

TOURIST DEVELOPMENT COUNCIL MEETING MINUTES

Council President Tommy Hazouri, TDC Chairman
Thursday, January 21st, 1:00 P.M.
Lynwood Roberts Room, City Hall

Attendance: TDC Members Tommy Hazouri, Matt Carlucci, Dennis Chan, Angela Philips, Craig Smith (arr. 1:12 p.m.), Steve Grossman (via Zoom, dep. 1:20)

COJ Staff Attendance: Lillian Graning – TDC Executive Director; Jeff Clements – Council Research Division; Phillip Peterson – Assistant Council Auditor (via Zoom); David Migut – Office of General Counsel

Excused: TDC Members Sam Newby, Jeff Truhlar, Kirit Patidar

WELCOME

- Call to Order – 1:06 p.m.
- Public Comments - None

OPERATIONS

- 1) **Approval of Minutes:** the minutes of the October 15th regular meeting of the TDC were approved without objection.
- 2) **Financial Report:** Assistant Council Auditor Phillip Peterson gave the financial report. TDC tax collections for the past 12 months (through December 2020) were \$5.7 million, down 32.99% from the same period in 2019. Collections for the first 3 months of FY20-21 were down 30.74% from the prior year and collections for the month of December were down 31.1%. Actual collections for December 2020 were slightly above the budgeted amount. Mr. Peterson listed the current budgetary balances in the various contract components: Destination Services - \$100; Marketing - \$27,055.91; Group Sales - \$12,979.68; Development and Planning - \$1; Special Event Grants - \$75,001; Remaining to Spend in Accordance with TDC Plan - \$764,937; TDC Administrative Budget - \$192,645.33; Convention Grants - \$314,258.59; Promotion of Equestrian Center - \$40,000.05; TDC Special Revenue Fund - \$105,212.50; Contingency Account - \$1,163,000; Development Account (requires additional City Council action to appropriate) - \$1,371,075.63. Mr. Peterson recommended not encumbering all of the available funding since the long-term effects of the COVID pandemic on bed tax revenues are still not known.
- 3) **Market Report:** TDC Executive Director Lillian Graning gave a report on market conditions. 2020 represented the worst for hotel performance since STR reporting began, due to the COVID pandemic. Consumer and traveler confidence are beginning to rebound somewhat with the initial rollout of the COVID vaccine and travelers are beginning to make plans for summer travel, albeit initially mostly to family and friends in their homes, not using hotels. On the positive side, Jacksonville has consistently been one of the top three performing tourism markets in Florida throughout the pandemic, in part because of the military presence here and our diversified economy that is not so dependent on tourism. She said there is no need to adjust the TDC budget at the moment, but cautioned against allocating all available funds in anticipation of potential budget shortfalls. Forecasting travel is difficult at present because travelers are making very short-term booking decisions. Ms. Graning will circulate a chart showing Jacksonville's performance in comparison to Florida's other destination markets to TDC members.

ACTION ITEMS

- 4) **Event Grant Considerations:** Ms. Graning said that the TDC will need to approve scores for both applications and determine funding award levels.

- **Junior Olympics:** special event grant; request - \$250,000; room night guarantee – 10,000; anticipated room nights – 20,000; # of anticipated tourists – 16,200; direct economic impact estimate – \$7,350,303; grant impact - \$29.40/\$1; \$ per guaranteed room night - \$25. Angela Harris of USA Track and Field Florida gave a description of the event being held over from 2020 and scheduled to be conducted at UNF’s Hodges Stadium. About 8,000 athletes are expected to participate. Ms. Graning recommended funding of \$150,000 to a “tried and true” event. TDC member Angela Philips said that she would be abstaining from the vote because her hotel will be a host hotel for the event. Ms. Harris said that she is also working to recruit a smaller regional event for the summer of 2022.

Motion (Carlucci/2nd Chan) – approve a score of 58 for the event and funding of \$150,000 from the TDC unallocated account – **approved 4-0-1** (Philips abstained).

