



**OFFICE OF THE CITY COUNCIL**

**Tourist Development Council**

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**MEETING MINUTES**

**TOURIST DEVELOPMENT COUNCIL MEETING**  
**Council President Aaron L. Bowman, TDC Chairman**  
**Thursday, April 11, 2019**  
**1:30 P.M.**  
**117 West Duval Street**  
**City Hall, First Floor**  
**Lynwood Roberts Room**

**I. CALL TO ORDER**

**Roll Call**

City Council President Aaron Bowman, Board Chairperson  
City Council Vice President Scott Wilson, Board Vice Chairperson - EXCUSED  
City Council Member Lori N. Boyer, Board Member - (Arr. 2:49 p.m.)  
Steven Grossman, Board Member - EXCUSED  
Kirit Patidar, Board Member  
Craig Smith, Board Member  
Dawn Southworth, Board Member  
Jeffrey Truhlar, Board Member

Lillian Graning, TDC Executive Director  
Sarah Maples, TDC Administrator  
Kim Taylor, Assistant Council Auditor  
Lawsikia Hodges, Deputy General Counsel

**Meeting Convened: 1:35 p.m.**

**Meeting Adjourned: 3:52 p.m.**

**II. Introduction – Council President Aaron Bowman, TDC Chairman**

Chairman Bowman called the meeting to order. CP Bowman mentioned that VP Scott Wilson was returning from our sister city trip and, therefore, was unable to attend the TDC meeting. The other meeting attendees then introduced themselves for the record.

CP Bowman offered up Public Comments on any/all action items to be considered on the agenda.

There were **no public comments**.

### **III. Approval of Minutes**

- TDC Meeting – February 14, 2019

The minutes of February 14, 2019, **were approved unanimously**.

### **IV. Approval of Visit Jacksonville Year 1 Performance Review**

Ms. Lillian Graning, TDC Executive Director, explained that the request was to adopt the Visit Jacksonville performance review, as presented by CM Boyer and Ms. Sondra Fetner at the January 10, 2019, TDC meeting, as the formal performance review, as required by the COJ-Visit Jacksonville contract.

**Motion** (Patidar): to approve the contractual agreement between TDC and Visit Jacksonville.

Ms. Lawsikia Hodges, Deputy General Counsel, clarified that this was not an approval of the contractual agreement, but an approval of the performance review to satisfy a requirement within the existing contractual agreement.

Mr. Truhlar **seconded the amended motion**.

Mr. Patidar's **motion, as amended, was approved 5-0**.

### **V. TDC Financial Report**

Assistant Council Auditor, Ms. Kim Taylor, continued with the budget report as of February 28, 2019. The total revenue collected as of the end of February was \$3,213,425.53. The collections are currently trending down compared to total budgeted collections and the February collections are 5.15% below what they were for February of 2018.

Ms. Graning elaborated on the revenue trends, by providing a chart of the current revenue to compared to a 3-year average, to the budgeted amount, and to the revenue if it remains flat for the remainder of the fiscal year. Based on the projections, it is likely revenues will hit the flat \$8.5 million amount, but not the budgeted \$9 million amount. Ms. Graning clarified that the numbers reflected are sufficient to track whether we are on track to meet the budgeted revenue amount. However, the way the revenues are currently tallied does not reflect monthly market activity and that she would be working with the tax collector to refine how those numbers are reported.

President Bowman stated that it seemed the data indicated that the contingency funds should remain in contingency for now, given the decreased revenue numbers.

Ms. Taylor continued by providing the remaining balances for the various accounts: Tourist Bureau - \$100,000 (capital); Marketing - \$0; Convention Sales - \$0 (with a CVB grant balance of \$14,969.97); Development and Planning - \$50,000; Special Events - \$0 (however, Edward Waters College has decided to forgo accepting the previously awarded TDC grant, so that originally awarded \$10,000 would again be available); Equestrian Center Promotion - \$20,000; Remaining to be spent in accordance with TDC Plan (unallocated)- \$1,245; TDC Budget Reserve - \$500,000; Administrative Budget - \$247,781; Tourist Development Special Revenue Fund - \$33,778; Development Account (requiring further City Council action) - \$2,357,938 (does not include \$983,000 in fiscal year 17/18 remaining funds that have not yet been rolled over into that account); (requiring further City Council action) Contingency Account - \$2,263,000.

