

TOURIST DEVELOPMENT COUNCIL

The Indian River County (IRC) Tourist Development Council (TDC) met on Wednesday, May 10, 2017, 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 – www.ircgov.com/Boards/PSPC/2015.

Members Present were:

Chairman Joseph E. Flescher, Indian River County Commissioner, District 2
Harry Howle, III, Councilmember, City of Vero Beach
Jennifer Bates, Owner/Operator Tourist Accommodations Appointee
Will Collins, Owner/Operator Tourist Accommodations Appointee
Steve Hayes, BCC Appointee
Keith Kite, Owner/Operator Tourist Accommodation Appointee
Karen Mechling, Interested in Tourist Development not an Owner/Operator
Amanda Smalley, Interested in Tourist Development not an Owner/Operator
Linda Kinchen, Councilmember, City of Sebastian

Members Absent were:

None

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
Rick Hatcher, Executive Director, Treasure Coast Sports Commission
Ryan Strickland, Director of Business Development & Marketing, Treasure Coast Sports Commission
Alexander Soares, Executive Director, Vero Heritage, Inc.

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 Flescher called the meeting to order at 2:01 p.m., and requested Roll Call. With a quorum in attendance, Chairman Flescher led the Pledge of Allegiance.

Additions or Deletions to the Agenda

Chairman Flescher called for agenda item additions or deletions. Mr. Kite requested a change in the order of the agenda to move Items 4 and 5 to after the presentations by the grant-requesting agencies. Mr. Flescher advised that the information that is to be presented, especially in Item 5 is germane to the proceedings of deliberations regarding the funding of the grant requestors.

ON MOTION BY Ms. Bates, SECONDED BY Ms. Smalley, the Members voted unanimously (9-0) to approve the agenda as presented.

Approval of Minutes from the February 22, 2017, TDC Meeting (Action Item)

ON MOTION BY Mr. Howle, SECONDED BY Mr. Collins, the Members voted unanimously (9-0) to approve the February 22, 2017, meeting minutes as presented.

Discussion of TDC Presentation Policies – Dylan Reingold

Mr. Reingold presented a policy statement regarding presentations in follow-up to the discussion at the February 22, 2017 Tourist Development Council meeting. The statement is as follows:

“General presentations to the Tourist Development Council shall be limited to not-for-profit entity presentations which concern tourist development. This policy establishes a bright line restriction to protect the limited public forum of the Commission Chambers from subsidizing advertising for-profit businesses.

The purpose is designed so that the TDC does not become an open public forum for entities to “come before and advertise their for-profit businesses.

Chairman Flescher noted that for the budget requests this year there are only not-for-profit entities being considered for funding.

Ms. Mechling requested clarification that the proposed policy language does not preclude any for-profit entities applying for funding in future years. Mr. Reingold indicated that the policy statement does not preclude applicants for the TDC grant funds from being for-profit agencies. He added that this is to clarify that for-profit agencies would not just come before the TDC to advertise an event or themselves. However, if they are requesting funding utilizing tourist tax money, they would be able to make a presentation under that budget request.

Mr. Kite indicated that he would like additional information including the last three years of Minutes regarding presentations to review prior to making a decision on the proposed policy. He also stated that there are many other factors that affect the Tourist Development Council and they need to concentrate on getting funding at this time.

ON MOTION BY Mr. Howle, SECONDED BY Commissioner Flescher for purposes of discussion, to approve the policy for clarification purposes.

Ms. Bates stated that she did not believe that the additional policy was necessary and that the information is clearly delineated in the statutes of the Tourism Council.

Mr. Kite added that he would be willing to discuss the issue after the presentation by the agencies requesting funding. At this time, the agenda cannot be altered.

Ms. Kinchen stated that she had not received any of the information that was being discussed and was not prepared to vote on the policy. It was indicated that the information had been disseminated prior to Ms. Kinchen’s appointment to the TDC.

This motion failed on a split decision of Yea 2 Nay 6.

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

Mr. Reingold provided an overview of the Florida Statute and laws governing the Tourist Development Council and described the allowed uses of the taxes. He advised that the Council is to make recommendations to the Board of County Commissioners on the allocation of the Tourist Tax revenue based on its review of the needs presented by petitioning entities and how those needs fit within the specified criteria.

Tourist Tax Revenues Update

Mike Smykowski, Director, Management and Budget, presented an update on the Tourist Tax revenues reported for 2017. Mr. Smykowski advised that the agency requests exceed the anticipated revenue by \$29,374. The requests are outlined in the below chart and are detailed in the 2017/2018 Tourist Tax Funding Requests and the revenue report that are on file in the Board of County Commission office.

Mr. Smykowski stated that overall the revenue is up 11.6% from February 2016 to February 2017 and they are anticipated to exceed the budgeted amount by 8.8%.