- **Furyk & Friends PGA Tour Champions Tournament (special event grant):** request amount - \$100,000; room night guarantee - 6,000; anticipated # of room nights - 10,000; anticipated # of tourists - 9,000; direct economic impact estimate - \$3,751,440; grant impact - \$37.51/\$1; \$ per guaranteed room night - \$17. Adam Renfro, tournament director for the event, said they have 5-year agreements with the Champions Tour, a sponsor (Constellation), and the host course (Timuquana Country Club). The event will be broadcast on the Golf Channel for all three rounds. Ms. Graning described the difference between marketing and special events grant uses and said this should be an outstanding event worthy of the amount of funding being requested. Commissioner Smith asked Mr. Refro about how vital the TDC funding is to the financial success of the event and how a reduction in the requested amount would be handled. Mr. Renfro said a reduction would significantly impact a first-time event but that the production is committed to a Jacksonville tournament either way. A portion of the funding would support transporting visitors from remote parking locations, which is very important to the image of the tournament. Mr. Smith suggested that the City might also be able to assist the event by getting JTA to provide shuttle buses to service the event.

Motion (Smith/2nd Carlucci) – adopt a score of 55 for the event and fund the special event grant at \$100,000 and request that JTA provide assistance with transportation of attendees at the event.

Commissioner Phillips asked about the percentage of out-of-town tourists expected and the potential for attendees to use Clay County hotels because of their proximity to the course. Mr. Renfro said that only Duval County hotels will be featured on the tournament’s accommodations web site and affiliated events will all be held in downtown Jacksonville.

Chairman Hazouri advocated for an allocation of \$75,000 because of the uncertainty of TDC funding availability; and encouraged the tournament to come back for another allocation later in the year as revenues become clearer.

Motion (Hazouri/2nd Smith): amend the Smith motion to adopt the score of 55 and allocate a \$75,000 special event grant coming from the TDC unallocated fund now with a possibility to increase to \$100,000 at the April TDC meeting if funding becomes available and depending on JTA’s potential participation in patron transportation; also consider the Furyk and Friends marketing grant request at the April meeting – **approved 5-0**.

The Smith motion as amended was approved 5-0.

- **Furyk & Friends PGA Tour Champions Tournament (marketing grant):** request amount - \$50,000.00; anticipated # of tourists - 9,000; direct economic impact estimate - \$3,751,440; grant impact - \$75.03/\$1. Action on this application was deferred to the April TDC meeting.
- 5) **FY 20-21 Visit Jacksonville Advances:** Ms. Graning reviewed the FY19-20 advances to be returned and the FY20-21 advance requests, which were requested by the Council Auditor. FY19-20 to be returned: Convention Sales & Service - \$207,400; Marketing - \$284,762; Tourist Bureau - \$50,000. FY20-21 requests to be distributed: Convention Sales & Service -\$151,993; Marketing - \$221,497; Tourist Bureau - \$39,209 (each representing 10% of the annual contract amount).

Motion: approve the FY19-20 returns and FY20-21 advances as listed – **approved 5-0**.

- 6) **Adopt Resolutions:** Ms. Graning explained the need for the amendments due to a legal opinion issued by the Florida Attorney General about how travel costs for non-government employees (i.e. travel writers, tour brokers, and other tourist-industry representatives) may be paid from governmental funds.
- **Supporting continued direct-pay of expenses for site visits:** Ms. Graning explained the request to approve resolution to support travel expense coverage on behalf of industry representatives for site visits and familiarization tours when those expenses are directly related to the approved industry development activities outlined in Chapters 666 or 70, or Section 111.601 of the Ordinance Code.

Motion: approve the resolution authorizing direct-pay of expenses for site visits – **approved 5-0.**

- **Supporting meals reimbursement for staff on assignment:** Ms. Graning explained the request to approve resolution to support reimbursing cost of on-site meals for staff attending events where they aren't allowed to bring their own, which expenses are expected to be within IRS per diem travel expense rates for Duval County and covered by budgetary line items reflecting outreach expenses, and which require pre-approval by the direct supervisor to be eligible for reimbursement.

