

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL**

**SPECIAL MEETING PRELIMINARY MINUTES**

**Wednesday, September 27, 2017**

**1:00 P.M.**

**City Council Conference Room A**

**Suite 425, City Hall**

*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 - Excused

M. G. Orender, Board Member

Kirit Patidar, Board Member (arr. 1:05 p.m.)

Craig Smith, Board Member (arr. 1:18 p.m.)

Jeffrey Truhlar, Board Member (arr. 1:06 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 1:04 p.m. Meeting Adjourned: 5:00 p.m.**

**Introduction**

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

**Approval of Minutes**

The minutes of the TDC Quarterly Meeting of August 16, 2017 were **approved 6-0** as distributed.

**Visit Jacksonville Tourism Marketing Services Presentation**

* Five Year Marketing Comprehensive Plan – Visit Jacksonville/Dalton Agency, Inc.
* FY 2018 Marketing Plan/Marketing Plan Calendar October 2017-Septembr 2018
* FY 2018 Media Recommendation Leisure Campaign
* Marketing Services Budget FY 2017-2018

Katie Mitura of Visit Jacksonville gave a PowerPoint presentation on the 5-year comprehensive tourism marketing plan, stating that the agency will annually present updates to the 5-year plan to the TDC to reflect changing conditions, new attractions, new initiatives, etc. She presented statistics on the TDC’s goals of a 5% increase in number of tourists (3.07 million in 2018), 5% increase in TDC tax revenues ($8.029 million in 2018) and a 10% annual increase in website traffic (1.37 million hits in 2018). She explained plans for marketing focuses (name branding, market targeting), experience development (sports/health/wellness; art/history/culture, etc.) and creation of new informational and promotional content. Council Member Boyer suggested the addition of information where appropriate highlighting corporate facility tours (i.e. Anheuser-Busch brewery tour, Sally Industries tour, etc.). Considerable effort will be placed on promotion through social media and the creation of a new City tourism web site.

Ms. Mitura discussed the Visit Jax/Dalton Agency 5 year public relations plan, the first year of which includes story development and media outreach, media blitz events, travel shows, press visits, an editorial news bureau, and several Big Idea campaigns (culinary arts, skateboarding, River City Showdown in conjunction with Florida/Georgia football game).

Carly Bower, Media Director at the Dalton Agency, reviewed the 5-year comprehensive tourism media plan, including media objectives, planning parameters and target audience analysis. The efforts will focus in the 10-state Southeast region and other select markets (i.e. Jacksonville Jaguars visiting team cities, plus Philadelphia, Washington D.C. and Dallas). The marketing budget for 2018 is $1,275,000. The GfK MRI Survey of the American Consumer will be used as the primary vehicle for evaluating consumer attitudes and behaviors. Statistics show that time spent with digital media is growing rapidly, and the largest part of that growth is in mobile platforms (smartphones, tablets). A new element to the plan is “influencer” marketing, using individuals that members of the target market already follow in social media to become brand advocates for Jacksonville’s attractiveness. Atlanta and Savannah have been identified as markets with good growth potential to be targeted for extra local advertising. Direct digital marketing will be designed and placed on 4 web sites to reach targeted audiences – Condé Nast Traveler, Lonely Planet, ESPN and iExplore. A new tactic – addressable digital – will be piloted in Atlanta and Savannah. Addressable digital identifies the specific IP address of a computer and connects it to a specific household with known characteristics that can be targeted for segment advertising.

Council Member Boyer suggested a bigger focus on golf promotion in the 5-year plan as one of Jacksonville’s major attractions, especially given that the budget for Florida’s First Coast of Golf will in the future be incorporated in the Visit Jax marketing budget rather than appropriated directly to First Coast of Golf. Mr. Patidar said that 7-10% of Jacksonville’s hotel market is generated by medical-related trips and recommended more focus on that as a target market. Ms. Mitura said that in years past there have been efforts in that area, but it is a difficult market to reach given the nature of how medical decisions are made. Previous efforts to get the hospitals in town to participate in joint efforts to brand Jacksonville as a health care center have not been very successful, but that effort can be revisited to see if attitudes have changed.

Ms. Mitura gave an overview of the marketing budget, describing the fixed costs (salaries, rent, insurance, office equipment) and the variable costs (travel, advertising, website content, etc.), which will be reimbursable on slightly different bases and time frames. Ms. Boyer cautioned that the first year budget being proposed should not be the template for next year’s budget because the TDC envisioned all marketing efforts in future years being funneled through the Visit Jax (i.e. First Coast of Golf), which is not reflected in the first year budget proposal.