Ms. Bates asked about a variance noted between the travel research data and the bed tax collected. It was noted that the Clerk of the Court is conducting an audit of the revenue funds and adjustments, if found, will be made if necessary. Mr. Kite advised that the discrepancy may also be due to the use of hotel rooms by not-for-profits that do not have to pay the bed tax.

AGENCY	2016/2017	2017/2018	Increase
	BUDGET REQUEST	BUDGET REQUEST	(Decrease)
Indian River County Chamber of Commerce and Sebastian Chamber of Commerce	\$ 600,163.00	\$ 662,043.00	\$ 61,880.00
Cultural Council of Indian River County	\$ 80,000.00	\$ 80,000.00	\$ -
Indian River County Historical Society	\$ 20,000.00	\$ 30,000.00	\$ 10,000.00
Treasure Coast Sports Commission	\$ 188,000.00	\$ 200,000.00	\$ 12,000.00
Varo Heritage, Inc.	\$ 13,000.00	\$ 15,000.00	\$ 2,000.00
Florida Archery Foundation	\$ 6,000.00	\$ -	\$ (6,000.00)
TOTAL	\$ 786,163.00	\$ 857,043.00	\$ 70,880.00

Description of Tourist Development Grant Rating Sheets

Mr. Smykowski explained the rating sheets which are based on a 100 point system made up of four specific criteria:

- 1. Packet (articulate program, completeness, accuracy) 10 points
- 2. Presentation (explanation) 10 points

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| 3. Program Impact on Tourism (direct/indirect) | 50 points |
| 4. Effective/Efficient use of Dollars
(i.e., is it direct costs of program or administrative salaries) | 30 points |

2017/2018 Budget Presentations

1. Cultural Council of Indian River County – Barbara Hoffman (Request: \$60,000)

Barbara Hoffman, Executive Director of the Cultural Council of Indian River County, presented a PowerPoint presentation on the Cultural Council, which is on file in the Office of the Board of County Commissioners. Ms. Hoffman expounded on the mission of the Cultural Council, “to illuminate lives using the power and inspiration of Art and Culture, driving economic vitality through advocacy, collaboration, education and outreach” in Indian River County. Ms. Hoffman noted many of the cultural sites in Indian River County that have benefitted from the Tourist Development tax funds and explained how the requested 2017/2018 funds will be utilized to promote tourism. Many of the entities benefitting from the funds include: McKee Botanical Gardens, Riverside Theater, Vero Beach Museum of Art, the Emerson Center, Vero Beach Opera, Theatre-Go-Round Dinner Theater and art festivals.

Ms. Hoffman stated that in collaboration with several area schools a survey of tourists has been conducted with the results due back mid-June, 2017. She requested that she be allowed to come back at a future TDC meeting to share the results of the survey.

2. The Indian River County Historical Society – Ruth Stanbridge (Request \$30,000)

Ms. Stanbridge indicated that historical preservation tourism has a high return on investment for the County. Historical destinations increase the basic property values in an area and in 2019 there will be two centennial events, the Hauser Farmstead and the City of Vero Beach. Ms. Stanbridge presented a video that highlights the various historic sites of Indian River County. She advised that the highlights are from longer 5 to 6 minute short films that are more in-depth interviews and history of each of the sites. Ms. Stanbridge stated that the additional \$10,000 in funds from the current year would be used to complete more of the short films to promote the historic sites as travel destinations. In addition the funding will provide for new historical markers to coincide with the 100 year celebrations of the City of Vero Beach and Hallstrom Homestead. Ms. Stanbridge stated that none of the funds are utilized for personnel expenses and that the requested increase in funding is the first time in many years.

3. Treasure Coast Sports Commission Presentation – Richard Hatcher

Rick Hatcher, Executive Director, Treasure Coast Sports Commission, briefly described the Treasure Coast Sports Commission which is the recognized sports tourism commission of the area. He presented a PowerPoint presentation, a copy of which is on file at the Board of County Commission Office. Mr. Hatcher stated that the Sports Commission brings events in to the County that adds to the number of people staying at the area hotels, eating at restaurants and enjoying the historic, recreational and cultural activities of the County. Mr. Hatcher noted that many of the activities planned by the Sports Commission are in the summer and spring months to enhance the slower season’s tourist activity. He stated that the Intergenerational Facility and new Special Olympic events are growing the recreational tourism business. Mr. Hatcher advised that for every \$1 of revenue received by the Sports Commission, \$159 is returned on the investment.

4. Vero Heritage Center Presentation – Alexander Soares

Alexander Soares, Executive Director of Vero Heritage, Inc., gave an overview of the Vero Heritage Center and the Indian River Citrus Museum’s community and outreach events.

