

**Tourist Development Council Board Meeting**  
**Minutes – April 10, 2012**  
**Ocean Center Meeting Room 203ABC**

**Call to Order:**

Chair Frank Bruno called the meeting to order at 9:05am.

**Board Members Present:**

Frank Bruno, Chair  
Lori Campbell-Baker  
Sharon T. Hughes  
Tom Staed  
John Masiarczyk  
Kelly White

**Board Members Absent:**

Jim Bazemore  
Michael Benedict  
Rich Larkin

**Approval of Minutes of December 13, 2011 Meeting:**

Motion to approve the Minutes was made by Lori Campbell Baker and seconded by John Masiarczyk. Chair Bruno also welcomed Tom Staed back to the Board.

**Ocean Center Status Report:**

Don Poor, Ocean Center Director reported they met with County Council to update them on the Ocean Center marketing plan and the new approach we are taking with the marketing plan. Angela Daniels would be covering some of those details in her report later in the meeting.

**Financial Report:**

Donna DePeyster, Volusia County Accounting Director, reviewed the Quarterly Financial Report through February 29, 2012 (refer to pages 12-19). There were two reports distributed, one for quarter ending 12/31/11 and the most recent ending 2/29/12 which will be the one covered. Audited beginning fund balance is \$4.666M. Resort tax is at \$2.316M and our total revenues for that same period are \$3.007M with total operating expenditures at \$2.200M. We've had our first series of debt service payments; our principal and interest payments were due on December 1<sup>st</sup> and we'll have another one due in June which will be the last debt service interest payment that we'll have. To date we've spent \$3.509M in debt service. We transferred to the construction fund \$400K of an \$800K planned expenditure for the HVAC repair and upgrade. Total ending fund balance is \$1.563M, however we've been putting away money for the mortgage that's due at the end of June. To date we've accumulated \$1.188M for that payment which leaves \$375K available for operations.

Chair Bruno asked if there were any questions from the Board Members.

Campbell-Baker: What is HVAC?

Poor: Heating, ventilation and air conditioning. It's the old units in the arena.

Hughes: What shape are we in right now?

Depeyster: We are where we expect to be. Our revenues are close to where they were last year and it looks like the revenues are on track for this year and expenditures have been budgeted accordingly.

Bruno: Actually our bed tax is up a little bit and that's helpful for everyone.

Motion to approve the Financial Report was made by Sharon Hughes and seconded by Lori Campbell-Baker.

## **Garage Report:**

Jim Maniak, Ocean Center Finance Officer, reviewed the Parking Garage Report (refer to page 20) through February 29<sup>th</sup>. Revenues taken in for this year are \$637K as compared to last year at \$635K so we are running very close to last year. Under operating expenses, the accounting department has posted some administrative costs, in February of this year, of \$64K. Last year these costs were posted in March. There are a couple of additional items I'd like to bring to your attention. Since the garage has evolved in coming in to the county system one of the things we have finally gotten in to is the computer replacement program at the cost of \$3,484. We have several other major projects that we are trying to do this year that we have some significant dollars in; complete the ceiling of deck & ramps-\$90K project, build out SW portion to add floor and lighting for possible storage and staff parking-\$20K, replacing, as needed, fire doors and frames on the various floors - \$23K and we are also looking at doing waterproofing on the Ora St. Ramp-\$15K. All of these improvements fall under line item #4610 Maintenance of Bldgs. Line Item #6530 Construction-(\$150K) is for modernization of the elevators, this amount will not allow us to do all of them but it will give us a start. The county has received bids for replacement of the four elevators and we are looking at a possible means of funding. As of February 29<sup>th</sup>, we have not paid anything on our debt however April 1<sup>st</sup> we should have paid the semi annual payment both on principal and interest. Line Item #9191 talks about the repayment transfer to the general fund. Prior to the county taking over the parking garage operation, we had been contributing to different things for the parking garage to help cover some of the costs. The county fronted approximately \$600K and this line item is an attempt to re-pay that back to the county's general fund and this is about half of it at this time. We are looking at several years to reimburse the general fund. This concludes my report and I'd be happy to answer any questions.

Campbell-Baker: Are the elevators currently failing?

