

TOURIST DEVELOPMENT COUNCIL MEETING MINUTES

Council President Samuel Newby, TDC Chairman
Wednesday, September 15th, 2021 - 10:00 A.M.
Lynwood Roberts Room, First floor, City Hall

TDC Members In Attendance: Sam Newby (Chair), Terrance Freeman (Vice Chair), Aaron Bowman, Angela Phillips, Dennis Chan, Steve Grossman, Dennis Thompson, Joe Hindsley

Absent: Jeff Truhlar

TDC Staff: Lillian Graning (Executive Director), Phillip Peterson (Council Auditor's Office), Lawsikia Hodges (Office of General Counsel), Jeff Clements (Council Research Division)

WELCOME

- Call to Order: Chairman Newby called the meeting to order at 10:01 and the attendees introduced themselves for the record.
- Public Comments: None

OPERATIONS

- 1) **Approval of Minutes:** The minutes of the TDC regular meeting of June 10, 2021 were approved unanimously.
- 2) **Financial Report:** Assistant Council Auditor Phillip Peterson reported that bed tax collections for the 12 months ending July 31, 2021 were \$6,844,412, up 0.53% for the same period in the prior year. Fiscal year-to-date collections are \$5,923,591, up 10.04% over the prior year and July collections were \$856,827, up 98.9% over July 2020. Actual revenues exceed budgeted revenues by \$1.72 million through July. Collections in July 2021 were the highest single month in TDC history.

Mr. Peterson reviewed the unencumbered budgetary balances available in the various Tourist Development Plan component areas: Destination Services - \$100; Marketing - \$27,055.91; Convention/Group Sales - \$12,979.68; Planning and Research - \$1; Event Grants - \$75,001; Remaining to be spent in accordance with TDC Plan - \$258,886.95; TDC administrative budget - \$82,456.93; Convention Grants - \$250,122.77; Equestrian Center Promotion - \$22,645.05; Tourist Development Special Revenue Fund - \$105,212.50; Contingency Account - \$946,060; Development Account - \$1,371,075.63 (requires City Council appropriation).

The TDC's FY21-22 budget was included in the agenda packet for review. Revenue is budgeted at \$7,606,813, with plan component expenditures of \$7,383,935 and TDC administration expenses of \$222,878.

- 3) **Market Report:** TDC Executive Director Lillian Graning gave the market report, noting that Jacksonville is in a very good position for COVID recovery compared with many other areas. Consumer and traveler sentiment continues to improve reflecting 90% of respondents planning travel within the upcoming six months. 63% of these trips fall outside the traditional overnight demographics with visitors staying with friends or family, utilizing short-term rentals or outdoor accommodations. The change in sentiment is noteworthy even if the bed tax revenue is a trailing indicator. For leisure travel September and October will be strong indicators of the new baseline and will help inform recovery trends moving into winter and through Spring of 2022. Estimates of corporate and group travel recovery in the second half of 2021 do not seem to be actualizing. International corporate travel is still on pause. On the positive side, groups that are postponing events are still committed to Jacksonville for the future, so there is a significant chance of surpassing goals set for FY 2021-2022. The TDC wisely adopted a scaled-back budget for FY20-21 and the revenue generated May-August has exceeded expectations and may serve as a buffer for September. Currently, it appears as though FY 20-21 will end up in a better-than-expected cash position providing security in investments budgeted for FY 21-22. More consumer sentiment information will be available for review at the October TDC meeting. Council Member Bowman asked about the change in hotel room inventory during COVID pandemic. Corrigan reported that the city lost 2 hotels

during the pandemic but went from an inventory of 17,625 rooms to 18,622 with more than a dozen properties opening over the past year and a half.

ACTION ITEMS

4) Grant Requests

Ms. Graning explained the grant application process and timing for several new TDC members who have not been through the grant process previously.