Pat McKinney, Chief Creative Officer for the Dalton Agency, discussed two possible new creative concepts for the upcoming year. One campaign is JAX – It’s Easier Here, emphasizing that Jacksonville is less crowded and more casual than other vacation locations. Another is Jacksonville – You’re Welcome, emphasizing Jacksonville’s myriad opportunities, welcoming attitude, and no apologies for not being Miami or Orlando. In both campaigns, imagery is very important – beautiful and action-packed photography is crucial to telling Jacksonville’s story.

**Motion** (Boyer): approve the Visit Jacksonville 5-year marketing comprehensive plan as presented, subject to the caveat that changes can be made within the target areas for alternative categories and activities to be added –

Public comment – none

The Boyer motion was **approved 7-0**.

**Motion** (Boyer): approve the Visit Jacksonville Year One media advertising plan as presented –

Public comment – none

The Boyer motion was **approved 7-0.**

**Motion** (Patidar): approve the Visit Jacksonville/Dalton Agency year one campaign: JAX – It’s Easier Here –

Public comment – none

The Patidar motion was **approved 6-1** (Brosche opposed)

Deputy General Counsel Lawsikia Hodges requested that the TDC clarify the budget with a notation regarding which line items are to be considered overhead costs subject to payment via that mechanism.

**Motion** (Orender): approve the Year One marketing budget as presented with notations identifying the “fixed costs” (line items highlighted in yellow on the revised budget distributed at the meeting) eligible for expedited monthly payment

Public comment – none.

The Orender motion was **approved 7-0**.

Council Member Boyer questioned whether the art contest proposed in the marketing plan constitutes a permissible promotion expense, since it does not appear to promote any specific attraction or event. Ms. Hodges said that it will be incumbent on Visit Jacksonville to prove the tourism attraction result of the contest and its products.

**Visit Jacksonville web site presentation**

Alex Heimann, owner of Tempest Interactive, discussed the value of destination marketing websites, noting that approximately one-third of people planning travel end up using a destination website for at least part of their trip planning process in addition to broader travel sites like Trip Advisor and Expedia. Specific destination web sites are customizable to highlight specific attractions, themes and local promotions. In-depth, authoritative local content is very important, generated by knowledgeable local providers. The system will be designed to be mobile-first, since 60% or more of searches are generated from mobile devices, then subsequently customized to desktop computers.

**Visit Jacksonville Convention and Sales Services Presentation**

* Five Year Convention Sales and Services Comprehensive Plan
* 2017-2018 Convention Sales and Services Annual Plan
* FY 2018 Media Recommendation Meeting Campaign
* Convention Sales & Services Budget FY 2017-2018

Monica Smith, head of convention sales and service for Visit Jacksonville, presented the five year comprehensive plan for that function. Like the marketing plan, it has annual elements and metrics that will be reported quarterly and annually. The performance goals were previously set by the TDC: increase room night production for the future by 5% annually; increase annual room night actualization by 5% annually; generate a minimum annual increase of 0.25% REVPAR (revenue per available room) for the Group Segment Trend Report; increase awareness of Jacksonville as a destination by 2% annually per the Destination MAP report; and maintain a minimum base of 50% new business for room night production. She described marketing efforts including medical meetings promotion, group tour e-blasts, a Bring It Home JAX campaign to increase local awareness of meeting recruiting, etc. The FY17-18 convention market awareness and sales will be targeted to Atlanta, Boston, Chicago, Dallas, New York City, Philadelphia and Washington D.C. The first year effort will include a 3-year retrospective evaluation of meeting and convention market segments that have and have not been productive in the recent past.

Backyard Marketing will assist Visit Jax in identifying organization and corporate leaders in the Northeast Florida area who have the ability to bring meetings to Jacksonville and Visit Jax intends to be more active in participating in meeting planner organizations and in recruiting government meeting business. There will be outreach in future years to local universities and churches to explore opportunities to host their meetings. Medical meeting planning is also a target market. Recruiting trips are planned to Charlotte, Chicago and Washington D.C. next year. Visit Jax meets monthly with the managers of the Prime Osborn Convention Center and major meeting hotels. Affordable transportation between the convention center and hotels and attractions is very important, as it is an identified weak spot for potential convention center users. Efforts are being made with Jacksonville International Airport for better signage to welcome convention groups to Jacksonville. Recruitment of bus tour operators is proposed to attract more of that business segment.

