The Marion County Board of County Commissioners met in a joint session with the Tourist Development Council at 10:12 a.m. on Thursday, November 12, 2015 at the Growth Services Training Room located at 2710 E. Silver Springs Boulevard, in Ocala, Florida.

Upon roll call the following members were present: Chairman Stan McClain, District 3; Vice-Chairman Kathy Bryant, District 2, Commissioner David Moore, District 1; Commissioner Carl Zalak, District 4; and Commissioner Earl Arnett, District 5. Also present was Interim County Administrator Mounir Bouyounes.

The following Tourist Development Council (TDC) members were also present: Shawn Doherty, Florida Horse Park; Jo Salyers, On Top of the World (OTOW) Communities; Chairman Navroz Saju, HDG Hotels; Traci Walker, Canyons Zip Line and Canopy Tours; and Anthony James, Homeland Suites. Also present were: Tourist Development Executive Director Loretta Shaffer, Ocala/Marion County Visitors & Convention Bureau (VCB) and Sales & Operations Manager Sky Wheeler, VCB; and Assistant Count Administrator (ACA) Jeannie Rickman.

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

Projects & Programs – Chairman McClain advised that the joint workshop was scheduled today to address tourist development initiatives. Staff presented a small spiral bound document containing a one page Agenda; and a 1 page spreadsheet entitled, “3rd Penny VCB Performance Matrix 15-16”.

Tourist Development Executive Director Loretta Shaffer, VCB, thanked everyone for attending another tourism user fee workshop between the Board of County Commissioners (BCC) and TDC. She noted the process has been a rewarding journey over the past 3 years and thanked the Board for the trust it has instilled in not only the VCB, but the TDC team as they move forward with the additional funding. Ms. Shaffer advised that a brief video the Board is about to see is used for their award submissions and offers great insight into the current programs and initiatives, which will launch them into where they are today and then moving forward.

(Ed. Note: The Deputy Clerk received a compact disc (CD) of the brief video for the record.)

Mr. Doherty out at 10:17 a.m.

Ms. Shaffer advised that a lot of questions have been asked about such things as geo targeting.

Mr. Doherty returned at 10:21 a.m.

Commissioner Bryant advised that it was brought to the attention of the TDC at their meeting earlier this morning that a couple of weeks ago their website was hacked and was shut down for a couple of hours.

Chairman McClain stated he was a little remiss, noting Mr. Saju is present and as the Chairman of the TDC asked if he has any comments to make this morning.

Chairman Navroz Saju, TDC, noted that in 2008 and 2009, during the low point of
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the economy the TDC collected $854,000 in collections and last year was a record year, as they collected over $1,047,211.40 and based on the STAR Report (Smith Travel Accommodations Report) the RevPAR (Revenue Per Available Room) for Marion County accommodators is up by 12.8 percent (%) this year.

Ms. Shaffer stated the realism is that they could not be where they are with these successes without the BCC’s support. She stated the TDC has been successful through the BCC’s leadership.

Ms. Shaffer advised that she will walk the Board briefly through the packet (small binder) before getting to conversation. She noted that before everyone are the items they were asked to bring back for the 3rd and 4th cent consideration.

The 1st tab is the MuniCode outlining the 3rd and 4th pennies, which are denoted under Sections (b) and (c). The next tab is an outline of the entire 2015 State Statute, Chapter 125. The last page in this tab is a snapshot overview of State Statute 125.0104 that was provided in the last workshop.

Tab 3 is the 5 Year Strategic Plan that was developed by the BCC and TDC on August 8, 2013. The spreadsheet is color coded and separated by different colors to denote whether a strategy has been completed, is currently being worked on or is ongoing.

Tab 4 is the fiscal year (FY) 2015/2016 3rd and 4th Pennies and contains a financial breakdown of what staff is proposing for year 1 based on the approximate expenditure of $824,000 over the 10 months of collections.

Tab 5 is the FY 2015/2016 Media Plan and contains an outline of the $400,000 media plan that allows for the same ad spend as FY 2014-15.

Tab 6 outlines the proposed High Impact Signature Events (HISE) Program and Guidelines that the TDC developed over the summer months for consideration,

Tabs 7, 8 and 9 contain the various documents and supportive details associated with a potential HISE program and include the HISE Application Summary under Tab 7; HISE Agreement, under Tab 8; and HISE Proposal Spreadsheet under Tab 9.