- **Jax Ship Reef Promotion:** TISIRI (Think It, Sink It, Reef It) requests a marketing grant \$35,000 to publicize the sinking of 2 ships offshore to create additional artificial reefs. This is a new initiative in an area that the TDC has not previously supported. Ms. Graning recommended an application score of 50 points out of 60. Joe Kistel of TISIRI explained that the two vessels are being inspected and could be sunk in the next couple of weeks, which will be filmed for marketing purposes which will be released in February 2022 to reach the spring travel/fishing/diving market. He said that Jacksonville already has both natural and artificial reefs that are not publicized so aren't widely known. Some counties in South Florida invest far more than Jacksonville in creating reefs because they see positive returns in fishing and diving tourism. Council Member Bowman asked where the videos would be posted; TISIRI has a web site and will post to YouTube and other sites. Mr. Bowman said that future agreements should include provisions for splitting future royalties should the video become popular and generate revenue. Thompson asked about the capacity of dive and fishing charter operators to serve visitors. Kistel reflected that growth for providers will happen as demand also increases.
Motion (Phillips): adopt an application score of 50 and approve a marketing grant of \$35,000 from the FY21-22 budget– **approved unanimously**.
- **2022 Speed Capital National Championship:** The organizer is requesting a \$100,000 special event grant to pay for event production and promotion expenses for an elementary school/middle school/high school track meet. Ms. Graning scored the application 51 out of 60 points. Phillips expressed concern about the event being held over the July 4th weekend since there is already fairly high hotel occupancy on a holiday weekend. Mr. Robinson is guaranteeing 14,000 room nights and 7,000 toursits.
Motion (Grossman) – adopt an application score 51 out of 60 and approve a \$100,000 special event grant from the FY21-22 budget– **approved unanimously**.
- **Jacksonville Basketball Classic:** The organizer requests a \$50,000 special event grant for a November 2021 tournament featuring 8 NCAA college basketball teams. Ms. Graning explained her analysis of economic impact for different types of events and the TDC's cost per tourist calculation. She scored the application 48 out of 60 points and recommends a \$25,000 grant. Tournament organizer Jim Drew said the event will feature 8 college basketball teams in a tournament to be televised on CBS and in syndication over 2 days and is guaranteeing 1,500 room nights. The field will include Loyola Marymount, Florida State, Missouri, Northern Illinois, Boston University, Southern Methodist, Arkansas – Little Rock and Sam Houston State. Council Member Freeman asked about event location and growth potential. He and Council President Newby expressed the hope that Jacksonville University and the University of North Florida might get a chance to play in future tournaments. Mr. Drew said the event will be held at the UNF Arena and said that out-of-state teams don't want to come to Florida and play Florida schools in their hometowns for competitive reasons. His aim is to attract the biggest name schools they can get for television purposes. Phillips noted that having local teams participate doesn't produce any hotel room occupancy. A question was asked about any connection between this tournament and the high school basketball tournament happening at the same time in the city. Mr. Drew said there can't be any connection between the college and high school tournaments because of NCAA recruiting regulations.
Motion (Bowman): adopt an application score of 48 of 60 and approve a special event grant of \$25,000 from the FY20-21 budget – **approved unanimously**.
- **Beaches Octoberfest:** The organizer is making a multi-year request for support of an existing event, requesting special event grants of \$50,000 in 2021, \$37,500 in 2022 and \$25,000 in 2023. Anticipated tourist attendance is 10,000. Ms. Graning scored the event at 48 out of 60 and recommend grants of \$25,000, \$20,000, \$15,000 over 3 years. Phillips said she has attended the event and doesn't see it as an event drawing many people from out of town. Ms. Graning said if the event doesn't reach a minimum of 5,000 tourists then it won't qualify for the reimbursement grant. Event organizer Phillip Vogelsang said the event does draw visitors from out of town based on past experience (Savannah, Tallahassee, Orlando) but they haven't tracked and quantified it in the past because they have not used TDC funding previously. Council Member Bowman said he had gone to the event website and it still reflected a past year's event, so questioned how is it being marketed. Mr. Vogelsang

said he had been holding off on marketing the event until the TDC makes its decision on funding, which will impact the booking of the headlining band. Thompson agreed that this is primarily a local event and suggested only funding one year to see how it goes and then consider future funding later. Grossman asked why the request is for a special event grant and not a marketing grant. Ms. Graning explained that Mr. Vogelsang intends to use the funding on production expenses, particularly booking a big-name band, and also marketing. She asked how the event would be different if the TDC grant is or is not approved. Mr. Vogelsang said if the grant is not approved then he would not book the band with which he has been negotiation and the marketing effort would be more local.

