

**Tourist Development Council
Pinellas County
June 21, 2022 Meeting Minutes**

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 on this date at 9:06 AM in the Palm Room at the Pinellas County Communications Building, 333 Chestnut Street, Clearwater, Florida.

Present

Charlie Justice, Chairman, Board of County Commissioners (BCC) Chairman
Russ Kimball, Vice-Chairman, Sheraton Sand Key Resort
Julie Ward Bujalski, City of Dunedin Mayor
Phil Henderson, Jr., Starlite Cruises
Frank Hibbard, City of Clearwater Mayor
Doreen Moore, Travel Resort Services, Inc.
Melinda Pletcher, City of St. Pete Beach Commissioner
Clyde Smith, Bilmar Beach Resort
Michael Williams, Innisbrook Golf Resort

Not Present

Charles Prather, The Birchwood Inn
Trisha Rodriguez, Clearwater Ferry
Kenneth T. Welch, City of St. Petersburg Mayor

Others Present

Steve Hayes, Visit St. Pete/Clearwater (VSPC) President and CEO
Teri Tuxhorn, Administrative Director
Michael A. Zas, Managing Assistant County Attorney
Katie Poviones, Board Reporter, Deputy Clerk
Other interested individuals

CALL TO ORDER/ROLL CALL

Chairman Justice called the meeting to order at 9:06 AM.

MINUTES OF THE MAY 18, 2022 REGULAR MEETING

Mayor Hibbard made a motion, which was seconded by Ms. Moore and carried unanimously, that the minutes of the May 18 meeting be approved.

PUBLIC COMMENTS – NONE

BEACH RENOURISHMENT UPDATE

Referring to a PowerPoint presentation titled *Beach Renourishment Program Update*, Public Works Director Kelli Hammer Levy discussed changes to the program related to the federal authorizations for Sand Key, Treasure Island, and Long Key, relating that Treasure Island and Long Key were combined into one project during the reauthorization process; that the next nourishment cycle of Sand Key is unlikely to be reauthorized due to having received only half of the easements required by the Army Corps of Engineers; and that the new reauthorization for Treasure Island and Long Key increased the County's share of financial responsibility from 40% of the project to 50%.

Ms. Levy provided three financial overviews forecasting the stability of the beach renourishment fund with varying levels of funding, highlighting that the beach renourishment fund balance would be at or near imbalance in Fiscal Year (FY) 2030 assuming no federal participation for Sand Key and 50% funding for Treasure Island and Long Key; that Treasure Island and Long Key will likely continue to receive state grants; and that it may be challenging to acquire state funding for Sand Key if it is not reauthorized, as grant applications without federal participation do not rank well. She indicated that increased tourism to the area and the resulting boost to Tourist Development Tax (TDT) revenue has benefited the beach renourishment fund; that storms could present additional costs for the County if the Army Corps does not determine a weather event to meet the qualifying threshold for funding; and that as part of the reauthorization, a less frequent renourishment cycle may cause challenges with Sunshine Beach on Treasure Island and Sunset Beach that are critically eroded and may require interim cycles.

Responding to queries by the members, Ms. Levy provided clarifying comments and related that she is drafting an email to the Army Corps of Engineers to reiterate points made in previous discussions and to ask for assistance in moving the process forward; that the renourishment would not perform as well if the Sand Key project was separated into segments; and that the members of the County's congressional delegation have sent letters of support for the advancement of the projects to the Army Corps of Engineers. She noted that while the Dunedin Causeway does not qualify for federal beach renourishment funding because it is not considered a beach, staff is currently developing a causeway management plan to address erosional issues; whereupon, discussion ensued on the following topics, with input from Ms. Levy:

- Funding and schedule for dredging
- Renourishment cycle frequency changes

- Negotiations with the Army Corps of Engineers on easements
- Renourishment funding for the Dunedin Causeway
- Likelihood of being awarded state grants without federal participation

During discussion and in response to queries by the members, Ms. Levy clarified that in the absence of federal funding for Sand Key, a County-operated beach renourishment project would take longer due to permitting; and that the most realistic forecast predicts a barely balanced renourishment fund in FY 30, assuming there is no storm damage that the County would be responsible for. Thereupon, Mr. Henderson made a motion, which was seconded by Ms. Moore, that the FY 2023 budget reflect a full TDT percent going towards beach renourishment instead of the current requirement of half of a percent.