Tab 10 addresses Sponsorship Agreements, which is a recent funding request that came to the BCC. The last page of this section includes a table showing some of the financial history associated with funding from the TDC.

Tab 11 addresses the Gateway/Wayfinding and contains an outline of the regulations associated with the County regarding gateway or way-finding signage. If this is an action item that is collectively agreed upon for moving forward staff will continue to work with Director Greg Slay, Ocala/Marion County Transportation Planning Organization (TPO), as well as the County’s Office of the County Engineer (OCE), to prepare the official cost estimates based upon the final expenditure allotted for the project.

The last tab, Tab 12 is the International Sales/Public Relations and outlines the additional domestic and international sales and public relations (PR) missions that are being proposed to be continue their regional partnership with neighboring counties.

Ms. Shaffer stated she will now turn it over to the Chairman for further discussion. Chairman McClain inquired as to any questions and whether there is anything that needs to be defined or if any of the tabs need to be discussed.

Commissioner Bryant advised that something came up during the TDC meeting earlier this morning, noting the TDC will probably have to go back and look at and possibly make some revisions, which may need to be brought back to the Boards’ attention. She noted the TDC tightened up the measurables as to how it awards funding when events come to them requesting funding. A couple came to the TDC this morning and while their
requests were not large requests, but because of the mechanisms that have been put into place it has made it very difficult for the TDC to fund the event.

As an example, the Strawberry Festival is a growing event and was moved over to McPherson last year. The Strawberry Festival is in its 3rd year of growth and they are trying to grow the event. A request for $2,500 was made by the Strawberry Festival for outside the area advertising (bill boards); however, because of the measurables that are in place, they only qualified for $180. Last year the event had over 25,000 attendees, which they are trying to grow to 30,000 this year. The TDC has the flexibility to make recommendations, but they also want to be consistent so as to avoid issues going forward. The TDC ended up awarding the Strawberry Festival $1,200, as they could not go up to the $2,500. The TDCs hands are tied by the measurables and room nights that are put in place.

The TDC will probably have some discussions about other ways of funding some of the events that do not bring in a lot of room nights. The TDC may perhaps even consider a quality of life category for events that contribute to the quality of life in January, 2016 since there is no TDC meeting scheduled for December 2015.

In response to Chairman McClain, Commissioner Bryant advised that no change to the Ordinance will be required. TDC Member Jo Salyers stated the TDC would be revisiting its granting program.

Commissioner Zalak inquired as to the reason the Strawberry Festival could not get the funding requested. Commissioner Bryant stated they could only track about 15 room nights because it is a 1 day event, but they have about 200 vendors coming in and there could be more room nights. In order to qualify for $2,500 they have to track 200 room nights with the way everything is now written. She noted people from outside the community are being drawn to Marion County to attend the Strawberry Festival so there is an economic benefit even with day attendees.

Commissioner Zalak stated the issue is the system that was discussed and putting in place is about driving room night investments and those kind of things. If an event is not going to drive that then he is not sure the county wants to fund the event.

General discussion ensued.

Commissioner Bryant advised that the event could not really track because they have not tracked before, noting this is only the 3rd year of the Strawberry Festival and they are learning how to track. Commissioner Zalak inquired as to what has to be done to track; what are the requirements to actually verifiably track an event.

TDC Member Shawn Doherty asked if there is a scale for any return on investment (ROI). Commissioner Zalak advised that this funding is not derived from gas stations, restaurants, etc., but rather from people staying in rooms and the incentive for these dollars should be for people staying in rooms (heads in beds).

Commissioner Bryant stated the TDC and VCB are geared to bring people into the community, even if they come for a day trip. She opined that day trips are still good for the county economically. Commissioner Zalak stated he did not disagree.

General discussion resumed.

Ms. Salyers addressed the 5 Year Strategic Plan in relation to research, noting the TDC has worked with the Tax Collector regarding the self-collection of the tourist tax for a number of years; however, there has been no specific audit. She stated now that the tourist tax has increased she would like to understand what the plan is for the future. Ms. Shaffer advised that she has been working hand-in-glove with the Tax Collector, noting as soon as the tax was passed letters were disseminated to hoteliers and bed tax
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collectors. The Tax Collector has even talked about the possibility that if some of the funding does not fully have to go to them and remitting it back to the TDC for marketing.

