

TOURIST DEVELOPMENT COUNCIL MEETING MINUTES

Wednesday, September 14, 2022, 2:00 p.m.
City Hall - Lynwood Roberts Room

Attendance

TDC Members: City Council President Terrance Freeman (Chair), City Council Vice President Ron Salem (Vice Chair), City Council Member Bowman, Jeff Truhlar, Angela Phillips, Dennis Chan, Dennis Thompson, Joe Hindsley, Mark VanLoh

TDC Staff: Carol Brock (Executive Director), Phillip Peterson (Council Auditor's Office), Reece Wilson (Office of General Counsel), Jeff Clements (Council Research Division)

WELCOME

The meeting was called to order by Chairman Freeman at 2:00 p.m. and the attendees introduced themselves for the record.

TDC Executive Director Carol Brock introduced Brett Nolan as the new TDC Administrator. He is transferring from the Office of General Counsel and will start the position on October 3, 2022.

Public Comments: None

OPERATIONS

1) Approval of Minutes

The minutes of the June 30, 2022 TDC meeting were **approved unanimously as distributed**.

2) Financial Report

Assistant Council Auditor Phillip Peterson gave the financial report. TDC tax revenues for the 12 months ending August 2022 were \$10,022,664.03, a 38.82% increase over the 12 months ending August 2021. Collections for the first 11 months of the fiscal year ending August 2022 were \$9,273,544.46, up by \$2,472,344.03 or 36.35% over the same period the previous year. Revenue for August 2022 was \$924,781.34, up 5.37% from the same month in 2021. Actual collections for the fiscal year to date exceed the average monthly budgeted amount by \$2,631,601.96.

Mr. Peterson reviewed the budgetary balances remaining in the TDC's contractual and operating accounts. Destination Services - \$578; Marketing - \$37,283; Convention/Group Sales - \$432; Planning and Research - \$21,500; Event Grants - \$5,000; Remaining to be Spent in Accordance with the TDC Plan – TDC Operations - \$77,309; TDC Administration - \$63,288.15; Convention Grants - \$287,466.59; Equestrian Center Promotion - \$14,441.05; Special Revenue Fund - \$118,912.50; Contingency Account - \$1,273,000; Development Account - \$1,404,135.63.

3) Market Report

TDC Executive Director Carol Brock gave the market report on hotel occupancy and revenue collection trends.

4) TDC Direct Contract

Michael Corrigan, President and CEO of Visit Jacksonville, thanked the TDC and the City Council for their support of the direct contracting concept. The enabling ordinance has been passed by City Council and signed by Visit Jax and is ready for implementation on October 1, 2022. He is very excited by the opportunity for Visit Jax and the TDC to strategically plan for tourism promotion and marketing in Jacksonville over a long term.

ACTION ITEMS

5) TDC Special Event Grant Request - 2022 Beaches Oktoberfest

Carol Brock explained that this grant request falls outside the TDC's two grant consideration periods – October and June - but an exception was made to consider the request due to the impending event date next month and the fact that the TDC did not hold a meeting in August. The request is for a special event grant of \$25,000 for venue rental, talent fees, and marketing outside of a 150-mile radius of Jacksonville. Last year's event was funded by TDC but was canceled due to an

upsurge in COVID cases. Ms. Brock said she scored the application at 48 out of 60 and recommended awarding the requested amount of \$25,000 for a special event grant from FY 21-22 "Remaining to Spend" category funds. Phillip Vogelsang of Beaches Oktoberfest said they are excited to bring the event back since it has not been held since 2019. He promised to make application for funding earlier next year.

Motion (Bowman/2nd Salem): approve a special event grant of \$25,000 from the FY21-22 Remaining to Spend category – **approved unanimously.**

6) FY 22-23 Visit Jax Annual Tourism Services Plan and Annual Budget

Visit Jacksonville President Michael Corrigan presented the Annual Tourism Services Plan and the annual budget for Visit Jax for FY22-23. This will be an annual presentation to the TDC under the new contract which provides for 4 components: marketing services; convention and group sales; destination experience; and convention grants, sponsorships, and promotions. He described the Visit Jax teams that will perform the work. A new director of convention and group sales has been hired from the Convention and Visitors Bureau in Pasadena, California. A Bring It Home Jax initiative will encourage Jacksonville residents to help recruit group meetings for groups in which they participate to meet in Jacksonville.

