

PINELLAS COUNTY TOURIST DEVELOPMENT COUNCIL
OCTOBER 18, 2017

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 9:03 A.M. with the following members present:

Members Present

Janet C. Long, BCC Chairman, Chair
Russ Kimball, Sheraton Sand Key Resort, Vice-Chair
Doug Bevis, City of Oldsmar Mayor
Timothy Bogott, TradeWinds Island Resorts
George Cretekos, City of Clearwater Mayor
Charlie Gerdes, City of St. Petersburg Councilman
Phil Henderson, Jr., StarLite Cruises
Joanne “Cookie” Kennedy, City of Indian Rocks Beach Vice-Mayor
Anthony Satterfield, Alden Suites
Eric Waltz, Sandpearl Resort

Not Present:

Jen Carlisle, Clearwater Marine Aquarium
Trisha Rodriguez, Clearwater Ferry

Others Present

David Downing, Visit St. Petersburg/Clearwater (VSPC) President and CEO
Tim Ramsberger, Chief Operating Officer
Katie Bridges, Senior Advertising Manager
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** – TDC Chair Janet C. Long
- II. **APPROVAL OF TDC MINUTES** – Meeting of September 20, 2017
- III. **PUBLIC COMMENTS**
- IV. **COUNTY ATTORNEY REPORT**
- V. **ELITE EVENT FUNDING** – PROPOSED NEW GUIDELINES

- VI. CONSULTANT REPORT**
 - A. Research Data Services – David Downing
August Visitor Profile – Report on file

- VII. VSPC PRESIDENT AND CEO REPORT** – David Downing
 - A. Financial Statements (Pinellas County Bed Tax)
 - B. Miscellaneous

- VIII. DEPARTMENT UPDATES** – August 2017
 - A. Advertising, BVK Advertising – Katie Bridges
 - B. Central Europe – Marion Wolf
 - C. United Kingdom / Ireland / Scandinavia – Venessa Alexander

*All other department reports on file

- IX. INTERNATIONAL AIRPORTS REPORTS** – August 2017
 - A. St. Pete-Clearwater International Airport – Report on file
 - B. Tampa International Airport – Chris Minner

- X. BOARD MEMBER COMMENTS**

- XI. ADJOURNMENT**

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

CALL TO ORDER/ROLL CALL

Chair Long called the meeting to order at 9:03 A.M.; whereupon, at her request, those at the dais introduced themselves.

MINUTES OF THE SEPTEMBER 20, 2017 MEETING – APPROVED

Mayor Bevis moved, seconded by Councilman Gerdes, that the minutes of the meeting of September 20, 2017 be approved, and upon call for the vote, the motion carried unanimously.

PUBLIC COMMENT

Ray Hess, Tarpon Springs, provided information about his surfing website and indicated that he wishes to discuss its funding; whereupon, Chair Long suggested that Mr. Hess submit information regarding his request in writing to her assistant for further consideration by staff.

COUNTY ATTORNEY REPORT – NONE

ELITE EVENT FUNDING – PROPOSED NEW GUIDELINES

Mr. Ramsberger referred to a document titled *Elite Event Funding Program, Funding Guidelines*, indicating that it is the final revised draft, which will be recommended by staff to the Board of County Commissioners for review and approval; whereupon, he highlighted the changes made pursuant to the members’ requests during recent TDC workshops with regard to *Funding Categories and Eligibility* (Section III) and *Application Process and Review* (Section V) and responded to queries by the members.

Vice-Mayor Kennedy moved, seconded by Mr. Waltz, that the proposed new Elite Event Funding Program Guidelines be approved; whereupon, responding to queries by Mr. Henderson and Mayor Cretekos, Mr. Ramsberger indicated that the new guidelines are expected to take effect in Fiscal Year 2017-2018; and that the current 700-point minimum application scoring requirement and the VSPC’s approach with regard to providing funding for applicants’ marketing and advertising after the event’s third year of funding will not change.

Upon call for the vote, the motion carried unanimously.

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Deviating from the agenda, Mr. Downing requested that the Consultant Report and the President and CEO Report be deferred until later in the meeting.

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DEPARTMENT UPDATES

Advertising, BVK Advertising

Ms. Bridges introduced newly-hired VSPC Marketing Manager Whitney Fox, noting her efforts in coordinating the recent warehouse move; whereupon, at the request of Chair Long, Ms. Fox provided background information about herself, and Ms. Bridges noted that Ms. Fox found out about the VSPC through the organization’s advertisements posted inside New York City subway trains during the winter.