He presented a PowerPoint presentation, a copy of which is on file at the Board of County Commission Office. Mr. Soares advised that the Heritage Center was established in 1935 and continues to bring in events and heritage to Indian River County. Over 30,000 visitors from all States and over 17 different countries visited the Heritage Center in the past year. The Bridal Show is a very large event that has become more than a local event. Additional events include the Pioneer Dinner which celebrates contributing families in the community. As part of the efforts with the Citrus Museum, they have a philosophy and goal to build into the exhibits historical significance of the industry.

Funding Discussion

Chairman Flescher stated that the approved Florida state budget for tourism includes a 66% reduction in funding. Mr. Smykowski advised that the total budget for the Tourism grant is \$902,669 less the \$75,000 required for Historic Dodgertown. This allows for \$827,669 to be granted to the Chambers and the other four requesting agencies. Mr. Smykowski explained a proportion reduction that may work to allow funding to all entities. Mr. Collins proffered a compromise may work between the agencies. Mr. Kite stated that the bottom line is the need to keep within the budget by limiting the amount to the Historical Society, Sports Commission and a small decrease to the Chambers. It was discussed that the full funding is needed for the Chambers due to the reduction to the State budget. Chairman Flescher noted that the amount requested by the Chambers is actually less than the percentage allowed, so the Chamber should be fully funded.

The Council took a recess between 4:13 to 4:28 p.m. to allow for discussion between the grantee agencies.

The Historical Society and the Chambers discussed a reduction in the requested funding for the Historical Society with a cooperative effort to work on the videos with the Chambers.

Ms. Bates advised that it was critical that the Chambers be fully funded as other States are going to advertise for the Florida tourism market. She stated that she would like to see a proposal where the Cultural Council gave up enough for the Chamber.

Mr. Hayes discussed the need for the Sports Commission to be funded due to the value of the return on investment provided by them. It was noted that if Florida and Indian River County lose a large share of the tourism market, it would be very difficult to get it back and would cost more than continuing to support the efforts currently underway. Mr. Hayes suggested that it may be more advantageous to give all the funding to the Chambers with them overseeing all tourism efforts and working with the other agencies in a conglomeration.

Mr. Howle agreed with Ms. Bates.

Mr. Kite advised that the Sports Commission can come back before the TDC to request additional funds for a special event.

ON MOTION BY Mr. Kite, SECONDED BY Mr. Hayes, the Members voted unanimously (9-0) to approve the amended budget request as shown in the below chart.

AGENCY	2016/2017	2017/2018	Increase
	BUDGET REQUEST	BUDGET REQUEST	(Decrease)
Indian River County Chamber of Commerce and Sebastian Chamber of Commerce	\$ 500,153.00	\$ 551,669.00	\$ 51,516.00
Cultural Council of Indian River County	\$ 60,000.00	\$ 60,000.00	\$ -
Indian River County Historical Society	\$ 20,000.00	\$ 15,000.00	\$ (5,000.00)
Treasure Coast Sports Commission	\$ 188,000.00	\$ 188,000.00	\$ -
Vero Heritage, Inc.	\$ 13,000.00	\$ 13,000.00	\$ -
Florida Archery Foundation	\$ 5,000.00	\$ -	\$ (5,000.00)
Subtotal of Grantee Agencies	\$ 786,153.00	\$ 827,669.00	\$ 41,516.00
Historic Dodgertown Bond	\$ 75,000.00	\$ 75,000.00	\$ -
Total TDC Grant Budget	\$ 861,153.00	\$ 902,669.00	\$ 41,516.00

Council Matters

Ms. Bates inquired about the Historic Dodgertown Bond and when it would be appropriate for the TDC to hold a discussion of the funds. Mr. Brown stated that it would be appropriate to start consideration of the bond next year.

The TDC members discussed the additional 1% that is allowed to be collected for the Tourist Tax. The addition of 1% would change the tax from 4 cents on the dollar to 5 cents. It was noted that most of the surrounding counties already have a 5% Tourist Tax. It was noted this is an issue under the purview of the Board of County Commissioners. Ms. Bates suggested that the Tourist Development Council may wish to have a discussion on the issue at the December 2017 meeting where they could then make a recommendation to the Board of County Commissioners.

Mr. Collins provided information about the tourist opportunities on the C54 canal in Fellsmere which has recently shown an increase as a destination for rowing crews as a training facility from such groups as Olympic teams from other countries.

Mr. Kite acknowledged that he is cognizant of the issues under discussion from the County Attorney with regard to a policy on presentations before the TDC. He stated that he would like to work toward a solution and may request reopening the issue for discussion for the December 2017 meeting.

Next Meeting Date

The next Tourist Development Council meeting will be held on **Wednesday, August 23, 2017, at 2:00 p.m.**

Adjournment

There being no further business, the meeting adjourned at approximately 5:01 p.m.