

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL**

**PRELIMINARY MEETING MINUTES**

**Wednesday, August 16, 2017**

**1:00 P.M.**

**117 West Duval Street**

**City Hall, First Floor**

**Lynwood Roberts Room**

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

**ATTENDANCE**

City Council President Anna Lopez Brosche, Board Chairperson

City Council Vice President Aaron Bowman, Board Vice Chairperson

City Council Member Lori N. Boyer, Board Member

Barbara Goodman, Board Member

M. G. Orender, Board Member - Excused

Kirit Patidar, Board Member - Excused

Craig Smith, Board Member - Absent

Jeffrey Truhlar, Board Member (dep. 4:21 p.m.)

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kim Taylor, Assistant Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

          **Meeting Convened 1:03 p.m. Meeting Adjourned: 4:34 p.m.**

**Introduction**

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

**Approval of Minutes**

Minutes of the TDC Special Meeting of July 27, 2017: Council Member Boyer proposed amendments on p. 2 to delete “on separate slides”, and on p. 4 to change “Starwood” to “STR” – the minutes were **approved as amended.**

**TDC Financial Report**

Phillip Peterson, Principal Council Auditor, gave the TDC quarterly financial report. Bed tax collections for the fiscal year to date and last 12 months compared to prior 12 months are both up by approximately 8.5%. The projected year-end fund balance is $513,911 (assuming the remaining budgeted revenues are collected and the remaining budgeted expenditures are spent or encumbered). The Development and Contingency Fund projected year-end fund balance is $3.53 million. Mr. Peterson answered a question about the current negative $188,061 fund balance, which represents known expenditures through the end of the year and if no additional revenue was collected for the remainder of the fiscal year. In response to a question from Council Member Bowman about the TDC’s usual practice regarding year-end fund balances, Mr. Peterson reported that it had been the TDC’s practice to appropriate available funds to authorized uses at the end of the year, but the current year is the first year that TDC allocated fund balance to the Development and Contingency Fund awaiting future appropriation by the City Council in accordance with the adopted Tourist Development Plan. Mr. Peterson reviewed the various funding amounts available for use in the remainder of the fiscal year, some with and some without the need for City Council approval.

In response to a question from Council Member Boyer, Paul Astleford, CEO of Visit Jacksonville, reported that their RFP proposal for Convention Sales was $2.5 million for FY17-18. Ms. Boyer said that the maximum amount allowed under the Tourist Development Plan for that function is $2.25 million.

**Public comments** - none

**Motion** (Boyer): amend the FY17-18 budget to move $50,000 from “Remaining Appropriation to be spent in accordance with the Tourist Development Plan” to increase the Convention Sales line by that amount – **approved unanimously**.

**Visit Jacksonville Convention Grant Encumbrance Requests**

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

 **Total Encumbrance Request CVB Grant Fund FY 2016-2017:** $55,275.00

 **Total Room Nights:** 9,855

1. **Name of Group:** Capella University/Capella Education Company 2019 Doctoral Residency

**Hotel Utilized:** Hyatt Regency Jacksonville Riverfront

**Dates:** May 2-5, 2019

**Room nights:** 1,850 (at $7 per room)

**Estimated Attendance:** 850

**Funds Use:** AV, Meeting Room Rental, Reception

**Funds to be encumbered:** $12,950

**Summary**: Capella University’s Doctoral Residency is a face-to-face residential learning experience designed to enhance student’s process of acquiring their Doctorate degree.

Ms. Smith answered questions about room rates and incentives in other competitive jurisdictions and about how Visit Jax determines which time periods of the year need incentivizing and which are already busy enough that incentives are not needed. Visit Jax is offering $7 per room for this event rather than the usual $5 because of competition from a city in Tennessee for the event.

**2. Name of Group:** Capella University/Capella Education Company 2019 Masters Residency

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

**Date:** April 24-May 2, 2019

**Room nights:** 3,650 (at $7 per room)

**Estimated Attendance:**  745

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

**Funds to be encumbered:** $25,550

**Summary**: Capella University’s Masters Residency a is a face-to-face residential learning experience designed to enhance student’s process of acquiring their Master’s degree.

**3. Name of Group:** IEEE/PES Transformers Conference

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

**Date:** October 11-21, 2018

**Room nights:** 2,500 (at $3 per room)

**Estimated Attendance:**  600

**Funds Use:** AV, and/ or Marketing

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

**Summary**: IEEE and its members inspire a global community to innovate for a better tomorrow through its more than 420,000 members in over 160 countries, and its highly cited publications, conferences, technology standards, and professional and educational activities. IEEE is the trusted “voice” for engineering, computing, and technology information around the globe.

