

PINELLAS COUNTY TOURIST DEVELOPMENT COUNCIL

January 16, 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 9:00 A.M. with the following members present:

Karen Williams Seel, BCC Chair, Chair
Russ Kimball, Sheraton Sand Key Resort, Vice-Chair
Julie Ward-Bujalski, City of Dunedin Mayor
Charlie Gerdes, City of St. Petersburg Councilmember
George Cretekos, City of Clearwater Mayor
Phil Henderson, Jr., StarLite Cruises (arrived at 9:05 A.M.)
Joanne “Cookie” Kennedy, City of Indian Rocks Beach Mayor
Doreen Moore, Travel Resort Services, Inc.
Keith Overton, Tradewinds Resort
Charles Prather, The Birchwood Inn
Trisha Rodriguez, Clearwater Ferry
Anthony Satterfield, Alden Suites

Others Present

David Downing, Visit St. Petersburg/Clearwater (VSPC) President and CEO
Tim Ramsberger, Chief Operating Officer
Leroy Bridges, Vice President, Digital and Communications
Suzanne Hackman, Vice President, Business Development
Teri Tuxhorn, Administrative Director
Katie Bridges, Sr. Advertising Manager
Liz McCann, Executive Administrative Assistant
James Abernathy, Office of Management and Budget
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 – TDC Meeting of November 14, 2018
- IV. PUBLIC COMMENTS

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- V. COUNTY ATTORNEY REPORT – Michael A. Zas
- VI. CAPITAL PROJECT FUNDING PROGRAM – Tim Ramsberger
- VII. ST. PETE-CLEARWATER AIRPORT – Tom Jewsbury, Director
- VIII. DEPARTMENT REPORTS
 - A. Advertising and Promotions – Winter Campaign – Katie Bridges
 - B. Digital and Communications – New Partner Site – Leroy Bridges
- IX. VSPC PRESIDENT AND CEO REPORT – David Downing
 - A. Tourism Economics Snapshot – November 2018
 - B. Pinellas County Bed Tax – November 2018
 - C. New TDC Committees – Budget & Finance and Marketing
- X. BOARD MEMBER COMMENTS
 - A. Cookie Kennedy – Short Term Rentals
- 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 9:00 A.M.; whereupon, at her request, those in attendance introduced themselves.

Deviating from the agenda, Chair Seel related that she will provide her comments later in the meeting.

MINUTES OF THE NOVEMBER 14, 2018 MEETING – APPROVED

Councilmember Gerdes moved, seconded by Mayor Kennedy and carried unanimously, that the minutes of the November 14, 2018 meeting be approved.

PUBLIC COMMENT

Upon the Chair’s call for public comments, Visit Florida Regional Partnership Manager Jen Carlisle provided an update on recent Visit Florida events and activities, including the following:

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- Former Florida Senator Dana Young was appointed as the new Visit Florida CEO and President on January 7. Ms. Carlisle encouraged the members to share their visions or concerns regarding the organization with her.
- Florida Huddle, Florida's official travel trade show, took place January 8 through 10 in Daytona Beach, gathering 182 buyers from 14 countries and generating 6,000 appointments with suppliers; 14 Pinellas County businesses participated in the event, and feedback provided by the members was appreciated.
- The registration for Florida Tourism Day, which will take place on March 13 in Tallahassee, is officially open. Ms. Carlisle encouraged the members to take the opportunity to participate in the discussion about the value of tourism with the legislators, media, and residents.

Responding to query by Mr. Downing, Ms. Carlisle indicated that she has no information regarding the Chief Marketing Officer position for Visit Florida and recommended reaching out to Ms. Young; whereupon, Mr. Satterfield complimented the organization on the successful Florida Huddle event, noting that it was a marked improvement from last year.

COUNTY ATTORNEY REPORT – NONE

CAPITAL PROJECT FUNDING PROGRAM

Mr. Ramsberger reported that the capital project funding application period closed last night with the following applicants requesting a total of \$62 million, as follows:

- St. Petersburg Historical Society - \$2.2 million
- American Craftsman Museum - \$2 million
- Tampa Bay Watch - \$300,000
- The Dali Museum - \$17.5 million
- City of Clearwater (The Phillies) - \$40 million

Mr. Ramsberger noted that the Phillies application will be reviewed under the new guidelines separately from other applications; that it will be presented for consideration to the BCC next week, and staff will bring it back to the Council on February 20; and that the Dali Museum application will also require a preliminary review by the BCC due to the request amount being over \$10 million.

Responding to query by Councilmember Gerdes, Mr. Ramsberger related that he plans to meet with Chair Seel regarding a timeline for the application review process, and Chair Seel requested that he provide the members with a written summary of the applications.

