

DUVAL COUNTY TOURIST DEVELOPMENT COUNCIL MEETING AGENDA

Thursday, December 8, 2022, 10:00 a.m.

City Hall - Lynwood Roberts Room

TDC Members: City Council President Terrance Freeman (Chair), City Council Vice President Ron Salem (Vice Chair) - (*Excused Absence*), City Council Member Aaron Bowman, Jeff Truhlar, Angela Phillips, Dennis Chan, Dennis Thompson, Joe Hindsley, and Mark VanLoh

TDC Staff: Carol Brock (Executive Director), Brett Nolan (Administrator), Phillip Peterson (Auditor), and Reece Wilson (Office of General Counsel)

I. Welcome and Call to Order

Chair Freeman

The meeting was called to order by Chairman Freeman at 10:00 a.m. and the attendees introduced themselves for the record.

II. Public Comments Including Action Items

Chair Freeman

Public Comments: Jim Dalton representing Dalton Agency

Jim Dalton with the Dalton Agency mentioned that this will be the last TDC meeting where the Dalton Agency is the advertising agency which represents Visit Jacksonville. The Dalton Agency has worked in this capacity with Visit Jacksonville for the last 15 years. Mr. Dalton expressed his enjoyment working with Visit Jacksonville where they saw a lot of growth over the years and thanked the TDC for the great experience with representing Jacksonville through this partnership.

III. Approval of Minutes*

Chair Freeman

The minutes of the October 20, 2022 Regular TDC meeting were **approved unanimously as distributed**.

The minutes of the March 1, 2022 Leadership Transition and Hiring Subcommittee Meeting were **approved unanimously as distributed**.

IV. Feasibility Study Results for Direct Flights JAX/UK

Kevin Schorr

Kevin Schorr with Campbell-Hill Aviation Group, LLC presented to the TDC board the findings of the feasibility study for non-stop flights between Jacksonville and the United Kingdom. Mr. Schorr explained that the Campbell-Hill Aviation Group, based out of Washington D.C., is an economic, regulatory, and strategic consulting firm for airlines and airports with over 100 years of airline experience. The firm has worked with the Jacksonville Airport (JAX) since 2013, helping them maintain and develop new air services.

Mr. Schorr gave a high-level overview of the analysis, detailing various components including: (1) JAX Air Service Market Review, (2) JAX - Europe Market Review, (3) JAX – LHR Economic Impact, and (4) Community Support and Next Steps.

In order for JAX to seriously pursue non-stop service to London, Mr. Schorr recommended a fund be put together with \$5 million to offer as a revenue guarantee to an airline such as British Airways for the first two seasons of non-stop service, April through October. Joe Hindsley asked if this recommendation was calculated by projected operating losses and Mr. Schorr explained that it is effectively the minimum amount the airline is looking for now to even consider a market for new non-stop service.

Mr. Schorr detailed that this \$5 million must come from a third-party organization, JAX cannot be involved due to FAA regulations. Each one of the cities that offers the non-stop service to London has a third party that works with the airlines that puts together an agreement and provides the funding. The airline would also need a marketing fund of between \$500,000 to a million dollars to help market the new service in Europe. JAX can market the new service locally, but due to FAA regulations, they cannot help market the new service at the destination. JAX would also be asked to waive all the airline's fees during the first two seasons. Mr. Schorr concluded there are a lot of communities

across the country wanting to be able to provide this non-stop service to Europe. Jacksonville is in a great position to offer this service and it comes down to two key factors: the revenue guarantee and the marketing money to be offered to the airline to start this new non-stop service to Europe from Jacksonville.

Joe Hindsley commented that the report was fantastic and felt very optimistic about it. Mr. Hindsley asked if the demand data was originating in Jacksonville going to London. Mr. Schorr said there is traffic in both directions and compared to other markets going for London, Jacksonville has a lot more traffic coming in this direction, whether for business or leisure. Mr. Hindsley asked if other cities in Florida with service to Europe were giving incentive packages to airlines to which Mr. Schorr explained Tampa has put out incentives for non-stop services but was unaware of the full scope of those incentives.

Dennis Thompson asked about the minimum guaranteed incentive money and if it was paid out only if the airline incurred losses. Mr. Schorr clarified that if the revenue target for the airline, such as British Airways, wasn't hit, the incentive money could be used to cover those losses. Mr. Schorr feels that because there is a strong desire for this market, he doesn't think that the airline would go through this money quickly. Mr. Thompson asked about the independent entity which would provide funding and if Visit Jacksonville could be that entity. Mr. Schorr answered in the affirmative. Michael Corrigan with Visit Jacksonville commented that there is capacity for Visit Jacksonville to provide parts of this funding to support the new service. Additionally, he recommended that the surrounding county DMOs contribute to the marketing fund.

Council Member Bowman explained the excitement in both Jacksonville and Europe on establishing this route.

