

ORLANDO NORTH SEMINOLE COUNTY

Tourist Development Council Meeting

March 15, 2018

CSB, Room 3024

Meeting called to order by Chairman Skwarlo at 3:00 pm

IN ATTENDANCE: Bruce Skwarlo, Frank Cirrincione, Commissioner Henley, Gary Brender, Brenda Urias, George Speake

NOT PRESENT: Don Dougherty, Mayor Triplett, Mary Sue Weinaug

A quorum was present.

Invocation for Cedar Hames by Chairman Skwarlo

Pledge of Allegiance

Introductions

APPROVAL OF AMENDED JANUARY MINUTES

MOTION: Gary Brender

SECOND: Commissioner Henley

VOTE: Unanimous as amended

***Discussion regarding the minutes, and the amended minutes, along with questions regarding if STR is allowed to be in packet will be mentioned under New Business per Chairman Skwarlo's request.**

Call to Action: Tricia will find out if STR can be put into the packet for further TDC meetings

GOVERNMENT AFFAIRS UPDATE:

Kevin Craig, *Public Relations/Government Affairs, Central Florida Hotel Lodging Association (CFHLA)*

- House Bill 3: relating to DMO's and requiring increased transparency reporting – Senate had more watered down measures versus the house, but there was not enough time for the House and Senate to 'pair up' those differences, the bill died before session ended
- House Bill 585: relating to expanding the use of TDT tax dollars for possible use in connection with infrastructure such as sewage, roads, etc. This would not have affected Seminole County

since the bill is for those entities that collect more than \$10 million, and Seminole County collects just over \$5 million. CFHLA put verbiage in the bill to exempt Orange and Osceola Counties for a time, saying that they would need to spend 40% or more on marketing for the bill to apply to them. Do not want the original intent of the tax to be used for anything other than tourism

City of Orlando spends about 20% on marketing, but that is from \$225 million which is still more than some CVBs budgets. 66% is still going towards the Convention Center Bond pay off.

- House Bill 773: relating to Air Bnb and vacation rentals, did not have enough support and it died on the floor

Question: Speculating on the new Speaker and if he will be an advocate for the tourism industry or follow closer to our current speaker?

Answer: Jose Aliva from South FL, notably, the Miami area, was chosen by current speaker. Usually the current speaker chooses someone with close ideology and views as his own. We have the benefit of having the Senate on tourism's side and a 'voice of reason.'

TOURISM UPDATE

Tricia Setzer, *Chief Administrator*

- Thanked Commissioner Gary Brender for his time as TDC Chairman and presented him with a plaque
- Welcome back to Kristen Murphy with Paradise as our account manager
- Update on website: staff had some additional components to the website that were not part of the original scope, therefore it was not launched at the end of February like discussed at the January meeting. The commissioners also added some comments to the website, therefore, Paradise is continuing to update the website, and we will inform the TDC when it is ready for launch.
- Due to logistics, the zoo will present its annual grant request at the May meeting. From a scheduling standpoint, the budget will be discussed at the July meeting, the BCC will have a budget workshop in August and then vote at the September BCC meeting.
- Ethics training: per state statute, all appointees and elected officials are required to take an annual ethics training course.

Question: Did county attorney make a video recording of the ethics class?

Answer: He did, but do not know if it was recorded.

It is possible that having that video will meet requirements for appointed officials, such as those on the TDC board, unless they are elected officials, in lieu of attending a class or having it during a TDC meeting. Elected officials are required to be in the class, which is usually held in December in the chambers. We invite our appointees to this meeting as well as elected officials. It is a 4 hour training class.

Call to Action: we will explore the possibility of the TDC members doing a video training and having them schedule that

Chairman Skwarlo commented that we should try and schedule the training for earlier in the year after we have newly appointed TDC members, possibly schedule for the January or March meeting.

- Congratulated Frank Cirrincione and the Hilton Altamonte for hosting a wonderful re-opening of their newly renovated rooms.