In response to CP Bowman's question in the prior meeting regarding options should the revenue shortfall exceed the \$500,000 currently held in reserve, Ms. Taylor suggested that available options included leaving some funds unspent and/or submit legislation to City Council that would reduce the amounts previously designated for the contingency and/or development accounts.

Ms. Graning discussed some of the trends in the global, U.S. and Florida markets and how Jacksonville's revenue was comparing. The U.S. as a whole is full capacity with above all-record occupancy, lots of growth; trends are focusing on occupancy as opposed to REVPAR; U.S. saw largest drop in the 3<sup>rd</sup> QTR, reflecting the hurricane activity in Texas and Florida, which affected national and local numbers. No lodging recession is predicted until 2022, but a number of factors are playing into a softer revenue market. As a whole, the market is performing better than the Jacksonville market, but the U.S. in general is going down, so Ms. Graning recommends TDC be extra conservative.

## **VI. Travel Policy Amendments**

Ms. Graning explained at the travel policy amendments reflect a review of the travel policy implementation and the amendments are modifications designed to provide more clarity. The most significant change is the addition of trip reports (travel, entertainment, and influencer), which will be submitted with each total trip reimbursement request.

Ms. Hodges stated that the changes to the policy could be made with a TDC-level motion. However, she recommended that the language regarding local mileage be adjusted to remove the reference to the IRS statute and replace it with reference to the Florida Statute to be consistent with the ordinance.

Mr. Patidar requested clarification on how the local mileage change would impact Visit Jacksonville's ability to conduct business.

**Motion** (Patidar): Amended the local mileage language to align with the Florida Statute, per Ms. Hodges' recommendation.

Truhlar: second.

Mr. Craig requested Mr. Corrigan, Visit Jacksonville CEO, give his opinion on the changes. Mr. Corrigan stated that Visit Jacksonville had worked closely with TDC staff on these amendments and that they were supportive and believe they could still do their job with these changes in place.

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

**Motion** (Southworth): Approve the Travel & Entertainment Policy as amended.

Truhlar: second.

Southworth motion was **approved 5-0**.

## **VII. Mobile Visitor Center**

Ms. Graning explained that Visit Jacksonville had submitted four options, based on options that had been discussed historically by TDC, and had placed them side-by-side so TDC could compare costs and features of each. MS. Graning recommended that, regardless of which option or options TDC approved, she would recommend that Visit Jacksonville be given the ability to pursue the scope of work and procurement for two options so that they did not have to come in front of the TDC again for approval, if one option should prove unworkable. For her personal recommendation, she supported Option A and Option D as the best options. She explained that both options had benefits, but very different objectives. Option A was the larger option, which was a blank canvas to be modified to be as vibrant and interactive as TDC wanted. As currently laid out, the option would include a trailer to pull the vehicle and, due to its size, would require the use of a storage and placement service. Option D, on the other hand, had very different benefits and impact, with the primary benefit being flexibility. If she had to recommend only one option, Ms. Graning would recommend Option A.

In response to a question from Mr. Truhlar regarding how many trips a year Option A would include, Ms. Graning stated that would depend on how much TDC wanted to budget, with costs dependent on how many vendors could provide the service, what their rates were, etc.

Mr. Patidar requested that Mr. Corrigan provide his input. Mr. Corrigan stated that he had not discussed visitor center preferences with his staff. He stated that he had originally suggested a trailer. However, that option proved impractical, because his staff could not drive a trailer and there would be challenges with storing the trailer and significant expense to move it. Although Option D did not come with the solar power and other options that Option A did, and would instead come with a noisier electric generator, he recommended Option D because it could be driven by any of his employees without a specialized license and under the umbrella insurance policy that Visit Jacksonville already had in place. Ms. Graning stated that the prices listed were not firm prices and recommended choosing based on TDC goals for the market and use of the vehicle, since the two were very different.