Motion: approve the resolution authorizing meals reimbursement for staff on assignment – **approved 5-0.**

7) **Visit Jax FY19-20 Performance Evaluation**

Ms. Graning described Visit Jax's performance metrics and the TDC's evaluation of those metrics resulting in overall scores of A+ for marketing, A+ for tourist bureau, and C for convention sales and services. She commended Visit Jax on their responses to a year of extremely trying circumstances.

Motion (Carlucci/2nd Smith): approve the performance evaluation and narrative as submitted by the Executive Director – **approved 5-0.**

8) **Adjusted Budget & Deliverables**

Visit Jax CEO Michael Corrigan reported on savings of \$215,612 that the organization was able to achieve over and above the savings previously budgeted by the TDC. He described how the savings would be deployed within the budget, primarily updating the organization's accounting software, adding to marketing campaigns, and creating a "group giveback rewards" program with hotels.

Motion (Carlucci/2nd Phillips): approve the reallocation of additional budget savings and deliverables adjustment as follows:

- ✓ CSS + New Industry Support Program - \$145,123 total additions
- ✓ Tourist Bureau - \$49,750 total additions
- ✓ Marketing - \$20,739 total additions

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

Chairman Hazouri asked about the status of the sports tourism initiative. Mr. Corrigan said sports is the hottest part of the tourism market now and they are using those funds to attract a wide variety of events.

OLD BUSINESS / NEW BUSINESS

9) **The PLAYERS 2021 Update**

Jared Rice, Executive Director of The Players Championship, said that a fundamental reimagining of the tournament is underway to deliver a world-class event in the current pandemic landscape. Reflecting on the 2020 tournament, Rice highlighted that 77% of online ticket purchasers came from outside the Northeast Florida region; they saw a substantial increase in Jacksonville-specific mentions on the telecasts on Golf Channel and NBC; familiarization trips generated \$2.2M in ad value. The PGA Tour is a leader in reopening the sports market, and golf is increasingly popular as a participation sport. The Players will only allow 20% of previous capacity at the course in 2021. They're encouraging the major sponsors to heavily focus on Northeast Florida charities and vendors. They will do virtual press visits for regional and national lifestyle media and influencers, focusing on what to see and do in Jacksonville. National media are looking at doing stories on the adjustments made after the first round last year and how this year will be different. The Players will not submit a request for funds this year given the uncertain times and uncertain funding availability, but they want to be considered in the budgeting process for 2022, when that time comes.

Commissioner Carlucci asked about the type of charities The Players supports in the area. Mr. Rice said the focus is on youth, education, character development, and underserved populations. Commissioner Smith said The Players is the premier event for the region and deserving of continued support. Ms. Graning complimented The Players on its extraordinary work in reimagining the tournament and on its consideration of TDC funds in not requesting a grant this year despite its many challenges. Mr. Rice said that the 2021 tournament will continue to be challenged and many of their sponsors and other participants are already looking forward to trying to get back to more normal operations in 2022.

10) Visit Jacksonville Update

Michael Corrigan said Jacksonville's hotel occupancy in December was 52.5%, exceeding the state, the nation and other competitor cities by considerable margins. He briefly discussed the complete booking of the Hyatt Regency by the U.S. Marine Corps for multiple months this spring, which could result in 155,000 room nights booked; the bookings will not pay bed tax because they are a government organization. Overflow is going to other hotels which allows them to raise their rates. The Furyk and Friends tournament in the fall should be a big success and set the stage for future years. Media familiarization trips will be moved from The Players to Furyk and Friends. Mr. Corrigan gave a Visitor Centers update: the airport location is closed until further notice; the new downtown location is now open at Forsyth and Laura Streets which is in the center of downtown redevelopment; the Beaches center is open Thursday – Saturday; and Visit Jax has been doing more with the Florida Welcome Center on I-95 at the Georgia state line. Ms. Graning said the cost of the new downtown location is substantially less than the former location and is a significantly upgraded space.

11) TUCPA Projection Project Update (Information in packet - no discussion required)

12) UNF Track Update (Information in packet - no discussion required)

13) CVB Grant Commitments (Information in packet - no discussion required)

CLOSING CONSIDERATION

Next meeting: Thursday, February 25th, 2021 at 10am, Lynwood Roberts Room in City Hall

Adjourn 2:55 p.m.