



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, June 13, 2019
1:30 P.M.
117 West Duval Street
City Hall, First Floor
Lynwood Roberts Room

Call to Order

- **Roll Call**

City Council President Aaron Bowman, Board Chairperson - EXCUSED
City Council Vice President Scott Wilson, Board Vice Chairperson
City Council Member Lori N. Boyer, Board Member
Steven Grossman, Board Member
Kirit Patidar, Board Member - EXCUSED
Craig Smith, Board Member (Arr. 1:32pm)
Dawn Southworth, Board Member
Jeffrey Truhlar, Board Member

Lillian Graning, TDC Executive Director
Sarah Maples, TDC Administrator
Kim Taylor, Assistant Council Auditor
Julia Davis, Office of General Counsel

Meeting Convened: 1:31 pm

Meeting Adjourned: 3:09 pm

Introduction

Council Vice President Scott Wilson led the introductions and then opened the meeting for public comments on any of the scheduled voting items.

Public Comments (Voting Items)

There were no public comments.

I. Approval of Minutes

Ms. Lillian Graning, TDC Executive Director, requested one correction to the May 9, 2019 meeting minutes: on Page 4, under "Visit Jacksonville Year 3 Plans, Marketing Deliverables" the "component 11(2)" should be changed to "component 10(2)".

Motion (Boyer, Southworth 2nd): Approve minutes as amended; **approved 6-0.**

II. TDC Financial Report

Kim Taylor, Assistant Council Auditor

Ms. Taylor, Assistant Council Auditor, provided the financial report as of May 31, 2019. Total revenue collected so far this year: \$5,663,896. Collections from the past 12 months, ending May 2019, are 3.07% higher than the 12 months ending May 2018. Overall collections so far for the fiscal year, however, are below the average revenue compared to the budgeted amount, with a current shortfall of approximately \$187,903. Due to the move of THE PLAYERS championship from May to March this year, it is expected that May collections will also be down from historical averages. In response to a question from CM Boyer, Ms. Graning elaborated on revenue trends, stating that the TDC is likely to see a shortfall that slightly exceeds the \$500,000 reserve set aside for this contingency. Ms. Taylor explained that there may be some buffer in other accounts which have not been fully expended at the end of the year, but that reducing the amount of funds allocated to the contingency and development account may be another potential course of action.

Ms. Taylor continued with the financial report, summarizing TDC accounts where there were remaining funds: Convention Sales - a CVB grant balance from all years of \$20,526.59; Development and Planning - \$35,000; Equestrian Center Promotion - \$20,000; TDC Budget Reserve - \$500,000; Administrative Budget - \$192,950.42; Tourist Development Special Revenue Fund - \$11,303 (reflecting the FSU vs. Boise grant and part of the Motocross grant awarded at the previous meeting); Development Account (requiring further City Council action) - \$3,341,075; Contingency Account (requiring further City Council action) - \$2,263,000.

Mr. Grossman suggested that sometime in July the TDC be provided with the latest projections and, if there is still a shortfall, that a plan to shift money be developed so that they have a plan to review in August.

III. Market Report

Ms. Graning repeated the projected revenue and briefly discussed occupancy data. In response to a question from CM Boyer regarding the historic occupancy trends, Ms. Graning confirmed that the market data was a better indicator of activity trends than the revenue data, due to the revenue posting

lag, and that September, December, and January are historically low months for the city. CM Boyer encouraged the TDC to focus on incentivizing those historical down times and to consider that when reviewing grant applications.

Ms. Southworth recommended that the same consideration be given to convention grants as well, to ensure that use of those funds was being maximized. CM Boyer agreed that an approach that offers more money in low periods and less in high times would be worth considering; Mr. Truhlar stated that length of stay was also important and should be considered. Jeanne Bothwell, Visit Jacksonville Director of Sales, stated that Visit Jacksonville considers length of stay, date of arrival, pace of bookings, economic impact, areas of the city the event will touch, and other factors before recommending convention grants. Ms. Graning stated that being more intentional about grants was certainly possible, and having specific goals and targets would facilitate that.

IV. Travel Plan Changes

Sarine Wiechens, Visit Jacksonville Chief Operating Officer, presented three changes to the Visit Jacksonville travel plan for TDC approval, all of which would use remainder funds from previously approved trips:

- XSITE Naples, September 2019, Total trip cost: \$2,650
- AAU National Sports, September 2019, Total trip cost: \$2,775
- Jacksonville Chamber Destination Downtown Buffalo, July 2019, Total trip cost: \$2,700

Motion (Grossman, Truhlar 2nd): Approve changes. **Approved 6-0.**

VP Wilson suggested there may be a way to condense the agenda by not having these changes presented to the TDC at each meeting. Ms. Graning requested the TDC consider giving the Executive Director authority to approve travel plan adjustments, provided the changes align with the approved strategy, and would then provide a report to TDC of the approved changes. CM Boyer stated that she would be supportive of the Executive Director approving trips within the TDC approved travel budget, as long as the trips were tourism-related and not business development-related, such as Jacksonville Chamber Destination Downtown Buffalo trip. Ms. Graning stated that she would compare any requested changes to the TDC-approved Visit Jacksonville deliverables to ensure that they aligned. All board members were supportive.