Angela Phillips asked about the average passengers per day each way, which Mr. Schorr clarified was calculated through an average over the course of a year. Mrs. Phillips asked about the data on the airfare for JAX to Europe and Mr. Schorr said that JAX fare would likely come down a bit in the beginning. He mentioned there is value in people not having to drive to other airports and not having to connect to other flights if JAX had this non-stop service. Mrs. Phillips asked if any additional community research would be done to help build the fund for the revenue guarantee needed to support this service through business partnerships in Jacksonville that would utilize this potential new service. Mrs. Phillips also asked what happens if this service ends up being a failure in the Jacksonville market. Mr. Schorr reiterated that based on their research and analysis, they do not believe this would be a failure, but if it was, they would work to understand why and look at alternatives before deeming it a failure. Overall, Mr. Schorr reassured the board that there would be ample studies done prior to this service beginning and detailed that the airline would be in constant communication to ensure the success of this new non-stop service. Mrs. Phillips asked about other airlines and how quickly could this all happen. Mr. Schorr said British Airways is best suited to be the airline to facilitate this new service and that things can move quickly depending on how fast funding becomes available but likely would be around 2025.

Jeff Truhlar asked what tools were used to generate the success of these outcomes. Mr. Schorr explained there were many targeted methods the firms used to calculate the results of the study.

Dennis Chan asked about the reasons why other cities who lost their service to Europe. Mr. Schorr answered that a lot of it was because of COVID-19 or the demand and revenue didn't perform like the airlines thought it would.

Dennis Thompson would like to see more granular data to help differentiate business and leisure travel.

Council Member Bowman talked about the role the Mayor's office would need to have in providing the funding to begin this service to Jacksonville. He shared his thoughts on the possibility of the TDC providing a grant to Visit Jacksonville to help with the marketing piece of this as well. Mr. Bowman talked about working with the Jacksonville Aviation Authority and the Jacksonville Chamber of Commerce and, overall, Mr. Bowman shared a lot of excitement on the report and is looking forward to the work being done to bring this non-stop service to Jacksonville.

Chairman Freeman said additional meetings to discuss this proposal could be scheduled as noticed public meetings should members desire to continue these conversations.

V. Visit Jacksonville FY21-22 Evaluation*

Carol Brock

Carol Brock shared her comments about the Visit Jacksonville Fiscal Year 2021-2022 Evaluation. Ms. Brock thanked the Visit Jacksonville team for their efforts in promoting Jacksonville as a tourist destination. She explained that coming off a pandemic, it was an interesting year. The evaluation process was broken into three categories: (1) Marketing, which received a deliverables score of 100; (2) Destination Experience, which received a deliverables score of 99, and (3) Convention Sales and Services, which received a deliverables score of 99.

Ms. Brock asked for Michael Corrigan, CEO of Visit Jacksonville, to give a response to the evaluation. Mr. Corrigan thanked the TDC Board and explained his excitement for the year ahead with Visit Jacksonville. Mr. Corrigan explained the difficulties Visit Jacksonville faced with being understaffed this past year but proudly reported that they are now fully staffed. He also shared Visit Jacksonville entered into a new ten-year contract effective FY22-23. Visit Jacksonville is well positioned and excited for the work to come to improve tourism both short term and long term for the City of Jacksonville and surrounding area.

Council President invited other TDC board members to share comments. Council Member Bowman reiterated his support on Visit Jacksonville's success over the year. Mr. Bowman asked what the purpose and benefit in Visit Jacksonville is having this evaluation done and what happens if Visit Jacksonville failed their evaluation. In response to those questions, Ms. Brock explained that there is no bonus or incentive rather that is it part of the contract between the TDC and Visit Jacksonville. She mentioned that the TDC and Visit Jacksonville work closely, monitoring progress on a monthly and quarterly basis. . A failing grade at the annual review should never come as a surprise if ongoing monitoring is in place. If ever there is a concern throughout the year, she will share with the TDC.

Motion (Bowman/ 2nd Hindsley): Approve the Fiscal Year 2021-2022 Visit Jacksonville Annual Evaluation as presented. – **approved unanimously**.

VI. Financial Report

Phillip Peterson

Assistant Council Auditor Phillip Peterson gave the financial report. TDC tax revenues for the 12 months ending October 2022 were \$ 10,150,671.07, a 30.88% increase over the 12 months ending October 2021. Revenue for October 2022 was \$731,410.03, up 8.83% from the same month in 2021. Revenue for November 2022 was \$910,588.08, up 50.53% from the same month in 2022. Actual collections for the fiscal year to date exceed the average monthly budgeted amount by \$217,358.11.

