

Clearwater, Florida, August 16, 2017

PINELLAS COUNTY TOURIST DEVELOPMENT COUNCIL
AUGUST 16, 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 9:01 A.M. with the following members present:

Members Present

Janet C. Long, BCC Chairman, Chair
Timothy Bogott, TradeWinds Island Resorts
Jen Carlisle, Clearwater Marine Aquarium
George Cretekos, City of Clearwater Mayor
Charlie Gerdes, City of St. Petersburg Councilman
Phil Henderson, Jr., StarLite Cruises (arrived at 9:07 A.M.)
Joanne "Cookie" Kennedy, City of Indian Rocks Beach Vice-Mayor
Trisha Rodriguez, Clearwater Ferry
Anthony Satterfield, Alden Suites
Eric Waltz, Sandpearl Resort

Not Present:

Russ Kimball, Sheraton Sand Key Resort, Vice-Chair
Doug Bevis, City of Oldsmar Mayor

Others Present

David Downing, Visit St. Petersburg/Clearwater (VSPC) President and CEO
Tim Ramsberger, Chief Operating Officer
Leroy Bridges, Media and Interactive Director
Craig Campbell, Senior Manager, Event Productions
Amelia Johnson, Interactive Content Specialist
Sarah Kirchberg, Senior Business Development Manager, Sports and Events
Liz McCann, Executive Administrative Assistant
Mackenzie Monteiro, Media Relations Manager
Jim Abernathy, Office of Management and Budget
Mark S. Woodard, County Administrator
Michael A. Zas, Managing Assistant County Attorney
Dennis Long, Capital Funding Project Consultant
Other Interested Individuals
Tony Fabrizio, Board Reporter, Deputy Clerk

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Agenda

- I. CALL TO ORDER/CHAIR COMMENTS** – TDC Chair Janet C. Long
- II. APPROVAL OF TDC MINUTES** – Meeting of July 19, 2017
- III. PUBLIC COMMENTS**
- IV. PENNY FOR PINELLAS** – Mark Woodard, County Administrator
- V. VISIT FLORIDA**
- VI. BUDGET AMENDMENT** – Creative Pinellas
- VII. BYLAWS**
- VIII. CAPITAL PROJECT FUNDING PROGRAM** – Consultant's recommendations
- IX. COUNTY ATTORNEY**
- X. CONSULTANT REPORT**
 - A. Research Data Services – David Downing
June Visitor Profile – Report on file
- XI. PRESIDENT & CEO REPORT** – David Downing, President & CEO, VSPC
 - A. Financial Statements (Pinellas County Bed Tax)
 - B. Miscellaneous
- XII. DEPARTMENT UPDATES** – June 2017
 - A. Leisure Travel/Canada – Report on file
 - B. Advertising, BVK Advertising – Report on file
 - C. Central Europe and United Kingdom – Report on file
 - D. Film Commission – Report on file
 - E. Latin America – Report on file
 - F. Media and Interactive – Leroy Bridges
 - G. Meetings and Conventions – Report on file
 - H. Sports and Events – Sarah Kirchberg and Craig Campbell
- XIII. INTERNATIONAL AIRPORTS REPORTS – June 2017**
 - A. St. Petersburg/Clearwater International Airport – Report on file
 - B. Tampa International Airport – Report on file
- XIV. BOARD MEMBER COMMENTS**
- XV. ADJOURNMENT**

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

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CALL TO ORDER/CHAIR COMMENTS

Chair Long called the meeting to order at 9:01 A.M. and made note of the lengthy agenda; whereupon, at her request, those at the dais introduced themselves.

MINUTES OF THE JULY 19, 2017 MEETING – APPROVED

Upon motion by Vice-Mayor Kennedy, seconded by Ms. Carlisle and carried unanimously, the minutes of the meeting of July 19, 2017 were approved.

