

PINELLAS COUNTY TOURIST DEVELOPMENT COUNCIL

July 17, 2019

The Pinellas County Tourist Development Council (TDC), as created under Pinellas County Ordinance 78-20 pursuant to Section 125.0104, Florida Statutes, met in regular session in the Board of County Commissioners (BCC) Assembly Room, 315 Court Street, Fifth Floor, Clearwater, Florida, on this date at 9:02 A.M. with the following members present:

Karen Williams Seel, BCC Chair, Chair
Julie Ward Bujalski, City of Dunedin Mayor
George Cretekos, City of Clearwater Mayor
Charlie Gerdes, City of St. Petersburg Councilmember
Phil Henderson, Jr., StarLite Cruises
Joanne “Cookie” Kennedy, City of Indian Rocks Beach Mayor
Keith Overton, TradeWinds Island Resorts
Trisha Rodriguez, Clearwater Ferry
Anthony Satterfield, Alden Suites

Not Present

Russ Kimball, Sheraton Sand Key Resort, Vice-Chair
Doreen Moore, Travel Resort Services, Inc.
Charles Prather, The Birchwood Inn

Others Present

Paul Sacco, Visit St. Pete/Clearwater (VSPC) Interim President and CEO
Tim Ramsberger, Chief Operating Officer
Teri Tuxhorn, Administrative Director
Leroy Bridges, Vice-President, Digital & Communications
Liz McCann, Executive Administrative Assistant
Michael Zas, Managing Assistant County Attorney
Other Interested Individuals
Jenny Masinovsky, Board Reporter, Deputy Clerk

Agenda

- I. CALL TO ORDER/ROLL CALL – Chair Karen Seel
- II. CHAIR COMMENTS
- III. APPROVAL OF TDC MINUTES – May 15, 2019 TDC Meeting
- IV. PUBLIC COMMENTS

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- V. COUNTY ATTORNEY REPORT – Michael A. Zas
- VI. ELITE EVENT FUNDING PROGRAM
- VII. CAPITAL PROJECT FUNDING PROGRAM
 - A. Report from JLL
 - B. Capital Project Funding Program Review Committee
- VIII. DEPARTMENT REPORTS
 - A. Digital and Communications – Leroy Bridges
- IX. VSPC INTERIM PRESIDENT AND CEO REPORT – Paul Sacco
 - A. Tourism Economics Snapshot – May 2019
 - B. Pinellas County Bed Tax – May 2019
 - C. Code of Ethics
 - D. Budget Workshop Action Items Recap
- X. BOARD MEMBER COMMENTS
- XI. ADJOURNMENT

All documents and presentations provided to the Clerk’s Office have been made a part of the record.

CALL TO ORDER/ROLL CALL

Chair Seel called the meeting to order at 9:02 A.M. At her request, those in attendance introduced themselves.

CHAIR COMMENTS

Chair Seel indicated that meetings of the Budget & Finance and Marketing Subcommittees will resume in September, following the regular TDC meeting.

MINUTES OF THE MAY 15, 2019 MEETING – APPROVED

Upon motion by Mayor Kennedy, seconded by Councilmember Gerdes and carried unanimously, the minutes of the May 15, 2019 meeting were approved.

PUBLIC COMMENT – NONE

COUNTY ATTORNEY REPORT – NONE

ELITE EVENT FUNDING PROGRAM

Referring to the Elite Event Subcommittee meeting of May 29, the members commended Mr. Ramsberger and others on a well-organized and straightforward reviewing process, and Councilmember Gerdes thanked the subcommittee members for their efforts and volunteer service.

Mr. Overton indicated that he would abstain from the upcoming vote due to a conflict of interest, and in accordance with the provisions of the Standards of Conduct Law, a Memorandum of Voting Conflict form has been filed and made a part of the record; whereupon, Councilmember Gerdes moved, seconded by Mayor Kennedy, that the Fiscal Year 2020 Elite Event Funding Program scoring sheet reflecting the Elite Event funding recommendations be approved. Upon call for the vote, the motion carried by a vote of 9 to 0, with Mr. Overton abstaining.