**4. Name of Group:** Qorvo 2018 Global Sales Conference

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

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

**Room nights:** 1,855 (at $5 per room)

**Estimated Attendance:** 450

**Funds Use:** AV, and/or Reception

**Funds to be encumbered:** $9,275

**Summary**: Qorvo is an American semiconductor company that designs, manufactures, and supplies radio-frequency systems and solutions for applications that drive wireless and broadband communications, as well as foundry services.

**Public Comments** – none

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

Dave Reese explained the regional nature of the First Coast of Golf board of directors and that all parties share expenses for a regional effort – there are no county-specific promotions. Expenditures on advertising leverage advertising buying power at a 6/1 ratio and earned media is leveraged at a 23/1 ratio in buying power. Ms. Boyer asked about the roll-out of new marketing materials that include more Jacksonville-specific content as previously requested by the TDC. Mr. Reese said that the new creative content for the upcoming year will include more Jacksonville references, and he estimated that 70% of total ads published during the year will contain one of the four Jacksonville-specific ads previously discussed by the TDC.

**New Marketing Initiative Grant Request**

**Florida’s First Coast of Golf Regional Golf Tourism Marketing Cooperative FY 2017-18**

Applicant:                 Florida’s First Coast of Golf

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

Date:                           October 1, 2017-September 30, 2018

Grant Amount:        $148,838.00

Room Nights:            Projected:    25,783 (Duval County)

Funds Use:                 Advertising/Marketing Programs for Leisure Golf Tourism

Phillip Peterson answered questions from the commission about possible funding sources for this grant request (given the amounts mandated for marketing expenditures in the Tourist Development Plan). Ms. Boyer explained the TDC’s previous intent in deciding how to fund this marketing initiative, whether directly from TDC or through Visit Jacksonville’s marketing budget as a contract add-on. The timing of First Coast of Golf’s allocation is somewhat problematic in that the TDC doesn’t have a signed contract with Visit Jax for marketing and First Coast of Golf needs to get started on its high season marketing efforts for the fall and winter in the very near future. Deputy General Counsel described the differences between a grant and a contractual service and different means of accomplishing the desired end. Mr. Reese described the quarterly disbursement system used last year and the difficulties it posed with contracting for advertising.

**Public Comments** – none.

**New Special Event Grant Requests**

**1.          THE PLAYERS TPC Regional Tourism Cooperative - 2018**

Applicant:  The PLAYERS Championship

Presenter:           Jared Rice, Executive Director, THE PLAYERS Championship

Date:                    May 8-13, 2018

Attendance: 200,000 +

Location:             THE PLAYERS Stadium Course - Ponte Vedra Beach

Grant Amount:   $250,000

 Funds Use:   Advertising & Marketing outside the geographic footprint of

 Northeast Florida to drive incremental room nights

Mr. Rice recapped the results and effectiveness of the grant for marketing of the 2017 tournament. There were 33 million viewers watching the tournament through 17 broadcasters sending the tournament to over 1 billion potential viewers around the world. He provided statistics on the results of the digital marketing efforts. Marketing is tiered in 3 segments to target markets, varying depending on the amount of television and print marketing used in each segment; digital advertising is used in all markets. Several markets within driving distance or with direct flights to Jacksonville are high priority targets (Atlanta, Charlotte, Tampa). He presented statistics on room occupancy and room rates during TPC week over the past 4 years, showing substantial increases in rooms occupied and average room rates over that period. Anecdotal reports indicate that alternative lodging (i.e. AirBNB) use is growing substantially, although there is no independent information source that collects data on this market segment. Visit Florida contributed $100,000 for 2017 but has not yet committed to any funding for 2018.