**Motion** (Patidar): move forward with Option D only.

Ms. Taylor reminded everyone that the \$100,000 available for capital assets in the Tourist Bureau budget was not set aside in its entirety for the mobile visitor center. Ms. Graning stated that she believed

\$30,000 of that \$100,000 was designated for videos and the remainder would be available for use on the mobile visitor center. Lacking a second on the Patidar motion, CP Bowman asked Mr. Corrigan to answer a few more questions, starting with whether there were any special license requirements and what the city's liability would be if a Visit Jacksonville employee was in an accident while driving one of these vehicles. Mr. Corrigan stated that he had spoken to his insurance company and they would cover Option D. Ms. Hodges stated that she could work with Risk Management to amend the Visit Jacksonville contract as necessary to incorporate any additional insurance requirements and to specify that the property would revert to the City at the end of the contract. Ms. Wiechens clarified that it would be a rider on their current insurance policy and the \$4,000 of insurance associated with Option D would be an additional cost that had not been budgeted for. Mr. Truhlar requested clarification on who would drive the vehicle; Mr. Corrigan stated that his staff would get qualified to do so.

Mr. Truhlar asked if it was more efficient to seek an RFP for one option instead of two. Mr. Corrigan reiterated that he was very passionate about Option D and that he believed he could have it on the road by 1 October. He did stipulate that he expected to come back to TDC in the future and request funding for solar panels and other additions.

CP Bowman requested an estimate on how long it would take to get proposals back and whether they would be prepared to present them next month. Ms. Wiechens stated that two months was more realistic, given the City's procurement process timelines. Ms. Graning clarified that Option D was unlikely to be able to be modified after the initial procurement. Additionally, she clarified that Visit Jacksonville would be able to procure the vehicle independent of the City's procurement process. Ms. Hodges explained that the contract required Visit Jacksonville to follow City procurement guidelines, but that they were not required to use the City's procurement department to procure the vehicle. Mr. Corrigan stated that he and Ms. Wiechens are familiar with the City's procurement guidelines and, since they would not be using the City's procurement process, he believed he could present to the TDC next month.

Mr. Truhlar stated that he liked the attraction of a trailer over a van. Ms. Graning stated that she had envisioned a vehicle that would show up at large concerts and events, such as THE PLAYERS, and that Option A has a vastly different impact on the public and was more quality over quantity. She emphasized that intent is important; if intent is to get toe-in-the-water, then Option D would make more sense, but if we are going for larger impact, then Option A would be the better option. Mr. Patidar reiterated that he did not believe we were prepared for a large undertaking and that we should start small with Option D. Mr. Truhlar requested clarification on interoperability of Option D and Option A; CP Bowman clarified that they could not be combined. Ms. Southworth stated a concern about having funds and requested clarification on actual available amount and that Option A appears to exceed the currently available amount.

CP Bowman said that they could **amend the motion to include a \$70,000 limit.**

**Mr. Truhlar seconded amended motion** to solicit RFPs on Option D, within the \$70,000 limit, and bring the RFPs back to the TDC for consideration.

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

### **VIII. Contract Adjustments**

Ms. Graning stated that there were several areas of the current Visit Jacksonville contract that require adjusting: addition of language clarifying that property, such as mobile visitor center or iPads, purchased with City funds automatically reverts back to the City at the end of the Visit Jacksonville contract unless City takes action; allow TDC members and staff to attend and audit events and training, something that is currently unclear under the current gift policy; and allowing for a more in-depth audit than is currently included in the contract, in order to relieve the day-to-day reimbursement procedure challenges. She requested feedback from TDC on her pursuing these options before spending time pursuing specifics.

Board agreed that Ms. Graning could proceed on researching these options and would come back with details at a future meeting.

### **IX. JaxPort Cruise Research Funding**

Ms. Graning explained that the Jacksonville Port Authority engages in more than one million dollars in research to make the port more marketable. This request specifically pertains to an economic impact study they are engaging in. They are requesting \$15,000 from the TDC to conduct a marketing survey of cruise passengers. Without an overarching strategy, Ms. Graning could not state that this survey would definitively support TDC plans. However, if TDC thought any future cruise-related endeavors might be up for consideration, than this type of data would be the baseline for those decisions. The funds for this survey would come from the Planning and Development fund, which currently has a \$50,000 balance.

CP Bowman stated that cruise industry contracts are generally short term, but that Jacksonville just signed a 3-year contract with two three-year options and that he saw a lot of value in this type of survey. Ms. Graning added that these types of surveys are normally set, but JAXPort has offered to let TDC help shape the content of the survey.