Mr. Downing and Ms. Bridges indicated that this year VSPC is launching its largest fall advertising campaign, utilizing numerous resources to (1) conduct communications alleviating any concerns following Hurricane Irma in and out of state and (2) pursue new markets, with a heavy focus on Florida. Ms. Bridges referred to a PowerPoint presentation titled *Fall 2017* and discussed strategies used to achieve the above objectives, highlighting the following:

- VSPC has partnered with Travelzoo for a featured destination program with VSPC-sponsored commissions.
- Annual local advertising programs include a billboard on Memorial Highway and displays in the airports and International Plaza in Tampa Bay, and WESH-NBC radio station event promotion in Orlando.
- Fall media promotions include new placements in the *Orlando Sentinel Explore Florida Magazine* and the *Orlando Sentinel* featuring the upcoming Clearwater Jazz Holiday, advertising in *Tampa Bay Times*, iHeart Media Total Traffic Network Radio in Tampa Bay and Orlando, new digital billboards with mobile messaging in Orlando and Tampa, and billboards along I-75 near Gainesville and Ocala.
- The *Go Gulf Coasting* promotional sweepstakes campaign to win an Airstream Basecamp trailer or a four-night vacation to St. Petersburg/Clearwater has been successful and will continue into the fall.
- National and out-of-state spot market campaigns include advertising via National Public Radio, a Chris Young radio promotion, various media advertisements in Chicago, and a targeted Canada campaign with exposure on The Weather Network.
- New brand partnerships formed with CITGO and Wendy's promote a chance to win a trip to the destination.

Mr. Downing provided input and responded to queries by the members throughout the presentation, noting that the CITGO exposure involving over 6,000 locations and over 250 million impressions in exchange for just the cost of a four-person trip to the destination is attributed to valuable relationships held by the BVK promotions team.

Ms. Bridges indicated that the *Gulf to Bay* destination magazine created in partnership with the *Tampa Bay Times* should be in the market in January and presented the Allegiant *Sunseeker* magazine insert for June-July, noting that staff is preparing to work on the December issue; and

that 30,000 copies are printed and distributed in all Allegiant aircraft. Responding to query by Chair Long, Ms. Bridges commented on promotional opportunities in magazines of other airlines, noting that Swiss airline Edelweiss Air is interested; and that the *Sunseeker* is a good prototype.

Later in the meeting, Mr. Downing noted that both the *Sunseeker* insert and the German version of the tour operator magazine with a pullout were developed in-house, repurposed, and translated into German; that they were successfully received by the partners; and that distribution of the magazines to other airlines is being explored.

Ms. Bridges related that information regarding the annual marketing meetings will be sent out within the next two weeks; whereupon, Chair Long thanked her and Interactive Director Leroy Bridges for their work at the Emergency Operations Center during Hurricane Irma and requested that they assist Mr. Hess with regard to his inquiry (*see Public Comment*).

International Officers Reports

Following introductions, International Officers Venessa Alexander (United Kingdom, Ireland, and Scandinavia) and Marion Wolf (Central Europe) referred to a PowerPoint presentation titled *European Snapshot* and discussed impacts of the market climates on travel to the destination, feedback gathered from the major tour operators and importance of their partnerships, and the 2017 consumer campaigns, and responded to queries by the members, providing the following information:

United Kingdom/Ireland/Scandinavia

- Political instability relating to Brexit in the U.K. is affecting the value of the pound, exchange rate, and the economy, where the rising inflation rate is impacting consumer spending and commitment to advance purchases. Coupled with a growing popularity of destinations offering all-inclusive vacations, the result is that British tourism to Florida and the United States overall is down, yet tourism to St. Petersburg/Clearwater and Orlando is still up and will continue.
- While the length of stay in St. Petersburg/Clearwater has not been affected, tourists are spending less by booking lower-level hotels or vacationing longer in Orlando due to lower rates.
- British Airways, Expedia, and Tour America are reporting that the number of travelers from the U.K./Ireland to St. Petersburg/Clearwater is up by 10, 3.8, and 4 percent, respectively. The

number of tourists booking through Virgin Holidays, whose major business is theme park vacations, is down; however, the outlook for 2018 is optimistic.