Ms. Boyer described the TDC’s discussions last year about using $25,000 of the Players Championship $250,000 marketing allocation for a hospitality tent to host economic development and meeting planning clients. Council Member Bowman noted that Enterprise Florida had a hospitality tent at the tournament to which the JAXUSA Partnership took clients, which will likely not be the case next year given Enterprise Florida’s uncertain funding prospects. Dave Herrell, Sports and Entertainment Officer, said that his office had allocated $75,000 to a hospitality tent for business recruiting purposes (partnering with the TDC’s $25,000) for 2017 and has that amount in the budget again for 2018. He described the type of clients invited to the hospitality tent (Universities of Florida and Georgia, CBS Sports, corporate event sponsors, etc.). Monica Smith of Visit Jacksonville described the experience of the 13 meeting planners who attended last year’s tournament. They had a great experience, but a golf tournament may not have been the best venue for selling the city to mostly female, non-golfing meeting planners. Paul Astleford said that the TDC’s $25,000 contribution in combination with the $75,000 from the Office of Sports and Entertainment gave the City and Visit Jacksonville a tremendous venue to market the city and its many amenities to a variety of clients. They did learn that choosing the right meeting planners to take advantage of the marketing effort is important, and they learned that decorating and stocking the venue with advertising and promotional materials could be greatly improved to increase the impact of the expenditure being made. Barbara Goodman described the TDC’s thought process last year about using a portion of the funding the TDC has traditionally contributed to the Player’s Championship to produce a more Jacksonville-specific gathering and marketing space.

**Public Comments** - none

1. **Florida Okoberfest & Music Festival**

Applicant:   North Florida Productions, LLC

Presenter: Joshua Woolsey, Managing Member, North Florida Production

Date:          October 6-8, 2017

Attendance: 30,000

Room Nights: 10,000 projected

Location:             Metropolitan Park

Grant Amount:    $150,000

Funds Use:   Regional Advertising & Marketing

Mr. Woolsey described this new, family-friendly event with a variety of beers available, carnival rides and a festival atmosphere along the lines of the Country Superfest held several years ago. Their media partner is I Heart Media which is helping to leverage the bands at a reduced cost. They are anticipating 8,000 – 10,000 attendees per day and expanding on the Oktoberfest they started at Jacksonville Beach several years ago that has outgrown that site. Mr. Woolsey noted that the festival is going to rent Metropolitan Park for weekend, generating $50,000 in rental revenue for the City plus the parking surcharge on the parking lots. Commissioner Goodman noted that there is a separate Jax Oktoberbest, now in its fifth year, the week before this event at a different location. Mr. Woolsey described that as a very different type of event targeted to a different audience.

Council Member Boyer described the restrictions on the use of Metropolitan Park for private events as a result of having taken federal grant funding for its acquisition. Mr. Phil Vogelsang of North Florida Productions described the difference between attendance figures shown in different parts of the grant application, which differ because the application was submitted before I Heart Media became a partner and increased the quality of the musical acts being presented. Council Member Boyer asked if special event grants could be made to for-profit events; staff recalled one previous event where the TDC helped fund marketing for a for-profit concert promoter. Ms. Boyer asked Mr. Woolsey about his willingness to rebate a portion of the TDC’s grant if the event makes a profit. He indicated that North Florida Productions plans to reinvest any profits in growing the event in future years. Ms. Boyer also recalled the issue the TDC had with a previous event for which the company received TDC funding for marketing. The company hired to provide the electronic marketing could not provide data proving that the marketing was directed outside of the Jacksonville area, which was a condition of the grant. Lawsikia Hodges reported that the TDC grant guidelines require applicants to be tax-exempt entities under IRS regulations.

**Public Comments** - none

**Motion** (Boyer)**:** approve $55,275 for the 4 convention grant encumbrances from the FY16-17 Convention grants budget – **approved unanimously**.

**Motion** (Boyer): on the TPC funding request, approve a $250,000 total grant with $25,000 allocated toward the cost of a hospitality chalet for out-of-area marketing purposes –

**Motion** (Boyer): amend the Boyer motion to provide the $250,000 by exhausting the $65,931.32 in the FY16-17 convention grants budget and the $45,835.50 remaining in the FY16-17 Special Events Grants budget and allocating $138,233.18 from the FY17-18 Special Events Grants budget of $390,000 – **approved unanimously**.

**Motion** (Bowman): approve the TPC funding request as amended – **approved unanimously**.

**Motion** (Goodman): approve $148,838 for Florida First Coast of Golf from the FY17-18 budget’s Remaining Appropriation to be Spent in Accordance with the Tourist Development Plan

**Motion** (Boyer): amend the Goodman motion to require that at least 70% of the marketing must include at least one of the four Jacksonville-specific ad campaigns – **approved unanimously**

**Motion** (Goodman): approve the Goodman motion with the Boyer amendment – **approved unanimously**

**Motion** (Boyer) request that City Council process the First Coast of Golf marketing program as an ordinance directing award of the contract to that organization – **approved unanimously**.