In response to Ms. Salyers, Chairman McClain stated the Tax Collector has the ability for 3%. Ms. Salyers opined that the Tax Collector could afford an auditor at some level. Chairman McClain advised that based on conversations he has had with the Tax Collector and noted the only issue is if someone is not paying the tax what are they going to do; or at what point will the county do something is maybe the bigger question. In other words, the county wants to educate and advising a hotelier or bed tax collector that they are responsible, but having a penalty at some point if they do not comply.

Chairman McClain stated the Tax Collector is hiring an auditor, based on the last conversation he had with Mr. Albright. He opined that the first part is to conduct the audit to determine how many people are not complying; followed by an educational component and beyond that it is the law.

Chairman McClain addressed gateway signage and opined they talked about actual hard type infrastructures at roadway points and those kind of things. It was the general consensus of the Board to concur. He commented on the hard infrastructure types of signage, such as Welcome to Marion County or you are here or there, which he thought was the direction based on conversation. In talking with Ms. Shaffer, she had the same understanding, which the Board wants to communicate to the public.

Chairman McClain inquired if there is a line item in the TDC budget for maintenance requirements. He opined that if the county builds the signage the maintenance costs over a period of time need to be considered.

Commissioner Zalak suggested the County logo/mission be backlit, or however it is lighted, but also have a digital component that can be changed for an event to let people know what is going on this weekend, which can be leased and from a structure standpoint may be more cost beneficial. Events can be advertised and offered as part of the package from the TDC. Along with the gateway signs, they also need to work with the city and county from an Ordinance standpoint so that when events meeting a certain criteria come into town the local businesses can get behind them; meaning a restaurant can put up a Welcome sign for Horses in the Sun (HITS), Cal Ripken, etc. welcoming people into their establishments. He commented on pennants that can be put on State Highways, noting Mr. Slay is already working on that issue. Commissioner Zalak opined that the signage is a pretty broad piece with gateway signs, but noted it needs to be all encompassing.

In response to Ms. Salyers, Ms. Shaffer stated based upon the funding appropriated to signage a Task Force can be created to work on this issue. Ms. Salyers commented on the kind of levels of signage discussing may not all be accomplished in year one. The Board agreed.

Ms. Shaffer advised that the TDC has a line item for maintenance, which they will continue to build and bring back to the Board annually.

Commissioner Zalak opined that County staff needs to meet with both Marion County Growth Services Director Sam Martsolf and the City of Ocala Growth Management Director Ty Chighizola, as well as designees for the cities of Dunnellon and Belleview to either include an exemption or addition into the County Ordinance to address events allowed by the TDC.

Mr. Saju stated the signage should have a permanent portion, but the digital portion is an awesome idea. He opined that the permanent portion can be funded, but lease the digital part due to technology changes.
General discussion ensued.

Rus Adams, SE Mill Creek Circle, stated the best example for what is currently being described is in Lake City, just north of US Highway 90, which was built years ago and is a very complicated project as city, state and county governments all have to work together. He stated Interstate 75 (I-75) cannot be ignored with millions of people traversing that roadway who just need a reason to stop here instead of somewhere else. Mr. Saju opined that based on comments by Mr. Adams, a Task Force with industry experts is essential.

Commissioner Zalak addressed the strategy and action steps relating to number 1 (page 7, Tab 3), which reads, "Conduct analysis of all current group sports facilities for all sports (amateur, youth, equine, boutique, etc.) and develop a needs analysis for future growth and competitiveness in soliciting group sporting events." Ms. Shaffer noted it is marked as completed.

Commissioner Zalak inquired as to the determination of the Horse Park where the TDC did the future facilities analysis. Ms. Shaffer noted it is ongoing. Sales & Operations Manager Sky Wheeler stated it is something they are currently working on, but is not completed. Ms. Shaffer noted it is dependent upon future financial resources. Commissioner Zalak questioned the goal. Ms. Shaffer stated at the time when they developed the 5 Year Strategic Plan in 2013, there was discussion about building a multipurpose facility, which is where this goal came into place and may be one of the things they want to modify or keep as is.

