

TOURIST DEVELOPMENT COUNCIL

The Indian River County (IRC) Tourist Development Council (TDC) met on Wednesday, May 16, 2018, at 2:00 p.m. in the Commission Chambers of the County Administration Building, 1801 27th Street, Building A, Vero Beach, Florida.

You may hear an audio of the meeting; review the agenda and the minutes on the IRC website – <http://www.ircgov.com/Boards/TDC/Index.htm>

Members Present were:

Chairman Susan Adams, Indian River County Commissioner, District 1
Jennifer Bates, Owner/Operator Tourist Accommodations Appointee (via telephone conference)
Steve Hayes, BCC Appointee
Amanda Smalley, Interested in Tourist Development not an Owner/Operator
Linda Kinchen, Councilmember, City of Sebastian
Harry Howle, III, Councilmember, City of Vero Beach
Keith Kite, Owner/Operator Tourist Accommodation Appointee
Karen Mechling, Interested in Tourist Development not an Owner/Operator

Members Absent were:

Will Collins, Owner/Operator Tourist Accommodations Appointee

Others Present were:

Allison McNeal, Tourism Director, Indian River Chamber of Commerce
Nicole Holbrook, Tourism Director, Sebastian River Area Chamber of Commerce
Barbara Hoffman, Executive Director, Cultural Council of Indian River County
Ruth Stanbridge, County Historian, Indian River County Historical Society
Richard Hatcher, Director, Treasure Coast Sports Commission
Ryan Strickland, Director of Business Development & Marketing, Treasure Coast Sports Commission
Penny Chandler, Director, Indian River Chamber of Commerce
Beth Mitchell, President/CEO, Sebastian River Area Chamber of Commerce
Alex Soares, Executive Director, Vero Heritage, Inc.
Eric Menger, Director, Vero Beach Airport
Anthony Young, Councilmember, City of Vero Beach

Interested Parties in Attendance (from Sign-In Sheet):

Laura Moss
Kevin Greene
Elisa Sielinski
Catherine Caddell
Kirk Funnel
Carolyn Bayless
Sophie Bentham-Wood
Nicki Maslin
Janet Begley

Indian River County Staff Present were:

Jason Brown, County Administrator
Dylan Reingold, County Attorney
Mike Smykowski, Director, Management and Budget, Indian River County
Lisa Hill, Recording Secretary

Call to Order

Chairman Adams called the meeting to order at 2:03 p.m. and noted a quorum of members in attendance. Chairman Adams led the Committee and audience in the Pledge of Allegiance.

Additions or Deletions to the Agenda

Chairman Adams called for agenda item additions or deletions. Ms. Bates, who was participating via teleconference, asked to discuss her review of the proposals provided by the entities requesting Tourist Development Grant funds. Ms. Bates noted that she had conveyed her scores for ranking the requestors. The following were proposed funding from Ms. Bates:

Cultural Council -	\$ 20,000
Historical Society -	\$ 32,000
Treasure Coast Sports Commission -	\$200,000
Vero Heritage	\$ 15,000
City of Vero Beach	\$ 10,000
Vero Beach Airport	\$ 75,000

Ms. Bates explained that the amount she believes should be awarded to the City of Vero Beach would provide them with some funds for the 100 year Centennial celebration without fully funding the events. Vero Beach Regional Airport funding would allow the possibility of bringing in a second airline and provide tourism components that would make a very positive impact. The Cultural Council should be cut to \$20,000 as the funding could go to a more broad audience as Ms. Bates believes the Cultural Council events are more directed to local visitors.

No other changes to the agenda were requested.

Approval of Minutes from the February 21, 2018, TDC Meeting (Action Item)

ON MOTION BY Mr. Howle, SECONDED BY Ms. Smalley, the Members voted unanimously (7-0) to approve the February 21, 2018, meeting minutes as presented.

Authorized Uses of Tourist Tax Revenue per Florida Statute 125.0104(5)(a)

Mr. Reingold reviewed the authorized uses of the Tourist Tax Revenue and the structure of the tax revenue disbursement in Indian River County. The overall four cent tax includes one cent for the bonds for Dodgertown, one and one half cent for beach and shore projects and one and one half cent for tourism promotion. The Tourist Development Council is tasked with reviewing how the one and one half cent for tourism promotion is to be distributed to attract visitors through tourism.