Justin Damiano, Director, Government Affairs for JAXPORT, explained that this survey was part of a larger economic impact survey study to be released this summer. While JAXPORT has done economic impact studies in the past, it has been more than a decade since they did the cruise passenger survey and they did not budget for it.

Ms. Southworth, Mr. Patidar, and Mr. Truhlar all stated that cruise passengers are beneficial to the hotel industry in Jacksonville, that they have proof that they stay before the cruise and have disposable income. Ms. Graning emphasized that she requested JAXPORT provided details on whether tourists or locals were the ones using the cruise lines and parking data indicates tourists are a large segment. Mr. Smith requested clarification on what types of data the survey could provide if the cruise was already set. Mr. Damiano stated that the value would depend on the questions asked, but could include what types of activities they preferred to do while they were here so we can better leverage that asset when they are here.

**Motion** (Patidar): approve the \$15,000 if the entire study is made available to TDC and that study would be forward-looking.

Ms. Graning clarified that the 30-day payment window listed in the survey scope did not apply to the City. Mr. Damiano stated that he would seek clarification.

Ms. Hodges suggested possible motion language could be: Motion to approve entering into a contract with JAXPORT to provide a market survey of cruise passengers subject to other terms determined by the Executive Director with a maximum amount of \$15,000 and subject to appropriate procurement approvals and regulations.

**Mr. Patidar amended his motion** to include Ms. Hodges' language.

Mr. Smith **seconded the amended motion.**

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

CM Boyer entered the meeting at 2:49pm.

#### **X. Visit Jacksonville Year 3 Annual Plans and Assessment Tool**

Ms. Graning observed that we do not have a county-wide tourism and industry subcomponent strategic plan, as other comparable markets do. Without such a plan, it is difficult to build strategies in a coherent fashion and to ensure that everything is feeding into that overarching plan. In the absence of that, she has requested that Visit Jacksonville change the format of their annual plans. The Year 1 performance evaluation took a lot of time and effort and was subjective in a number of ways, in order to mitigate that, Ms. Graning worked with Visit Jacksonville to separate the components and clarify objectives. Each document starts with a narrative; followed by a components section with lines up with the contract; a market indicator section, which reflects aspects that would be out of Visit Jacksonville's control, but which should be used to determine pivot points for TDC, as opposed to measurement of Visit Jacksonville's contract deliverables; strategies are strategic approaches to serve those component goals. Within each strategy are objectively measurable deliverables. Ms. Graning requested that TDC approve the basic format and would be refined in conjunction with Visit Jacksonville after budget approved.

CP Bowman requested that any changes be coordinated with OGC to ensure they are within the scope of the contract. CM Boyer clarified that any changes required could be included in the annual amendment that takes place to adjust maximum indebtedness. CM Boyer stated that she found the format to be very clear, which she appreciated. In response to a question from CM Boyer, Ms. Graning stated that the remaining columns for the evaluation would include an objective score, based on the deliverables, and a subjective score, based on the qualitative evaluation of TDC on how Visit Jacksonville met the deliverable (exceed, underperformed, etc.). Ms. Graning explained that the budget would be on a separate document, but that the Visit Jacksonville budget would align with the deliverables, plus overhead, so that there is a budgetary and evaluative aspect tied to each deliverable. CM Boyer found a system where payment was based on deliverables, but stated that Ms. Graning would need to work with Ms. Hodges and Ms. Taylor to ensure that any such changes were reflected in the contract amended.

Mr. Patidar stated that he was hesitant to change the contract yet again and that the lack of stability was having significant impacts on Visit Jacksonville. Ms. Graning clarified that she did not want to put Visit Jacksonville in a vulnerable position, but that the changes would create a more business-like model than Visit Jacksonville had previously operated under and that the current contract construct

constrained them from being able to operate as a business. Additionally, she stated that the more traditional business model she was suggesting would allow Visit Jacksonville's value to be more readily apparent. Mr. Corrigan stated that he would not want to agree on the budget today, but that Visit Jacksonville supported the plan and that he felt it would be good to be rewarded for the hard work they were doing. He added that the new format would make it easier for him to set expectations for his staff.

CP Bowman agreed that Ms. Graning could pursue the methodology and return to TDC will details at a later date. Ms. Graning requested that TDC members provide any feedback they might have on the strategy portion of the documents as soon as possible.

