

TOURIST DEVELOPMENT COUNCIL

There was a meeting of the Indian River County (IRC) Tourist Development Council (TDC) on Wednesday, May 20, 2009, at 2:00 p.m. in the Commission Chambers of the County Administration Building, 1801 27th Street, Building A, Vero Beach, Florida.

Present were **Chairman Wesley S. Davis**, County Commissioner; **Jon Bates**, Owner/Operator Tourist Accommodations; **Councilmember Debra Fromang**, Vero Beach Municipal Officer; **Vice Mayor Jim Hill**, Sebastian Municipal Officer; **Sheryl Koenes** and **Kathryn Beatty-Self**, Owner/Operator Tourist Accommodations Appointees; **Susan Hunt** and **Mayor Susan Adams**, Interested in Tourist Development Appointees.

Absent was **Ervin Roberts**, Interested in Tourist Development Appointee (unexcused).

Also present were IRC Staff: Peter D. O'Bryan, Commissioner, District 4; Jason Brown, Office of Management and Budget Director; George Glenn, Assistant County Attorney; Adam Williams, Network Technician, Computer Services; and Darcy Vasilas, Commissioner Assistant, District 3.

Presenters present: Penny Chandler, Indian River Chamber of Commerce; Beth Mitchell and Nicole Holbrook, Sebastian Chamber of Commerce; Tom Colucci and Rich Nalbandian, Treasure Coast Sports Commission; Mike and Kristen Beck, Indian River Paddlers Club; Mary Jayne Kelly, Cultural Council; Rebecca Rickey, Mary Jane Mitchell-Stewart, and Elizabeth Graves-Bass, Vero Heritage, Inc.

Others present: Lori Burns, Scott DiPetro, Charlie Wilson, Amy Selby, Jennifer Bates, Jackie Ernie, and Ramesh Patel.

Call to Order

Chairman Wesley S. Davis called the meeting to order at 2:04 p.m.

Additions or Deletions to the Agenda

ON MOTION BY Mayor Adams, SECONDED BY Councilmember Fromang, the members voted unanimously (8-0) to approve the May 20, 2009

agenda with no additions or deletions, as submitted.

Approval of Minutes of the February 18, 2009 Meeting

ON MOTION BY Mayor Adams, SECONDED BY Councilmember Fromang, the members voted unanimously (8-0) to approve the February 18, 2009 meeting minutes as submitted.

Ms. Hunt noted the TDC agenda packet arrived on Monday, May 18, 2009, only two days before this meeting. She was concerned with the short time frame the members had to review the information.

Mr. Jason Brown, IRC Office of Management and Budget Director, related his office was responsible for getting the agendas out and had difficulty in getting all the revenue information in a timely manner. He apologized for the delay.

Chairman Davis offered to reschedule the meeting, if the members desired, to allow them more time to review the information. It was decided to continue with the meeting at this time since all applicants were present to do their presentations.

Description of Tourist Development Grant Rating Sheets

Mr. Brown gave everyone a refresher course on the rating process. He reminded the Board that in 2003, they had adopted a policy to give 70-percent of the Tourist Tax to the Chamber of Commerce with 30-percent being allocated to the others based upon a 100 point system. All proposals presented were rated and assigned a total number of points; after the Chamber's automatic 70-percent allocation the final 30-percent is distributed with highest points earning the highest portion down to the lowest.

Discussion was held regarding the rating method used last year. Mr. Brown pointed out the money was not distributed according to the actual figures which would not have allowed the Historical Society to receive any funding. An adjustment was made to limit the increases 2-percent to any agency which in turn freed up funds so the Historical Society received some funding.

Discussion was held regarding the rating process and possible alternatives. Mayor Adams recommended going through the presentations then determining how to allot the money.

Tourist Tax Revenues Update

Mr. Brown then reviewed tax revenues. He noted the revenues were running considerably behind this year, down 29-percent from last March, with the year-to-date figures down 19-percent from last year and 16-percent below budgeted revenues.

Ms. Koenes noted when Easter fell in March last year vs. in April this year, there was a big difference in her revenue figures.

Mr. Bates questioned why the entry "\$50,000 Dodgertown promotional expense for Major League Baseball" was coming out of Tourist Tax. Mr. Brown responded there was 4-cents of Tourist Tax with the 4th-cent pledged for the Dodgertown Bonds in 2001. When we kept the Dodgers here, those bonds were still in effect and the County must continue to pay those off. He continued one and one-half cents was what was being allocated today, another one and one-half cents going towards beach renourishment.

Mr. Bates added part of the agreement with Minor League Baseball was they would receive a \$50,000 contribution for promoting tourism in their facility, Vero Beach and Indian River County.

