

TOURIST DEVELOPMENT COUNCIL MEETING MINUTES

Thursday, April 21, 2022, 10:00 a.m.
City Hall - Lynwood Roberts Room

TDC Members: City Council President Sam Newby (Chair), City Council Vice President Terrance Freeman (Vice Chair), City Council Member Aaron Bowman, Jeff Truhlar, Angela Phillips, Dennis Chan, Dennis Thompson, Joe Hindsley

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

WELCOME

- **Call to Order**
Chair Newby called the meeting to order at 10:03 a.m. and introduced new TDC Executive Director Carol Brock. Ms. Brock thanked the TDC for their confidence in selecting her for the position. She has been meeting with all of the TDC board members, with Visit Jacksonville, and with other TDC constituents, and organizing the TDC office. She looks forward to a great relationship with the board.
- **Public Comments - None**

OPERATIONS

1) Approval Minutes

The minutes of the February 24, 2022 TDC Meeting were **approved unanimously as distributed.**

2) Financial Report

Trista Carraher of the Council Auditor's Office presented the financial report. TDC tax revenues for the 12 months ending March 2022 were \$9,257,068.89, a 78.86% increase over the 12 months ending March 2021. Collections for the first 6 months of the fiscal year ending March 2022 were \$4,444,853.74, up by \$1,706,748.89 or 62.33% over the same period the previous year. Revenue for March 2022 was \$786,953.62, up 56.15% from the same month in 2021. Actual collections for the fiscal year to date exceed the budgeted amount by \$995,638.74.

Ms. Carraher reviewed the budgetary balances remaining in the TDC's contractual and operating accounts. Destination Services - \$578; Marketing - \$137,283; Convention/Group Sales - \$432; Planning and Research - \$42,500; Event Grants - \$147,000; Remaining to be Spent in Accordance with the TDC Plan – TDC Operations - \$200,267.60; TDC Administration - \$142,831.73; Convention Grants - \$133,900.59; Equestrian Center Promotion - \$38,143.05; Special Revenue Fund - \$118,912.50; Contingency Account - \$1,273,000; Development Account - \$1,404,135.63.

Council Member Bowman questioned the de-funding of two track and field events at the University of North Florida and asked staff to investigate and report back on the value that has been derived from the TDC's major investment a couple of years ago in Hodges Stadium that was supposed to have generated new track and field events and increased tourism. President Newby suggested that soft drink companies frequently sponsor scoreboards, which is still a need at the UNF stadium. Council Member Bowman asked that UNF's new athletic director be invited to a future TDC meeting to address the stadium improvements and event attraction.

3) Market Report

TDC Executive Director Carol Brock gave the market report. She said that despite high gas prices, drive traffic has supported a strong source of visitors and with a record January and strong February performance, Spring is likely to be a well performing season for Jacksonville. Traveler sentiment is also topping post-pandemic levels with around 90% of travelers planning trips in the upcoming six months. Only 20% of travelers reported taking Covid-19 into consideration while making travel plans, the lowest since the pandemic began. As a high-value destination, Duval County is well positioned for cost conscious travelers making Spring and Summer break plans. She explained that the TDC adopted a fiscally responsible FY 21-22 budget by projecting revenue figures

just 15% under pre-Covid levels to \$7.2 million. Halfway through this fiscal year, revenue trends through February continue to outpace projections. Currently, it appears as though FY 21-22 will outperform estimates and position the TDC well for investment positions for future years.

ACTION ITEMS

4) Revenue Projection for FY 2022-23

Carol Brock said that the TDC needs to determine a revenue projection to be incorporated into next year's budget. After consultation with Visit Jacksonville and the Council Auditor's Office, as well as using industry-trusted reports such as Longwoods and STR, she recommends a projection of \$10 million in revenue for next year, which seems to be reasonable given the current year's revenue trends (projecting \$9.6 million by current year-end). Jeff Truhlar said that \$10 million seems like a conservative but reasonable figure, given that the current year's large growth may not continue at that same rate. Sarina Wiechens of Visit Jax said the group used the STR report and leaned more conservative than that company's \$11 million revenue projection. Since the TDC revenue goes to several uses (stadium bonds and sports complex capital maintenance in addition to tourism promotion), the tradition has been to budget conservatively so there is no revenue shortfall. Trista Carraher said that TDC has traditionally budgeted next year's revenue based on the current year's final revenue projection and budgets conservatively so that there is no cause for a General Fund supplement needed to balance the budgeted uses for the bed tax within the other funds.

Council Member Bowman suggested monitoring the revenue collections and asking the City Council in mid-year for a budget amendment to add additional funds to the TDC expenditure budget if revenues come in over the conservative projections. He noted that there is \$1.27 million in the TDC's contingency fund that could be tapped if revenues fall short during the year. He would prefer to avoid a 6-week City Council appropriation process to utilize additional funds that come in over the conservative projection being suggested. Joe Hindsley said consideration needs to be given to the relationship between revenue and goal-setting – projecting revenues conservatively leads to easy achievement of goals and doesn't stretch the organization to be aggressive in its work.