Ms. Adams related a recent discussion at a Board of County Commissioner meeting related to how the tourism promotion funds could be distributed. She noted that a part of the discussion included a reserve fund policy that would be further discussed at the August 2018 meeting and which would affect the following fiscal year. The reserve fund could allow for the expending of funds for items that may be outside of the regular review cycle of setting the funding levels each fiscal year.

Mr. Brown stated that the County has a fund balance that is about 30 percent of the operating funds including the Tourist Development funds. He noted that under the tourism tax, there are good and bad revenue years and there needs to be a healthy reserve to get through the years

when there are less available funds. Mr. Brown advised that some of the fund balance was utilized during the most recent economic downturn.

Ms. Adams noted that she would be in agreement with a 40 percent reserve for tourism as she is concerned that there may be a need to have a larger reserve in the event of upcoming economic downturns.

Ms. Adams detailed some of the other issues discussed at the Board of County Commissioners meeting, which included the allowed uses, specifically for funding directly allocated to the municipalities for projects. She stated that at the August 2018 meeting the Council should look at the policy and what types of organizations it wanted to receive grant requests from in the future. Ms. Adams reminded the Council that all applicants must first expend the funds for the projects that are approved for a given fiscal year and then receive reimbursement through the granting of the Tourist Development Tax Fund. With respect to the two requests from the City of Vero Beach, Ms. Adams stated that providing direct funding to the municipalities would set precedent allowing for each of the jurisdictions located within Indian River County to request funding in the future. Historically, the efforts of promoting tourism have been a collaborative effort between all of the grantee recipients and the municipalities. This has allowed for all to work toward the promotion of the area as a whole.

Mr. Howle stated that he understood that other municipalities may see the request from the City of Vero Beach as a step toward each municipality reaching out for funds, however, the request was for a very special occasion of the Centennial Celebration. Ms. Adams pointed out that Fellsmere had celebrated its centennial a few years ago and no tourism funds were used.

With respect to the request for the airport, Mr. Howle said that the airport operations directly related to putting heads on beds.

Ms. Smalley stated that in the plan for the airport, it discussed doing a lot of marketing around the airport which is geared more toward the local community rather than bringing in tourists. She felt that the airport working with the Chambers was more effective in increasing tourism.

Ms. Mechling and Mr. Hayes expressed their agreement with Ms. Smalley that a cooperative effort for promoting the airport through the Chambers would be a better value. Mr. Kite also agreed, adding that marketing is something that happened over many years and needs to be strategically planned out.

Mr. Hayes and Mr. Kite discussed the importance of the Centennial Celebration to the area, but did not feel that it was a project that should be funded through the Tourist Tax Fund.

Mr. Kite advised that he did not agree with Ms. Bates' assessment of the Cultural Council, as he believed that it was an important component in drawing tourists to the area.

Ms. Adams also agreed that putting funding for the airport under the Chambers would be a positive way to support the airport.

ON MOTION BY Ms. Smalley, SECONDED BY Ms. Kinchen, the Members voted (6 to 1), with Mr. Howle voting in opposition, to remove the City of Vero Beach Centennial Celebration request and the City of Vero Beach Airport request from further consideration for funding by the Tourist Development Council.

Mr. Kite clarified that with that motion, the Council should further discuss its policy at the August, 2018, meeting.

ON MOTION BY Ms. Smalley, SECONDED BY Ms. Kinchen, the Members voted unanimously (7 to 0), to move additional funds into the Chambers' request with the specific purpose of supporting marketing efforts for the Vero Beach Airport.

Tourist Tax Revenues Update

Mike Smykowski, Director, Management and Budget, presented an update on the Tourist Tax revenues reported for 2018. A copy of the Tourist Tax Revenue Report is on file at the Board of County Commissioners Office. Mr. Smykowski advised that the FY 2018/2019 revenues are up over the previous two years with March 2018 showing an increase of 22% over March 2017. The overall year-to-date revenue was up 17.3% over FY 2016/2017. The revenues are exceeding budgeted figures by \$321,477 or 22.1% for the year.