Annual Tourism Services Plan

In the Advertising and Promotion area, Visit Jax plans to launch a new advertising/branding campaign and will especially promote a list of Top 10 Trip-Worthy Events. In Visitor Interactions and Information, they plan to take the Seymour Jax mobile visitor center to at least 3 out-of-town events to promote visitation to Jacksonville and will do more advertising via their presence in the Florida visitor center on I-95 at the Georgia state line. Several new promotional videos will be produced highlighting Jacksonville's special assets. In Meetings and Conventions, Visit Jax is going to try some different tactics to reach the business travel market, which is not expected to fully recover from the COVID pandemic for another year or two and which is subject to tremendous competition from cities trying to attract the same clientele. Plans are being formed for greater cooperation with and utilization of the Prime Osborn Convention Center. In Experience Development, Visit Jax plans a greater focus on accessibility travel for visitors with physical disabilities. They will have extensive staff training on diversity, equity, and inclusion-focused tourism. Military reunions and medical tourism will be high priorities. In Community Outreach and Engagement, they will launch a Beach Explorers program and promote tourism ambassador training. The Kids Free November promotion will be substantially expanded, and greater partnerships are planned with participating breweries on the Jacksonville Ale Trail. They will also be sponsoring quarterly events to bring together hospitality industry employees for tourism education and fellowship.

Council Member Bowman asked about international marketing. Mr. Corrigan said they don't do any international marketing except for events in London in conjunction with the Jaguars' annual game there. Katie Mitura, Marketing Director for Visit Jax, said that with a limited budget and no direct international flights to Jacksonville, they see more value in investing in domestic tourism at present. Mr. Bowman recommended a larger sign on the Beaches Museum/Visitor Center to make it easier for visitors to find. Mr. Corrigan said the key to better utilization of that facility is to get the Beaches hotels to recommend the center to their guests. Improving signage on another agency's building may be difficult. Mr. Bowman noted that the Mayo Clinic is in the process of building a hotel and conference center on its campus and asked if Visit Jax is working with Mayo on attracting medical tourism and conventions. Mr. Corrigan said that Mayo was seemingly not interested until just a few months ago when they reached out to Visit Jax to discuss possibilities.

Council Member Salem asked how the TDC could measure the effect of all the new initiatives being presented, including the new branding and marketing initiatives. Katie Mitura said that they will be working with a new consulting company that can provide more detailed information about who looks at Jacksonville from outside the market and then comes to visit, including information on where they lodge and how much they spend. Sarina Wiechens of Visit Jax said that the agency provides quarterly reports to the TDC Executive Director with a great many metrics and measurables.

Commissioner Truhlar said that Jacksonville has tremendous potential for hosting start-up events that have a local flavor and suggested "reverse engineering" the grant application process to determine how best to market the availability of event grants to operators outside of Jacksonville to get them to bring their events here.

Chairman Freeman said that consideration needs to be given to what kind of convention center Jacksonville has and needs to have and what kinds of groups we can reasonably attract. Mr. Corrigan said that numerous convention center studies have been done in recent years and all of them have said that the time is not yet right for a new or substantially expanded center due to several reasons. He said he understands that JTA ultimately wants to acquire the Prime Osborn Convention Center site for transit use, so planning for another more accessible, usable site with the right amenities is needed.

Visit Jacksonville Budget

Mr. Corrigan reviewed Visit Jax's \$6,720,000 budget for the upcoming fiscal year. The new budget represents a new model of budgeting and reporting to reflect the new unified contract. The vast majority of the 9% increase in the budget from FY21-22 to FY22-23 is due to increased investment in digital marketing.

Motion (Salem/2nd Hindsley): approve the FY22-23 Visit Jacksonville Annual Tourism Services Plan and the Annual Budget as presented – **approved unanimously**.