Maniak: They are not failing however we have had a lot of maintenance problems. The company that was providing the maintenance is not under our contract and the county has an overall maintenance contract with a company that we wanted to get them under.

Campbell-Baker: How much did we get from the general fund? Was it only \$600K?

Maniak: Yes, that's what is on the books as the total.

Campbell-Baker: We all got a memo about the status of the signage proposal, is there any way to get a brief note in the minutes that says what the outcome of that was?

Bruno: I was going to bring that up under Old Business.

Poor: There really is not a mechanical problem other than the fact those elevators are about twelve years old and they are exposed to the salt air. The prevention business is what we are taking a look at but beyond that we are going to modernize all of the electronics, finishes, etc.

Motion to approve made by Kelly White and seconded by Lori Campbell Baker.

## **Marketing and Sales Report:**

Angela Cameron-Daniels, Ocean Center Marketing Director presented the Marketing and Sales Report.

- Report will cover the months from January through March 2012.
- 47 contracts have been issued compared to 35 contracts at the same time last year.
- 78 event days vs. 73 event days last year.
- Over 100,000 attendees through the building.
- New contracts and events: Florida Public Transportation Association with the assistance of Ken Fischer w/Votran in conjunction with the "Bring a Meeting Home" Campaign. Lifeway Christian Resource coming up in November 2013, AAU Gymnastics in April, this week the team booked the National Association of County Engineers that was a cooperative effort of the DBACVB, Ocean Center, Hilton, the local Facers group went up and they got the bid for 2015.
- In May we will be hosting the 2012 Christian Meetings & Conventions Association.
- Sports Turf Managers Association (new group) in January 2013.
- Parachute Industry Association (new group) in March 2013.
- Sales Team has had 27 site visits so far this year.
- We are in the process of revamping the Ocean Center Website.
- We have new creative print ads.

## **Marketing and Sales Report cont'd:**

- We are getting closer to booking software. A selection committee has been set up and we are hoping to have the software in place by the end of this fiscal year.
- Event in April include the National Cheerleaders Assn. (16<sup>th</sup> year), Clinical Virology Symposium, Florida School Nutrition (new group), AAU Gymnastics (new group) and the News Journal Home Show was earlier in the month with 6,800 attendees.

Bruno: Any questions of Angela? There's a lot of activity going on at the Ocean Center.

Big John: Is this report in writing?

Daniels: Yes I can get the report in writing for you.

Hughes: Are you moving the sales and marketing to more FAMS to get more people to come in and see the Ocean Center?

Daniels: It is a major source of the sales, we have actually conducted some really great FAMS with the Ocean Center and CVB Sales Teams and the area hotel partners (Successful Meetings, Society of Government Meeting Planners, Florida Encounter, etc.). Just to give you an example of how productive and lucrative they are: Tommy Keown was here for Successful Meetings and he had never been to the Ocean Center before. We hosted a reception and that's where we got the Lifeway event that's coming up in November 2013. It really is our best sales tool; once a meeting planner gets here they love the destination, so we continue to do those throughout the year.

Hughes: Will the computer software system that you are getting interface with the DBACVB so that they can help book the Ocean Center?

Poor: We hope so, we have 3 systems that we are looking in to and each has different capabilities. What we are shooting for is a software program that we can open up to other properties to look and see what the available dates are and also ideally a program that will blend with the DBACVB's D-3000 System.

Bruno: Let me call on Dave Byron and he can give me an update on the Tourism Study as well as the SE Volusia Advertising Authority.

Byron: Update on the Tourism Study – County Council has commissioned an independent analysis of tourism marketing countywide. We've engaged Strategic Advisory Group, with Dan Fenton being the lead partner on the study. Mr. Fenton has been well in to this study for the last three months and has conducted numerous interviews both in person and via phone. He will be at the County Council's May 3rd meeting for an interim update and will be in the community for the entire week. He has been in the community twice for more than a week each time and has stayed throughout Volusia County. We have taken him on an extensive tour of Volusia County so he can get a complete view of all facets of the community. The study is about one third complete and is a very extensive study. I would like to suggest that if any of you have any thoughts or suggestions please feel free to give me a call.