Ms. Boyer recommended that the First Coast of Golf marketing initiative be included in the TDC budget at the beginning of the budget process and not added later in the year, which is proving to be problematic.

**Motion** (Boyer): amend the previous Boyer motion to request clarification from the Procurement Division about the TDC’s ability to process this procurement as a single-source procurement, with that as the preferred mechanism, if possible; if single-source procurement is not possible, then request that the City Council process the First Coast of Golf marketing program as an ordinance directing award of the contract to that organization – **approved unanimously**.

**Contracts and Legislative Items - Lawsikia Hodges, Deputy General Counsel**

* **Marketing Services Contract**

Ms. Hodges reviewed the contract terms, noting that it backs out the cost of the Longwood Study, which the TDC will procure directly. Visit Jacksonville will provide an annual plan, comprehensive marketing plan and annual budget to the TDC in April of each year. TDC will perform a performance review in the first quarter of each year, which will inform Visit Jax’s annual submissions, and which will help the TDC generate its budget proposal to City Council. The TDC has the ability to revise contract expenditure categories annually depending on the contractor’s performance. Ms. Hodges said that she had spoken with Visit Jacksonville representatives and they are agreeable to adding caps on transfer amounts among categories. Ms. Boyer suggested a $50,000 cap on transfers.

**Motion** (Boyer): revise the contract to provide a transfer cap of 10% not to exceed $50,000 – **approved**.

**Motion** (Bowman): approve Resolution 2017-1 as amended – **approved**.

**Public Comments –** none

* **Convention Sales and Services Contract**

Monica Smith asked for clarification about whether convention grants are or are not included in the $2,216,770 contract amount. Ms. Hodges stated that the contract amount did include the grants – the original contract amount of $2,250,000 was reduced by $14,330 for the STR Hotel Data occupancy report and by $18,900 for the STR Destination Map.

**Public Comments** - none

**Motion** (Bowman): approve Resolution 2017-2 as amended to reflect a contract revision to provide a transfer cap of 10% not to exceed $50,000 – **approved unanimously**.

**TDC RFP ESC-0575-17 Tourist Bureau Plan Services Update**

TDC Administrator Annette Hastings referred to the handout with the schedule for the RFP response date and the grading, ranking and consideration of contract award.

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

Mr. Astleford reported that various measures of hotel occupancy rates and revenue per available room are all showing good growth. The Beaches market is the City’s strongest overall hotel sub-market. Brian Fife reviewed the financial statement through the first three quarters of the fiscal year. The Sales and Service and Marketing categories show favorable expenditure variances in the salaries and benefits category (Sales and Service and Marketing) and consumer ads category (Marketing). Ms. Smith reviewed the prospects and performance numbers in events and room night production, including meeting cancellations. She reviewed advertising, trade show and familiarization trip activities during the quarter and presented the convention calendar for the remainder of the year. Council Member Boyer suggested that the convention sales productivity and activities chart be revised to clearly show the difference between room bookings made during the quarter and actual room occupancy achieved during the quarter.

Katie Mitura of Visit Jacksonville reviewed the organization’s tourism marketing during the last quarter, including paid advertising and media contacts, both a media mission (to Atlanta) and hosted media trips. Web site traffic was equal to the same quarter in the previous year (which was a very busy quarter), and web traffic is up in the beginning of the current quarter. Visit Jax is using a digital marketing research company that tracks individual users as they search for information on the internet, going from one site to another to do research before ultimately booking travel to Jacksonville at one site or another.

**Closing Comments**

* Lawsikia Hodges will work on developing a proposed ordinance to amend the City’s travel code regarding TDC contractor travel regulations.
* TDC Special Meeting dates - Visit Jacksonville Marketing Services presentation and Convention & Sales Service Presentation: several dates were discussed. Michael Munz of the Dalton Agency recommended that the two presentations be held on separate days since the volume of information is expected to be substantial. The council agreed on September 11th at 1:00 p.m. for the tourist marketing services presentation and September 13th at 1:00 p.m. for the convention sales and service presentation.
* The TDC’s next quarterly meeting is scheduled for November 16, 2017.
* The group discussed the schedule for reading and scoring the tourist information bureau RFP and taking the results to the CSPEC, working around budget hearings, the City economic development trip to London, committee meetings, and other events.

**Adjourn**

The meeting was adjourned at 4:34 p.m.

Jeff Clements, Council Research Division

Posted 8.21.17 11:00 a.m.