- The U.K. team partnered with 17 tour operators and ran a consumer campaign in conjunction with Virgin Holidays, advertising on television, in cinema, online, and in social media, operated by the VSPC social media team. The campaign generated 33 million ad impressions, 560,000 social media impressions, greatly increased traffic to Virgin Holiday's website, business for British Airways, and inquiries for other operators' websites.
- The *Dublin Takeover* four-week campaign conducted in conjunction with Tour America involved radio, print, T-shirt, sweepstakes, online, and social media advertising, and resulted in over three million impressions, over 34.5 thousand social interactions, and an 8.2-percent increase in bookings.
- The new direct service from Reykjavik, Iceland, to Tampa by Icelandair has been supported and promoted by the U.K. team. A Pan-Nordic co-op was launched with Thomas Cook in Sweden, Denmark, Finland, and Norway.

Central Europe

- Germany's presently stable economy with its all-time low unemployment and inflation rates may or may not be affected in the future by the political uncertainty attributed to challenges associated with forming a new government. While the euro has been relatively weak against the U.S. dollar, which has resulted in increased vacation costs, it has been gaining strength and is projected to keep rising in value.
- Even though the U.S. is perceived to be a safe destination by German tourists, reports of government policies concerning immigration and travel bans somewhat affect German travel.
- The expanding transatlantic air service helps reduce airfare, and the year-to-date passenger numbers for Lufthansa for the most successful flight from Frankfurt, Germany, to Tampa, are up by 11 percent. Air France and Delta will start new daily service to Orlando at the end of March, and Edelweiss Air will start daily service to Orlando in January.
- Most tour operators report a decline in bookings from 2016 to 2017 caused largely by an unfavorable exchange rate, but numbers fluctuate and are difficult to gauge. At the same time, operators report a growing interest in Florida's west coast, as compared to other areas, and note

that destinations benefit from having a presence in the marketplace. The current trends include tailor-made vacations and exploring destinations by car.

- Potential challenges may include an unfavorable exchange rate, accommodation rate increase, and resort fees. Ms. Wolf has contacted the six properties charging resort fees in St. Petersburg/Clearwater, which were removed from the tour operator 2018 season list in accordance with a German law.
- Nearly 80 different initiatives were conducted with approximately 30 partners, targeting consumers and the travel trade industry during a three-month successful *FTI Touristic* campaign, which included a memory game sweepstakes promotion generating 10,000 entries and 3,900 information requests, e-newsletters with travel offers, and a Facebook advertisement. The campaign resulted in 9.7 million ad impressions and a 14.3-percent increase in room nights.
- The *TUI Germany* campaign included a very successful Instagram photo competition and a Travel Trade education campaign training “destination experts.” The latter involved thousands of participants and culminated in a familiarization tour of the destination for the top 120 agents generously sponsored by the local industry partners and supported by VSPC. A total of 1,056 travel agents were trained last year in view of the fact that 82 percent of vacations are still booked through travel agencies.
- The *TUI Suisse* campaign in Switzerland included advertisements and a Beaches Supplement in the leading travel trade publication *Travel Inside* online and in print.
- The two-month long *America Unlimited* campaign consisting of teasers, e-news blasts, social media placements, and tactical offer flyers, leading up to a “climate box” promotion in Hanover, Germany, resulted in an overall 5 to 1 return on investment, including a 28-percent increase in bookings.

Mses. Alexander and Wolf discussed local industry partnerships, noting a split in representation of the local Convention and Visitor Bureaus between Visit Florida and Visit U.S.A. stands during trade shows and changes occurring in the Visit Florida organization with regard to European representation; whereupon, they indicated that they work with partners on various marketing aspects and promote the St. Petersburg/Clearwater beaches extensively with Visit Orlando. Earlier in the meeting in response to query by Councilman Gerdes, Mr. Downing indicated that VSPC promotions at the Orlando airport will be discussed during the December meeting.

In response to queries by Councilman Gerdes regarding the use of Facebook programs for promotions, Mr. Downing indicated that VSPC staff does use certain social media techniques; and that organizational decisions relating to all digital platforms are currently orchestrated in-house instead of by an outside agency. Responding to cybersecurity concerns expressed by Chair Long, Mr. Downing discussed precautions taken by staff in terms of account users, passwords, and monitoring.

