

MINUTES

MEETING: Tourist Development Council (TDC) and
Jacksonville Hotel & Motel Association (JH&MA)

DATE: June 14, 2007
Conference Room B
1:00 p.m.

ATTENDEES: Council President Michael Corrigan, TDC Chair
Council Member Gwen Yates, TDC Member
Sonny Bhikha, TDC Member
Kirk Sherman, Council Auditor
Janice Billy, Assistant Council Auditor
Jim Dalton, Dalton Agency, President
Scott Stuckey, JH&MA, Vice President of External Affairs
Larry Walter, CVB, Marketing-Vice President
Michael Munz, CVB
Annette Hastings, TDC, Executive Director
Dianne Smith, Executive Council Assistant

TOPIC: The purpose of the meeting was to discuss the JH&MA proposal for TDC Tourism Advertising budget request.

DISCUSSION: Scott Stuckey gave a powerpoint presentation on JH&MA's TDC Tourism Budget Request, which included an overview, situational analysis, Florida CVB advertising budgets, tourism background information, proposed additional spending, results, and media plan on the proposal. A copy is attached as Exhibit A.

Council Auditor Janice Billy provided an analysis report of TDC 2002-2008 Budget for review. A copy is attached as Exhibit B.

JH&MA's budget request items regarding additional spending, return on investment and five-year growth plan were discussed. The need to continue to preserve the TDC contingency account and the amounts of spending were also taken into consideration. After further discussion, it was decided to do an examination of the CVB contract and to request an opinion from Bill Crowe, Office of General Counsel, regarding the process/procedure required to change the percentage rate in the CVB contract renewal.

RECOMMENDATIONS:

1. Examine the CVB contract in connection with the renewal percentage rate.
2. Schedule a Special Meeting of the TDC on June 27, 2007, at 10:00 a.m., to take action on the JH&MA's proposal and the CVB contract renewal percentage rate.

ADJOURN: The meeting was adjourned at 2:00 p.m.

Council President Michael Corrigan stated the official minutes of the meeting would be taken by Dianne Smith.

PowerPoint Presentation:



TDC TOURISM ADVERTISING
budget request

Jacksonville
Where Florida Begins.
visitjacksonville.com

JH&MA
INTERNATIONAL HOTEL & MOTEL ASSOCIATION

This slide features a collage of images: a family walking on a forest path, a group on a red carpet, a city skyline at night, and people on a beach. It includes the Jacksonville logo and the JH&MA logo.

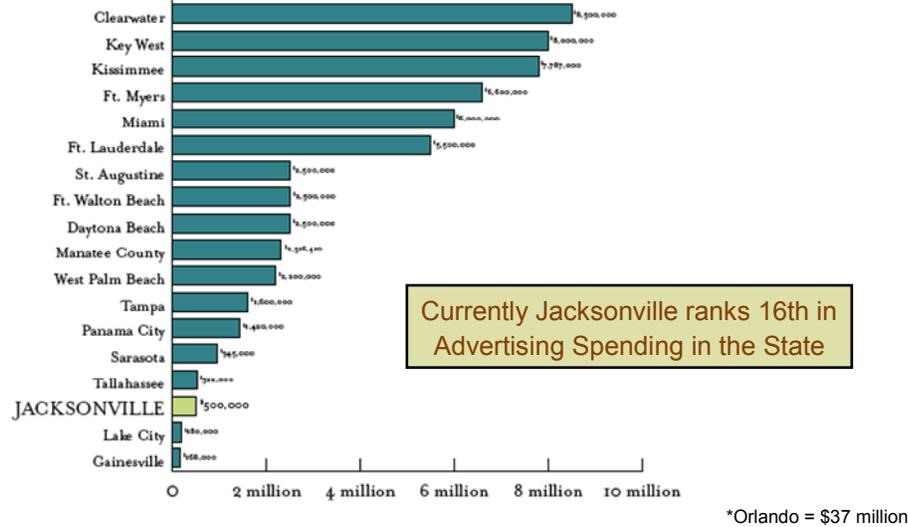


overview

Jacksonville
Where Florida Begins.
visitjacksonville.com

This slide features a large crab graphic and a night view of Jacksonville with fireworks. It includes the Jacksonville logo.

