events) that will require mid-year allocations and creative efforts needing the TDC’s buy-in, so occasional special meetings may be needed. Ms. Boyer suggested that Visit Jax budget for 70% or 80% of its marketing budget at the beginning of the year and hold 20 or 30% in reserve for mid-year initiatives. Mr. Munz suggested that the metrics not be put in the overall contract but applied on a campaign-by-campaign basis. Katie Mitura of Visit Jax said that Longwood can do campaign-specific surveys to evaluate the success of particular marketing efforts (outdoor recreation campaign, microbrewery campaign, etc.). Mr. Munz said that surveys can be done to determine Jacksonville’s brand identity in specific market segments that could then be used as a benchmark for measuring success in subsequent years. Ms. Boyer said that funds are available in the current year’s budget for research purposes that could be used for exactly this purpose and urged Visit Jax to formulate a survey project and make that proposal to the TDC before the end of this fiscal year. Mr. Orender felt that the ultimate measure of success is bed tax collections. Mr. Anderson suggested that the TDC and Visit Jax agree on a specific number of campaigns at the start of each year

The group expressed its agreement with a goal of 5% annual growth in the leisure travel market segment visitors (result of destination marketing). Another goal will be a TDC bed tax annual increase of 5% annually, trending at or above performance of comparable cities (result of destination marketing).

For each specific campaign, measurables will be approved by the TDC when campaigns are approved.

Campaigns will include marketing to Jacksonville Jaguar opponent cities, direct flight cities from Jacksonville International Airport, and then other segment campaigns decided throughout the year.

The group discussed Jacksonville’s comparable cities, which may be very different between the convention and leisure markets. With the TDC purchasing the STR data, data can be customized to measure particular market segments in comparable cities.

**Motion** (Orender/2nd Truhlar): approve the marketing services component metrics as discussed and agreed upon.

The Chair opened the floor for public comment; there was none.

The Orender motion was **approved unanimously**.

The Office of General Counsel was directed to draft the contracts for the convention sales and services and marketing services components and present them to the TDC for review and approval.

Paul Astleford reported on his meeting with the City’s Comptroller regarding City travel regulations and the prohibition in those regulations on compensating employees for in-county travel. He said that the Council Auditor’s Office suggested that the nature of Visit Jacksonville’s functions makes it different from typical City employees and the regulations may need to be applied differently via a modified travel regulation plan recognizing the TDC’s unique functions. Monica Smith said that strict application of the regulations would pose a real hardship on marketing personnel who use their own vehicles to transport clients, do site visits, etc. The group discussed establishing a budget line item for local travel specifically for Visit Jax employees for convention sales and service purposes. Chairwoman Boyer noted that many City employees utilize personal vehicles for business purposes and are not reimbursed for their mileage.

**Motion** (Anderson/2nd Orender): approve the travel-related budget included in the RFP responses for both the marketing and convention sales and services components.

The Chair offered an opportunity for public comment; there was none.

The Anderson motion was **approved unanimously**.

In response to a question from Mr. Astleford about how the TDC wanted Visit Jax to seek approval for travel under the City’s travel regulations, Ms. Boyer said that for the time being the standard rules (pre-approval of all out-of-town travel required, submission of receipts for reimbursement, etc.) must apply. She encouraged Visit Jax to work with the Auditor’s Office on a proposal for adapting procedures to meet the City’s requirements in an efficient manner.

Mr. Astleford said that the City standard travel forms don’t anticipate some of the types of activities that Visit Jax regularly performs as part of its function and suggested that some changes to those forms might needed. He also stated that the Government in the Sunshine Law requirements are problematic for some clients who absolutely do not want to be publicly identified. He was advised to discuss his concerns with Deputy General Counsel Lawsikia Hodges about the application of the law to Visit Jax’s activities.

**New RFP - Tourist Bureau Services**

Ms. Boyer reported that she had met last week with the Mayor of St. Augustine to discuss that city’s operation of their downtown visitor information center, which the city does in-house rather than contracting out to a convention and visitor’s bureau. The mayor will provide information on their number of employees and costs.

Ms. Boyer said that she felt the Visit Jax RFP response to this component included factors in the budget that she did not believe belonged in that budget (i.e. purchase of visitor kiosks, visitor center capital expenses). A portion of the overhead budget previously accounted for in prior years in the marketing and convention sales was reallocated to the tourist bureau function in this response. The response also included rent for the Greenleaf Building downtown visitor center, while the RFP anticipated that City buildings might be used without charge. Ms. Boyer suggested that the new RFP include a 3-year plan for operation of tourist bureau facilities, to be modified on an annual basis by the TDC in the budget process. She asked for more elaboration on the research strategy.

It appears the weighting in the RFP given to previous experience (particularly experience with the City of Jacksonville) narrowed the number of respondents. The group discussed possible weighting changes. Mr. Orender suggested modifying the language in the new RFP to allow consideration of other types of public service experience (i.e. concierge service, travel agency). He also suggested providing specific budget amounts for each year ($350,000 cap) to identify exactly what services can be provided for that amount, with specifics of what is and is not intended to be included in that amount. Mr. Orender said that Jacksonville is unlike cities like Savannah or St. Augustine who have millions of visitors a year on the streets and lots of walk-in traffic looking for brochures and tickets – we don’t have the kind of traffic in a centralized location that really justifies a stand-alone visitor information center. In his experience a majority of travel information and attraction booking is moving from physical locations to smartphone applications.

Mr. Orender suggested giving respondents the opportunity to both respond to the RFP as written and also to propose an alternative concept and plan to achieve the desired results in a different way.

Ms. Boyer requested that sub-items v. and vi. be moved under item #2 in the document.

Mr. Astleford suggested that the word “bureau” has a certain connotation in the industry and that the words “visitor information center” might generate different responses.

Mr. Pease asked the industry experts to suggest to Procurement different places that the RFP could be advertised to generate more responses (travel-related associations, concierge businesses, etc.). The group discussed whether the budget for the component should be increased from $350,000 to attract more responses; no change was made.

Ms. Boyer hoped that the revised RFP could be drafted and issued by early August. She will suggest that the Visit Jax contract for operation of the visitor centers be extended for 60 or 90 days until the new RFP can be issued, graded and a contract awarded.

**Closing Comments**

Council Member Anderson thanked Ms. Boyer an outstanding year as chair of the TDC.

The meeting was adjourned at 4:55 p.m.