Council Member Hill inquired if there were enough funds in the contingency fund to fund the shortfall for bringing tourists to our community. Mr. Brown responded they tried not to use contingency funds for recurring expenses.

Council Member Hill then asked how much money was in the reserve account. Mr. Brown related there was \$1 million with approximately \$200,000 remaining after paying off projected expenditures.

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

Mr. Brown reported the Tourist Tax funds were collected for convention centers, sports stadiums and arenas, coliseums, auditoriums, museums, zoological parks, etc. and had to be utilized for an agency that was promoting tourism from outside the area, thus bringing in tourists to stay in overnight accommodations. The funds are collected on hotel stays for six months or less and must be used to draw tourism to the area from out-of-town.

2009/2010 Budget Presentations

The following is a list of funds being requested:

AGENCY	2008/2009 APPROVED BUDGET	2009/2010 BUDGET REQUEST
Indian River County Chamber of Commerce and Sebastian Chamber of Commerce	\$412,500	\$395,781
Sebastian Chamber of Commerce for Treasure Coast International Kayak and Canoe Rally	\$0	\$33,500
Sebastian Chamber of Commerce Blues Bash	\$16,137	\$0
Cultural Council of Indian River County	\$74,000	\$74,000
Indian River County Historical Society	\$3,607	\$0
Treasure Coast Sports Commission	\$106,800	\$118,000
Vero Heritage, Inc.	\$15,593	\$15,000
Rental Fees	\$0	\$5,000
Reserve for Contingency	\$0	\$0
TOTAL	\$628,637	\$641,281

Indian River County Chamber of Commerce and Sebastian Chamber of Commerce

Mrs. Penny Chandler, Executive Director, Indian River Chamber of Commerce (Chamber), provided a notebook for each member highlighting the 2009 – 2010 Tourism Division Proposed Marketing Plan; What's New; Sports Marketing; Visit Florida Statistics; Proposed Advertising, Internet/Magazines/Website and Newspaper Inserts; Magazine Readers Response from September, 2008 thru April, 2009; 2008-2009 Advertising Campaign; and Sample Editorials/Internet Articles, a copy of which is on file in the Commission Office.

Mrs. Chandler announced the Chamber was ready to go in collaboration with Minor League Baseball representatives, working with sports publications to publicize the sports advantages and venues in Indian River County.

Ms. Hunt asked where the approximately \$17,000 decrease in fund requests was being taken from. Mrs. Chandler responded it was from professional fees, printing and publications, postage and shipping, noting salaries across the board remained the same. She continued no cuts were made in advertising, because they felt it was necessary to continue to reach people.

Mrs. Chandler introduced Ms. Beth Mitchell, Director from the Sebastian Chamber of Commerce.

Ms. Mitchell, along with Nicole Holbrook, Tourism Coordinator, gave a PowerPoint presentation and distributed a notebook of information to all members. Copies of both are on file in the Commission Office.

Ms. Mitchell reported last year their budget request was reduced by approximately 10-percent and this year the request had been reduced by an additional almost 8-percent.

Ms. Mitchell related year-to-year they ask for money to support the operating side of the Chamber and additionally when there were special projects such as the Pelican Island Centennial Celebration, and last years' Blues Birthday Bash. This year the special request was for a new event, in the amount of \$33,000, which would be presented by Mike and Kristen Beck from the Indian River Paddler's Club.

Mrs. Beck explained she was promoting the Treasure Coast Canoe and Kayak International Rally. Their goal was to promote the area in the Indian River Lagoon as a year round destination for paddlers and travelers looking for eco-adventure by putting on this rally. A four day festival was being planned, which would include competitive canoe, kayak and rowing races; kayak fishing tournament; paddling clinics; demonstrations; seminars; a paddling film festival; family activities; archaeological and environmental events; guided tours; and a speakers series that would highlight this area and the treasures we have.

Mrs. Beck continued they were modeling the event after well established events, and Mr. Beck had experience with organizing similar events in Germany. She was hoping to experience long term success with it becoming an established event similar to those they experienced in Europe. The event was planned for a Thursday thru Sunday in the month of May, 2010 with trips on the

Indian River Lagoon out to Pelican Wildlife Refuge to the Saint Sebastian River, and out to Blue Cypress Lake and Stick Marsh along with a kayak fishing tournament.

Mr. Bates stated he liked the concept but questioned the \$33,000 cost. He asked where the room numbers and costs came from included in the presentation. Mrs. Beck replied the figures came from the organizer of a similar event on the west coast of Florida. Mr. Bates felt the figures used were low, showing a return of only \$22,000 for the \$33,000 investment.