Ms. Smith distributed a revised convention sales and services budget, with several line items highlighted in yellow to indicate fixed overhead costs. She reported that the convention sales team is fully staffed as of last week with 5 sales associates. In response to a question from Council Member Boyer, Ms. Smith described the funding sources for the various types of industry shows, trade shows, sales missions, and other types of meetings and described the importance of interacting with meeting planners on a face-to-face basis over time to develop trust and personal relationships.

Andrea Collins of the Dalton Agency described the proposed media campaign for convention sales and services for FY17-18. Target industry segments for meeting growth include corporate (financial, insurance, medical), group tours and motor coach trips. Digital media, particularly smartphones and social media like Facebook and YouTube, are the primary ways that meeting planners now get their information. Web site statistics show that a national marketing effort is necessary because inquiries come in to Visit Jax’s convention sales site from all over the nation, and the locations of inquiry traffic seem to shift from month to month. Digital media efforts will increase both for general awareness of Jacksonville as a destination and for specific targeted marketing. Competitive advertising to planners investigating Tampa as a destination will be used to make them aware of Jacksonville as an alternative. Advertising will also be targeted to meeting planners on non-meeting web sites. A geofencing initiative will target ads to meeting planners when they are attending meeting planning conferences.

**Motion** (Bowman): approve the convention sales and services 5-year comprehensive plan as presented–

Public comment – none

The Bowman motion was **approved 7-0.**

**Motion** (Smith): approve the FY17-18 convention sales and service annual plan as presented –

Public comment – none

The Smith motion was **approved 7-0.**

**Motion** (Boyer): approve the FY17-18 convention sales and services media campaign recommendations as presented –

Public comment – none

The Boyer motion was **approved 7-0**.

**Motion** (Bowman): approve the FY17-18 budget for convention sales and service as presented, with monthly overhead items specifically notated –

Public comment – none

The Bowman motion was **approved 7-0.**

**Tourist Bureau Services RFP ESC 0575-17**

TDC Administrator Annette Hastings reported that all scorers have submitted their scores and the Procurement Division is in the process of tallying the scores and ranking the responses for interviews.

**Visit Jacksonville Contracts – Lawsikia Hodges**

* City of Jacksonville Travel Policy Amendment
* Trust Fund
* Contract/CVB Convention Grants Budget Revised
* STR Report Agreement

Deputy General Counsel Lawsikia Hodges reminded the group that the new tourism marketing contract was approved at the last TDC meeting. Since the meeting, a noticed meeting was held by Council President Brosche and Council Member Boyer with representatives of Visit Jacksonville to discuss the invoicing and payment mechanism and schedule. That meeting produced consensus among the attendees to recommend revising the contract from a purely reimbursement for paid expenses model to a system allowing standard overhead expenses (salaries, rent, utilities, etc.) to be paid on the basis of a monthly payment schedule (1/12 of the annual contract per month), payable a month in arrears. The vendor will submit documentation and any overpayments will be reconciled and the subsequent monthly payment will be reduced to reconcile the account. The vendor will be permitted to make 2 payment requests per month for non-overhead expenses in addition to the overhead expenses request. The vendor will be permitted to submit invoices which may not yet have been paid. The City’s accounting division and the Council Auditor have approved this methodology. Ms. Hodges also recommended deleting the transition period language as no longer necessary since the contracts will be dated October 1st and said that several dates need to be corrected.

**Motion** (Boyer): amend prior resolution 2017-01 (marketing services contract) to approve revisions to the invoice and payment section to change the reimbursement mechanism to a monthly fixed payment method for overhead expenses and up to two additional payment requests per month for reimbursement of non-overhead expenses based on invoices as described by Ms. Hodges; also amend the contract to delete the provisions relating to a transition period and amend certain dates -

Public comment – none

The Boyer motion was **approved 7-0.**

**Motion** (Boyer)**:** amend Resolution 2017-02 (convention sales and services) to adopt the same overhead expense payment schedule system as adopted for the marketing services contract above, delete the transition period language and allow correction of certain dates; also reduce the maximum indebtedness amount to $2, 091,770 reflect removal of the convention grants totaling $125,000 from the budget, although Visit Jacksonville will still administer the grants, which will be budgeted in a TDC account

Public comment – none

The Boyer motion was **approved 7-0**.