Update on SE Volusia Advertising Authority: County Administration is currently overseeing the operations of SEVAA. We have a full time temporary director that is in New Smyrna Beach every day. My operation of Volusia County Government has overseen the marketing efforts at SEVAA. Quite frankly when we got there, things were a bit in disarray. We've had to spend quite a bit of time trying to get records together but I think that we're at the point now that we're beginning to place advertising and get a handle on the budget. I'm pleased to announce the traffic to the website has remained strong, the number of visitors to the visitor's center is actually up over last year and social media traffic is increasing every month. Even though there were problems, I don't think we've lost too much momentum and I think we are at the point right now that we're beginning to really start to move forward.

Baker: Are they in the process of hiring another executive director?

Byron: That process is slowly underway and the reason for that is because of the issues and difficulties we've had, it's causing the county administration to take a look at how we're organized, how we're focused and how we're doing business not just in SEVAA but the others as well. Meanwhile Dan Fenton is underway with the Tourism Study so we kind of want these pieces to come together at the same time. It would not be accurate to say that we are close to hiring a director down there. We're trying to figure out what kind of skill set that person needs.

Bruno: And that drama keeps going on down there. It's going to be a while before we get that resolved but we're working on it. We do have a lot of staff working hard to try and turn things around. Thank you Angela for the sales report, you really did give an in depth report to the County Council and maybe you should try and think about doing that for the TDC, it would be helpful for everyone. We'll put that on our next agenda so everyone is up to date on that.

## **Update from Partners:**

Hotel & Lodging Association – Bob Davis reported:

- I have a very short positive report, business seems to be on the up, occupancy and ADR is up, bed taxes are up and hotels are filling up.
- We've partnered with the Chamber of Commerce on a reservations system that seems to be working very well.
- For the first time, we've partnered with the airport with select hotels so we're now with the county and the airport.
- Our sports consortium is doing extremely well.
- This weekend we have 60 USSA Baseball teams coming in and I'm having difficulty finding rooms so that's a good note.

DBACVB – Liz Grindell reported:

- We are welcoming Jeff Hentz on board on April 30, and are very much looking forward to him starting.
- The Humane Society has signed on for May 2014 & May 2017 with 700 attendees.
- National Association of County Engineers (NACE) will be here in April 2015, 400 attendees and an economic impact of \$480K.
- Linda McMahon will be attending Pow Wow and she has 31 requested appointments. Pow Wow is an appointment based show and there are a significant number of South American countries interested, she has 5 appointments from Brazil alone.
- We'll be starting our new budget season real soon, so Jeff is coming here in the nick of time. We're working hard so that we can all work together, there are bumps along the road but we're climbing the hills and riding the plains. Everything is going to be just fine with the end result.
- HAAA meets next week and the Ad Committee Meeting will be going over RFP's for a new advertising agency narrowing that down from the long list from approximately 5 to 3. HAAA has reached out to Jeff Hentz to ask him if he would like to be a part of that selection process. I think everything is moving forward really well.

WVAA – Renee Tallevast reported:

- Our Board, thanks to Dan Fenton and his direction and his suggestions, is moving in a different direction in our planning for the next fiscal year. We have identified 10 experiences for West Volusia that we're looking at developing and marketing. We've already had one marketing workshop and we are having another one next week to focus on what direction we're going in, and which experiences we're prioritizing. It looks like we have decided to go with developing bicycle tourism to be able to utilize the trails the County has built.

DBIA – Steve Cooke reported:

- Airport continues to do well.
- Having a new Airport entrance sign made.
- Cancun Lagoon Restaurant is no longer there, debris is being removed. Outback Steakhouse will be starting their construction soon, investing \$4M on airport property with approximately 89 employees.
- Traffic has done well for the last couple of years. January was up 18%, February 15% up and March was down a percentage point due to Delta not putting in the 757's. We had 5 a day last March and only 3 a day this March, which should be no cause for alarm because we have more seats in the market for April, May & June and our load factor what up by 2 points from last year.
- Cost of fuel is a concern. Jet fuel cost has gone through the roof in the last year and a half and that's something that can put a damper on any airport because it affects the fare.
- Another thing we are working on with the CVB is Allegiant Air in Sanford, which I think in the future this type of airline can serve Daytona Beach. They are very interested in basically marketing not only the air service but also hotels, attraction tickets and destinations around the area. We're staying very close to the CVB with that, they are monitoring how many people are being brought to this area. We know there are more Canadians this year that have come through that venue. It's not a question that they can operate cheaper in Sanford, they can actually operate

### **Update from Partners cont'd:**

cheaper in Daytona Beach.