V. Visit Jacksonville Year 3 Revised Plans

Ms. Wiechens presented the Visit Jacksonville Year 3 plans. Ms. Graning confirmed that the presented plans incorporated the changes approved in the previous meeting. No vote was required to reapprove the plans.

VI. Visit Jacksonville Budgets

Ms. Wiechens presented the budgets for the Visit Jacksonville Convention Sales and Services (\$2,074,000—plus \$36,000 for STR Reports and \$140,000 for convention grants from TDC budget for total \$2,250,000 for CSS plan component), Marketing (\$2,847,622), and Tourist Bureau (\$500,000) contracts. Adjustments within line items were made to accommodate increased costs in areas such as added services and employee healthcare, which required reductions in other areas. Additional changes

included: removing research employee salary costs from the administration portion of the budget and split the costs between all three contracts; keeping the facility rent for Visit Jacksonville's office flat, with an added buffer to account for the possibility of having to physically move locations at the end of the lease (April 2020); a reduced interest expense; a shift between line item categories within the marketing budget, per the TDC Executive Director's guidance, to better align with the contract; adding funds in the Tourist Bureau budget to account for staffing and operating the mobile visitors center.

Mr. Grossman requested, in future, a report from the Executive Director accompanying any action items, explaining the item and her recommendation so that the TDC has that information to consider prior to the meeting. Ms. Graning stated that she had discussed a format with General Counsel that would quantify funds required for an action, a summary, and staff recommendation on any voting item to be circulated with the agenda. CM Boyer requested that this document should include any concerns or issues that the TDC should be aware of.

In response to a question from CM Boyer on how the staffing projections compared to the RFP, Ms. Graning stated that they were the same, with some adjustment of titles. CM Boyer expressed concern that the TDC did not have enough information to determine if they wanted to move funds between contracts in order to get a better return on investment. Ms. Graning stated that she felt it was too early to have data to effectively determine that, but that she was working with Visit Jacksonville to gather data to better evaluate that.

CM Boyer also stated that an initial concern with the original RFP was the ratio between overhead and other expenses. She expressed concern over any increase in rent for Visit Jacksonville's office and that, with the visitors' center relocating, there wasn't a reason why Visit Jacksonville's offices need to continue to be located downtown and that any funds from reduced overhead costs could be reinvested in marketing or opportunities. Additionally, she stated that providing any required furniture and fixtures for the new visitors' center should be a city expense and should be funded through the development account, as opposed to from Visit Jacksonville funds, as they are capital improvements to a city facility. Ms. Graning confirmed that Visit Jacksonville's budget only reflected funds for the technology required to equip the new downtown visitors' center but did not include funds for furniture or fixtures.

Motion (Grossman, Smith 2nd): Approve all three contract budgets as presented. **Approved 6-0.**

VII: Visit Jacksonville Year 3 Travel Plan

Ms. Wiechens stated that the Year 3 travel plan was consistent with the Year 2 approved travel plan, with a few additions. Ms. Graning stated that she felt it was important to present the travel plan now because of the budget approval timeline, but there would be flexibility to adjust it in the future.

Motion (Grossman, Truhlar 2nd): Approve Visit Jacksonville Year 3 Travel Plan as presented. **Approved 6-0.**

VIII. Dalton Year 3 Media Placement Plans & Recommendations

Ms. Carly Bauer, Vice President of Media at the Dalton Agency, presented highlights of the media plan for the marketing contract. The plan will continue to focus on three primary target audiences (active/outdoor, history/culture/arts, and sports, with a secondary focus on culinary) and traditional geographic markets, which include the southeastern US, with additional media in ancillary markets with identified growth potential (NY, Chicago, Philadelphia, DC, Dallas, and Houston). The tactics that have been successful in the past, such as paid social media, paid search, and native advertising, will continue

to be emphasized. There has been a reduction in past years in print/publications in order to increase digital and this will continue, specifically impacting direct flight market strategy this year, with funds for those outlets being reallocated from in-flight magazines to run on Facebook instead. Additionally, YouTube will be tested as a new partner, travel sites (TripAdvisor) will continue to be used, and Adara will be employed as a tech partner and to reach the bleisure audience. From a local market perspective, recommend campaigns in Atlanta and Charlotte; previous campaigns have shown a 137% increase in Atlanta site traffic and a 73% increase in Charlotte. Digital media will represent 65% of total budget, 16% cable, 7% radio, 5% outdoor, print 4%, with 3% set aside as a contingency as in the past for emerging opportunities.

