

## **TOURIST DEVELOPMENT COUNCIL MEETING MINUTES**

Council President Tommy Hazouri, TDC Chairman  
Thursday, October 15<sup>th</sup>, 2020 - 10:00 A.M.  
Virtual meeting via the Zoom platform

**Attendance:** Council Members Tommy Hazouri (Chair), Sam Newby (Vice Chair) and Scott Wilson; Steve Grossman, Angela Phillips, Craig Smith, Dennis Chan, Kirit Patidar (late arrival)

**Also:** Lillian Graning – TDC Executive Director; Jeff Clements – Council Research Division; Phillip Peterson and Trista Carraher – Council Auditors Office; David Migut – Office of General Counsel

### **WELCOME**

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- Call to Order – the meeting was convened at 10: 00 a.m. with a quorum present.
- Public Comments - none

### **OPERATIONS**

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1) Approval of Minutes:

**Motion** (Wilson/2<sup>nd</sup> Newby) - approve the minutes of the August 26, 2020 regular TDC meeting as distributed – **approved unanimously**

- 2) Financial Report: Assistant Council Auditor Phillip Peterson gave the financial report for the period ending September 30, 2020 (the full fiscal year). He noted there may be a few small changes as the fiscal year close-out takes place. Bed tax collections over the past 12 months totaled \$6,303,825 compared to \$8,597,498 for the same 12 months the previous year, a reduction of 26.68%. September's revenue was \$418,715, down 36.24% from the previous year. The \$6,303,825 revenue for the year was 73.5% of the original budget of \$8,568,533. Mr. Peterson reviewed the budget balances remaining in the TDC's various accounts at fiscal year-end: Destination Services - \$0; Marketing - -\$1,426; Group Sales - \$0; Development and Planning - \$1; Special Event Grants - \$75,001; Remaining to be spent in accordance with the TDC plan - \$1,124,937 (including \$223,000 carried over from the \$750,000 allocation out of the Contingency Account for use in FY19-20); TDC administrative budget - \$235,763. The following account balances carry-over to the next fiscal year: Convention Grants - \$320,380; Equestrian Center promotion - \$40,000; Tourist development special revenue fund - \$71,712; Contingency account - \$1,163,000. The Development Account, which requires City Council approval for use, has a balance of \$1,371,076.

Steve Grossman noted that the TDC ended last year \$2 million short of budgeted revenue, but saved more than \$2 million in expenditures in accounts under TDC's control, so it seems like the savings from FY19-20 could be used for allocation in FY20-21. Mr. Peterson agreed and said the exact amount of the available balances will be available by the December meeting after the fiscal year is fully closed out. Ms. Graning said reallocations should be discussed at next February's TDC meeting after a good year-to-year comparison can be discussed in December and revenue trends can be evaluated for several more months.

- 3) Market Report: TDC Executive Director Lillian Graning gave the market report. While uncertainty due to COVID is still high, Jacksonville continues to lead comparable markets in occupancy but ADR and RevPAR lag behind. September reports will be released within a week to provide a better trend analysis. Weekly market comparisons indicate a convergence of "pre" and "post" COVID-19 levels, potentially reflecting a recovery trend instead of the "square root" flattening the larger economy is experiencing. Travel and hospitality industries experiencing substantial permanent infrastructure changes include airlines, private entertainment venues, and restaurants. While Florida entered into phase 3 of its reopening, it is one of only five states still listed on CDC's "hot spot" list, a top reference for those considering travel destinations for both business and leisure. Florida is also among the top three states for positivity rates, death rates, and new infections. The national and international coverage of those factors continues to stifle Northeast Florida's

typical visitor travel decisions. Consumer and traveler sentiment has largely remained flat since May – confirming that public health concerns will continue to dictate travel decisions for 40-45% of potential visitors.

The TDC adopted a fiscally responsible FY 20-21 budget by decreasing revenue figures by more than 40% to \$5 million. Caution is encouraged when considering use operational reserves as there is still so much market uncertainty and additional grant requests are to surface in late 2020 and early 2021. The February TDC meeting is slated to include a mid-year assessment of investment levels and revenue collections, allowing for any appropriate funding adjustments.