Responding to query by Mayor Cretokos regarding local news coverage of Hurricane Irma, Mses. Alexander and Wolf related that there was no negative publicity about the area, and Pinellas County was never mentioned; and that Mr. Bridges had provided valuable up-to-date information that helped tour operators in Europe quickly relocate all visitors. Mr. Downing stressed the importance of having VSPC International Officers who are aware of the circumstances on the ground, indicating that local public relations firms are no longer utilized; and that a best practice in a situation such as a hurricane is providing the public with the appropriate message at the right time.

INTERNATIONAL AIRPORT REPORT

Tampa International Airport

Chris Minner, Executive Vice-President of Marketing and Communications, Tampa International Airport (TIA), thanked Mses. Alexander and Wolf for their contribution in the expansion of the existing air service and attainment of new non-stop international flights, noting that the presence of VSPC in the world market and a track record of attracting international visitors is invaluable to the airport. He also recognized and thanked Leroy and Katie Bridges for their assistance in efforts related to social media and marketing initiatives.

Referring to a PowerPoint presentation titled *Pinellas Tourist Development Council*, Mr. Minner reviewed the initiatives and achievements of the VSPC-TIA partnership, such as direct flights to Germany, Iceland, and Switzerland. He noted the importance of a regional approach among local organizations and pivotal role of VSPC's long-lasting commitment in Icelandair's decision to join the market, and thanked Chair Long for her leadership and involvement with the Iceland trip.

Noting that TIA serves the entire west coast of Florida, Mr. Minner discussed passenger traffic and projections, the destination portfolio, newest domestic routes, and international goals, indicating that an all-time high of 19.3 million passengers will be reached this year and it is anticipated that millions of seats will be added in the future; that the airport continues to win travel

industry awards based on consumer surveys by maintaining a high standard of service; that international passenger traffic is up by 125 percent since Fiscal Year 2010 and continues to grow; and that TIA collaborates with VSPC in the review of new international routes to be pursued; whereupon, Mr. Downing pointed out that the top three international growth markets are in Latin America.

Mr. Minner thanked the Council and VSPC staff for their support of the Volunteer Ambassador Program at TIA, relating that in the last several years, the program has grown from 70 to 180 active participants who provide staffing throughout the day and greet every international flight, offering information about the destination to visitors.

Mr. Minner provided an update regarding the progress and phase planning of the airport reconstruction project, discussing its potentially great benefits in terms of the economic impact to the region and the unparalleled level of convenience to the customers, and noting that the number of passengers is expected to grow from the current 20 million to 34 million.

Responding to query by Mr. Bogott, Mr. Minner indicated that there is high interest to visit St. Petersburg/Clearwater among the Icelanders, but the key for success of Icelandair's service to Tampa will depend on the connecting European passengers.

VSPC PRESIDENT AND CEO REPORT

Mr. Downing noted that the TIA presentation was intentionally scheduled on the same day as the international reports to illustrate how TIA and VSPC work together to increase international visibility of the destination; whereupon, he commented on the complexity of air service development, thanked the TIA team for their partnership, and commended them on running efficient operations and receiving service awards while undergoing reconstruction.

In response to query by Mr. Kimball, Mr. Downing indicated that a quarter of a million dollars is earmarked in the VSPC budget each year for air service development, with a roll-over option; and that TIA and St. Pete-Clearwater International Airport (PIE) management are aware that more funds may be allocated by the Council if needed to take advantage of an opportunity, noting that PIE representatives will be presenting their year-end review to the Council in January, and Mr. Kimball provided input.

Mr. Downing discussed the recent Tampa Bay Business Journal Roundtable and Florida Association of Destination Marketing Organizations (FADMO) meetings, indicating that the

roundtable discussion focused on growth of the region and promoting “regionality” of the destination versus either side of the Bay individually; that Visit Florida and FADMO made presentations regarding marketing opportunities; that VSPC will continue partnering with Visit Florida and will be the largest destination presented at its stand at the world travel marketing event this year; and that a presentation by Airbnb has prompted staff to analyze various opportunities relating to visitor numbers and the impact of Airbnb on occupancy rates. He related that staff has been developing an online dashboard model utilizing various digital vehicles to provide a comprehensive quarterly analysis of visitation metrics based on Smith Travel Research, Inc. reports, along with month-to-month data.