In response to Commissioner Zalak, Ms. Shaffer stated based on today's workshop staff will go back and modify this document and bring it back depending on Board direction as to how the 3rd and 4th penny are allocated so as not to only have a strategic plan that is reflective of the 4 pennies, but will also have a marketing plan reflective of the 4th penny.

Commissioner Zalak referred to page 6 (Tab 3) and asked if the TDC is still planning on doing either: 1) Have research firm of record use current visitor information to better segment current visitors and identify specific target markets with high concentrations of like visitors; or 2) Use market segmentation to further identify zip code clusters within geographic targets that match the Ocala/Marion County destinations strongest tourism assets. Ms. Shaffer stated if that is the direction, noting the real research they can use is the group that creates a HISE is the way they are trending to move and the continual measuring especially of events that the TDC funds so they can assess year over year based upon the matrix set in place with performance goals in order to achieve those goals and be able to measure them each year based upon their data. She stated this is in the proposal as part of the 3rd and 4th penny to continue that economic impact study.

Commissioner Zalak opined that the County identified the target market it wanted to reach, at least at some level. Ms. Shaffer stated it is very broad, noting this is working within the 66 clusters in the Prism Study and based upon that study it literally zeros it down into geo-coding, zip codes and getting into a more miniscule level. She stated they have a macro level and this is taking it to a micro level.

In response to Commissioner Zalak, Ms. Shaffer stated they are currently focused on the southeastern states (Alabama, Georgia, and eastern coastline), which is their drive market, noting having no air service adds some barriers.

Commissioner Arnett noted one of the things not addressed is the 4th cent. He opined that when the Board originally approved the 4th cent the purpose was to reduce
some of the pressure on the General Fund; with economic development coming from the General Fund and this coming from the heads in beds tax by moving some of the funding for HISE to the 4th cent instead of taking it out of the General Fund. Chairman McClain stated that conversation is about to be addressed.

Chairman McClain stated the only thing he really wanted to discuss is that the timeline or timeframes was never addressed. He opined that it goes back to the conversation that occurred a little earlier, noting he is not necessarily opposed to funding events, but more about how many events can be funded over a period of time. Chairman McClain stated it is the viability of the tax, which has to be created; otherwise, all they will do is raise the tax and spend the money, but created no collection for the future. If too many events are funded that may meet some big ROI on this side, but they do not necessarily put head in beds, which is the only place to collect the tax, is of concern and needs to be kept in mind while trying to create viability with the available tax money and how it is used. He advised that his bigger issue is if there is a point where they need to come up with a timeline whether if it is a HISE or a smaller event. Chairman McClain noted they need to figure out how to increase events, not just have the same ones; at some point they should be able to get on their own feet and be able to move forward. The Board has done a good job in regard to ROI and putting heads in beds and he is comfortable with how the pennies are being used. He noted they are at year 10 of the tax and now may be a good time to have that conversation.

Commissioner Moore concurred, noting it is good to get some of the events started, but eventually they do need to stand on their own two feet. He commented on the Ladies Professional Golf Association (LPGA) or HITS that receive international attention and should be in a different category than an event that draws from a more regional area.

General discussion

Commissioner Zalak stated there are a couple of different categories and the TDC should make some recommendations. First of all, there are local/regional type events, such as the Strawberry Festival, which are more of a day trip and maybe it does have a different set of criteria. On the other hand, there is a bid fee to bring the World Series back, as they are not going to come back next year just because they like the area so much. There is always going to be an expense when bringing in one of those types of tournaments. Other events are more regional (conferences), heads in beds and those kind of things.

Commissioner Zalak stated the TDC, as professionals, needs to determine those categories, as well as what is the best way to identify those pieces. At the end of the day those people need to go through the TDC for sponsorship, not the county. Those asking for sponsorship need to go through the ROI, protocols and structure that was set up, which was approved by the BCC so that the Board can explain to the taxpayers exactly what they got for the money that was given for an event.

Ms. Salyers noted the County has a request from HITS for $50,000, which she was surprised to see since the TDC has funded them as well. In response to Ms. Salyers, Chairman McClain stated request will be addressed today. He advised that the Board wants everything to go through the TDC process. Chairman McClain noted there are certain events that might be given a longer timeline while others are given a shorter term.