Ms. Hodges requested guidance from the TDC about the timing of the true-up process, whether it should be done annually or at the end of the contract term. Bill Prescott, Chair of the Visit Jacksonville board, explained their preference for an end-of-contract true-up process rather than annually because of the potential financial disruption that could be caused on an annual basis by the City withholding the 12th month’s payment until the true-up is completed, which could take up to 2 months. In response to a question from Council Member Boyer, Phillip Peterson of the Council Auditor’s Office said that the advantage of the annual reconciliation process is that it offers slightly more protection for the City. Mr. Prescott pointed out that the new invoicing system just approved is essentially a monthly true-up mechanism that protects the City’s interests throughout the year. Any discrepancies will be corrected within 2 months by a reduction of subsequent payments. Ms. Hodges noted that the new contract language is vastly superior in terms of security for the City compared to the current contract.

**Motion** (Smith): amend the contract to provide for a true-up reconciliation process at the end of the contract term, with the City having the right to request a true-up reconciliation at other times during the contract -

Public comment – none

The Smith motion was **approved 7-0**.

Ms. Hodges said that staff would have a proposal for the TDC to review at its next meeting regarding possible changes to the application of the City’s travel policy to the contract as requested by the vendor.

In response to a question from Council Member Boyer, TDC Administrator Annette Hastings confirmed that the STR Report is currently being purchased by Visit Jacksonville and wondered whether any action needed to be taken to transfer the invoicing for the data to the TDC. Ms. Mitura said that the STR data is reported weekly and monthly and includes full market segmentation information. Once the TDC assumes ownership of the report, it can decide if or how to customize it in the future to add or subtract comparable market comparisons, etc.

**Motion** (Smith): the TDC will take over the STR Report contracting from Visit Jacksonville, and Annette Hastings is directed to seek a single-source procurement through the Procurement Division for purchase of this report -

Public comment – none

The Smith motion was a**pproved 7-0.**

**Motion** (Boyer): the TDC will take over contracting for the Longwood report from Visit Jacksonville, and Annette Hastings is directed to seek a single-source procurement through the Procurement Division for this report -

Public comment – none

The Boyer motion was a**pproved 7-0.**

**Single Source Provider Contract Awards - L. Hodges**

* SS-0266-18 Visit Jacksonville Tourist Bureau Services - extension from October 1, 2017-December 31, 2017 – not to exceed $78,750.

**Motion** (Boyer): approve a single source contract award SS-0266-18 to Visit Jacksonville for provision of tourist bureau services on the same terms as the current expiring contract (not to exceed $78,750) through December 31, 2017 –

Public comment – none

The Boyer motion was **approved7-0**.

* SS-0267-18 Florida’s First Coast of Golf - October 1, 2017-September 30, 2018

**Motion** (Boyer): approve sole source contract SS-0267-18 for Florida’s First Coast of Golf for the period October 1, 2017-September 30, 2018 –

Public comment – none

The Boyer motion was **approved 7-0**.

Ms. Hodges asked that the sole source contracts include the same language as approved earlier in the meeting for other contracts as it relates to invoices for fixed expenses and variable expenses and periodic reconciliations.

**Motion** (Boyer): reconsider the earlier vote on the tourism marketing concept selection – **approved 7-0.**

President Brosche said that she didn’t dislike Concept 1 (JAX – It’s Easier Here), but preferred Concept 2 (Jacksonville - You’re Welcome) as more original and visually attractive, and different from what is seen in other places, and she preferred the double meaning of “You’re Welcome” versus the non-eye catching and copying nature of the JAX oval logo. Ms. Boyer expressed concern that the “It’s Easier Here” tagline may not be entirely true given reaction the TDC has heard from meeting planners through Visit Jax about difficulties relating to the location of hotels in relation to the convention center, long transportation distances from hotels to restaurants and shopping, etc. President Brosche agreed with this concern. Ms. Boyer referenced the recent new logo introduction by the Museum of Science and History which has a uniform central logo accompanied by changeable text depending on the context in which it is being used.

**Motion** (Boyer): reaffirm the earlier decision in favor of creative Concept 1 – **approved 6-1** (Brosche opposed).

**Adjourn**

The meeting was adjourned at 5:00 p.m.

Jeff Clements, Council Research Division

Posted 10.4.17 5:00 p.m.