PUBLIC COMMENT – NONE

PENNY FOR PINELLAS PRESENTATION

Mr. Woodard conducted a PowerPoint presentation titled *Penny for Pinellas, Building a Better Pinellas* and provided information in support of the November 7, 2017 referendum to renew the one-percent county sales tax. Correlating the importance of infrastructure investments to economic vitality, he discussed the role of the “The Penny” in funding such projects and related that the tax:

- Is added to the state’s 6-cent sales tax, applied to only the first \$5,000 of a major purchase, and is not collected on grocery and medication purchases.
- Has built “a better Pinellas” since 1990 by funding roads, bridges, trails, utilities, parks, conservation, community vitality, and contributions toward a safe and secure community.
- Is collected in the county and stays in county.
- Leverages funding from other sources, including state, federal, and Southwest Florida Water Management District grants.
- Is partly paid (one-third) by tourists and seasonal residents.
- Provides the equivalent of 2.4 mills of property tax.

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- Is projected to generate approximately \$2 billion between 2020 and 2030, of which \$225 million is earmarked for jail and court infrastructure, economic development, and housing, with the remainder to be split between the County (51.8 percent) and its 24 municipalities (48.2 percent).
- Will fund additional road, bridge, and trail improvements; surface water and drainage projects; new fire stations; law enforcement vehicles; acquisition of environmental land; and renovation and expansion of libraries if approved as Penny IV.

Mr. Woodard related that the County has a website page and speakers bureau dedicated to providing information about The Penny and noted that while government officials face legal restrictions in advocating for passage of the referendum, TDC members can speak in full support of it; whereupon, Chair Long opined that it is critical that the referendum pass and thanked Mr. Woodard for the presentation.

CAPITAL PROJECT FUNDING PROGRAM RECOMMENDATIONS – TABLED

Chair Long indicated that some agenda items would be taken out of order; whereupon, at her request, Mr. Long discussed his memorandum to the Council titled *Recommendations on Capital Project Funding Program (CPFP)*, stating that he believes the proposed steps are necessary based on the experience of going through the initial program funding cycle.

Citing the Tourist Development Plan amendment that limits capital spending to 40 percent of Tourist Development Tax (TDT) revenue, Mr. Long indicated that the County has already committed more than its projected eligible revenue for Fiscal Years 2018 and 2019 and probably 2020 with five capital projects that were approved by the BCC at its meeting yesterday and two debt service obligations, noting that the calculation does not include an anticipated commitment to the City of Dunedin for the Blue Jays spring training facility. Explaining that conducting a new funding cycle would require advancing payments well into the future, he related that his first recommendation is to suspend the CPFP for at least three budget years.

Discussion ensued in which Jim Abernathy, Office of Management and Budget (OMB), referred to a chart titled *Draft TDC Fund Cashflows, Capital Projects*, and he and Mr. Long responded to queries and comments by the members as follows:

- OMB projects that TDT revenue eligible for capital funding in Fiscal Year 2018 will be \$22.4 million, of which \$16.6 million will remain after debt service payments to the Dali Museum

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and City of Clearwater for the Phillies spring training stadium and a fixed commitment to beach nourishment. Scheduled payments for projects approved by the BCC yesterday total \$19.2 million, requiring that approximately \$2.6 million be drawn from capital reserves to meet Fiscal Year 2018 obligations.

- The calculation excludes the anticipated commitment to the City of Dunedin because payment terms, pending an agreement, are not yet known.
- The next CPFP funding cycle would begin in approximately 60 days if the process is not suspended.
- Mr. Abernathy will provide Councilman Gerdes with a copy of a more comprehensive cash flow spreadsheet that was shown at the CPFP workshop in March.

Responding to query by Councilman Gerdes, Chair Long indicated that only the BCC can set a minimum reserve threshold for capital project funding; and that while the TDC can make a recommendation, she wants that to be based on solid financial information; whereupon, Mr. Long presented his remaining CPFP recommendations as follows:

2. Remove professional sports facilities and convention centers from the CPFP and require that those projects be presented first to the BCC for consideration and conceptual approval.
3. Require that applicants meet a minimum threshold for room nights and attendance, similar to provisions in the TDC's Elite Event Funding Program.
4. Increase the funding match requirement from the current 50-percent minimum to \$3 or \$4 of applicant funding for every dollar of TDT funding and/or institute a funding cap.
5. Establish a formula through which projects with the greatest economic impact are awarded the highest level of funding.
6. Better define what types of projects are eligible for funding, establish consistency in funding projects that are already underway, and standardize the methodologies used by applicants' consultants to determine feasibility, economic impact, and room nights.
7. Assure that the CPFP is administered with staff who possess the appropriate expertise in land development, construction, finance, and business and legal issues, allowing VSPC staff to focus primarily on the tourism marketing component.