Ms. Salyers stated looking at the proposal and request to the county it seems as if they are competing against themselves, as the TDC is also funding HITS under the visitors grant. Chairman McClain commented on an event that came along where the 5 Commissioners felt strongly about and was something they should do, noting a good ROI
was received on that event up to this point; however, the TDC did not have the funds available and the BCC stepped in to fill that gap. He opined that it was not something the Board meant to compete with the TDC and is not the road they want to continue to go down.

Commissioner Zalak stated the request should go back through the TDC, noting it is a different event that should stand on its own legs. Commissioner Bryant advised that the TDC has already funded the event, noting the total this year for HITS is $85,000, which does not include what has already been approved for 2016. She noted the funding has increased each year.

Chairman McClain advised that the TDC may or may not want to enter into a longer term agreement, but the issue is to ensure that those dollars are not being used for the same event year after year after year and that synergy is being created amongst the events.

Mr. Doherty commented on the 2 HISE (LPGA and HITS), noting if those events go through the TDC, right there is some $300,000 that will be used from the beginning. He opined that the TDC does not have those type of funds to go through the other events because they will go broke so quick. Chairman McClain noted the County gave the TDC 2 pennies. He opined that what they are asking for is that the TDC go back and create the proper channels and criteria to establish the process, based on today’s discussion.

Commissioner Zalak stated the TDC cannot incubate events, but on the other side they can help incubate events and be an incubator for 3 to 5 years depending on the value of the event to get it up and off the ground and then fund something else. The Strawberry Festival maybe is a good idea and if the TDC invests a couple thousand dollars on more billboards and the event was able to bring 40,000 people in then maybe they do billboards for 2 or 3 years, but at that point the festival is either built up to that reputation or has not and the TDC can make those kind of agreements. The BCC is asking the TDC to go back and take an accounting of what the Board has done over this last year and basically give each one of these things a timeline to be on their own. This money should be used to invigorate newer events and hopefully over time create enough synergy in the community that those events sustain themselves. Chairman McClain agreed, based on the BCC discussion.

Commissioner Bryant stated moving forward that is what the 4th penny is intended to do and the TDC needs to start budgeting for those events and have that discussion because next year the BCC has agreed that it will not be funding any more events out of the General Fund.

Commissioner Zalak noted the BCC made a commitment to fund the LPGA for 3 years and from there it will go back through the system and the TDC can continue to work on the funding. Commissioner Bryant advised that with the 3 year commitment, the BCC will move that last year over to the TDC. It was the general consensus of the Board to agree.

General discussion ensued.

Mr. Doherty agreed with Commissioner Zalak’s suggestion to put the events into categories, noting there are so many different variables of events and terms are also needed.

Chairman McClain stated the Board would like to see the TDC develop the criteria and a timeline for the 3rd and 4th cent so that when something is sent to the BCC it will show that the criteria was met. He noted the TDC has a good start, but it is just a matter of maybe putting a timeline on some of these in order to incubate more events.
Commissioner Arnett stated one of the things that has to be considered in the future is that some of the agreements are for 2 to 5 years. He opined they cannot make a hard and fast calendar about how long they will be required by the venue to sign a deal for 2 to 5 years or whatever the case may be. Chairman McClain agreed and opined that is part of what the TDC will have to make a determination of whether it is a 2 year event they want to commit to or if they are willing to cut someone off, which is the bigger question.

General discussion ensued.

Commissioner Bryant commented on the TDC making a 3 year commitment and sees an event is starting to stand on its own two feet then the TDC starts reducing the funding and weaning them off of TDC funding. She stated that is a direction the TDC can talk about as well. Ms. Salyers stated the TDC’s overall mission is to support tourism.

Mr. Doherty opined that part of the funds needs to go into providing infrastructure so more signature events can be brought to Marion County.

General discussion resumed.

Commissioner Arnett stated the Board needs to support and help any private sector development with infrastructure, which will be used by the entire community, but has to be a private sector project. He opined that the county should not be in competition with the private sector and the county can do everything it can as far as a community/convention hall or that type of thing. Ms. Salyers stated the TDC can support that with programs and marketing dollars in bringing people to the area. Commissioner Arnett stated it is a lot of dollars.