MISCELLANEOUS DISCUSSION

Chair Long discussed the possibility of applying a portion of the bed tax money, possibly the unallocated sixth cent, toward tourist-related transportation projects, noting that the topic was brought up at a recent Tampa Bay Area Regional Transit Authority (TBARTA) Policy Committee meeting. She indicated that a valid argument could be made for use of the funds, given the tourism-related burden on the transportation system; and that it will be discussed by the Commissioners at an upcoming BCC work session; whereupon, she noted that transportation pilot projects are being considered by the Pinellas Suncoast Transit Authority (PSTA), including the Central Avenue Bus Rapid Transit project in St. Petersburg for which a million-dollar federal transportation grant has been secured.

Noting the significance of public transportation for the destination and the potential legislative intent to change a statute pertaining to the use of bed tax dollars, Chair Long suggested that it would be beneficial for the Council to participate in the legislative discussion; whereupon, at her request for feedback, the members discussed the need for transportation and its funding, allocation of the sixth cent, and the 60/40 Tourist Development Tax (TDT) split, indicating the following:

- Sheraton Sand Key Resort has invested in providing transportation for its employees and guests starting November 1, pursuant to an agreement with PSTA allowing free ridership on any bus in the county, including the Jolley Trolley, to promote public transportation. The Council should participate in the aforementioned legislative discussion (*Mr. Kimball*).
- All six cents are included in the 60/40 TDT split; 60 percent of the tax revenue should be preserved for marketing (*Messrs. Satterfield and Henderson*).

- As long as funding for transportation comes out of the 40-percent capital projects funding, there is no concern with regard to how it is spent (*Mr. Satterfield*).
- The sixth cent has not been a deterrent to business and it would not make sense to sunset it (*Messrs. Henderson and Bogott*).
- Transportation is needed in order to protect the greatest asset – destination and the beaches – over the long run. The Council should participate in the legislative discussion (*Mr. Bogott*).
- Considering the lack of funding needed to provide seamless transportation throughout the county, a new avenue of funding would be of tremendous help. The Council should participate in the legislative discussion (*Vice-Mayor Kennedy*).
- Transportation is essential to providing a good experience for the growing number of visitors; alternative types of transportation should also be considered (*Mayor Bevis*).

Chair Long encouraged the Council to be open-minded about the future in order to be competitive and provided information regarding a federal grant application for the autonomous minivans pilot project intended to transport passengers from the airports. She indicated that there is a duty to evaluate opportunities for reallocating the existing tax before considering imposing a new transportation-related tax; and that a legislative bill has been introduced prohibiting stadiums from being built using bed tax money.

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Mr. Kimball left the meeting at 11:13 A.M.

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CONSULTANT REPORT – AUGUST 2017 PROFILE

Mr. Downing referred to the Tourist Development Tax 2016-2017 comparative data sheet, reporting that bed tax collections are up by 7.12 percent and almost 11 percent for August and year-to-date, respectively, noting that September numbers have not been received yet. Mr. Bogott pointed out that the data sheet is unclear and suggested that a year-to-date comparison through August be added. Mr. Downing indicated that he will review the information provided on the data sheet, and referring to the online dashboard project, reiterated that the ultimate goal is to evaluate quarterly metrics, as month-to-month data is difficult to quantify; and that it is an evolving project for which input by the Council will be sought.

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Referring to a PowerPoint presentation titled *Year to Date 2017 Visitor Profile (January – August)* containing information compiled by Research Data Services, Inc. (RDS), Mr. Downing discussed various metrics, including RDS Occupancy and Smith Travel Occupancy average daily rates and revenue per available room for the month of August and the January through August timeframe, indicating that advertising and marketing efforts had good results; whereupon, he discussed market growth with respect to Latin America and the U.S. west coast and reiterated that the largest promotions taking place this fall include “pre-seasoning” in key markets such as Canada, where VSPC has a long-standing relationship.

BOARD MEMBER COMMENTS

The members provided comments relating to recent and upcoming events, including the 2017 Hispanic Heritage Concert, Jazz Holiday, and Beach Chalk Art Festival in Clearwater, and the opening of the Earth Fare supermarket in Oldsmar, and Mr. Downing provided input.

Mr. Satterfield pointed out that the gubernatorial race is coming up; and that it is important to recognize that there are candidates who understand and support tourism and those who do not; whereupon, Mayor Bevis added that the City of Oldsmar has sent a letter to local and state representatives in support of Home Rule.

Responding to query by Mayor Cretekos, Chair Long indicated that the next meeting of the Council is scheduled for November 15.

ADJOURNMENT

The meeting was adjourned at 11:25 A.M.