Motion (Freeman/2nd Bowman): budget \$10 million in projected TDC revenue for the FY22-23 budget – **approved unanimously.**

5) TDC Grant Requests

Carol Brock said that Chairman Newby granted an exception for two agencies to submit special request applications outside of the grant consideration normal cycle of October and June.

- **Florida's First Coast of Golf – Marketing Grant:** Ms. Brock said that she gave this application a score of 47 out of 60 points. David Reese of FFCG said that the agency's website is old and outdated and needs revision. The total cost is estimated at \$75,000, of which \$55,000 is being requested from the TDC. In response to a question from Mr. Bowman, Mr. Reese said that the other counties in the First Coast region that support FFCG are also contributing funding for the project, which should be completed by November.

Motion (Truhlar, 2nd Hindsley) – assign an application score of 47 and approve the \$55,000 marketing grant as requested – **approved unanimously.**

- **Airstream Ventures – Marketing and Special Events Grants**

Alan Verlander of Airstream Ventures presented a request for two grants – a \$75,000 special events grant and a \$75,000 marketing grant to support the 2022 Street League Skateboarding World Tour event in Jacksonville. The first Street League Skateboarding event last year produced a huge tourism impact and national and international media exposure. SLS is changing its format somewhat to create 4 major events and a series of smaller events. Because of the success of the first event, Jacksonville could pursue hosting the U.S. Olympic skateboard team trials before the next Olympics in 2024. The decision has been made to move the event from Riverfront Park to the VyStar Veteran's Memorial Arena to increase the seating capacity from 5,000 to nearly 9,000 because ticket sales for last year's event went so well.

Council Member Bowman asked about the staff scoring for this year's event and why the grants are being requested for an event that has already announced its commitment to hold the event in the city. Mr. Verlander said that the timing of the announcement had to do with SLS's need to announce the world tour now, understanding that the TDC had not yet approved the grant requests. Ms. Brock said that she assigned application scores of 42 and 43 out of 60 possible points because of the multi-year requests (applications in subsequent years are scored lower than initial applications) and the number of tourists generated, which is substantial but not overly large for TDC-supported events.

Motion (Bowman/2nd Freeman): assign application scores of 42 and 43 and approve the two \$75,000 special event and marketing grant requests – **approved unanimously**.

The Florida's First Coast of Golf Website Redesign Marketing Grant and SLS World Tour Special Event Grant will be paid from the Event Grants account. The SLS World Tour Marketing Grant will be paid from the Marketing account.

6) **Direct Contract Update**

Council Member Bowman discussed the background of the resolution introduced in the City Council by the three TDC council members to gain the Council's approval of the concept of a direct contract with Visit Jax, which passed the Council unanimously. The three current contracts expire at the end of September and the process of developing a new contract will take considerable time, but the hope is to have the unified direct contract ready for implementation by the start of the fiscal year on October 1. Ms. Brock requested that the TDC members provide her with any specific provisions that they want included or excluded from the new contract. Staff (TDC, Office of General Counsel, Auditor's Office, and Visit Jax) will create a framework of the new contract by June for consideration by the TDC board and introduction to City Council in time for the contract to be approved by August.

Motion (Hindsley/2nd Truhlar) – authorize the TDC Executive Director, Office of General Counsel, and Council Auditor's Office to negotiate a contract framework with Visit Jacksonville for a new long-term direct contract for services – **approved unanimously**.

DISCUSSION ITEMS

7) **Visit Jacksonville Update**

Sarina Weichens, Chief Operating Officer of Visit Jacksonville, made the report on behalf of CEO Michael Corrigan.

- National Travel and Tourism Week is the week of May 1-7, 2022. TDC members are welcome to attend a celebration of the event sponsored by Visit Jax – information will be sent to TDC members. Visit Jax will publish a guest column in the *Florida Times-Union* about the value of the tourism industry. Seymour Jax, the mobile visitor center, will be at tourist attractions around the city that week (Jacksonville Zoo, Riverside Arts Market, Jumbo Shrimp game, etc.).
- STR Reporting and Forecast Updates – in the most recent report, average hotel occupancy in Jacksonville is 73.9%; average daily room rate (ADR) is \$120.31; revenue per available room (REVPAR) is \$88.95, all of which are higher than previous record years.
- UNF Hotel Survey Results – Visit Jax commissioned UNF to survey hotels and ask what they most wanted from Visit Jax. 88 properties responded. Findings: they want business travel to rebound; most properties are on or ahead of pace for occupancy expectations; they want more marketing and social media assistance from Visit Jax.
- Industry Association Updates – Visit Florida is substantially increasing its membership dues (\$18,000 up from \$6,000). Visit Jax benefits from being a Visit Florida member and is considering how to move forward with the requested dues increase.
- Contractual Updates
 - Convention Sales and Services – the sales reps have reached 50% of the annual booking goal with 68% of the bookings being new business; a familiarization trip is planned for May with the Jumbo Shrimp and USS

Orleck being among the features; Visit Jax is doing 3 promotions for sales highlighting enhanced incentives for booking during “need months”, for small group bookings, and with rewards for multi-year bookings.

