

Tourist Development Council Board Meeting
Minutes – May 13, 2014
Ocean Center Meeting Room 103ABC

Call to Order:

Chair Pat Northey called the meeting to order at 10:00am and introductions were made. Chair Northey welcomed Tom Clapsaddle new Board Member with Country Inn & Suites Port Orange, FL and also recognized Dan Ekert, Volusia County Attorney to explain the Deltona convention development tax issue brought up by Mayor Masiarczyk at the last meeting.

Board Members Present:

Pat Northey, Chair
Lori Campbell-Baker
Tom Clapsaddle
Libby Gallant
John Masiarczyk
David Rijos
Kelly White

Board Members Absent:

Jason Reader
One Vacancy

Approval of Minutes of March 11, 2014:

Motion to accept the Minutes was made by John Masiarczyk and seconded by Libby Gallant.

Financial Report:

Donna DePeyster, Volusia County Accounting Director, reviewed the Quarterly Financial Report through March 31, 2014 (refer to Agenda Packet). We began the year with a (fiscal year to date) beginning fund balance of \$4.2M which is a little more than what was budgeted originally. Resort tax revenues are \$4.265M and total revenues for quarter ending (3/31) are \$6.787M. Operating expenses are \$2.5M. We had a major debt service payment in December (\$3.6M); we have transferred \$180K to the construction fund for a total non-operating expenditure balance of \$3.8M. The ending fund balance for March 31st is \$4.632M. We have another \$1.6M set aside in the bond sinking fund to pay off future debt services amounts and \$3.064M is available in the Ocean Center operations account. The debt service amount showing now was as of 3/31, we just completed a refinancing and the debt service amount will stay about the same, however our overall savings for interest over the next 20 years will be approximately \$6.2M. Our resort tax is better than expected, we have budgeted \$7.7M and we're looking at closer to \$8.2M and that's being very conservative for the year. Our current transfer to the Ocean Center from sales tax is still at \$1.2M, they will be looking at it for 2015 and it may be pulled back some. Motion to accept the report was made by Lori Campbell Baker and seconded by Libby Gallant.

Garage Report:

Don Poor thanked Tom Lindzon for his exemplary work as Acting Ocean Center Senior Accountant and introduced Teresa Mitchell, new Ocean Center Senior Accountant. Teresa reviewed the Parking Garage Report (refer to Agenda Packet) through March 31st. The Parking Garage continues to do well compared to this time last year. Revenues are \$1.058M and expenditures are \$605K. Revenues are at least \$57K ahead of what they were last year; parking validations are up and more clientele are going to the movie theaters so there have been more cars in the garage. Expenditures are down almost \$260K, however last year there was construction in the garage. A big part of that project has been completed with the elevator project. The bottom line net cash flow is \$420K. Don reminded everyone that we were refinancing the parking garage as well, with a first year savings of \$400K in debt service payments and each subsequent year's savings will be about \$135K. Motion to accept the report was made by Tom Clapsaddle and seconded by John Masiarczyk.

Marketing and Sales Report:

Angela Cameron-Daniels, Ocean Center Marketing Director presented the Marketing and Sales Report. Angela introduced her two new employees; Patricia Stroup – Sales Manager and Roseann Delpero – Marketing Specialist. Members received a packet of information that includes a power point presentation, calendar of events, media clippings and advertising editorial content. Angela then proceeded to discuss the following:

- Revenue, events and event days are all up for FY14 compared to FY13. We will probably add about 20 more events for the rest of the year.
- Tentative rental revenue is \$52K for 2014 vs. \$286K for 2015. This is strictly rental income and does not include any other income (i.e., catering, etc.). Angela will run tentative dates for future years for next meeting.

Marketing and Sales Report cont'd:

- We just finished with the USAG Jr. Pan Am Championships (May), it was a first time event and Steve Penny the President of USA Gymnastics was here and he was raving about our destination, our building and our service. USA Gymnastics will be back in November for their 13 day World Cup event. Central Florida Sports Commission helped us with these 2 events. We have quite a few new events this year (i.e., TOPS, Animal Care Expo, etc.)
- Sales staff traveling to a lot of different shows, with every segment being covered.
- We've had 9 site visits since the last TDC Meeting.
- Destination FAM was held April 4-6, 2014. Received three RFP's from this FAM. None of the planners who attended had ever been to Daytona Beach before.
- Will be holding a Connect Marketplace Pre-FAM in conjunction with the CVB August 19 & 20.
- We had a great Ungerboeck Training in April with a much better trainer than before. All staff is fully working in Ungerboeck. It is a great tool.
- Have implemented goals for the sales team with site visits, prospecting, etc. It can all be done in Ungerboeck and we can track their prospecting and proposals and we can run reports for that.
- We have a Pace Report that Ungerboeck has created and we're working on it, will adjust it to report where we are at right now and how it compares to where we were at the same time last year for revenue and events.
- Has made room night tracking a required field in Ungerboeck and we will do our best to get this information from our clients.

Ungerboeck Software Update

Steve Alverson, Ocean Center Information Services Analyst, presented the Ungerboeck Software Update. The training was excellent and the trainer did a very good job at putting the students at ease. I could tell immediately before the training session was over some of the changes that the staff was putting in place as they were learning new tips and tricks. Everyone is a lot more comfortable with the software now.

Motion to accept the report was made by David Rijos and seconded by Libby Gallant.

Ocean Center Status Report:

Don Poor, Ocean Center Director presented the Ocean Center Status Report.

- Thought the luncheon sponsored by the three CVB's and the Hotel & Lodging Association to share Visit Florida's new tourism program was extremely creative and productive. David Rijos and The Shores Resort & Spa did a wonderful job hosting the event.
- The Ocean Center is hosting 13 graduations in May; 3 colleges, 9 Volusia County High Schools & Flagler Palm Coast High School with approximately 3,800 high school graduates, several thousand college students and between 45K-50K attendees.

Tom Staed Veterans Memorial Bridge Update

Gerald Brinton, Volusia County Engineer made the presentation on the new Tom Staed Veterans Memorial Bridge.

- Several years ago, County Council was very successful in securing federal funding to replace the old Orange Ave. draw bridge. This one is one of three that are owned by the County.
- In early 2011 County completed a feasibility study and selected the alternative to replace this low level bridge with a high rise bridge.
- Expensive maintenance (\$300K-\$400K annually). Opens on average 16-19 times per day.
- County Council wanted to make sure that this was going to be a bridge that reflected the community input. Council set up a Project Advisory Committee, comprised of local resident, community and civic stakeholders. Very important that the Council was to make this a tribute to the Veterans.
- Committee decided to include all five branches of the military, it's being integrated in to the bridge design.
- The approximately \$43M cost is paid for with federal funds.
- Real focus on low maintenance.
- Fishing is important, we've got commitment for federal funding to pay for a fishing pier on the east and west sides.
- Going with a Historic Open Spandrel Bridge Type – 65' high, there are none in Florida. There will be look-outs at each of the piers going along each side of the bridge, 8' wide sidewalks with stations (with plaques) talking about Veterans and telling a story. There will be power stations for wheelchairs.
- Another item that is not funded at this time and is not eligible for the federal highway funds is the Memorial Amphitheater, this would be located on the north side of the bridge on the west bank. Will be looking for grants, partners, etc. to fund it.
- Schedule – Design began in February 2013 and construction should be completed by late 2016/early 2017.

Tourism Update:

Evelyn Fine, Mid Florida Marketing & Research, Inc. presented an overall review of what's happening with tourism in Volusia County (refer to report in Agenda Packet).

- Volusia County's overall occupancy declined in March by 2 ½% and average daily rate declined by 1% largely as a result of Halifax area business. We noticed an increase in the southeast and the west as they seemed to be less affected by some of the things that affected Daytona Beach. It was largely caused by the calendar. Last year Easter vacation fell in March and this year it was in April.
- Condo and single family home rentals continue to increase.
- Occupancy by price range, happily there was no one charging under \$50 per night.
- Bike Week had a slight increase in occupancy and an increase of 5 ½% in average daily rate countywide.

Update from Partners:**Hotel & Lodging Association – Bob Davis Reported:**

- Received a 30 minute phone call from an Ocean Center client (Bob did not know the name of the organization) who raved about the Ocean Center and Daytona.
- Thanked Sharon Mock for bringing the CVB/HAAA Board back to stability.
- The News Journal will be bringing a photographer to the Hotel & Lodging Association's Board Meeting for the first time to report on what the hoteliers are doing.

