

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL SPECIAL MEETING MINUTES**

**Monday, June 25, 2018**

**1:00 P.M.**

**117 West Duval Street**

**City Hall, First Floor**

**Lynwood Roberts Room**

**Attendance**

City Council President Anna Lopez Brosche, Board Chairperson

City Council Vice President Aaron Bowman, Board Vice Chairperson - Excused

City Council Member Lori N. Boyer, Board Member

Barbara Goodman, Board Member - Excused

Steven Grossman, Board Member

Kirit Patidar, Board Member (arr. 1:26 p.m.)

Craig Smith, Board Member - Excused

Dawn Southworth, Board Member

Jeffrey Truhlar, Board Member **-** Excused

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kim Taylor, Assistant Council Auditor

Lawsikia Hodges, Deputy General Counsel

Colleen Hampsey, Research Assistant

**Meeting Convened: 1:04 p.m. Meeting Adjourned: 3:16 p.m.**

Council President Brosche convened the meeting without a quorum present and the attendees introduced themselves for the record.

**Visit Jacksonville Annual Contract Plans**

Michael Corrigan, President of Visit Jacksonville, distributed computer memory sticks to the members containing the Visit Jacksonville Marketing Services Annual Plan, Convention Sales and Services Annual Plan and Tourist Bureau Services Annual Plan, a promotional video, and the Visit Jax budget summary for FY18-19. Council Member Boyer requested that in the future, documents of this type (meeting action items) be distributed at least 10 days in advance. Mr. Corrigan committed to providing documents well in advance of meetings and in a standard format that will be easy to understand. Ms. Boyer recommended that the Visit Jacksonville budget not include line items for Florida’s First Coast of Golf and the Longwoods hotel data since the TDC has assumed responsibility for procuring those items itself outside of the Visit Jacksonville contract.

**Visit Jacksonville Travel Policy - Lawsikia Hodges, Office of General Counsel**

Deputy General Counsel Lawsikia Hodges distributed a summary of the revised travel policy ordinance for the county’s Destination Marketing Organization (DMO) as defined by state law (in Jacksonville’s case, Visit Jacksonville Inc.), which is being introduced by Council Member Boyer on behalf of the TDC. She said that the amendment will provide for TDC approval of Visit Jacksonville’s travel for the year via the budget approval process, and that it will provide for either reimbursement or advance payment of travel expenses to mimic the state statute. Payment for entertainment expenses will be permitted in connection with travel or trade shows dealing with travel writers, tour brokers and other persons connected with the tourism industry. The TDC will be authorized by the legislation to develop travel and entertainment authorization and reimbursement forms to be used by Visit Jacksonville. Another change will allow Visit Jax personnel to exceed the City’s travel policy on maximum hotel rates for purposes of staying in conference host hotels. For travel and meal expenses the per diem rate authorized will be the federal government’s per diem rate, which varies by typical costs per city. Ms. Hodges proposed that the new policies be made retroactive to October 1, 2017 and that Visit Jax be authorized to file the travel receipts under the new policy for trips that have been taken but not yet reimbursed. Mr. Corrigan thanked the Office of General Counsel and Council Auditor’s Office for their assistance in crafting the draft legislation. In response to a question from Council Member Boyer, Ms. Hodges said that a line item for travel will be approved in the budget and standard forms will be created and signed off by the Council President as Chair of the TDC. Steve Grossman recommended that travel approval forms be signed off by the Visit Jacksonville Board Chair before they are transmitted to the TDC for processing.

With the arrival of Mr. Patidar, a quorum was present for the remainder of the meeting.

**TDC Advisory Committee on Special Events and Convention Grant Guidelines**

Three members of the Advisory Committee on Special Events and Convention Grant Guidelines were in attendance at the meeting: Pegine Echevarria (Chair), Nicole Chapman and Alan Verlander. Council Member Boyer led a discussion of the difference between events whose funding is predicated on tourism attendance (“heads in beds”) and events predicated on national or international marketing of the area (P1 Powerboats, First Coast of Golf, The Player’s Championship).

**Motion** (Boyer): approve creation of 3 categories of grants as shown on the handout (marketing grants, convention grants and special event grants).

Public comments – none

**The Boyer motion was approved 5-0**

As to Marketing Grants, Ms. Boyer reviewed the proposed scoring criteria for the grants, including how the grants would help to create a brand identity, how to evaluate return on investment, how the event would leverage other opportunities to market Jacksonville, etc. She recommended that the group approve the broad outlines of the criteria for the 3 types of grants with the understanding that a detailed scoring matrix will be adopted at a future meeting for each of the 3 grant types. Ms. Boyer also suggested that the TDC may wish to incorporate a restriction in the matrix on funding organizations that have uncompleted obligations to the City from prior appropriations, unpaid taxes, or the like until those outstanding items are resolved.