Cultural Council of Indian River County

Ms. Mary Jane Kelley, Executive Director, Cultural Council of Indian River County, gave a PowerPoint presentation, a copy of which is on file in the Commission Office.

Ms. Kelley related the Cultural Council worked with 102 organizations promoting their events in IRC through newspaper inserts, regional and in-state; magazine travel sections; Visit Florida travel publications; publications targeting cultural tourists; local radio promotions; and internet.

Ms. Kelley gave examples of cooperative and independent advertising done by the Cultural Council. She then showed a video highlighting some of the cultural activities in IRC such as McKee Botanical Gardens, Vero Beach Museum of Art, and Riverside Theater, a copy of this video is on file in the Commission Office.

Mr. Bates questioned the line item in the Cultural Council budget indicating \$1,000 for printing. Ms. Kelley replied that was a typo and the amount should be \$10,000.

Chairman Davis called for a break at 3:28 p.m. and the meeting resumed at 3:34 p.m.

Treasure Coast Sports Commission

Mr. Tom Colucci, Executive Director, and Rich Nalbandian, Assistant Director, Treasure Coast Sports Commission (the Sports Commission), gave a PowerPoint presentation, a copy of which is on file in the Commission Office.

Mr. Colucci related the Sports Commission was funded by three counties, Indian River, Martin, and St. Lucie to assist in the economic development; attract sporting events; promote state, regional, national and international competition;

create sports development partnerships with schools, recreation departments and other organizations; and facilitate communications and cooperation of the communities on the Treasure Coast in the promotion and marketing of sporting events.

Mr. Colucci announced Nations Baseball, a new project, will be coming to the Treasure Coast for Thanksgiving and Christmas spending a week each time, and will be playing in fields from Sebastian to Martin County. There would be over 100 teams from all over the United States and economic impact for all three counties would be \$1.8 million and approximately 7,000 room nights.

Mr. Nalbandian stated he had been working with the IRC Recreation Department to bring more college teams here to train at the North County Aquatic Center in December and January.

Council Member Hill questioned the 10-percent increase request for funds with the other applicants cutting their budgets back due to the economy. He continued he could not warrant giving the Sports Commission more when the other organizations were taking less.

Mr. Colucci responded most other counties allocate money to their Sports Commission to do what they do and track the economic impact they have on the community. He added with the availability of the now Historic Dodgertown and the push to completely utilize the North County Aquatic Center and the Shooting Range, there could be tremendous impact on the local economy.

Mr. Nalbandian announced there were several hoteliers and a restaurant owner present to give their support of funding the Sports Commission.

The following people spoke in favor of the Sports Commission:

Ms. Amy Selby, Manager, Spring Hill Suites by Marriott, a new hotel opening in August, 2009 located on Indian River Boulevard, stated they have already received calls from sporting teams wanting to book rooms.

Ms. Jennifer Bates, Director of Sales, Holiday Inn Beachside, reported she had seen a large impact as well in room bookings due to sporting events.

Ms. Jackie Ernie, Owner, Beef O'Brady's in Sebastian, related anytime there was an event at the North County Aquatic Center, the Shooting Range, or Sebastian River High School they were greatly impacted with the increase in business.

Mr. Scott DePetrio, Manager, Hampton Inn and Country Inn, off I-95, stated last year was the first year they had worked with the Sports Commission and over the past two weekends they were sold out. His revenue has increased and he plans to continue to work with them.

Mr. Ramesh Patel, owner and General Manager, Best Western Hotel off I-95, stated the sporting events have been profitable for his hotel.

Vero Heritage, Inc.

Mrs. Rebecca Rickey, Executive Director, Vero Heritage, Inc. introduced Board President, Mary Jane Mitchell-Stewart and Vice President, Elizabeth Graves-Bass. She then gave a PowerPoint presentation, a copy of which is on file in the Commission Office.

Mrs. Rickey reported while they are not able to do a lot of advertising, the Citrus Museum had approximately 1,900 visitors last year coming from 39 states and 9 foreign countries.

Mrs. Rickey explained the use of the Heritage Center continues for weddings, class reunions, milestone birthday parties, shows and seminars, fundraisers and public events. She continued for many of the events, people traveled from out-of-town which generated hotel stays.

Rental Fees

Mr. Brown announced the rental fees was a new line item that would be set aside for paying the rental fees of a County-owned stage used at some of the events that may draw out-of-town tourists. He added there had been a number of requests over the past couple of years to the Board of County Commissioners to waive those fees. In order to waive the rental fees the County Commission requested setting aside a line item for those fees, as needed.