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Chair Long expressed her support for the all of the recommendations, opining that a conservative approach would be particularly prudent in light of the uncertainty surrounding a possible legislative rewrite of the statute governing how TDT revenue is spent and budget concerns that could arise if a Homestead Exemption referendum passes in November. She indicated that she would like to bring a recommendation from the TDC to the BCC at its next meeting; whereupon, the members commended Mr. Long for his work and lengthy discussion ensued.

Responding to a request for clarification by Mayor Cretekos as to why the newly approved funding was not spread out over more years to allow for future CPFP cycles, Mr. Long related that two of the applicants requested funding over two years rather than a longer term; and that the County saved some money by eliminating the Net Present Value (NPV) calculation that would have been applied with an extended payoff. Mayor Cretekos opined that suspending the CPFP would be unfair to would-be applicants who were told they could seek funding through the process next year or the year after; whereupon, Chair Long and Mr. Long related that worthwhile projects can still be brought to the TDC for consideration on an ad-hoc basis, emphasizing that the CPFP was not intended to be the only mechanism for seeking capital funding.

Mayor Cretekos further indicated that he opposes the recommended change to the match requirement, opining that a partnership is a 50-50 proposition, and expressed concern that the revised formulas may not capture the full marketing value of an investment in the Blue Jays spring training facility in attracting Canadian visitors to the county every year. Chair Long responded that the Blue Jays project was not discussed at yesterday's BCC meeting because the team has yet to reach an agreement with the City of Dunedin.

Responding to query by Mr. Satterfield as to whether the aim of the recommendations is to preserve sufficient capital reserves, Mr. Long indicated that his broader intent is to position the County to be able to meet several obligations, relating, as an example, that he received a directive from the County Administrator to protect the public interest pertaining to the potential for more TDT funds being needed for beach nourishment if federal and state funding levels are decreased.

Councilman Gerdes commented that he is also sensitive to the community expectation that the CPFP will continue and requested clarification on some items; whereupon, Mr. Long, with input by Mr. Abernathy, related that the recommendations call for a review of which types of applications should require feasibility studies and which should not; that sports facilities and convention center projects should have County involvement at the outset; and that the capital reserves balance will rise again in Fiscal Year 2020 because all of the newly approved projects except the American Craftsman Museum will be paid off by then.

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Responding to comments by Mr. Bogott, Mr. Long indicated that the County opted for agreements that pay off commitments as quickly as possible in order to realize the available NPV savings and free up TDT revenue sooner; whereupon, Mr. Bogott expressed concern that the approach leaves no short-term flexibility, and Mr. Waltz opined that the pattern of opening and closing the CPFP would be repeated if staff employs the same philosophy when the program is resumed; whereupon, Chair Long and Mr. Abernathy discussed various components of the capital reserves, indicating that the County has saved almost all of the fourth percent of TDT revenue that had been committed to the City of St. Petersburg for debt service on Tropicana Field, and all of the revenue from the sixth percent approved in 2015.

Additional discussion ensued, and Mr. Abernathy indicated that an amount equivalent to more than 100 percent of annual capital-project-eligible TDT revenue will be maintained in the coming budget years, dipping to a low of \$27.9 million in Fiscal Year 2019, noting that the figures discussed do not include operating reserves. Ms. Carlisle expressed her preference for considering all capital funding projects on an ad-hoc basis rather than the CPFP going forward, opining that applications vary greatly and should be considered separately; whereupon, Mr. Henderson provided historical background information pertaining to the TDC's involvement in capital project funding and expressed support for the suspending the CPFP; and Ms. Rodriguez concurred with Ms. Carlisle on taking a permanent ad-hoc approach to capital project funding.