CAPITAL PROJECT FUNDING PROGRAM

Report from Jones Lang LaSalle (JLL)

Tom Reifert, JLL, introduced himself and his associate David Holder; whereupon, he referred to a report titled *Evaluation of Capital Projects Funding Program Submittals* and gave an overview of the applications for capital project funding submitted by the Salvador Dali Museum, St. Petersburg Museum of History, and Tampa Bay Watch. He discussed the requested amounts, funding matches, size and purpose of the expansions, economic impact in room nights and revenue, as well as the basis of the evaluation that was conducted, noting that meeting the guidelines was a key factor; and that the Tampa Bay Watch application did not meet the room nights requirement, and Mr. Holder provided input.

In response to query by Mr. Satterfield, Messrs. Reifert and Gerdes indicated that they are not aware of an alternative funding match source for the St. Petersburg Museum of History in the event that it is not allocated by the State. Mr. Gerdes indicated that the decision by the State would come after approval by the Council; and that if no matching funds are allocated, the project would not go forward.

Chair Seel opined that the analysis by JLL was extremely helpful; that all three projects will bring a return on investment; that funding for the Salvador Dali Museum should go toward the building expansion rather than a parking garage; and that while the request by Tampa Bay Watch does not

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meet the room nights requirement, it will bring tourists by enhancing the Pier experience; whereupon, discussion ensued regarding the following:

- Importance of making incremental improvements to world-class facilities
- Looking at a large picture of how the projects would create a synergy and benefit tourism, rather than at each project in a vacuum
- Economic engine behind the local arts
- Importance of having parking places, especially considering that big events, such as weddings, take place at museums
- Comprehensive review by JLL based on various criteria, to ensure return on investment
- Whether the guidelines are fixed or flexible

Capital Projects Funding Program Review Committee

Chair Seel related that the Committee will meet on August 21 after the regular TDC meeting; whereupon, responding to her call for volunteers, the following members agreed to serve on the Committee:

Julie Ward Bujalski
Charlie Gerdes
Cookie Kennedy
Trisha Rodriguez
Anthony Satterfield

Mr. Overton related that he would be unable to participate due to a conflict of interest based on his involvement with Tampa Bay Watch, and Chair Seel indicated that she will ask the absent members whether they wish to serve.

DEPARTMENT REPORTS

Digital and Communications

Mr. Bridges referred to the International Visitor and Digital Marketing Reports located on the VSPC industry partner website and demonstrated a new international research portal and the latest

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digital campaign and provided information regarding various data-gathering tools and sources, indicating the following:

- Working with over 50 destinations across the country and worldwide, Tourism Economics is the leading provider of international visitation data patterns.
- The Tourism Economics report, presented on the international portal, is released twice a year and shows the top 50 countries of origin into the United States, including visits and spending for the top 15 markets, and past data, which helps forecast the market and inform strategic planning.
- May numbers reflect over \$7.7 million in hotel revenue generated through the digital marketing program, equating to half a million dollars in bed tax, of which \$250,000 was spent to drive the program.
- Staff anticipates the launching of the annual Travel Zoo campaign, focusing on the *need period* of August through November when occupancy is lower than in the other months; the campaign brought in half a million dollars in hotel revenue last year.
- A contract with AirDNA is being finalized and is expected to provide data relating to rental units.

During discussion, Mr. Overton voiced concerns relating to non-payment of Tourist Development Taxes (TDT) resulting from the lack of registration of rental units through platforms such as Airbnb and VRBO, and the subsequent inaccuracy of the data reporting. Noting the importance of the matter, he asked that staff inform the Council should there be a need to invest additional funds in data analysis before the next year's budget is finalized, and Mayors Bujalski and Kennedy provided input.