7) Visit Jax Budgetary Reallocation within the Marketing Contract

Michael Corrigan explained that Visit Jax is requesting a budgetary reallocation within the current Marketing contract due to printing expenses being much higher this year because of rising costs. The request is to shift monies from salaries into the printing line item.

Motion (VanLoh/2nd Bowman): within the Marketing contract, decrease Salaries and Wages by \$10,000 from \$353,212 to \$343,212 and increase Collateral Leisure Printing by \$10,000 from \$25,000 to \$35,000 – **approved unanimously**.

8) TDC Fund Balance

Ms. Brock noted that the TDC has had discussion at previous meetings about the growth in the fund balance in its Development and Contingency Funds, which may total as much as \$6.6 million by the end of this fiscal year. She suggested the appointment of a subcommittee to look at priorities and possibilities for use of the funds. Phillip Peterson said that a good contingency account is a necessity to deal with periodic ebbs and flows of bed tax revenue. The TDC has traditionally tried to keep a balance of \$1 million but over the past 2 years revenues have vastly exceeded budget as the travel industry has recovered from the COVID pandemic, so a fairly large reserve has built up and a decision needs to be made about how it should be dealt with. Commissioners Chan, Hindsley, VanLoh and Phillips volunteered to be a subcommittee on this subject. In response to a question from Council Member Salem, Mr. Peterson said that the use of the funds is governed by state law and is restricted to tourism promotion uses, which does include some types of capital expenditures. The use of the funds will require action by City Council. Council Member Bowman suggested that the full TDC meet as a whole to discuss the use of the funds and that the commissioners propose suggestions for possible uses of the funds in advance of that meeting for discussion. President Freeman said he will schedule a special meeting of the TDC for that discussion. Mr. Corrigan said he would provide input from Visit Jacksonville about their ideas for what might be good uses of the funds. Council Member Bowman noted, and Phillip Peterson agreed, that the contingency funds carry-over to the next fiscal year and do not lapse at year-end.

9) Florida's First Coast of Golf (FFCG) Annual Budget and Annual Plan

Ms. Brock explained that as part of the annual planning process, FFCG is required to present its specific work plan and associated budget for the activities as outlined in its funding contract. Documentation of the plan and budget were included in the meeting documents package previously distributed. Dave Reese of FFCG said 90% of the budget will go to digital marketing efforts and 10% to print media. The advertising will be targeted to the most productive markets.

Motion (Hindsley/2nd Truhlar): approve the Florida First Coast of Golf Annual Plan and Annual Budget of \$172,800 as presented – **approved unanimously**.

Mr. Reese said that last year was very successful and FFCG works with Visit Jax and other local convention and visitor bureaus in Northeast Florida. They do considerable national and international marketing, particularly centered around The

Player's Championship.

DISCUSSION ITEMS & PRESENTATIONS

10) Recaps from Grant Recipients

Florida's First Coast of Golf Website Redevelopment: Dave Reese said that they are in the final stage of Phase 2 of 5 phases in the redesign of the website, doing considerable research on what has and has not worked in the past.

2022 Springing the Blues: Alan Verlander of Airstream Ventures said that last year was the 30th anniversary of Springing the Blues after a 2-year COVID hiatus, and the TDC appropriation was vital in helping to resuscitate the event. The Tampa Blues Festival will be held on a separate weekend beginning next year so that there is no conflict between the two events going forward and blues fans will be able to attend both.

2022 Spartan Championship: Mr. Verlander said that all of the Spartan events have been great successes and drawn good out-of-town tourism. Jacksonville is the first leg of the 5-event championship series. Last year's event drew 10,000 attendees, 75% from out of town. The event has millions views on social media to spread the message about Jacksonville. Athletes from 41 states and 7 foreign countries competed in last year's event.

2022 Spartan Combat: Mr. Verlander said this wrestling event for youth attracted 372 college coaches looking to recruit the middle school and high school-aged athletes. The event will not be coming back to Jacksonville next year due to the limitations of the convention center and hotel accommodations.