Description of Tourist Development Grant Rating Sheets

Mr. Smykowski reviewed the point awarding system to be used by the Tourist Development Council members to rank the entities requesting the Tourist Tax Revenues. The system awards points as follows:

Packet (articulate program, completeness, accuracy)	Points:	10
Presentation (explanation)	Points:	10
Program Impact on Tourism (direct/indirect)	Points:	50
Effective/Efficient use of dollars (i.e. is it direct costs of program or administrative salaries)	Points:	30
Total Possible Points		100

Mr. Smykowski advised that the FY 2018/2019 available funds were \$998,450 which was an overall shortfall of about \$65,426 with the requests from the City of Vero Beach and the Vero Beach Airport included. However, because the Tourist Development Council removed the City of Vero Beach and Vero Beach Airport from funding consideration, there was an overage of \$29,547 for FY 2018/2019 grant awards.

Presentations:

1. Cultural Council of Indian River County – Barbara Hoffman

Ms. Hoffman provided an overview of the tourism efforts undertaken by the Cultural Council toward tourism. A PowerPoint presentation was provided by Ms. Hoffman, which is on file at the Board of County Commission office. Ms. Hoffman highlighted the statistics from the American Arts Survey which the Cultural Council participated in recently. She stated that cultural events set Indian River County apart from other areas in Florida where there are just beaches. The Cultural Council promoted tourism through multiple media types, including, digital video marketing, print publications, broadcast marketing, electronic promotion and social media. They also supported many festivals, the information center, cultural concierge service and ticketing.

Ms. Adams questioned the use of area codes from telephone numbers in determining the origination of patrons to many of the cultural events. She noted that many people who live in Indian River County often retain the telephone numbers from where they have moved from, which may affect the accuracy of the survey.

In response to questions about the budget of the Cultural Council, Ms. Hoffman stated that many of the funds required for advertising and other items are in-kind contributions that offset actual funds expended.

2. Indian River Historical Society – Ruth Stanbridge

Ms. Stanbridge noted that May was historical preservation month and the Historical Society worked with many organizations throughout the County to preserve historic structures, provide historic markers, and produce mini historical documentaries. She advised that the Historical Society would be working on two important historic markers, new mini documentaries and providing QR readers at historic sites throughout the County and in the municipalities to provide information to area visitors.

Mr. Howle noted the Historical Society's willingness to forego funding last year which resulted in their projects being pushed back. He stated that this should be taken into consideration this year in looking at the funding priorities.

3. Treasure Coast Sports Commission – Richard Hatcher

Mr. Hatcher advised that the Sports Commission will be implementing a new slogan "Play Treasure Coast". Other initiatives of the Sports Commission include recruiting, retaining and re-engaging through sports; increasing corporate partnership dollars; owning and operating more events; facility development; a sports tourism summit, and; high school scholar athlete awards. Many of these efforts will be done through marketing, tradeshow and conferences. The Sports Commission works with a variety of sporting events throughout the year, utilizing many of the County's facilities to draw championships in softball, lacrosse, track and field, swimming, baseball and other sports. They also are key members of the Special Olympics of Florida State Swimming Championship which draws visitors from all over Florida. National and international events including Olympic training for rowing teams on the C54 Canal are also supported through the Sports Commission. Sporting events contributed \$13,948,926 while utilizing 25,455 rooms over 26 events FY 2016/2017. Mr. Hatcher noted that it is estimated that for every \$1.00 of grant funds received by the Sports Commission, \$136.49 is returned to the County.

In response to a question from Ms. Adams, Mr. Hatcher stated that the room rates have a significant impact on whether an event comes to Indian River County versus heading to other areas where the rates may be lower.

Ms. Adams asked Mr. Hatcher to provide a list of all of the venues utilized by the Sports Commission.

Mr. Hatcher explained the situations when a group may be exempt from the bed tax, such as when a high school sports team is visiting for training or an event.

4. Vero Heritage, Inc. – Alex Soares

Mr. Soares highlighted the events hosted by Vero Heritage including the Bridal Show and Tour, Pioneer Dinner and the Wine and Film Festival. He noted the increase in tourism from relatives and friends who often stay several days around a wedding event. He advised that the Wine and Film Festival has brought in visitors from across the national as well as from other countries who stay for this multi-day event. Mr. Soares reported that the Heritage Center has seen a significant increase in use with almost all of the weekends booked for events well in advance.