Motion (Phillips): adopt an application score 48 and approve a \$25,000 grant for 2021 only, from the FY20-21 budget – **approved unanimously**.

Middle School Track and Field National Championship Meet: Event organizer Nolan Jez requested a \$20,000 special event for this inaugural event, which is anticipated to draw 7,000 tourists. He is committing to a guarantee of 1,000 room nights and 2,000 tourists. The event will be at UNF's Hodges Stadium the first weekend of June 2022.

Motion (Freeman) – adopt an application score of 58 and approve a \$20,000 grant from the FY20-21 budget – **approved unanimously**.

Spartan Events

Ms. Graning made introductory remarks about the three Spartan events to provide context, particularly for new TDC members. She said that the Spartan organization has made a long-term commitment to Jacksonville and its events have produced a great return for the City. Spartan has a specific funding model that applies to its events nationally and their national sponsorships limit the types of local sponsorships that local promoter Airstream Ventures can seek. The US Championship is now past the 4-year TDC support guideline and therefore its score is somewhat reduced because of that length of past support. The 3 events are to be considered and approved separately although they are all under the Spartan corporate umbrella. Joel Lamp of Airstream Ventures said that Spartan is very happy with the Jacksonville market and could expand in the future if the TDC continues its support.

Spartan Tough Mudder:: Requesting a \$100,000 special event grant; 5,000 guaranteed tourists

Motion (Bowman): adopt an application score of 47 points and approve a \$25,000 grant from the FY20-21 budget – **approved unanimously**.

Spartan Combat: Requesting a \$60,000 special event grant; 5,000 guaranteed tourists

Motion (Freeman): adopt an application score of 48 points and approve a \$48,000 grant from the FY21-22 budget – **approved unanimously**.

Spartan US Championship: Requesting a \$100,000 special event grant and a \$50,000 marketing grant; 7,000 guaranteed tourists.

Motion (Grossman): Adopt an application score of 35 points for the special events request and 35 for the marketing request and approve a combined \$120,000 grant (\$100,000 special event, \$20,000 marketing) for the 2022 event from the FY21-22 budget – **approved unanimously**.

Ms. Graning inquired as to whether Spartan US Championship should be considered as a Signature Event in upcoming years (precluding it from score calculation deductions and expectation of funding request reduction year over year). President Newby confirmed that was the intent of the TDC.

5) Visit Jacksonville Annual Planning Documents

Marketing Annual Plan: Michael Corrigan, President and CEO of Visit Jacksonville, Inc., presented the annual marketing plan. The plan for FY21-22 will focus on diverse traveler groups, with specific content being developed for Black, Latino, and LGBTQ+ travelers, along with special interest groups such as beer travelers, pet lovers and people with physical limitations. The City of Jacksonville's bicentennial occurs in 2022 and Visit Jax will work with several groups on Jacksonville history content. New content will also be developed for the city's world class fishing, sports events, the new Emerald Trail, and cultural festivals. One strategy will be to invite brand influencers and travel writers to the city in conjunction with big events so they get a feel for all that happens in the city. The plan will be evaluated on a variety of metrics including: development of new blogs, continual update of the Visit Jax website and smartphone app, medical tourism (new website development); LGBTQ+ (new website development); and Jacksonville bicentennial history content.

Convention Sales and Service Annual Plan: Mr. Corrigan reported that Jacksonville is gaining a bigger and bigger presence in the sports market. Staff is concentrating on rebooking COVID-postponed 2021 events to future years. They will continue their sales give-back incentives for smaller hotels that don't qualify for other types of assistance. Visit Jax is looking to build market share in the Black, LatinX and LGBTQ+ communities. The Meet In Jax initiative involves getting local residents with influence to bring groups and organizations with which they are affiliated to Jacksonville for meetings and conferences. They are looking to expand group bookings for small and mid-sized groups since every CVB in the country is wooing the same large events to attempt to recover their hospitality industries post-CVOID. A wedding tool kit for wedding planning is being created.