2022 Spartan Tough Mudder: Mr. Verlander said the Tough Mudder brand was acquired by Spartan and met its tourism goals for the event.

2022 THE PLAYERS Championship: Tournament Director Jared Rice thanked the TDC for authorizing a multi-year grant last year. Despite the weather challenges the event had all-time demand for tickets and drove great hotel and airline usage. The tournament has a \$212 million economic impact, \$115 million occurring during the week of the tournament. Mr. Rice thanked the hotel industry and Jacksonville International Airport for their tremendous support during tournament week. 61% of ticket sales were from outside of Jacksonville, and the tournament produced an 87.5% hotel occupancy rate during tournament week. More fan activation areas and hospitality resources will be made available next year. Mr. Rice noted that more companies with a presence in Jacksonville that are headquartered elsewhere are starting to use The Players Championship as their primary national marketing event. The Players is making very substantive efforts in the international market in both marketing and media presence.

Council Member Bowman asked if the loss of the World Golf Hall of Fame from St. Augustine will have much impact. Mr. Rice said that the Hall of Fame was not a particular destination during The Players Championship week, and golfers and fans will still utilize the hotels and golf courses in St. Augustine and St. Johns County. Dave Reese said that many sports halls of fame are experiencing difficult times in recent years, seemingly falling out of favor with the younger generation who aren't interested in that experience.

2022 Sandlot Jax: Jason McCarthy of GORUCK and Sandlot Jax thanked the TDC for taking a chance on a new event that emphasized health and freedom during the COVID pandemic. Jacksonville is a city where you can be active year-round and that should be attractive to lots of people who are dedicated to a fitness lifestyle. The event produced 4,000 hotel room bookings, which is good for a first-time event and particularly drew hundreds of attendees to downtown with scavenger hunts and other events. The event will be held again, and they plan to offer free admission to military, first responders and medical professionals to help build their camaraderie and grow attendance.

11) Visit Jax Update & Quarterly Report

Michael Corrigan noted the 12 pages of report metrics in the agenda package. The new Visit Jax contract will be launched with a reception on September 29, 2022 at the Downtown Visitor Center with the City Council, the Mayor, Visit Jax board members and representatives of the tourism industry all invited. The new video wall in the Downtown Visitor Center paid for by the TDC has recently been installed and activated and is quite impressive and attention-grabbing. Visit Jax has a program to encourage front-line employees in the hospitality industry to visit a variety of participating businesses and attractions so that they can later publicize those attractions to visitors with whom they have interactions. Visit Jax is also distributing referral cards to front-line hospitality employees to in turn give to visitors directing them to the visitor centers. If a visitor brings the card to a visitor center, then the employee who provided the card is entered into a drawing for prizes.

Mr. Corrigan said that contract transition will be a little difficult in going from a reimbursement basis to a monthly payment model, and he thanked the Dalton Agency, Visit Jax's public relations agency, for being accommodating in continuing to work on their contract through the transition period.

CLOSING BUSINESS

Closing Comments

The next regular meeting will be on October 20, 2022.

The meeting was adjourned at 3:53 p.m.

The minutes for this meeting was unanimously approved at the TDC meeting on October 20, 2022.

<p>Next Meeting: REGULAR MEETING Thursday, October 20, 2022, 10:00 a.m., City Hall - Lynwood Roberts Room</p>



TOURIST DEVELOPMENT COUNCIL MEETING

Wednesday, September 14, 2022



Attendance Record Sign-In Sheet

PRINT NAME		SIGNATURE
CP Terrance Freeman, TDC Chair		
CVP Ron Salem, TDC Vice Chair		
CM Aaron Bowman		
Mark VanLoh, TDC Member		
Jeffrey Truhlar, TDC Member		
Angela Phillips, TDC Member		
Dennis Chan, TDC Member		
Joe Hindsley, TDC Member		
Dennis Thompson, TDC Member		
Carol Brock, TDC Executive Director		
Reece Wilson, OGC		
Phillip Peterson, Asst. Council Auditor		
Jeff Clements, Research		