- Destination Experience – 107,000 interactions (76% of goal); 38 Seymour Jax events were held in the 2nd quarter; they will be adding solar panels to Seymour Jax to increase its power for amenities.
- Marketing – 4 travel writers and 2 influencers have visited this year and generated interesting stories about what to see and do in Jacksonville; 2 new breweries have been added to the Jax Ale Trail.

Council Member Bowman asked the hoteliers on the commission to comment on the cost of labor, supplies, etc. in their businesses and the impact on room rates and profitability, and about labor availability given national conditions. Mr. Truhlar said that available labor force is a tremendous problem and is impacting customer satisfaction. Supply chain problems are also incredibly disruptive. Joe Hindsley said that experiences vary widely based on hotel type, size, and location. He agreed that labor issues are a tremendous problem and workforce development is a big issue in Jacksonville. Supply chain issues are also problematic and require great flexibility on the part of facilities and to satisfy customer demands with whatever supplies they can get. His hotels books events 3 and 4 years in advance so customers who booked years ago are getting great deals given recent inflation. Prices will stabilize over time as conditions return to a more normal state. Labor availability is the number one problem. Angela Phillips said over half of her housekeeping staff are contract workers who are being housed and fed by the hotel just to get enough workers to keep the business running – that’s not sustainable. They are working with ARC Jacksonville to hire special needs workers from their training program. Supply chain is a tremendous problem, resulting in staff going to local stores to purchase items at retail prices because their suppliers can’t supply what they need.

Council Member Freeman asked how hotel companies hire and train workers and how long the process takes. Angela Phillips said 2 weeks is a normal time frame to get someone on the job. Mr. Freeman said apprenticeships and workforce development is a high priority with him. Mr. Hindsley said jobs in the hospitality industry vary widely from management to housekeeping to food service. The biggest need currently is housekeeping – not a high skill job but does demand some physical strength and dedication to the task. Culinary jobs are more high skill, as is building engineering. Hotels tend to be entry-level employers giving unskilled and inexperienced people their first jobs and training and nurturing them to move up to higher level jobs. In other cities where he has worked, they had mayor’s summer job programs for youth that helped introduce them to work. Transportation is usually problematic for entry-level workers.

In response to a question from Chairman Newby about why Visit Florida’s membership fee increased by so much, Ms. Wiechens said they haven’t raised rates in 15 years, and it was time to catch up, which accounts for the large increase.

8) June TDC Meeting

Carol Brock said the meeting will be on June 30th and could be longer than usual because the FY22-23 budget, grant applications and the direct contract framework will be up for discussion. She will circulate as much information as possible in advance of the meeting to give board members time to prepare. The meeting will be President Newby’s last meeting as Chair of the TDC.

Ms. Brock thanked former Executive Director Lillian Graning for her assistance during the transition process.

CLOSING BUSINESS

- Chairman Newby thanked board member Steve Grossman for his service on the TDC and welcomed Mark Van Loh, Executive Director of the Jacksonville Aviation Authority, to the board. He also congratulated Ms. Brock on a successful first meeting as Executive Director.
- The meeting adjourned at 11:20 a.m.

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| Next Meeting: Thursday, June 30, 2022, 10:00 a.m., City Hall - Lynwood Roberts Room |
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TOURIST DEVELOPMENT COUNCIL MEETING

Thursday, April 21, 2022



Attendance Record Sign-In Sheet

| NAME/JOB TITLE | ORGANIZATION | PHONE | E-MAIL |
|----------------------|----------------------------|--------------|--------------------------------|
| DAVE REESE/President | Florida's First Coast Golf | 904.607.3204 | dareese@1st-golf.org |
| Dennis Thompson | TDC | 904.525.0744 | |
| Serina Weckens | Visit Tax | 904.421.9152 | sweckens@visitjacksonville.com |
| ANTHONY GUNDBERGER | Visit JAX | 904.421.9151 | agundb@visitjax.com |
| Kate Withra | Visit JAX | 904.421.9151 | kwithra@visitjax.com |
| Amelia Williams | Dalton Agency | | awilliams@daltonagency.com |
| TISTA Carradine | Council Auditor's Office | 854.95 | tcarradine@ag.net |
| Alex Vandender | Airstream Ventures | 904.412.6070 | |
| Kennedy Grayson | AIRSTREAM VENTURES | 904.568.0745 | |
| Hagen Brown | City Council | | |
| Michael Vachol | JAXA | 918.522.9446 | |
| Shirley Foster | ECA | | jfoster@coj.net |
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Attendance Record Sign-In Sheet

| PRINT NAME | SIGNATURE |
|---|-----------|
| CP Sam Newby, TDC Chair | |
| CVP Terrance Freeman, TDC Vice Chair | |
| CM Aaron Bowman | |
| 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 | |
| Trista Carraher, Auditor's Office | |
| Jeff Clements, Research | |
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