Florida CVB media budgets



Currently Jacksonville spends less on Advertising than every major city in Florida. Over the past four years the increase in bed tax revenue generated by the Hotel & Motel operators has resulted in a surplus of over \$4 million. We desperately need to utilize a portion of the reserve funds to be competitive and be able to promote Jacksonville as a leisure destination.

*According to the Florida Association of CVB's

Increased funding request

5 Year Funding Increase Request:

- \$500,000 per year from Reserve
- 10% Annual Base Percentage Increase

- Will allow Jacksonville to become more competitive (\$500k to \$1.5M in media)
- All additional funds will be spent on Leisure Media targeting the Drive Market
- Increased Exposure will generate more room nights and increased Bed Tax Revenue
- Ample amount left in reserve for emergencies



Our request is for an additional \$500,000 per year for 5 years to be funded from the \$4 million contingency fund that currently exists from previously generated bed tax dollars. In addition, an increase of 10% of the annual base percentage (from 70% to 80%) is required to supplement the request and allow us to become self sustaining after the five year period. This request will give Jacksonville the opportunity to become more competitive, spend more funds to attract Leisure Travelers, increase exposure for the city, increase bed tax revenue and still provide an ample amount of funds in the reserve for emergencies.

*Reserve level will always be more than \$2 million

Targeted leisure media

Target Demographic - Adults 25-54/Skewing Female

#1 Young Families

#2 Active 55+

#3 Singles

JACKSONVILLE ORIGIN MARKETS

FLORIDA

Boca Raton
Callahan
Daytona Beach
Ft. Lauderdale
Ft. Myers
Ft. Pierce
Ft. Walton Beach
Gainesville
Key West
Melbourne
Miami-Ft. Lauderdale
Naples
Ocala
Okeechobee
Orlando
Palatka

Palm Beach

Panama City
Pensacola
Sarasota
Sebring
St. Augustine
St. Petersburg
Stuart
Tallahassee
Tampa
Vero Beach

GEORGIA

Athens
Atlanta
Macon

TEXAS

Dallas

NEW YORK

New York

NORTH CAROLINA OHIO

Charlotte
Greensboro
Raleigh

TENNESSEE

Chattanooga
Jackson
Knoxville
Memphis
Nashville
Tri-Cities

PENNSYLVANIA

Philadelphia

ALABAMA

Birmingham

ILLINOIS

Chicago

If the funding request is approved, the CVB will present a comprehensive Leisure Market Media Plan as part of the annual marketing plan that targets the primary leisure travel decision makers. The list of Origin markets comes from research conducted by visit Florida and will be utilized to target specific geographic markets. As you will notice many of the origin markets fall within the 6 hour drive market we plan to target that reaches 30 million potential visitors.

Targeted leisure media

Drive Market - 30 million people within a 6 hour drive of Jacksonville

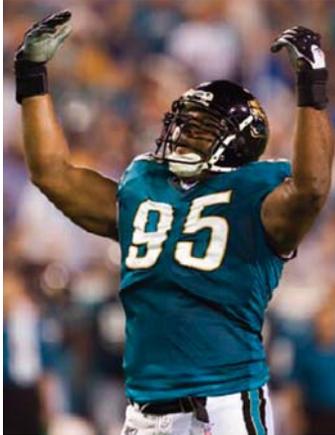
Leisure Travel Multi Media Approach:

- Television/Cable
- Radio
- Print
- Outdoor
- Internet/Web



The media that is targeted to the drive market will utilize a multi media approach of TV, Radio, Print, Outdoor and the Internet. According to Media Post Magazine: 45% of all travel-related bookings in North America will be made on-line by the year 2010.