Responding to queries and concerns by the members, Budget and Financial Management Analyst Jim Abernathy explained that the proposed increase to the budgeted allocation for beach renourishment would increase the monies going to the fund by \$7.5 million in FY 23; and that the increase would send approximately \$32 million more into the fund through FY 30; whereupon, discussion ensued on the following topics and others, with input from Ms. Levy and Mr. Hayes:

- How additional beach renourishment funds would be stored
- Impacts of increased beach renourishment funding on eligibility for federal/state monies and on the forecasted fund deficit in FY 31
- Hesitancy to dedicate additional TDT revenue to beach renourishment while tourism readjusts to normal levels

In response to a query by Mr. Kimball, Attorney Zas related that the current half of a TDT percent for beach renourishment is dedicated by an ordinance that sets forth the amount annually; and that the Board may amend the ordinance or make a recommendation to the BCC each year to budget more for beach renourishment. Thereupon, Mr. Henderson amended his motion to reflect three quarters of a TDT percent to go towards beach renourishment instead of the half of a percent as an annual recommendation to the BCC.

The amended motion was seconded by Ms. Moore and Attorney Zas reiterated that the Board can discuss whether to increase or maintain the designated allocation to beach renourishment again during next year's budget process. Upon call for the vote, the motion carried unanimously.

ELITE EVENT GRANT PROGRAM

Overview of the Grant Program

Mr. Hayes noted that he would present on behalf of staff who could not be present and related that the members should have received a document outlining the grant program; that while the Board would review the funding requests as part of the program in previous years, this year's applications were reviewed by staff and recommendations for funding have been prepared for the members to review; that some changes have been made to the program, including lowering the attendee and room night thresholds, increasing funding for Category One, and the creation of Category Five for new events to the County; and that there were a record number of applications this year, with 35 requests received for a total funding request of \$1.94 million.

Review of Process, Applications/Events

Mr. Hayes explained that during staff's review of the submitted applications, they focused on descriptive data for the applications and events, marketing and sponsorship value, and other considerations like the timing of the events; that data from Destination Analysts (DA) was utilized, if available, to inform staff on room nights, the number of visitors and their direct spending, and the location of the event; that staff used BVK to assess the value of the proposed marketing and advertising plans of events and their sponsorship benefits; and that Attorney Zas reviewed the submitted applications to verify statutory criteria were met.

Staff Recommendations

Referring to a document titled *Elite Event Funding Program VSPC Funding Recommendations FY 2023*, Mr. Hayes provided an overview of the information listed for each application on the document and expressed that the goal for today is to review the recommendations, answer any questions, and make a recommendation for approval to the BCC. In response to queries by the members, he related that the requested amount of \$1.94 million includes all applications, including those that were not approved; that \$2 million was budgeted for the program per a recommendation by the Board last year; and that during review of the applications, staff considered the events themselves, their marketing, whether they were a new event, and the event's potential for growth.

Mr. Williams noted that he would not vote on the recommendations due to a conflict of interest and, in accordance with the provisions of the Standards of Conduct Law, a Memorandum of Voting Conflict form will be received and made a part of the record; whereupon, Mr. Hayes indicated that The Clearwater Sangria Festival and Spring Beach Bash were deemed ineligible as they did not meet the minimum requirement for room

nights or attendance, nor were they new events; that the MLK Dream Big Parade, Reggae Rise up Florida, and Holiday Putt Putt on the Pier did not receive the minimum score of 70 to be considered for funding; and that the remaining 23 events met or exceeded the requisite scoring.

Responding to queries by the members, Ms. Tuxhorn and Mr. Hayes provided additional information as to why certain events did not qualify for funding, and discussion ensued regarding concerns of the members that the MLK Dream Big Parade was not deemed eligible for funding. Thereupon, Attorney Zas clarified how events are categorized and Mr. Hayes explained how information submitted in applications is verified, noting that an event deemed ineligible for funding through the Elite Event program may be able to receive funding through a VSPC sponsorship if staff determines that the event would provide marketing value for the destination. Mr. Hayes pointed out that the MLK Dream Big Parade is a critical event as one of the largest Martin Luther King Jr. Day parades; whereupon, Chairman Justice noted that the Board's consensus seems to be supportive of finding another way to fund the MLK Dream Big Parade.

Attorney Zas pointed out that per the program guidelines, any operational costs of the events are limited to the value of the sponsorship piece; and that staff had difficulty finalizing an accurate evaluation of what portions of the Clearwater Beach Day & Tampa Bay Bowl and Gasparilla Bowl generated the room nights or attendance to become eligible for funding. Thereupon, ReliaQuest Bowl Director of Communications and Sponsorships Mike Schulze appeared, noting that he represents the Clearwater Beach Day & Tampa Bay Bowl; that the Bowl game is the driving force attracting visitors to the region; that the Clearwater Beach Day has acted as a vehicle to draw visitors for the game for over 30 years in conjunction with the Bowl game; that based on surveys of Beach Day attendees, the Convention and Visitors Bureau (CVB) valued the event at \$4.6 million in economic impact and \$200,000 in taxes generated in Pinellas County; and that the event generates approximately 12,000 room nights for the County.