- Overall the airport is doing well, traffic is good and we hope that is going to continue for all of 2012.

### Questions/Answers:

Hughes: Why did Allegiant Air change from Orlando/Sanford to Daytona/Sanford and now it's back to Orlando/Sanford?

Cooke: About a year and a half ago, they switched about a third of their flights to Orlando International. There was a group at Allegiant that no longer works for Allegiant which advocated that. When they went to OIA for 6-8 months their financial model fell apart because the costs in Orlando are so very high, they stopped making money. The president took it over and said we are going to go back to Sanford and we're going to operate from there. We had made a big push on them when they did go to Orlando because we knew they would lose all of this Volusia County business. So they went back to Sanford and we're trying to work within what they are trying to do and really convince them at the appropriate time that they can actually put that aircraft here. We have it set up with the charter gate so we can do the ground handling, the only thing they need to come to this airport is really a pilot and a flight attendant – that is it, there is no investment required and they don't have to operate every day of the week they can operate any days they need to.

Hughes: When you going on their booking site, it had changed to Daytona.

Cooke: Yes, they are trying to build a model to where they can serve Daytona through the central location. While they do that they are going to be putting more and more people in our hotels and at some point it's going to make sense to put the airplane here if they've got enough business to do it.

Bruno: Can you give us an update on Greyhound?

Cooke: Greyhound came to us and they also went to the mall and where that stands now is we have not made a deal with them. They basically want to operate in the terminal for about \$400 per month and we can not do that. We're negotiating, we're open and they are actually going to come down one more time and talk to us but we're a long way apart on what they need to pay as rental to operate in the airport. We're not there with Greyhound at this time.

Bruno: How much were they paying in Daytona?

Cooke: I have no idea. They owned the building and I think they actually sold it.

Bruno: That's quite interesting but we do need Greyhound in the Daytona Beach area, there's no question about it. I thought that the airport would be a great location. I would also like to recognize Francis Purvey and congratulations to the Shores Resort & Spa for taking over management of the other Bray & Gillespie properties.

### **Old Business:**

Bruno: Everyone knows that Kim Ellis was working with the Ocean Walk Shoppes, the TDC Board, Michael Benedict and Michael Dyer (County Attorney's Office). By the way, Michael Dyer is leaving the County Attorney's Office to be the head council for the Volusia County School Board. We all decided we wanted to work together to try to promote the Ocean Walk Shoppes. Why don't you give us an update as to where we are and then we'll shift into what's occurred since the last meeting.

Ellis: We are up 17 ½% from where we were this time last year. Tenants are paying their rent, they're happy, there's traffic coming in and we have cheerleading this week. There is momentum that is happening. Customers still complain about having to pay for parking especially when we have competition like the Port Orange Pavilion where you can park for free. My big challenge is getting new tenants and attracting a buyer as well. We are looking at upgrading the movie theater. We need to do something to differentiate us from the other movie theater competition in the area and we think this is key in doing that. Having attended tradeshow and speaking with movie theater people all over the nation, the thing that they look for is free parking. Currently Ocean Walk Shoppes is subsidizing the 3 hours of free parking that a customer gets. It costs us considerably every year and I would like to use that money for marketing or something else that would bring in more traffic. When I spoke to you last, we were proposing an advertising plan in the garage where we sold signage to local businesses and that revenue generation would be split between the Ocean Center to run the garage and a marketing kitty to help generate more business for the Ocean Walk Village Alliance. I'm happy to report that the TDC Board

### **Old Business cont'd:**

Members voted unanimously that it was a good idea but once we got to the county level, that's where it stalled.

Bruno: You need one more tenant, what type of tenant are you looking for?

Ellis: Ultimately with 5,000 sq. ft. it would be a great restaurant space. It's right above the Winghouse with great A1A exposure.

Bruno: What type of restaurant are you targeting?