CM Boyer expressed concern at the emphasis on targeting of football fans, as the category is sports and outdoors, which is very different than just football. She expressed concern that the focus on sports does not appear to include motocross, kayaking, and similar activities. CM Boyer continued that, given the large amount of city money going to support the Jaguars from other departments and the infrastructure that football already has to promote them, she felt TDC should spend the money to make tourists aware of other sports. Mr. Smith stated that bang for the buck needs to be considered when comparing football to kayaking and boat racing. CM Boyer agreed with Mr. Smith, but reminded the TDC that, in addition to the marketing efforts, TDC also supports football through grants, such as with the Gator Bowl, and the TDC should consider all the funding aspects to determine where there is duplication.

Ms. Graning stated that data is helpful in guiding those investment strategies and the TDC does not currently have the data to determine whether the sailing community, for example, might be a better value than football. She expressed that the data that TDC currently had is all based on paid performance, and TDC needs data that is gained independent of any investment. She stated that TDC will be represented in the future with opportunities to pursue that data and, once it has been acquired, will be better able to determine where the value is and what the best investment is.

Ms. Katie Mitura, Visit Jacksonville's Vice President of Marketing & Communications, clarified that nature and waterways-related activities fall under the active outdoors marketing category, not the sporting events category. Ms. Graning stated that they have historically been together, but it may be beneficial to separate those categories out. CM Boyer expressed support for the current plans and the plan to gather more data but believed TDC should consider investing in fledgling opportunities in order to develop non-traditional markets. Mr. Grossman agreed, but stated that the efforts to do that within the city were not well-coordinated and that TDC may not have the resources to create markets but could play a role in influencing them.

In response to a question from Ms. Southworth about why we targeted cities and football games where the fans were already going to travel, Ms. Mitura and Mr. Brian Kinkade, Vice President of Account Services for the Dalton Agency, explained that some games were already sold out or had other mitigating factors, such as weather, and it was not beneficial to expend resources on marketing to fans of those games.

Motion (Boyer, Smith 2nd): Approve the marketing media plan, with caveat that, if Dalton or Visit Jacksonville want to make changes based on data or new information that make shifts appropriate, the TDC Executive Director can approve those changes. **Approved 6-0.**

Ms. Bauer continued with an overview of the Convention Sales and Services plan. The plan includes a decreased focus on print and an increased focus on conferences and tradeshow for key markets for corporate meetings and associations, to include medical, financial, manufacturing, military, and fraternal

categories. One tactic that has performed well is mobile geo fencing, which has produced huge spikes in site traffic, so that will continue. Paid search has also been a strong performer and will continue. Facebook will be tested for the first time.

Ms. Graning stated that she was working with Ms. Bothwell to look at target markets/segments and how to more comprehensively employ the ad schedule to support city-wide efforts to bring visitors to the city.

Motion (Boyer, Grossman 2nd): Approve CSS media plan, with caveat that, if Dalton or Visit Jacksonville want to make changes based on data or new information that make shifts appropriate, the TDC Executive Director can approve those changes. **Approved 6-0.**

IX. Old Business:

Ms. Graning introduced the topic of the contingency and development funds, as requested by CP Bowman at the previous meeting, and how the TDC would like to approach those accounts, with regards to strategic use, a potential cap or percentage of revenue, and/or other guidance.

CM Boyer provided an update on the light/sound show: JTA has agreed to fund the lighting on the Acosta bridge, the city is doing an independent waterfront bulkhead project on the riverfront at the Performing Arts Center, and the TDC funds previously allocated to the projection element on the CSX building is proceeding, Friendship Fountain element is moving forward. She stated that the detail on the light show budget was not yet available, and anticipated a request for those funds from the development account coming in front of TDC within the next six months to a year. She also anticipated that there may be a request for more funds to furnish the new downtown visitors' center and that both of those costs would come from the development account. Additionally, she explained that the contingency fund was intended to be used for large, unexpected events that had the potential for significant impact. She felt that, if the TDC was not going to proactively seek out and recruit significant opportunities, such as one similar to Asheville's Summer of Glass or Country Music SuperFest, in accordance with the plan then she thought it was appropriate to cap the fund amounts. Ms. Graning stated that there could be opportunities to pursue and invest in those types of events going forward. VP Wilson stated that he had talked to Michael Corrigan, Visit Jacksonville President and CEO, about some potential opportunities.

Mr. Truhlar brought up the recent events with Visit Florida and how TDC could use these funds to offset a response to that. Ms. Graning stated that Visit Florida had a variety of marketing options offered to everyone, as well as additional higher profile buy-in options, but that she felt their greater value was the opportunity to leverage funding for opportunities that couldn't be accomplished alone, such as data and shared advertising campaigns. Ms. Graning stated that she felt that TDC funds had largely been used reactively and could foresee, if TDC developed a strategy, it being used in the future to fund a multi-year plan that could fill whatever gap might develop from Visit FL's contraction.

X. New Business:

None

Closing Consideration

TDC dates for the 2019-2020 will be announced at a later date.

Sarah Maples, Tourist Development Council
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Posted 06.21.19 5:00pm