Ms. Graning offered to make herself available at any time to answer questions or address concerns from TDC members as conditions continue to change rapidly.

## **ACTION ITEMS**

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### 4) Event Grant Considerations

Ms. Graning described the differences in the uses of marketing grants and special event grants and the standards for awarding and paying the grants. Because of the great uncertainty of holding events in the context of the COVID pandemic, event promoters are being very conservative in guaranteeing attendance so as not to jeopardize their eligibility for reimbursement. She described the return on investment methodology and reviewed her application scoring and recommended funding level for each of the applications. Michael Corrigan of Visit Jax added the TDC has a political decision to make about how to prioritize the dollars it has. He expressed that there are some opportunities on the horizon that will merit funding and encouraged consideration of those when committing funding.

#### Spartan Championship 2021 (marketing and special event grants); Spartan City 2021; Spartan Combat 2021:

Alan Verlander of Airstream Ventures said that Florida has an advantage in being a more open state for events than many others in the current climate, but the competition among jurisdictions is very stiff for the relatively few being held. The Spartan organization committed to partnering with Jacksonville and wants to make the city a hub for its events as it is diversifying itself. Spartan is exploring a partnership with the YMCA of Northeast Florida to install a branded Spartan training course that would attract competitors from around the country year-round. Spartan Combat is a new competition brand that mixes martial arts with wrestling and would utilize a COJ venue and increase Downtown compression.

Motocross 2021: Mr. Verlander said this is the same event as held recently at Jacksonville's world-class motocross facility on the Westside, WW Ranch, which was a great success with attendees from 22 states and 8 countries and national television exposure.

Springing the Blues 2021: Mr. Corrigan said he believes that local festivals such as this one will be the first events to return after the COVID pandemic shut-down and the TDC needs to decide if it wants to establish a habit of supporting local festivals, such as this one. Ms. Graning reflected that similar to the Downtown Concert Series, local events can't grow beyond local attraction without investment. That is the objective with this request.

In response to a question from Angela Phillips, Mr. Verlander explained the reason for the higher request amount for the Spartan Championship event, which requires a lot of television production expenses for the national and international broadcasts and that Airstream is working to decrease the amount of support required year-over-year. Ms. Graning explained that some events, Spartan included, require a base amount of local support before they will bring the event to a city. Craig Smith said that the Spartan races are among the best events that TDC supports, attracting tremendous attendance and publicity from all over the world.

**Motion** (Phillips/2<sup>nd</sup> Smith) – adopt the recommended score and award the recommended funding allocation for the Spartan Championship event marketing grant– **approved unanimously.**

**Motion** (Phillips/2<sup>nd</sup> Smith) – adopt the recommended score and award the recommended funding allocation for the Spartan Championship special event grant– **approved unanimously.**

**Motion** (Phillips/2<sup>nd</sup> Smith) – adopt the recommended score and award the recommended funding allocation for the Spartan City special event grant - **approved unanimously.**

**Motion** (Phillips/2nd Smith) – adopt the recommended score and award the recommended funding allocation for the Spartan Combat special event grant – **approved unanimously**.

**Motion** (Phillips/2nd Smith) – adopt the recommended score and award the recommended funding allocation for the Motocross 2021 special event grant – **approved unanimously**.

**Motion** (Phillips/2nd Smith) – adopt the recommended score and award the recommended funding allocation for the Springing the Blues 2021 special event grant – **approved 7-1** (Patidar opposed).

Ms. Graning clarified for the record that the initial funding source for the grants is the \$223,000 carry-over from ordinance 2019-865-E available for grant allocation, and thereafter from TDC's unallocated operational funds in FY 20-21.

5) Visit Jacksonville Contractual Exemptions

Ms. Graning described the exemptions authorized in the previous fiscal year due to the COVID pandemic (detailed in meeting materials) and asked on behalf of Visit Jax that the exemptions be continued into the new fiscal year, at least until reassessment can be considered at the February 2021 TDC meeting. A new exemption is being requested for booking of travel within 30 days of an event, without insurance, to be sure travel expenses are as cost effective as possible during this uncertain period.