Ellis: We've targeted everyone you could possibly think of and with Joe's Crab Shack coming in, trying to get more seafood is a little difficult. We don't want to cannibalize any of the business we have there. Barbeque, Asian, Sushi, a Kraft Beer Bar would all be great. I think seafood casual dining is out at this point.

Bruno: Lori, I know you were pretty instrumental in trying to move this forward. Don (Poor), let me ask you to give a little report from the administration as to where we ended up going with this. We approved it unanimously to go to the County's Legal Department; we do have bonds which became an issue.

Poor: In 2007, the garage was refinanced with a tax free bond issue. One of the requirements of tax free issue is that all of the funds generated by the garage revenue have to go to the repayment of the bonds so there was no way that we could allocate additional revenue that was generated to a third party before the bonds and the bondholder were paid.

Baker: I feel bad that you went through that much work in putting the proposal together but want to thank you for doing it. I think it's a great idea, I guess it just can't legally happen. I don't want to stop here. I just think that further discussion is needed.

Masiarczyk: Maybe you could offer square footage to be bid on, then all of the revenue from that could go to the garage and would meet the requirements for your bond covenants. That might be a way around that.

Bruno: We would have to open that up to a process. We just need to make sure legally that we're able to open that process to move ahead.

Baker: I think that's a really great idea because we are in no danger of losing money because the contract would be with whoever leases it from us.

Masiarczyk: And total revenue would go in there which would protect you from the bond covenants.

Baker: Requests we look in to Masiarczyk's idea.

Poor: There was some discussion about that and part of the legal discussion was who would control the content. Who would you allow to advertise and who would you not allow to advertise and that again gets into legal issues.

Bruno: We will carry the message and see where we go with that and I will bring back a report for the next meeting. I will stay in touch with Kim Ellis on how we can continue our efforts to promote Ocean Walk Shoppes. We continue to work to promote the Ocean Walk Shoppes and the surrounding area.

Staed: How much of the parking revenue does the Ocean Walk Shoppes generate, is there any way to trace it?

Bruno: It's going to be more and more difficult to trace with all of the activities in the area and with what the city is doing with the pier because that's they only parking garage we have right now.

Maniak: We would probably have to make some sort of an estimate as to where we think the garage customers are going (i.e., Ocean Center, Peabody event, Ocean Walk Shoppes, etc.), there is no way to know otherwise. We can look at it and try and trace it.

### **New Business:**

No New Business to report.

### **Public Participation:**

Big John: Libby Gallant is the new boss of the Gillespie properties. Question for Donna DePeyster, it looks like we are down about \$400k from last year is that true?

DePeyster: that was due to some of the administrative charges that were fixed costs that were booked sooner this year than the prior year. \$1.3M in sales tax is still programmed to go to the Ocean Center this year.

John: I want to congratulate Kim Ellis because she works for the receiver and she's still trying to get a better deal when the taxpayers are underwriting this deal so I'm glad you didn't give in to much Frank. Question to Don Poor, we lost Educational Testing Service this year, correct? Is that a big deal?

### **Public Participation cont'd:**

Poor: Well, we don't like to lose any business. It will affect food service dramatically because it was approximately a \$500K account. We've been very successful in booking other things in to fill that void, such as the Chamber's Annual Dinner, Fur Ball Gala, several Christmas parties and the ERAU Military Ball.

John: How much is it to replace the elevators and is it in the budget?

Maniak: \$400K and yes, it's in the budget.

John: Mr. Poor, how are the cameras.

Poor: I thought we covered that last time? They are in great shape and working well.

Bruno: And John to be quite honest with you, we are booking more and more everyday.