For the upcoming fiscal year, Mr. Soares stated that Vero Heritage would like to work on virtual technology for visitors to the website. Allowing for an interactive experience with

the venue will promote actual visits. This type of technology has been used by many museums, including the Smithsonian, to entice visitors to come to view exhibits in person after seeing highlights virtually.

In response to a question from Ms. Adams regarding the proposed budget items of Vero Heritage, Mr. Soares explained that the miscellaneous expenses include items that may not be planned for in advance and they are used more like contingency funds.

Discussion of Budget Requests for 2018/2019 fiscal year, complete ratings and decide level of funding

At the conclusion of the presentations, the Tourist Development Council took a brief recess in order for Mr. Smykowski to calculate the rating sheets and provide the scoring for each grant requestor.

Mr. Smykowski advised that the following order for funding was determined upon calculating the ratings by the members.

1. Treasure Coast Sports Commission
2. Indian River Historical Society
3. Vero Heritage, Inc.
4. Cultural Council of Indian River County

Mr. Smykowski reiterated that with the removal from consideration of the City of Vero Beach and Vero Beach Airport requests, all of the grantees could be funded at the level of their requests with an additional surplus amount of \$29,574.

Ms. Adams requested consideration to create a special project for a collaboration between the Vero Beach Airport and the Indian River Chamber of Commerce to come up with a five year marketing plan. This would give the airport the support requested for airport tourism promotion. Ms. Adams provided some examples of other smaller projects that lead to sustained tourist efforts, such as the collaboration with the Chambers for the Fellsmere Frog Leg Festival.

The members discussed the amount that would be allocated for the special project. Mr. Kite suggested \$20,000 for the airport collaboration with the Chamber for marketing, with the remaining \$9,549 going toward the reserve funds for other things that could come up over the year.

Ms. Adams outlined the process the recommendation from the Tourist Development Council would take to the Board of County Commissioners for adoption within the budget.

She advised that further discussion regarding the reserves would be held during the meeting in August, 2018, as it would affect the budget distribution for the following fiscal year.

Ms. Smalley agreed with the concept of the Chamber working with the airport to come up with a marketing plan.

Mr. Menger, Director of the Vero Beach Airport, stated that the airport has worked with the Chamber for a very long time on tourism efforts to put heads in beds. He stated that there has been a significant increase in tourists coming to Vero Beach by air. Mr. Menger stated that the airport is proven to be good for tourism and he is willing to continue collaborating with the Chamber and others on tourism promotion, however, he did not want to pigeon-hole the idea.

Ms. Kinchen suggested an alternative funding which would take \$2,000 from each of the other grant requesting agencies and putting it toward the airport. This proposal was not supported by the other members of the Council

MOTION ON THE BUDGET FOR 2018-2019:

On MOTION by Mr. Kite, SECONDED BY Mr. Hayes, the Members voted unanimously (7 to 0) to approve the budget as requested by the Indian River County Chamber of Commerce, Sebastian Chamber of Commerce, Cultural Council, Historical Society, Treasure Coast Sports Commission and Vero Heritage with an additional \$25,000 allocated to the Indian River County Chamber of Commerce to work with the Vero Beach Airport to establish a marketing plan. The remaining amount of \$4,574 to be placed in the reserve funds.

Other Matters

Tony Young discussed the calendar of events that will commemorate the Centennial Celebration of Vero Beach. The events will be held throughout the upcoming year. He stated that these events will impact people coming into the community. He advised that the request for funding from the City of Vero Beach for the Centennial Celebration, which was not considered by the Council, was to work with all of the stakeholders to promote the different events and support local businesses. He stated that the Chamber is working with the Centennial Celebration committee to distribute marketing materials and promote the events.

The Council members indicated their support of the events for the upcoming year.

Next Meeting Date

The next Tourist Development Council meeting will be held on **Wednesday, August 22, 2018, at 2:00 p.m.**

Adjournment

There being no further business, the meeting adjourned at approximately 4:56 p.m.