Ms. Shaffer clarified that direction for her team is to address the cost association with the 3rd and 4th pennies and inquired if the Board wants to modify the 4th penny to specifically go to HISE, noting she needs direction to be able to put together a final budget strategy. In response to Commissioner Bryant, Chairman McClain stated $400,000 was allocated out of the 3rd penny. Commissioner Zalak stated the gateway signage is in the 4th penny.

Chairman McClain stated it really does not matter as they have the 3rd penny paying for HISE and the 4th penny is actually paying for some other stuff. Commissioner Bryant opined that for right now, for this budget, it is enough to allocate, noting it can be reevaluated and changed each year.

General discussion ensued.

Chairman McClain stated it is arguing semantics and clarified that the TDC has $400,000 allocated in the 3rd penny budget for HISE and $100,000 for additional media supplement, which he opined covers the shoulder season discussion the BCC had, noting it can be flipped around to make the 3rd penny for the gateway signage, domestic and international sales, etc. Commissioner Bryant stated she is okay with leaving it as it is as they all know how the money is supposed to be used.

Commissioner Zalak questioned how much more can first quarter from the TOC perspective; how many room nights are advised? Mr. Saju advised that the 1st quarter is tight, but generally it was vetted out that the money does not go in that first quarter. He noted he also wanted to add that the HISE scorecard, by adding a score for how long they have been coming and weighing that in their scoring. Chairman McClain opined that is fine, noting there is a fairly good framework, which the BCC is not opposing. He stated the Boards concern is about how to incubate more events. Commissioner Zalak chimed in that it is also about driving development dollars. Chairman McClain concurred, noting the Board gave some leeway.
Commissioner Bryant stated a number was thrown out in regard to development and increasing occupancy; however, after coming back to the TDC meeting the BCC needs to hear from the Board that is in that business. She advised that the number provided is unrealistic.

General discussion ensued.

Commissioner Bryant out at 11:32 a.m.

Chairman McClain stated they do have a criteria to start from and if the TDC came up and said the caveat to this is that 10 more properties were built and each one of them have a number of occupancies then they can extrapolate out over the thought process. Commissioner Zalak noted the whole reason for that conversation is that they said those are the numbers they needed to get to over time to drive new hotels dollars, taxing a new convention center. They will have to get there with a certain amount of room nights to get more rooms so as to drive more economic development from the hospitality side, which is the whole goal.

Chairman McClain opened the floor for public comment.

Commissioner Bryant returned at 11:34 a.m.

Randy Coates, NE 55th Avenue, Silver Springs, Chief Operating Officer (COO) of Coates Golf, LLC, stated it is a good idea for developing criteria for these types of funding, which he opined first should be for profit versus non-profit. As a business person and public citizen if someone is making $1,000,000 off of an event public funds should not be pushed that way. The next thing to consider in the criteria is reach, noting the LPGA reaches 170 countries and 400,000,000 homes. The 3rd thing is beds/heads in beds, as noted by the study the LPGA added 11,000 nights and rooms were added. He noted vendors stayed for 45 days in 1,500 rooms, which equated to well over 11,000.

Mr. Coates commented on the public funding they were appreciative to receive, which equaled about 11% of what it takes to put on the event. He stated the first year event was a $4,000,000 event, which it will be every year; they raised about $2,000,000 last year so he and his wife, Molly, funded the other $2,000,000 to make that happen. Mr. Coates stated they are hoping to continue, but noted it is something that will never go away and will never be a profit event. If they ever reach a point where they raise funding over the $4,000,000 from the private sector all of that money will go to charity. He advised that last year they funded $100,000 to charity even though they did not get to where they needed to be. Mr. Coates stated those are the 4 areas he would suggest for criteria.

Commissioner Bryant thanked everyone for the opportunity to have this discussion. She noted the TDC is almost 11 years old and is a growing organization that is working for Ocala and Marion County, as well as surrounding municipalities for which she is proud to be a part.

Chairman McClain thanked Mr. Coates for his comments.

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There being no further business to come before the Board, the meeting thereupon adjourned at 11:38 a.m.

Stan McClain, Chairman

Attest:

David R. Ellspermann, Clerk