ST. PETE-CLEARWATER INTERNATIONAL (PIE) AIRPORT

Airport Director Tom Jewsbury referred to a PowerPoint presentation titled *St. Pete-Clearwater International* and provided an update regarding the successful airport growth, including the expansion of service, increase in passenger numbers, operating profit, and improvement and development projects, highlighting the following:

- With new routes to Nashville, Tennessee, and Albany, New York, and the addition of a fourth airline with service to Canada, the airport is up to 56 non-stop domestic and 3 international routes to Canada
- Passenger traffic last year was up by 9 percent over the year before, with a new record of 2.24 million passengers, representing a 120-percent growth over the past five years
- Operating profit last year was \$5.1 million, with almost \$16 revenue per passenger
- An Airport Master Plan should be completed and presented to the BCC in the spring
- Various upgrade, renovation, and improvement construction projects in and around the airport are underway
- An Environmental Assessment required to develop the Airco site is expected to be completed in the spring; the site will potentially have both aeronautical and non-aeronautical uses

Mr. Downing emphasized the significance of Allegiant Air's impact on local tourism, noting that it is the only airline involved in a recurring annual marketing agreement with PIE, and discussion ensued. Responding to queries and comments by Messrs. Downing and Gerdes, Mr. Jewsbury indicated that Tampa Bay is currently the third largest destination serviced by Allegiant Air in terms of passenger numbers, surpassed only by Orlando and Las Vegas; and that PIE is experiencing above-standard growth as compared not only to airports of similar size, but larger ones as well. He provided information regarding operating profit, noting that while 2018 profit was less due to expenses associated with the aforementioned construction projects, per-passenger

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cost stayed below \$2, allowing for competition with other airports; and that PIE now has approximately \$20 million in operating profit reserves.

In response to queries by Mayor Cretokos and Chair Seel, Mr. Jewsbury provided information pertaining to building the Allegiant Air maintenance facility. Jeff Clauss, Director of Air Service Development/Marketing, PIE, indicated that top places of embarkation depend on flight frequency; and that Allegiant's most popular Tampa Bay routes include Indianapolis, Pittsburgh, and Cincinnati, and Mr. Downing provided input regarding coordination of efforts between VSPC and PIE in promoting the airline and the destination.

DEPARTMENT REPORTS

Advertising and Promotions – Winter Campaign

Ms. Bridges conducted a PowerPoint presentation titled *Own the Beach* and presented videos highlighting the following venues and promotional activities of the winter 2018-2019 advertising campaign:

- Local promotions at the International Plaza, Tampa International Airport, Howard Frankland Bridge (upcoming), and I-75
- Orlando campaigns at the airport, in print, on television and radio, on buses and bus stops, in movie theatres, on digital billboards, and at gas stations
- Co-op program with Visit Florida: billboards for three markets
- New York campaign: various radio and television promotions, including holiday music sponsorship and a *Skating in the Park* segment featuring figure skater Brian Boitano and other special guest appearances, advertisements on urban panels in Manhattan, in railroad cars and subways, and 24-hour illuminated bus ads
- Partnership with NPR, PBS, and ESPN, including a 30-minute educational travel series on the destination by veteran travel personality Erik the Travel Guy to air on PBS in the spring
- Two-page spread advertisement in *Real Simple* magazine

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- International campaigns in the United Kingdom, Germany, and Switzerland, including a 5,000 limited edition St. Pete/Clearwater beach-box containing gadgets sold by Expert, a retail chain in Germany
- Partnership campaigns with several domestic and international airlines
- 2019 Cooperative Advertising Program: 87 percent of digital and print media opportunities sold generating \$442,020 revenue
- Gulp Coast Craft Brewery Passport promotion, which has experienced great success
- The largest print run of one million *Gulf to Bay* magazine copies will be launched on February 1, and 225,000 copies will be distributed in New York Times publications in 13 markets nationwide
- The annual “Besties” award ceremony will take place on January 31

Ms. Bridges responded to queries by the members throughout the presentation and Mr. Downing provided input, explaining the reasoning behind various advertising strategies, such as the tag line “Tampa Bay’s Gulf Beaches” on a local billboard advertisement, illuminated buses in New York, and using the beach as the driving tourism force while adding other elements to promote the cultural aspects of the destination.

During discussion and in response to queries and comments by the members, Ms. Bridges indicated that \$10 million is budgeted for advertising and promotions in the current fiscal year. Mr. Downing discussed the value of the full editorial-style magazine into which *Gulf to Bay* has evolved from a visitor’s guide, noting that it has been a successful partnership with Tampa Bay Times; that circulation numbers of the award-winning publication have grown considerably over the years, making it one of the top five publications by subscription size in the country; and that the arts and culture aspect of the destination is at its center. The members and staff provided input regarding the usefulness of the magazine, its various versions, and display sites.