Mr. Bridges provided details regarding AirDNA and the expected metrics, including occupancy, average daily rate, and revenue per available room, which would be trackable by municipality. He indicated that the data will enable staff to determine the percentage of rental properties escaping the bed tax collection; that a combined report with data from Smith Travel Research will likely be produced; and that the first AirDNA report is anticipated within the next two months, with monthly updates to be provided thereafter; whereupon, Chair Seel indicated that she will look for her email correspondence on the matter with the Tax Collector.

VSPC INTERIM PRESIDENT AND CEO REPORT

Tourism Economics Snapshot and Pinellas County Bed Tax – May 2019

Mr. Sacco referred to a PowerPoint presentation titled *Tourism Economics Snapshot, July TDC Meeting*, and reviewed the market comparison and year-to-date data for rooms sold, average daily rate, and revenue per available room, and presented financial and statistical information regarding the increase in TDT revenue, remarking that the County is on a trajectory to exceed \$60 million for the year, which is unprecedented.

Responding to query by Mayor Bujalski, Mr. Bridges showed where the 2018 annual visitor count is found on the VSPC industry partner website, pointing out that 2017 and 2018 data may vary based on the research provider and methodology used. She noted the importance of having the year-to-year comparison data going forward, and Messrs. Sacco and Bridges indicated that they will start including those in the monthly snapshot reports.

Code of Ethics

Mr. Sacco referred to the Code of Ethics document provided in the agenda packet for the members' review, indicating that VSPC is required to adopt the code as part of the Destination Marketing Accreditation Program.

Mr. Overton moved, seconded by Councilmember Gerdes and carried unanimously, that the Code of Ethics be approved.

Budget Workshop Action Items Recap

Mr. Sacco indicated that he sent an email with information relating to intergovernmental charges and other matters in response to Mr. Satterfield's request; whereupon, he provided a follow-up to the TDC budget workshop of May 15, detailing how the proposed VSPC budget was revised based on the members' recommendations, including the objectives, funding sources, and return on investment, highlighting the following and responding to queries by the members:

- The proposed budget for the Chambers Visitor Services Support was increased to \$500,000.
- The proposed budget for the Meetings and Conventions Department was increased by \$500,000, and the associated decision package reflecting reallocation of funds to meet the increase was approved by the County Administrator.

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- A decision package for additional funding of \$1 million for digital marketing services is under review by the County Administrator.

Mr. Sacco indicated that based on the current data, the additional investment in digital marketing, which would be sourced from the reserves and the remaining Elite Event Funding Program funds, would increase the hotel, direct spending, and TDT revenues, significantly exceeding investment; and that if approved by the County Administrator, it will be brought back to the TDC for a recommendation to be included in the proposed budget, which will be presented to the BCC for approval in September. Mr. Satterfield provided input, and Mayor Bujalski requested that information regarding the action items presented by Mr. Sacco be emailed to the members.

Mr. Sacco provided clarification regarding the budget for the film programs within the Film, Arts, and Culture Department, indicating that no funds beyond the proposed allocation, sourced from the TDT revenue, are being proposed to be added; and that film incentives are provided on a reimbursement basis.

Mr. Sacco reviewed the topics for discussion at the upcoming subcommittee meetings, such as the sports marketing allocation and marketing plan guidelines, including the guidelines for utilization of the Contingency and Promotional Opportunity Funds, and Chair Seel provided input.

MEMBER COMMENTS

Mayor Cretekos related that a resident of the condominium where he lives believes that the TDC has a responsibility to finance an upgrade, if needed, for the two-way fire department radio communication system in his condominium, as well as in all condominiums located in Sand Key, based on statutory requirements. He alerted the members that the individual may be reaching out to them regarding the matter, and Chair Seel indicated that she will request a response to him by the County Attorney's Office.

In response to query by Mr. Henderson, Chair Seel stated that BCC will hold a work session on transportation and affordable housing on July 18, at 9:30 A.M., noting that any presentations will be available for viewing on the County website; and that the Commission asked the cities for feedback related to considering the gas tax as a potential funding source, and Mayor Bujalski provided input, indicating that the matter will be included on the agenda for an upcoming Mayors' Council meeting.

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ADJOURNMENT

The meeting was adjourned at 10:17 A.M.