Tourism Drives economic development



5 Year Plan For Growth

- Provide increased funding to stay competitive
- Increase awareness and promotion of Jacksonville
- Utilize additional funds for Leisure Media campaign to generate room nights
- Target Drive Market, 4 night visitors
- Generate \$75 million additional Room Revenue
- Maintains ample reserve for emergencies
- Self funding program that will provide for future budget needs through increased revenue

This funding request from the Hotel Motel Association is vital for maintaining and growing the tourism market in Jacksonville. As mentioned previously, Tourism currently represents over \$3 billion in direct visitor spending in Northeast Florida. To be competitive, we must aggressively market Jacksonville as a tourist destination that represents “The Best of Florida”. The current allocation of collected bed tax funds is not sufficient to be competitive within our state or with competing markets outside of Florida. The plan we have put together utilizes a combination of previously collected bed tax funds and newly generated funds to create a viable sustaining budget to market Jacksonville to potential visitors now and in the future. We ask that you consider this request so that we can implement the plan starting with the new fiscal year in October and begin generating additional “heads in beds” that will increase bed tax revenues and continue to drive economic development for the city of Jacksonville. Thank you.

Council Auditor's Office
 Tourist/Development Council
 2002-2008

	Budgeted FY 2002-03	Budgeted FY 2003-04	Budgeted FY 2004-05	Budgeted FY 2005-2006	Budgeted FY 2006-07
TDC Collections	3,750,000.00	3,800,000.00	4,140,000.00	4,450,000.00	4,534,000.00
Interest Earned	100,000.00	40,000.00	50,000.00	100,000.00	100,000.00
Total Revenues	3,850,000.00	3,840,000.00	4,190,000.00	4,550,000.00	4,634,000.00
Administrative	1,400,000.00	1,500,000.00	1,600,000.00	1,700,000.00	1,700,000.00
Other Grants	350,000.00	450,000.00	480,000.00	480,000.00	480,000.00
Festivals	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Gallop Bowl	350,000.00	350,000.00	350,000.00	350,000.00	350,000.00
ACC	-	-	-	-	-
First Coast Golf	98,000.00	88,000.00	116,750.00	122,588.00	122,588.00
Florida Georgia	50,000.00	70,000.00	75,000.00	75,000.00	75,000.00
Administration and Grants Expense	1,073,000.00	1,226,000.00	1,246,250.00	1,444,588.00	1,447,306.00
CVR Contract Base	2,840,000.00	2,198,214.00	2,402,148.00	3,058,100.00	3,435,605.00
CVR Grant	200,000.00	700,000.00	100,000.00	150,000.00	100,000.00
CVR Super Bowl Effort/Opportunity	85,000.00	145,000.00	280,000.00	319,000.00	319,000.00
One Time Initiatives	-	-	-	-	-
CVR Expense	3,125,000.00	2,943,214.00	3,112,148.00	3,517,100.00	3,854,605.00
Total Expenditures	4,002,000.00	4,169,214.00	4,438,398.00	4,967,246.00	4,982,911.00
Revenues less Expenditures	(192,000.00)	(209,214.00)	(248,398.00)	(417,246.00)	(348,911.00)
Beginning of Year Contingency	2,307,448.00	2,090,766.00	2,102,588.00	1,752,735.00	3,211,039.00
Actual Contingency Allocations					
Industry Support Incentive Includes: 53,300 taken from Admin	(250,000.00)				(250,000.00)
Transfer from Contingency to Consulars	(70,635.54)	(650,000.00)	(260,000.00)	1160,187.00	(75,000.00)
Super Bowl Device					(75,000.00)
4th Annual Court Allocations					(75,000.00)
TPC Inaugural move to City Experience					(75,000.00)
Ellet Rocked					(75,000.00)
Child All Over					(75,000.00)
Contingency Subtotal	2106,812.46	1,181,091.00	1,866,588.00	1,597,187.00	3,411,039.00

TPC Review 6/14/07 12

**Council Auditor's Office
Tourist Development Council
2002-2008**

	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Actual FY 2005-06	Actual FY 2006-07	Budgeted FY 2007-08
CVB Contract Base	2,545,606	2,696,214	2,812,149	3,093,000	3,435,655	4,076,167
Dollar Increase Over Prior Year		49,608	115,935	283,851	342,655	640,512
Percent Increase Over Prior Year		2%	4%	10%	11%	19%

Proposals

TDC Revenue May-April Contract Base		
Contract Base If 80 Percent of Revenue	4,908,079	5,823,097
Contract Base If 85 Percent of Revenue	3,926,463	4,658,477
Contract Base If 90 Percent of Revenue	4,417,271	5,240,767