In response to queries by Councilman Gerdes, BVK Senior Vice President Mary DeLong related that the value of the Orlando market had been previously underestimated; that travel from Orlando to Florida’s east coast surpasses the west; and that the marketing strategy aims to steal market share by showing that the west, and St. Petersburg/Clearwater in particular, is the better alternative. She noted that VSPC and BVK strive to be the advertising leaders and briefly discussed the advantages of advertising on buses in New York.

Mr. Kimball pointed out that the leading efforts of VSPC staff are recognized by their peers, indicating that Mr. Downing will be one of the top 25 industry leaders receiving the Adrian Award for his achievements at the upcoming 2019 Hospitality Sales and Marketing Association International event in New York, and Ms. DeLong provided details regarding the event.

Digital and Communications – New Partner Site

Mr. Bridges displayed VSPC's new industry partner website and discussed its structure and purpose, noting that the site is more streamlined than the previous one; that his goal is to provide resources to increase partner interaction and education; and that staff will be leveraging feedback from the partners to enhance the site with additional elements. He indicated that he is in the process of finalizing an in-house research position to further support website development.

Mr. Bridges noted that one of his staff's primary functions is creating videos for new product promotion and played a video highlighting the opening of the Fenway Hotel in Dunedin, and Chair Seel inquired about promoting the recently restored Belleview Inn. Mr. Downing stressed that it takes tremendous time and effort to develop a website that provides a high quality information source, making visitation and other metrics available to the public, and encouraged the members to explore it. He thanked Mr. Bridges for his time, effort, and expertise in creating the site.

In response to queries by Chair Seel, Messrs. Bridges and Downing explained that having a number of URLs all pointing to the main VSPC website is done to create a narrow focus around specific topics or promotions and build the brand.

VSPC PRESIDENT AND CEO REPORT

Tourism Economics Snapshot and Pinellas County Bed Tax – November

Referring to the PowerPoint presentation titled *Tourism Economics Snapshot, January TDC Meeting*, and the Tourist Development Tax 2018-2019 comparative data sheet, Mr. Downing, with input by Mr. Bridges, reviewed November, year-to-date, and market comparison data based on rooms sold, average daily rate, and revenue per available room. They indicated that a slight decline in the November numbers was apparent on the Gulf Coast as well as in the middle of the state; that year-to-date numbers are higher than last year; and that the Tourist Development Tax (TDT) for November was up by 1.6 percent, noting that the TDT is an accurate barometer for how a destination is doing; whereupon, Mr. Satterfield commented that Smith Travel Research is the industry expert and recommended that the members and Mr. Bridges attend their seminar in August.

New TDC Committees – Budget & Finance and Marketing

Mr. Downing provided background information regarding the changing content of the TDC meetings over time, indicating that Chair Seel and he have been discussing the possibility of forming two subcommittees, one pertaining to marketing and the other to budget and finance, in order to have a better grasp on CVB operations in those areas. Chair Seel emphasized that the Council needs to review the programs and have a deeper understanding of the budget and the rate of return from marketing and advertising programs, indicating that each subcommittee would involve three to five Council members, and Mr. Satterfield expressed his support of the idea.

CHAIR COMMENTS

Noting the new members on the Council and the BCC, as well as the recent appointment of Barry Burton as the new County Administrator, Chair Seel suggested having an orientation session for everyone to get acquainted and ensure they are on the same page, noting that it will be scheduled in the near future.

Chair Seel referred to a memorandum from Commissioner Janet Long dated January 8, 2019, a copy of which has been made a part of the record, and related that Commissioner Long is proposing that the TDC revenue allocation be changed from the existing 60/40 split between marketing and capital spending to a 40/40/20 split, with 20 percent allocated to tourist-related transportation and infrastructure projects. She related that, based on the Commissioners' feedback, sewer improvement projects would not be considered under the 20-percent portion; and that the matter will be discussed in depth at the next TDC meeting; whereupon, she related that Forward Pinellas and the BCC, Pinellas Suncoast Transit Authority, and Mayor's Council will hold a joint workshop on January 18 regarding transportation funding options, and encouraged the members to attend. Mayor Ward-Bujalski related that Forward Pinellas Executive Director Whit Blanton conducted a presentation on the matter at last week's Forward Pinellas Board meeting, and recommended that TDC members who are unable to attend the workshop view the video recording.