Thereupon, Chair Long called for a straw vote as to whether the discussion should be taken to a TDC workshop, and a majority of the members indicated their support for doing so. Discussion ensued about recommending a reserve threshold, when to inform the public that the CPFP is being suspended, and the question of payout terms; whereupon, Mr. Henderson moved that the TDC accept Mr. Long's recommendations with the provisos that (1) the CPFP be suspended until only Fiscal Year 2020 rather than 2021, and (2) a discussion about recommending a reserves threshold be scheduled.

Chair Long proposed a friendly amendment that the revisions be subject to an annual evaluation, and Mr. Henderson accepted; whereupon, Vice-Mayor Kennedy seconded the motion, and discussion ensued. Mayor Cretekos indicated that he would support all of the recommendations except for the proposed change to the funding match requirement; whereupon, responding to query by Chair Long, Mr. Long clarified that his recommendation is to change the match requirement for all applicants rather than only those from the private sector, based on the premise that it would allow for funding more projects; and Mr. Henderson clarified that his motion is for Mr. Long to bring back a revised draft of the recommendations for approval. Upon call for the vote, the motion failed 7-3, with all members except Mr. Henderson, Vice-Mayor Kennedy, and Chair Long dissenting.

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Thereupon, Chair Long stated that a workshop would be scheduled and noticed for the TDC to further consider Mr. Long's CPFP recommendations.

Later in the meeting, Mr. Long clarified that the payment terms included in the capital funding projects approved by the BCC yesterday are fixed, and any discussion at the workshop relating to length of payouts would be for future cycles.

BYLAWS – APPROVED AS AMENDED

Chair Long referred to the draft TDC Bylaws included in the agenda packet and invited questions and concerns, and discussion ensued.

Councilman Gerdes suggested that language be added to specify the statutory authority under which the TDC operates, and upon direction by Chair Long, Attorney Zas agreed to make the change. Responding to query by Mr. Satterfield concerning an item under Article 1 – Membership titled *Number of Terms*, Chair Long indicated that establishing term limits for members was her idea, explaining that every board she has served on has service parameters; that TDC appointments were not intended to be for life; that she is primarily concerned with appointed members since elected officials serving on the Council generally term out naturally; and that there are numerous applicants whenever an opening becomes available.

Several members expressed concern regarding the loss of historical knowledge that would occur if longtime members are termed out, and it was noted that Mr. Kimball has served on the TDC for decades. Chair Long indicated that she would be receptive to increasing the proposed maximum number of four-year terms from two to three and exploring ways to stagger the appointments; whereupon, responding to query by Mr. Waltz, Attorney Zas related that the term limits would only be applied going forward. Following discussion, Mr. Bogott moved, seconded by Ms. Rodriguez, that the TDC Bylaws be approved with the language under *Number of Terms* amended to state that members may serve a maximum of three consecutive four-year terms. Upon call for the vote, the motion carried unanimously.

VISIT FLORIDA UPDATE

Mr. Downing provided a brief update pertaining to VSPC's relationship with Visit Florida, relating that no changes have been made following new stipulations imposed by the Legislature; that the partnership is conducted in compliance with the Sunshine Law; and that the agency has provided

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VSPC with support for the upcoming La Cita de las Americas conference. He noted that while there will be adjustments to how Visit Florida operates, the entire tourism industry is undergoing change.

CREATIVE PINELLAS BUDGET AMENDMENT – APPROVED

Mr. Downing related that VSPC has been asked to amend its Fiscal Year 2018 budget to cover full funding of Creative Pinellas at \$396,670, which is consistent with Fiscal Year 2017 funding; and that the net impact is \$246,670, as \$150,000 was already earmarked from the TDC budget.

Chair Long commented that she was not able to convince her BCC colleagues to provide additional funding for Creative Pinellas from the General Fund and directed VSPC staff to allocate for the agency going forward; whereupon, Councilman Gerdes moved, seconded by Mr. Satterfield, that the budget amendment be approved. Upon call for the vote, the motion carried unanimously.