Mr. Hayes remarked that the event received \$75,000 last year from the program; that staff is supportive of the event; and that the program guidelines can be adjusted next year to address the issue of room nights and attendance for events with components spread across multiple counties; whereupon, Attorney Zas suggested that the Board determine how many room nights and/or attendance should be apportioned to Beach Day separately from the Tampa Bay Bowl; and that staff may recommend a different amount of funding from the maximum amount for each category based on deliverables.

Mr. Schulze commented that VSPC would not receive bumper spots or appear in television commercials at the \$75,000 funding level, and the members expressed their support for the event to be funded at \$150,000 as the maximum amount for Category 1.

Thereupon, in response to queries by the members, Mr. Hayes discussed the acquisition of DA's data on room nights generated by the event.

Responding to queries by the members, Mr. Schulze elaborated on the football conferences and teams that the Bowl draws from, noting that the event will take place on January 2nd, and discussion ensued regarding the level of funding for the Bowl; whereupon, Mr. Williams made a motion to send staff's recommendations for Elite Event Funding to the BCC with the TDC's input and thoughts on the MLK Dream Big Parade. The motion was seconded by Mayor Hibbard and carried unanimously.

Mr. Hayes remarked that there were a couple of entities that applied under a higher amount as they claimed they would be on a national broadcast; that staff repositioned those applications to Category Two funding following their determination that the broadcast was more of a public relations opportunity; and that the guidelines will be clarified next year to make the broadcast requirement clearer; whereupon, Pioneering Resorts President and CEO Keith Overton appeared and provided information regarding a show on a new streaming platform starring his licensing partner Paul Tuttle that will air an episode each year filmed in Pinellas County.

DEPARTMENT UPDATES

Department Reports

Chairman Justice indicated that the reports can be found online at partners.visitstpeteclearwater.com.

Ms. Pletcher left the meeting at 11:21 AM.

VSPC PRESIDENT & CEO REPORT

Destination Metrics

Referring to a PowerPoint presentation titled *Pinellas County Tourist Development Council Meeting*, Mr. Hayes reviewed April 2022 statistical data regarding Tourist Development Tax collections, including hotel and vacation rental occupancy, average daily rates (ADR), and visitor profile metrics. He emphasized that the high TDT revenue is due to significantly higher ADR, despite static or decreasing occupancy; that properties will likely lower their rates in response to declining occupancy; that VSPC has released campaigns through Travelzoo and Expedia to offer travelers deal opportunities; and that Miles Partnership and BVK are studying travelers and industry trends to enable VSPC to readjust their marketing in light of inflation and higher gas prices.

International Visitation

Deviating from the agenda, Mr. Hayes indicated that staff recently traveled to Orlando to attend IPW, the U.S. international travel show; that most markets attended the show with the exception of Southeast Asia; that a factor preventing many tourists from visiting the U.S. was having to take a COVID-19 test to arrive, which was lifted the day after the show ended; and that VSPC is doing everything they can to mitigate a now prevalent concern among travelers towards high rates for airplane tickets, hotels, rental cars, and other travel expenses.

Mr. Williams left the meeting at 11:33 AM.

VSPC Staffing

Mr. Hayes explained that a number of VSPC employees left their positions over the last several months for jobs in other markets or industries; that there are currently 12 job openings at VSPC which are in various steps of the process of being filled; and that he wants to ensure that any new hires can accomplish what has been prioritized in the strategic plan. In response to queries by the members, Mr. Hayes noted that he does not know why some positions were not filled before he joined VSPC; that he anticipates the openings yet to be advertised will have a lot of interest from prospective candidates; and that staff is working diligently to seize opportunities that arise in the absence of certain positions.

BOARD MEMBER COMMENTS/DISCUSSIONS

In response to queries and concerns by Ms. Moore regarding increased funding for the arts, Mr. Abernathy related that he and Mr. Hayes recently presented the CVB's budget to the BCC; that any changes to the requested budget would need to go through a process and be brought to the BCC; that the TDC should identify needs for arts funding before appropriating money to it; and that budgets are amended every year when causes arise outside of the current budget that the BCC decides are worthy of funding. Mayor Bujalski indicated that she is hesitant to make a decision without a more informed discussion on the topic and Chairman Justice concurred, noting that he would rather have more members present for such a discussion; whereupon, he requested that the topic be added to the agenda for July's TDC meeting.

ADJOURNMENT

The meeting was adjourned at 11:50 AM.