Responding to queries by Mayor Ward-Bujalski and Mr. Overton, Messrs. Henderson and Gerdes related that the Council had previously informally agreed that the 60/40 split was reasonable and should continue. Chair Seel indicated that amending the current Tourist Development Plan to allow changes in the bed tax allocation would be up to the BCC. At her request, Attorney Zas explained the Council's rights with regard to the statutory amendment, indicating that if it is adopted by the BCC, proposed projects would require an independent professional analysis demonstrating a positive impact on tourism and a recommendation by the TDC in order to be considered for funding. The members discussed the potential impact of the amendment on funding marketing; setting a precedent

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for expanding the uses of the TDT funds; alternative sources of transportation and capital project funding, including taxes contributed by tourists; the possibility of implementing a gas tax and its uses; the importance of keeping track of the law; and the process for TDC involvement in decisions regarding infrastructure projects.

Mr. Kimball commented that an update on legislative decisions and the position of the County's Legislative Delegation regarding those decisions would be valuable, and Chair Seel indicated that she will request that Intergovernmental Liaison Brian Lowack attend TDC meetings to provide the information.

Chair Seel congratulated the City of Dunedin on a successful inaugural International Film Festival. Mayor Ward-Bujalski agreed that it was a well-received event and discussed possibilities for increasing funding for the VSPC Film Commission.

Chair Seel commended Mr. Downing for being honored with the Adrian Award as one of the Top 25 Extraordinary Minds in Sales, Marketing, and Revenue Management and thanked him for building an excellent and dedicated staff, and Mr. Downing praised his staff and noted the importance of the Council's understanding of their day-to-day work.

MEMBER COMMENTS

Mayor Kennedy: Short-term rentals

Mayor Kennedy distributed a document titled *Presentation – Vacation Rentals – TDC* and discussed concerns surrounding the State's increasing limitations of the local power to regulate short-term vacation rental properties, resulting in the cities' inability to properly address safety issues and protect property rights of the residents; how that is impacting the residents, hoteliers, and law enforcement in Indian Rocks Beach and other beach communities; and opportunities to address the problem.

At Mayor Kennedy's request and referring to a document showing active vacation rental listings by various platforms as of September, Mr. Bridges related that VSPC does not currently subscribe to research data for vacation rentals; and that there is an opportunity to try to capture the economic impact of that market. Mayor Ward-Bujalski and Chair Seel agreed, noting the value in collecting that information, and discussion ensued regarding accuracy of the presented data and challenges associated with illegal rental activity.

Mr. Satterfield

Mr. Satterfield referred to an article titled *Pinellas Economic Research* and, noting that he is serving on the Creative Pinellas Board, briefly discussed the economic impact of the arts on the destination, urging VSPC to continue collaborating with Creative Pinellas. He stressed the importance of the arts to the County and the tourism industry, and suggested inviting Creative Pinellas Executive Director Barbara St. Clair to provide an update to the Council.

CONCLUDING COMMENTS – David Downing

Mr. Downing provided historical background information regarding the existing structure of the relationship among the VSPC, TDC, and BCC, whereby the VSPC operates under the auspices of open government and seeks guidance by the TDC and approval by the BCC, noting that it is an arrangement and a responsibility that competitors, including Tampa, Kissimmee, Orlando, and Miami, do not have.

Mr. Downing indicated that the job description of the VSPC CEO allows for incredibly broad authority to run VSPC in the best way they see fit in the tourism marketing space; that should the aforesaid relationship be altered, the job description would need to be reconsidered accordingly; and that changing the structure to one where the Council members would serve on additional committees may expose them to conflict of interest issues from which they are currently protected.

Mr. Downing encouraged the Council to reopen a discussion about privatization of the organization that was held several years ago. He suggested that the members consider a scenario where VSPC would provide quarterly updates and seek the Council's support on major events, such as Super Bowl, indicating that all the reports are available online; that it is impossible in the short amount of time given for the monthly meetings to share information about all the activities transpiring at the VSPC; and that the role of the Council would be to hear updates and provide guidance, rather than have a deeper involvement in VSPC activities and decisions, noting that VSPC depends on the members' expertise.

Mr. Downing commended the work of his staff, noting that their personal lives are intricately linked with the incessant task of marketing and promoting the destination worldwide; and that their success is manifested in the bed tax numbers; whereupon, he thanked them and the Council and wished everyone well.

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The members expressed gratitude and appreciation to Mr. Downing for his remarkable leadership; building a talented, dedicated staff team; and the great impact of his efforts on the local tourism industry and the residents.

Mr. Overton referred to recent newspaper commentary about VSPC and opined that it is unlikely that there could be more oversight with regard to VSPC than there currently is; that it is frustrating that it takes a long time to get things done; and that the TDC is a perfect example of how government and private industry work together effectively.

In response to queries by Mayor Ward-Bujalski, Mr. Downing informed the members that the position of the Interim VSPC CEO will be discussed today at a meeting with the County Administrator.

ADJOURNMENT

The meeting was adjourned at 11:39 A.M.