Steve Grossman felt that events that fall under the Marketing Grant category should be required to explain or document how the TDC grant funds will be used specifically to improve marketing efforts above and beyond what the organization typically does with its own funds. He and Mr. Patidar are also interested in hearing ideas for evaluating return on investment for such grants, which seems to be at least somewhat subjective. Ms. Hodges explained how other City contracts assign a negative point value in the scoring matrix to companies that do a large volume of business with the City as a means of “spreading the wealth” to numerous organizations.

**Motion** (Boyer): approve establishment of a marketing grant category via amendments to the Ordinance Code and TDC policies using the parameters as shown on OGC Handout #1

Public comments- none

**The Boyer motion was approved 5-0.**

As to Convention Grants, Ms. Boyer said that Lawsikia Hodges had crafted a more specific definition of “convention grants” and that Monica Smith of Visit Jacksonville had requested that payment of facility rentals be added as an allowable use for the grants, which has been incorporated. Ms. Boyer requested that the $5 per room night or less standard be a general requirement that allows for exceptions for good cause.

**Motion** (Boyer): approve the definition of Convention Grants as shown on OGC handout #1

Public comment – none

**The Boyer motion was approved 5-0.**

Regarding Special Event Grants, Ms. Boyer said that defining a “special event” has been a challenging task and that she had consulted numerous definitions from other jurisdictions and other contexts. She reviewed her proposed criteria for special event grants, noting that the proposed definition excludes commercial enterprises specifically intended to make a profit and that special event grant recipients would be excluded from also receiving a marketing grant. Mr. Grossman questioned the for-profit exclusion, which would seem to severely limit the range of desirable events the City could attract. He suggested limiting grants to for-profit events to one or two years to help get new events started, but cease funding thereafter. Alan Verlander of the Jacksonville Sports Council cautioned that a once-a-year limitation on event funding could prohibit funding 2 college football games played in the same calendar year but in different seasons, which may happen because of when a broadcast network wants a game played (particularly regarding the timing of the Tax Slayer Gator Bowl game around New Year’s Day). He also suggested the need to clarify the definition of what is a “product” with regard to the prohibition against funding commercial events intended to sell products – does that include event tickets? Concert merchandise? Ms. Boyer explained that she is thinking of events like auto or boat shows specifically intended to sell those items. Mr. Verlander also said that private promoters sometimes take a big risk in bringing their events to Jacksonville and need an incentive to test the market. They may make a profit, but stand to lose a great deal of money as well if the event isn’t successful. It may be worthwhile to allow grants to for-profit events to attract them to the market, but then require a rebate of TDC funds if the event is financially successful. Pegine Echevarria, suggested adding a parenthetical comment to explain what “selling a product” is intended to cover (i.e. auto, boat and RV shows where that is the primary purpose of the event). Ms. Boyer suggested a wording revision to clarify that the definition excludes events designed for an organizer to sell a product.

Ms. Boyer distributed a list of “qualifier questions” that are intended to screen potential applicants for eligibility before they fill out a grant application. The questions ask about the expected attendance, the proposed marketing plan, the applicant’s plan for demonstrating compliance with the purpose of the grant, and an assurance that the main purpose of the event is to attract tourists from outside the region as required by state law for TDC funding. The group suggested a mileage limit of 150 miles as the definition of “outside the region” for marketing purposes.

Ms. Boyer led a discussion of the special event grant criteria and proposed scoring matrix. She suggested that there be a criterion making potential applicants ineligible to apply if they have any unpaid taxes or outstanding obligations to the City. The group discussed to what extent they intend for the grants to reduce and phase out over time for recurring events. Alan Verlander said that distinction may be complicated for events that may be under one brand or promoter (i.e. Spartan Race), but which may be very different events (statewide event, national event, international event). He also pointed out that some large, popular events run on a very slim margin and the TDC grant is what allows the event to keep operating; without the grant the event would go away and hotels and restaurants would suffer from its absence. Ms. Echeverria said that events should be expected to innovate every year and add new features, activities, funding sources, etc. The group determined that a system of point deductions for consecutive years of grants would be effective in weaning events off of TDC funding or making them transition to the “signature event” category if it was valuable enough to the community. Ms. Boyer recommended the adoption of a formal definition for “signature event” and clarifying in the ordinance how they are different from special events eligible for special event grant funding. Mr. Verlander said that a committee had worked on a definition of “special event” several years ago, but he did not know if or when it had been formally adopted.

**Motion** (Boyer): adopt the special event grant definition and scoring matrix developed by the Advisory Committee, with an amendment to the ordinance providing for eligibility based on a sliding scale combination of room night bookings and number of expected visitors, and the threshold question screening sheet discussed earlier

Public comment

Alex Alston of SMG Jacksonville cautioned that promoters who bring events to Jacksonville do so for the purpose of making a profit even if the TDC’s intention for supporting the event is to attract tourism; those promoters will be unlikely to return funds to the City. That policy could put SMG and the City at a disadvantage when competing for national events.