### **Member Comments:**

Masiarczyk: No

Hughes: No

White: Joe's Crab Shack is well under way and looking great. At our last commission meeting we put out an RFP for the Space Needle, there seems to be a lot of interest in restoring the Space Needle and operating it again. The E-Zone project is moving along. We've been working on doing some short term activation of the area with small events. We have a full time code enforcement person on board now and as a commission we've been looking at sprucing up the area. I've been trying to keep in touch about what's been happening with the FEC Flagler Line, we had a good meeting recently with everyone in the state who's working on it in Daytona Beach. In a couple years, it's very likely that we could actually have a train stop here. I think if we could work with other agencies of public transportation we could create a transportation node even possibly one day get Sunrail to come all the way over. City of Daytona Beach, at the commission level, has been talking a lot about public art in our community and using it as a tool to get some short term successes and change the experience that people have. One of the first things we've done is look at our vacant storefronts and the students at Daytona State College have donated their art and photography to fill those vacant storefronts. The Museum of Arts & Sciences has been gracious enough to be a receiver of donations. Probably within the next month we will need a couple thousand dollars, which we are trying to raise privately, and keep it out of the public sector. Hopefully, we will have some of these vacant storefronts filled with some artwork.

Bruno: I think that's all exciting news and maybe we'll be able to get the Art Council working on that too. The opportunity to bring Amtrak down from the northeast with a stop in Daytona Beach and then be able to go all the way down to Miami is great! We are already looking at the possibility of an alignment from the DeBary Station to the Daytona Beach area with Sunrail, it may not be commuter rail it may be light rail. Keep up the good work on all of that!!

Baker: I think that's a great idea with the vacant storefronts and artwork. Do you have to buy the artwork or is it possible to make available to local artists who want to try and get their artwork out?

White: The only cost we have to incur is printing. All of the art is being donated by the students because it's basically an exhibit for them.

Grindell: The art project is a great idea and if you give the DBACVB the information, we will put it on the website. We have a very extensive "What to Do" area on the CVB website so anytime you have any event that is coming up, please make sure you get that information to us so we can include it on the website. Two representatives from Visit Florida are in town right now with Roxanne Olsen (CVB). They are on the promotions committee for Visit Florida and they have decided to check out the area to see what's new in Daytona.

Baker: No Comment.

Staed: There's a lot of empty property on the ocean and it's a great time for getting additional parking, you just have to get it from the right source and you can't use the advertising money to do it because you have to keep from having more empty properties. The numbers are up a little this year but not significantly (2-3%). We've got to stay on the marketing of the entire beach. Certainly the Ocean Center is an important part of that. Now is the time to take advantage of the low property costs.

**Member Comments cont'd:**

Bruno: There is an effort on behalf of the County with the Echo Funds, we have ten years left in that program and we set aside 50% of the funds (approximately \$20M). We are going through an inventory of the beach front from Ormond to New Smyrna Beach. We've looked at some properties and have asked staff to look at additional properties and what opportunities there may be. We've talked about even trying to look at bonding. We are looking at all of those possibilities right now and this is the perfect time. There is a lot of interest, just recently there's been some investors from Russia that just bought some oceanfront property. We've had investors from Canada buy some property and we've had some other folks from South Florida with Israeli money looking at the surrounding area. There is a lot more interest in the Daytona Beach area right now. As those interests start coming up and they start purchasing this property the values start coming up and so that is what Tom is saying, you'll never have the opportunity to do this again. The Council is on the right track to purchase some of those parcels of land. We're working with the City on some of those properties right now.

Staed: I think that everyone would support you on it because it's a long term solution and once the market changes they are going to build condos on those properties in places that condos were illegal.

Daniels: I wanted to congratulate Libby, but also wanted to congratulate Ann Little, who took Libby's job. I also wanted to thank Kim Ellis for her efforts with the bridge and the Bandshell. They are working real hard this year, I think we've lost considerable funding, but she's really working hard to keep the fireworks and the free concerts going in the summer.

Bryon: We've been working with the Central Florida Sports Commission on a comprehensive sports facility website. It is a massive, massive project which will probably never be completed but we are working piece by piece to get it started. We've taken hundreds of photographs, we've created almost a hundred maps and we are scheduled to make a debut with the CFSC probably in June. So it will be a phenomenal website focused on people that want to have sporting events in Volusia County. It is a tremendous undertaking but we've been working on it for months and I think when we unveil it in June people are going to be very impressed and very surprised at what we've been able to accomplish. We'll just continue to add to it as we can but we're working hard on it and I think everyone is going to be pleased.

Bruno: And by the way it's not meant to be completed, it will always be a work in progress. We have some great facilities in Volusia County.

Meeting was adjourned at 10:28 am.