#### **XI. TDC FY19-20 Proposed Budget**

Ms. Graning explained the details of the draft proposed TDC FY19-20 budget. Ms. Graning highlighted that the convention grants have their own account now. Ms. Graning held the budget flat from the FY18-19 year in order to take a conservative approach based on revenue trends. The Visit Jacksonville contracts were held steady, with the exception that \$100,000 held aside for capital improvements for the Tourist Bureau contract be rolled into the Tourist Bureau contract total for FY19-20. The convention grants amount was reduced to cover the cost of the STR Report and DestinationMAP contract. The Florida First Coast of Golf contract would also be flat. The change in the operations account was large, but only because additional accounts had been created that more accurately reflected the purpose of those funds and the funds previously listed in operations had been spread through those accounts, minus the \$500,000 reserve that was allocated this year and was not planned for next year. There was approximated \$240,000 left in unallocated funds that TDC could determine the allocation of based on a strategic plan.

CM Boyer requested a timeline on the strategic plan proposal, as there is not currently a grant strategy. Additionally, she suggested leaving the unallocated funds unallocated for now and TDC could allocate it later. Ms. Taylor stated that any funds in contingency or development would require City Council approval to move. Mr. Patidar thought Visit Jacksonville contracts should be increased if we saw a continued downturn in revenue, so that we can generate more business. Ms. Graning stated that that flexibility would be beneficial, but that the deliverables model she is proposing would help clarify where the value-added would be and that through the process of developing budgets that align with the deliverables, it will become apparent whether the amounts currently set for the Visit Jacksonville contract are sufficient or need to be increased. CM Boyer highlighted that the new legislation that allows for convention grants to roll over from year-to-year will also assist with that.

Ms. Graning highlighted the details of the Administration account and explained that some of the amounts are up to TDC (green highlights on attached budget doc), while others are out of TDC control. She explained that the numbers proposed for the entire budget fall within the plan components as set in ordinance.

**Motion** (Truhlar): approve the FY19-20 budget are presented.



Second by CM Boyer.

Truhlar **motion was approved 5-0.**

## **XII. Zoo Presentation**

Mr. Tony Vecchio, Executive Director at Jacksonville Zoo and Gardens, provided details on the economic impact of the TDC grant funds awarded to the Zoo in FY17/18. Per Mr. Vecchio, the exhibit had a preliminary opening several months ahead of schedule (August 31<sup>st</sup>), with a formal grand opening in the first weekend in March 2019. TDC funding helped with multiple aspects, including the grand opening event of the African forest, which was of the most successful weekends in zoo history, with 20,000 visitors. The soft opening in September saw a 15% increase in attendance. So far, they have seen an additional \$1.7 million in spending by tourists coming from outside the 5-county area and they expect that trend to continue.

CM Boyer mentioned that the zoo was going to be nominated for an award, which she expected to increase attendance as well.

## **XIII. Internal Grant Processing Assessment**

Ms. Graning stated that she would be doing a complete technical review of TDC grant processing, as well as how they relate to strategy and other factors. CM Boyer mentioned that the new contracts required by ordinance was one challenge, as the grant recipients were requesting changes to the contract. She proposed that the contract be posted online so that grant recipients understand the requirements of the contract, should they choose to accept the grant. Ms. Maples clarified some of the challenges they were running into in the initial contract processing. CM Boyer said that the grant contracts should be posted and that, if there were changes requested, that grant recipients should request them as part of their grant application request when the grant is presented to TDC for consideration.

## **XIV. Bill Passage Update**

Ms. Graning provided an overview of the Bill Summary for 2019-152, to include the changes to the Equestrian Center grant radius from 150-miles down to 50-miles, that TDC can modify the grant assessment matrix at the TDC level rather than returning to City Council, and the creation of the new convention grant account and the ability of those funds to roll over year-to-year.

## **XV. Other Business**

### **XVI. Public Comments**

No public comment.

### **XVII. Closing Comments**

- **Next Meeting – May 9, 2019**

**XVIII. Adjourn**

**\*\*\*Other Items may be added or deferred at discretion of the Chair.\*\*\***

Sarah Maples, Tourist Development Council  
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Posted 04.16.19 5:00 p.m.