**Motion** (Newby/2<sup>nd</sup> Grossman): approve the detailed Visit Jax contractual exemptions through TDC's February meeting – **approved 8-0**

**OLD BUSINESS / NEW BUSINESS**

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- 6) Visit Jacksonville Update: Michael Corrigan, President and CEO of Visit Jax, thanked former Council President and TDC Chair Scott Wilson for his service to the TDC at his last meeting. With regard to the Destination Experiences category (formerly Tourist Bureau) the Seymour Jax mobile visitor center has been very busy and very popular at Jaguar games, the Motocross event, a 904 popup event, and a Springfield neighborhood festival. He believes the mobile visitor center is the way to go for now given current circumstances. The Downtown Visitor Center had a soft opening and is slowly ramping up for business. September was a busy month for marketing. Visit Jax is developing a roster of local ambassador/influencers providing their services on a voluntary basis. They have developed a Mayport shrimp passport program with 30+ participating restaurants, and are happy to have the ale trail passport seeing activity again.

Group sales were down substantially for last fiscal year because of the massive COVID-related cancellations of events, sometimes for multiple years. Some events have been rescheduled. The NCAA just announced its basketball championship schedule and venues from 2023 through 2026 and Jacksonville did not get a slot. The City effectively lost an opportunity for 2 years of hosting because cities with 2020 games got moved to 2021 and because of a conflict with TPC weekend in 2022. On a positive note, the 2023 and 2025 NCAA East Regional track and field meet will be held at UNF's Hodges Stadium with the usual outstanding economic impact. Visit Jax is actively working with ASM Global and Bold City Events to get the Florida High School Athletic Association's football championship games for this December in TIAA Bank Field in hopes of starting a multi-year commitment. The Constellation Furyk and Friends golf tournament will bring PGA Seniors Tour to the Timuquana Country Club next fall and will need a partnership for parking and transportation, possibly including water taxis, to carry the crowds from remote parking to the course. Discussions are in the works for a large regional event next April at former Jacksonville Landing site, although he couldn't disclose details yet.

- 7) Final FY 20-21 Budget: Lillian Graning said the TDC's department request was approved with moderate adjustments to administrative costs outside of TDC's control. She reminded TDC that they approved Visit Jacksonville's repurposing of any FY 19-20 savings to be used toward deliverables in FY 20-21. An account and savings balance report will be presented at the December meeting. Any adjustments to funding levels and/or budget adjustments will wait until the February 2021 Regular TDC Meeting. Mr. Corrigan committed to work with Ms. Graning before the December meeting to craft a specific approach to assist hotels during this time. Kirit Patidar asked when in-person meetings can resume and asked if either Ms. Graning or Mr. Corrigan have talked to hoteliers about what kinds of things they want to see. Mr. Corrigan said he and his staff talk to the hotels regularly, especially the downtown hotels, about what could be done that might help. He reiterated Ms. Graning's encouragement to re-think the TDC's grant process. Council President Hazouri did not indicate specifically when in-person meetings would resume.

- 8) CVB Grant Commitments: a summary sheet was attached to the agenda to fulfill Visit Jax's reporting requirement.

President Hazouri asked if the former Jax Landing site could be used with a barge concert stage to hold outdoor concerts. Ms. Graning said the DIA, Downtown Vision, and Visit Jax are all working to leverage that space and are working in unison to recognize it's addition to the inventory of available event space Downtown. Mr. Corrigan said the TDC allocated funding to a downtown Thursday night concert series at that site for next spring and Visit Jax is looking at trying to attract other events downtown on Friday and Saturday nights to leverage visitorship through a full weekend of activities.

#### **CLOSING CONSIDERATION**

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Next meeting: Thursday, December 10<sup>th</sup>, 2020 at 10am, location to be determined.

Adjourned 11:35 a.m.