**The Boyer motion was approved 5-0**

Equestrian Center: Ms. Boyer discussed various scenarios under which events at the Equestrian Center could be eligible for TDC grant funding outside of Visit Jacksonville’s marketing umbrella and asked whether a separate fund should be set up specifically for that purpose. Visit Jacksonville had asked that the Equestrian Center be removed from their marketing budget because the center doesn’t fit any of the parameters of the typical convention grants. TDC support could come in the form of grants for promotion by the Equestrian Center operator of events that draw participants from outside the 150-mile local area radius, advertising on a regional or national basis of events being held at the facility, or promoting the availability of the facility to equestrian event organizers/promoters. Michael Corrigan said that the grants previously made for events at the center have been very small and not cost-effective for their staff to administer. Mr. Grossman agreed conceptually with creating a separate TDC fund to promote the Equestrian Center but felt it might be better to budget promotional funds in the Center’s budget rather than through TDC grants.

**Motion** (Boyer): amend the Ordinance Code to authorize a separate TDC grant program (Plan Component #8) for promotion of events at the Equestrian Center

Public comment – none

**The Boyer motion was approved 5-0.**

**Motion** (Boyer): authorize TDC to adopt grant application forms, eligibility criteria, etc. for non-profit and for-profit applicants; authorize the TDC to adopt standard grant contracts and forms approved by the Office of General Counsel; grant the TDC the flexibility to use a competitive grant process or a “first come, first served” methodology; grant the TDC authority to create rules regarding acceptance of grant applications a minimum of twice per year; and prohibiting grant awards to entities or organizations that owe the City money

Mr. Patidar advocated for the TDC hearing grant applications throughout the year rather than only twice a year. Ms. Boyer noted the requirement for a minimum of twice a year; more often is an option. Ms. Hodges said that it would be a policy decision for the TDC to determine what kinds of rules it would impose on corporate entities or shared owners/principals/officers that might be prohibited from applying because of owing the City money or having some other non-compliance impediment.

Public comment – Stanley Scott of the African-American Economic Development Think Tank said that grant application cycles should be at least 4 times a year with sufficient public notice to inform potential applicants.

**The Boyer motion was approved 5-0.**

**Motion** (Boyer): recommend that the TDC not implement an application fee for grant applications.

Public comment – none

**The Boyer motion was approved 5-0**

The Office of General Counsel was authorized to draft legislation incorporating all of the votes and recommendations made today.

**Approval of Minutes**

The minutes of the TDC Quarterly Meeting of May 17, 2018 were **approved as distributed 5-0**.

**Visit Jacksonville Budget Line Item Reallocations FY 2017-18**

Sales & Service Overhead Administration – Mr. Corrigan requested moving $33,000 out of Wages/ Salaries/Benefits into Facility Rent

Sales & Services – Mr. Corrigan requested moving $8,500 out of FAM trips into Site Visits

**Motion** (Patidar): approve the two budget reallocation requests

Mr. Corrigan said that the reallocation would not affect the number of sales employees and the full complement would be budgeted for FY18-19

Public comment – none

**The Patidar motion was approved 5-0.**

Contingency and Development Fund balances: Mr. Patidar expressed concern that the accumulation of funds in those reserve funds may make them attractive targets for reappropriation to other uses in the case of an economic downturn and City budgetary constraints. He recommends limiting the accumulation to a total of $5 million and using any funds in excess of that for additional marketing efforts. Ms. Boyer said that she understood that these TDC funds cannot be used for non-TDC purposes; the Contingency Fund is intended to be used to accommodate large, one-time special opportunities that may present themselves (i.e. World Cup soccer, a Super Bowl) and the Development Fund provides seed funding for new or expanded facilities (convention center, museums, attractions, etc.) that attract tourism. She said that the TDC needs to be developing a strategic plan for its long-range goals and the use of these contingency and development funds. Chairwoman Brosche said that the TDC will have the opportunity to debate the appropriate amount to be placed in each of the funds each year during budget development.

**New Business**

Council Member Boyer reported that she has seen preliminary designs for incorporating a new visitor center into the Hogan Street side of the Times-Union Center for the Performing Arts. The Visit Jacksonville contract calls for them to be out of the current Laura Street facility within 3 years, so work on a new location will need to begin relatively soon.

**Closing Comments**

TDC Quarterly Meeting – tentatively August 9th or 15th, depending on the Finance Committee budget hearing schedule.

**Public Comments**

Stanley Scott said that Jacksonville has a great many entertainment options, events and venues but he never hears about Jacksonville anywhere outside of the city. The city seems to have no image or reputation as a city with lots to offer. It doesn’t help that Jacksonville’s citizens don’t seem to have a positive impression of their own city.

**Adjourn**

The meeting was adjourned at 3:16 p.m.

Jeff Clements, Council Research Division

Posted 6.29.18 11:00 a.m.