Southeast Volusia Advertising Authority – Carl Watson reported:

- Refer to SVAA Report in TDC Agenda Packet.

West Volusia Tourism Advertising Authority – Renee Tallevast reported:

- The grand prize winner (Sandra Bernard) of the Co-op Toronto Star Sweepstakes was in town last week and she took a St. John's River Eco Tours out of DeBary, spent 2 nights in Daytona Beach, 2 nights in New Smyrna and 2 nights in West Volusia. They loved this area and look forward to coming back.
- Refer to WVTAA Report in TDC Agenda Packet.

Destination Marketing Organization (DBACVB) – Sharon Mock & Shawn Abbatessa reported:

- Today is Sharon Mock's last day on the job as Interim Executive Director and tomorrow Tom Caradonio begins his job as Executive Director. Chair Northey thanked Sharon for stepping in and bringing a calming influence to an organization that desperately needed it.
- Refer to the HAAA Update in TDC Agenda Packet given by Shawn Abbatessa.

Old Business:

Dan Eckert, Volusia County Attorney addressed the TDC tax issue that was raised at the last meeting by an e-mail that was sent by a Deltona resident to the City of Deltona regarding his interpretation of Florida State law regarding taxes.

Mr. Eckert explained that Volusia levies two taxes commonly referred to as bed taxes: the tourist development tax pursuant to section 125.0104, Florida Statutes, the proceeds of which support the Ocean Center and about which the tourist development council advises; and the convention development tax pursuant to section 212.0305, Florida Statutes, the proceeds of which are administered by the advertising authorities to promote and advertise tourism. The claim has been made to the City of Deltona that a portion of the proceeds must be used to construct a facility in the most populous city in the county is a mistaken one based on a subsection of the statute pertaining to Miami Dade County. Acceptance of this claim would mean that the county no longer would fund the advertising authorities.

Northey: We just wanted to put that in the record because there were some questions.

Masiarczyk: I just wanted it on the record here because everybody gasped when I brought it up at the last meeting. There's a statement in there that says 30% goes to the largest city for a convention facility, and I guess that's what stuck in his mind and he still feels where the missing money comes from.

Eckert: I know that the City of Deltona is not making this claim; this gentleman is making the statement to the City of Deltona. The tax which he is talking about applies to Miami Dade, Subsection A is the consolidated City of Jacksonville; Subsection B pertains to Miami Dade and Subsections C, D&E are our taxes.

New Business:

No new business.

Will extend an invitation to the Speedway to make a presentation to the TDC Board on One Daytona for our next meeting.

Public Participation:Big John comments/questions:

- Inquired about “Seize the Daytona” Campaign. Shawn Abbatessa reported that the current campaign still exists; Sharon Mock and I have worked with the ad agency to refine the font and messaging behind it. The challenge is we are halfway through the campaign and money has been committed. We did put out an RSQ for a new ad agency.
- Inquired about the cell phone reception at the Ocean Center. Steve Alverson reported that he’s been meeting with AT&T, they have accepted the design put forth by American Tower Corporation (neutral host provider). Those plans are moving forward very quickly.
- Wanted to know if the Humane Society event was open to the public. Angela was going to check and let big know.
- Beautiful presentation on the new bridge. Maybe we could have a presentation on east ISB from the bridge to the beach – pretty embarrassing.

Rijos: How many different organizations do we have promoting sports?

Poor: We currently use Central Florida Sports Commission and they are responsible for bringing three events this year; the Pan American Games, Stars & Stripes and USA Gymnastics in November. Over the years, a number of organizations have gone after sporting events (CVB, Hotel & Lodging, Chamber, etc.). We are re-evaluating what we do with the County relative to sports currently. Tim Bailey with the County of Volusia Parks & Recreation Department developed a website that has every sporting facility in the county – it’s a tremendous resource.

Northey: The issue with the Central Florida Sports Commission has been a continued discussion at the Council level about their effectiveness and every budget year we have a discussion about that and it’s a very divided Council as to where we go with that.

Poor: We also have a very active sales person that covers the sports market. We have competitive arts market (cheerleading, dance, etc.) and in 2009 we were doing 47K people in that market and today we are doing about 100K people.

Rijos: Would like to see a report showing the return on investment for the \$400K from HAAA.

Poor: We committed to the HAAA Board as well as the Council that we would give quarterly updates on that.

Meeting was adjourned at 11:44am.