COUNTY ATTORNEY – NO ITEMS

CONSULTANT REPORT – JUNE 2017 VISITOR PROFILE

Mr. Downing referred to a PowerPoint presentation titled *June 2017 Visitor Profile* containing information compiled by VSPC, Research Data Services (RDS) Inc., and Smith Travel Research, Inc., and discussed various metrics. He highlighted year-to-date increases in overnight visitors (3.1 percent), room nights (3.7 percent), economic impact (6.5 percent), and resort tax collections (7.5 percent), and pointed out that visitation from Latin America has increased by 19.2 percent; whereupon, he indicated that while occupancy is soft, the Average Daily Rate (ADR) and Revenue Per Room (RevPAR) are generating higher yield.

PRESIDENT & CEO REPORT

Financial Statements

Citing a report from the OMB, Mr. Downing related that the County's Tourist Development Tax collections are up 11.63 percent for Fiscal Year 2017.

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Miscellaneous

Mr. Downing briefly discussed the following:

- The directors of the Tampa and St. Petersburg/Clearwater International Airports have been invited to provide updates on their activities at the October TDC meeting. Also scheduled for the October meeting, United Kingdom Office Director Vanessa Alexander and Central European Office Director Marion Wolf will recap the past year and discuss their action plans for the coming year.
- VSPC is sending a large contingent to the upcoming Connect Marketplace convention in New Orleans, and the meeting is very important to the agency.

DEPARTMENT UPDATES

Media and Interactive

Media and Interactive Director Leroy Bridges introduced new staff members Mackenzie Monteiro, Media Relations Manager, and Amelia Johnson, Interactive Content Specialist, and each discussed her responsibilities and background.

Ms. Monteiro related that she is responsible for promoting the County to national and international media and working with VSPC public relations agencies; whereupon, responding to query by Chair Long, she indicated that she is not multilingual, but has a background in public relations that includes working with global brands and boutique hotels. Ms. Johnson stated that she was previously employed as the Social Media Manager for Aveda Institute South and is currently developing and implementing a social media marketing strategy to inspire tourism to the county.

Mr. Bridges provided a demonstration of the Virtual Site Visits feature located on the Meetings page of the VSPC website, relating that VSPC is the first destination marketing organization to use the 360-degree videos to market meeting space; and that staff will be able to share them via Virtual Reality headsets at Connect Marketplace and other conventions.

Responding to query by Mr. Satterfield, Mr. Bridges, with input by Mr. Downing, related that staff is in the process of developing the videos for the 12 county hotels that have the most meeting space and that other properties may be added later. Chair Long requested that Mr. Bridges provide a

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report at the next TDC meeting on how the videos were received at Connect Marketplace, and he agreed to do so.

Sports and Events

Mr. Ramsberger introduced new staff member Sarah Kirchberg, Senior Business Development Manager for Sports and Events, and related that she worked with the Florida Sports Foundation for 10 years and has been doing an outstanding job for VSPC. Ms. Kirchberg conducted a slide show and highlighted four recent county sporting events as follows:

- The Professional Women's Bowling Association St. Petersburg/Clearwater Open in Seminole, which will air on CBS Sports Network on August 22.
- The USA Softball Gold National Championships in Clearwater, featuring approximately 80 of the nation's top Under-16 and Under-18 girls teams.
- The World Baseball Softball Confederation Junior Women's World Championships in Clearwater, with 26 nations represented.
- The International Swim Coaches Association Summer Senior Championships in St. Petersburg.

Ms. Kirchberg noted that VSPC staff worked with the City of Clearwater to attract the softball events; and that they generated more than 27,000 room nights; whereupon, she related that staff traveled to Rock Hill, South Carolina recently to promote the Oldsmar BMX track and returned with an opportunity to bid on a World Cup event. She played an action video of the track that was shown during the presentation in South Carolina and noted that riders there were able to experience the track via Virtual Reality headsets.

Other Departments

Updates for June 2017 are available on the TDC website.

INTERNATIONAL AIRPORT REPORTS – NO PRESENTATIONS; REPORTS ON FILE

Reports for St. Petersburg/Clearwater International Airport and Tampa International Airport are available on the TDC website.

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BOARD MEMBER COMMENTS

Chair Long thanked the members for being thoughtful with their remarks regarding the CPFP consultant's recommendations and noted that she will meet with Messrs. Long and Ramsberger before the workshop to fine tune the proposal.

ADJOURNMENT

The meeting was adjourned at 11:32 A.M.