Mayor Adams felt the TDC should have some input in who received those funds. Mr. Brown responded since the TDC only met quarterly it may be difficult, but he was willing to work something out.

ON MOTION BY Ms. Koenes, SECONDED BY Ms. Hunt, the members voted unanimously (8-0) to pull the Rental Fees line item of \$5,000, noting there were too many other requests with a shortage of funds available.

Mr. Brown collected the ranking sheets from the members and tallied up the scores.

Ms. Koenes wished to readdress the \$50,000 associated with the promotional expense of Historic Dodgertown. She asked when someone stayed in a hotel room at Dodgertown if tourist tax was collected. Mr. Brown replied in the affirmative.

Ms. Koenes then asked if increased volumes of stays resulted in higher tourist taxes collected for Dodgertown next year, couldn't that money pay for the \$50,000 or could it come from the contingency funds.

ON MOTION BY Ms. Koenes, SECONDED BY Mayor Adams, to have the \$50,000 for Historic Dodgertown come out of contingency funds, not tourist tax funds.

UNDER DISCUSSION, Commissioner Peter O'Bryan clarified there were two aspects of the marketing and rebranding contract for Dodgertown. The rebranding aspect, a one-time expense of up to \$100,000, was to change the names on the signs. The initial \$50,000 for promotional expense actually will be a recurring part of the contract escalating up \$5,000 per year so by the fifth year of the contract with Minor League Baseball, IRC will be contributing \$75,000 into advertising and promotional. He reiterated the \$50,000 listed in the Tourist Tax Highlights provided by Mr. Brown was the recurring aspect of the contract and the money for rebranding was coming from other sources.

Chairman Davis stated the \$50,000 was a recurring cost that was obligated with the contract for Minor League Baseball, therefore it would not be appropriate based on what contingency funds could be used for.

A lengthy discussion ensued regarding what could be done to help with the shortfall of funds available.

THE MOTION WAS CALLED, and failed with a tie vote of (4-4). Those voting in favor of the motion: Mr. Bates, Ms. Beatty-Self, Ms. Hunt and Ms. Koenes. Those voting against the motion: Council Member Hill, Chairman Davis, Councilmember Fromang, and Mayor Adams.

A discussion was held regarding taking the shortfall from contingency funds.

ON MOTION BY Ms. Beatty-Self, SECONDED BY Mayor Adams, to take the entire shortfall of \$129,406 from contingency funds.

UNDER DISCUSSION, Chairman Davis asked Mr. Brown what a comfortable balance would be for the contingency funds. Mr. Brown responded the typical policy was a 25-percent fund balance, which would not remain if the entire shortfall was taken.

Council Member Hill felt there should be more alternatives other than all-or-nothing. He recommended cutting funding to some of the organizations instead of putting something forward to the County Commission that they could not agree to.

The rating sheets were discussed. Mr. Brown was asked what the rankings were at this point. He displayed the rankings as follows:

1. Chamber of Commerce
2. Treasure Coast Sports Commission
3. Vero Heritage, Inc.
4. Cultural Council
5. Treasure Coast International Kayak & Canoe Rally

He continued the results of the above rankings were there was enough money to fund the Chamber of Commerce in its entirety; all Treasure Coast Sports Commission and Vero Heritage, Inc.; and only \$20,000 would remain for the Cultural Council's \$74,000 requested. No money would be available for the Treasure Coast International Kayak & Canoe Rally.

Councilmember Fromang did not feel this was workable. She asked to find other alternatives.

THE MOTION WAS CALLED, and failed with a vote of (1-7). Ms. Beatty-Self voted in favor of the motion.

Chairman Davis called for a break at 5:37 p.m. Mr. Bates left the meeting at that time. The meeting resumed at 5:40 p.m.

After several alternatives were discussed, the final recommendation of the TDC was to recommend taking \$60,891.75 from the contingency fund and apply the funding as follows:

Chamber of Commerce	\$388,360.00
TCI Kayak & Canoe Rally	\$ 20,000.00
Cultural Council	\$ 59,755.00
Treasure Coast Sports Commission	\$ 92,313.75*
Vero Heritage, Inc.	<u>\$ 12,338.00</u>
	\$572,766.75

*\$15,000 was removed for the Florida Police and Fire Games. Mr. Brown noted those funds could come from another source when they were needed thus bringing the Treasure Coast Sports Commission funding to \$107,313.75.

ON MOTION BY Council Member Hill, SECONDED BY Ms. Beatty-Self, the members voted unanimously (7-0) to recommend the Board of County Commissioners take \$60,891.75 from contingency funds and fund the remaining requests as noted above.

With no further business, the meeting adjourned at 6:02 p.m.