Mr. Peterson reviewed the budgetary balances as of October remaining in the TDC's contractual and operating accounts. Destination Services - \$4; Marketing - \$0; Convention/Group Sales - \$0; Planning and Research - \$100,000; Event Grants - \$675,000; Remaining to be Spent in Accordance with the TDC Plan – TDC Operations - \$253,376; TDC Administration - \$264,947.41; Convention Grants, Sponsorships and Promotion - \$433,712.59; Equestrian Center Promotion - \$23,691.05; Special Revenue Fund - \$176,267.50; Contingency Account - \$6,060; Development Account - \$1,871,075.63.

VII. Visit Jacksonville Update

Michael Corrigan

Michael Corrigan began updating the board by explaining the transition of the previous contract into a more comprehensive one was almost complete. Mr. Corrigan said his team is still working with TDC to close out accounts and miscellaneous items is in a great position to start strong with this new agreement with the TDC. Mr. Corrigan expressed his excitement for the upcoming year now that Visit Jacksonville is fully staffed and is already seeking out new marketing opportunities to promote Jacksonville as a tourist designation.

Mr. Corrigan then went on to explain a challenge with receiving 1/12th of their revenue at the beginning of each month. This presents a potential cash flow issue as they approach the end of each fiscal year because the budget is designed to spend down every dollar. Mr. Corrigan suggested that the PPP loan Visit Jacksonville received for approximately \$300,000 would serve as a buffer at the beginning of each fiscal year. The money will not be spent down each year, but rather assist with cash flow. He will work with Ms. Brock and the Auditors to suggest a way to use these funds each year to ease this issue for discussion at the next TDC meeting.

VIII. Closing Comments and Adjournment

Chair Freeman

Chairman Freeman thanked TDC Board Member Jeff Truhlar for his more than 8 years of service to the TDC Board and said that his replacement, Jitan Kuverji, is in his appointment process and will join the board by the next regular board meeting.

In closing, Chairman Freeman reminded the members that the next regular meeting will be on February 23, 2023.

The meeting was adjourned at 11:23 a.m.

Meeting Minutes respectfully submitted by Brett Nolan, TDC Administrator.

These minutes were approved at the TDC Regular Board meeting on February 23, 2023.



TOURIST DEVELOPMENT COUNCIL MEETING

Thursday, December 8, 2022, 10:00 a.m.



Attendance Record Sign-In Sheet

NAME/JOB TITLE	ORGANIZATION	PHONE	E-MAIL
Keym Schorr / VP	Campbell - Hill	202-870-6434	KSCHEMOR@AV-ECOM.COM
Angela Phillips	TC Newborn	904-241-3676	ang.mills@flyjva.com
Greg Mills	JAA		
Sandra Weathers	Visit Jay	904-421-9152	
Michael Corrigan			
Janey Coire			
Jason Garner			
Katie Whitson	Visit Jax		
Deanne Goldschmidt	Visit Jax		
Amelia Bjornson	Dalton Agency		
Jim Dalton	Dalton Agency		
BARB Halvurstadt	JAA	741-2002	barbara.halvurstadt@flyjva.com
D. Reese	ETC Co	607.3204	david@etco.com
JACKIE Grayson	DVI (#0154K)		JACK@DTJAV.ORG
Yvonne Ford King	CC	255-5179	
Kan			









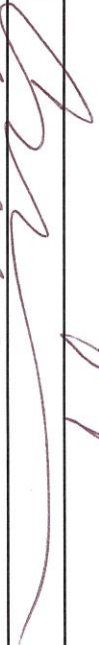





TOURIST DEVELOPMENT COUNCIL MEETING

Thursday, December 8, 2022, 10:00 a.m.

Attendance Record Sign-In Sheet



PRINT NAME	SIGNATURE
CP Terrance Freeman, TDC Chair	
CVP Ron Salem, TDC Vice Chair	
CM Aaron Bowman	
Mark VanLoh, TDC Member	
Jeffrey Truhlar, TDC Member	
Angela Phillips, TDC Member	
Dennis Chan, TDC Member	
Joe Hindsley, TDC Member	
Dennis Thompson, TDC Member	
Carol Brock, TDC Executive Director	
Brett Nolan, TDC Administrator	
Phillip Peterson, Asst. Council Auditor	
Reece Wilson, OGC	

REQUEST TO SPEAK CARD
TOURIST DEVELOPMENT COUNCIL

Please print and complete:

NAME: Tim Dalton DATE: 12/8/22

ADDRESS: 149 West Monroe St PHONE: 398-5222

REPRESENTING: Dalton Agency

I: PUBLIC HEARING BILL NUMBER: _____

I SUPPORT _____ (or) I OPPOSE _____ THIS LEGISLATION

2. COMMENTS FROM THE PUBLIC SUBJECT: Yes

SPEAKING TIME IS LIMITED (SEE REVERSE FOR TIME LIMITATIONS)
NO SPEAKER MAY GIVE OR TRANSFER HIS/HER TIME TO ANOTHER PERSON

(Please read the reverse side for instructions on speaking)