Tourist Bureau Annual Plan: Mr. Corrigan reported that the Visitor Information Center is back open at JIA. The instant chat feature on the website is expanding from 5 to 6 days a week operation. Seymour Jax, the mobile visitor information center, will attend at least 24 community events, and likely many more. Visit Jax will continue providing its concierge service to hotels that want to provide that service to their guests. They will be enhancing and promoting the visitor experience with interactive 360-degree immersive videos at the downtown Visit Jax headquarters. An Only In Jax initiative will create sample itineraries for tourists focusing on Jacksonville-specific experiences, and will include an online marketplace to promote and sell merchandise produced by local companies. This year will see the launch of the SeeSource/Datafy geodata platform to track tourist behavior - who's coming to Jacksonville, where they stay, what do they do, how much do they spend, etc. Visit Jax plans an increased presence at local events (Artwalk, opening of the Beaches, etc.). Seymour Jax will be equipped with a mobile photo booth for visitor photos and with a solar power capability for locations where there is not a convenient power source. There will be continuous evaluation of programs including lots of listening to comments about Jacksonville on various media to analyze what's going well and not well.

Ms. Graning said this meeting is effectively the start of a new fiscal year and contract year, so that's the reason for the presentation of the contracts and the deliverables and metrics on which Visit Jax's evaluation will be conducted. As 2020 showed, things can change substantially over a year and adjustments will be made as necessary. Visit Jax is doing a tremendous job of keeping previously scheduled events in Jacksonville post-COVID and simultaneously booking new business. They can do some very innovative work in customizing services to the exact needs of groups coming to town. The Seymour Jax mobile visitor center has been a great asset and can be even better with improvements like the photo booth and solar power to get more positive visitor interactions.

Motion (Freeman) – adopt all the annual plans, budgets and evaluation metrics as presented – **approved unanimously**.

In response to a question from Council Member Bowman about the status of Visit Jax's contract, Ms. Graning said that the contract year beginning in October is year 5 of 5, but that the contract does have renewal options. She will schedule a discussion at a future TDC meeting about whether the group wants to issue an RFP this year to solicit interest from other potential service providers.

- 6) **Florida's First Coast of Golf Annual Planning Documents:** David Reese, President of Florida's First Coast of Golf, said Jacksonville's CVB efforts are gaining statewide attention due to Visit Jax's good work. Golf rounds played were up 18% in 2020 during the pandemic, and are up another 10% in 2021, so golf is once again a growing sport. There are 68 golf courses in the Northeast Florida region and The Players Championship is one of the top tournaments in the world. First Coast of Golf has a great plan in place for 2022 to market golf assets to a national and international market.

Motion (Freeman) Approve the Florida's First Coast of Golf annual plan, budget and evaluation metrics as presented – **approved unanimously**.

DISCUSSION ITEMS

- 7) **Visit Jacksonville Update:** Mr. Corrigan welcomed the new members to the TDC. He noted that last month was the biggest month ever for bed tax collection and the current month will be even better. Jacksonville's recovery is due primarily to leisure travelers. The City and Visit Jax need to be agile and ready to pounce on events like the Packers/Saints NFL game; it took a cohesive effort by everyone involved to make that game work. He said the city lost 2 hotels during the pandemic but went from an inventory of 17,625 rooms to 18,622 with more than a dozen properties opening over the past year and a half. Mr. Corrigan introduced his Visit Jax leadership team in

attendance. He said Jacksonville is well-positioned for the post-COVID recovery but will have lots of competition from other areas as the world reopens to travel. Jacksonville has tremendous travel and visitor resources.

INFORMATION MATERIALS (NO DISCUSSION REQUIRED)

- CVB Grant Commitments
- Equestrian Center Grant Commitments

CLOSING CONSIDERATION

Chairman Newby noted the passing of former TDC Chairman Tommy Hazouri last weekend.

Next meeting: Thursday, October 28th, 2021 at 10am, Lynwood Roberts Room of Jacksonville City Hall

Adjourn 11:50 a.m.