Gui Cunha, *Tourism Manager*

- Had STR meeting at The Westin in Lake Mary. A lot of positive feedback for Mr. Mayock who did a great presentation. An email was sent out with the STR and Mr. Mayock's presentation. Looking to continue our partnership with CFHLA for this event.
- Held an FRLA Pro Start meeting. 4 of Seminole County schools: Winter Springs, Hagerty, Oviedo, and Lake Howell have Pro Start in their schools. Looking for the labor side in the hotels for Food and Beverage and for the tourism industry as a whole.
- There was a Hotel Management Competition held, and tourism worked that along with Brenda Urias and some of her team. We are hoping that Seminole County schools will become part of that competition in the future, and that ties into these Pro Start meetings and making them aware of these competitions.
- FAMs: have a new strategy on what types of FAMs to have. Partnering with New Smyrna Beach to bring more writers and media to our destination. With this partnership, NSB will pay for transportation to and from Seminole County to the beach, and they will pay for that day the FAM is there.

Rosangela Parker discussed some of the FAMs we have in the works:

Working with MJ Kolassa at Paradise on a media FAM for end of April in looking at the drive markets, and partnering with Allegiant for their flight markets. Looking to potentially host a 3-4 day FAM with that group

Have a FAM with Where Orlando to inform hospitality industry in Central Florida of our destination for the front and back of house staff from South Orlando and partnering with Sun Rail and get them informed as a source of knowledge about transportation, including the new Sanford Trolley that will take them from Sun Rail to the Sanford Historic District and then bring them back. Looking at hosting 30-40 potential.

Via Air recently announced a new destination in June and looking to partner with the airport to bring media from those flight destinations so they can know our destination and discuss theirs and have a trade-off from that.

Looking at a late summer FAM with Allegiant and travel agents when occupancy is low. Planners want to create a package to sell our destination, and easier to bring them in when occupancy is lower. Whereas, media FAMs, we try to capture them during our highest occupancy.

- Mention of a bill passing that now permits restaurant patrons to bring home any partially consumed bottle of wine home.
- Continuing to work on the Avigator space at the airport.

OCCUPANCY:

- December 2017 showed a 6.6% growth up from December 2016. ADR and RevPar were also up 11% and 18.3% respectively
- January 2018 – first time the ADR was at 3 digits: \$108.99 and RevPar was 19.6%, we are at \$83- first time in the 80s for RevPar, Occupancy was at 76.7% up from 2017 by 6.6%
- Was a record year in 2017: Occupancy at 74.6%, ADR was \$94.39 and RevPar was \$70.38
- Weekday vs. Weekend Analytics show December Weekday at 71.6% occupancy and the weekend was at 76.1%
- ADR grew by 17% on the weekend visits and 8% on weekday. With sports, we usually expect the group rates to be used, but even those barely effected the ADR.
- January 75.7% weekday, weekend close to 80% occupancy at 79.9%. 18% growth on the weekend for ADR, and weekday is at 13.5% growth.
- Having close to 80% on weekend occupancy is best case scenario for us as we start the year.
- For the comp set: We came in second to Orange and same for January in occupancy. We resemble Alachua County in supply size. Looking at ADR, they had triple digits in months that we were not but we were beating them on occupancy, but we are not seeing that this year. Their ADR is below triple digits while ours was in triple digits.

Call to Action: add Seminole County to the Comp Analytics page

- Rental Analytics: we use the Air DNA which is the equivalent of the STR for hotels. Listing supply is how many houses or rooms are available
- December 2017 had an occupancy of 56.2% vs. 2016 at 48.9%. It is a very volatile type of rental. We only have numbers since 2014 and only for Seminole County.
- There was continued growth in the listings and occupancy even though the ADR was down.
- Don't see a direct correlation, but there is a relationship, between higher occupancy and ADR numbers other than the possibility with big tournaments the occupancy will be up since hotels are booked.

Comments: the listing supply of rentals is concerning. Definitely need to keep our eyes on how this continues to expand. If we see a continued growth, what will the solution be to that? We want to make sure that the legislation on this doesn't get ignored.

Question: Can we extrapolate how many are renting?

Answer: The report didn't give specifics. However, we can look into that.

Comment: This is definitely something we need to keep our eyes on. With Uber using their lobbyists to get legislation to be in their favor with taxes, etc., and this type of thing Air Bnb will look at that and get their lobbyists doing the same. May want to consider having county lobbyists get working on this proactively since this is a growing market.

This was a big conversation at Tourism Day, and no one is ignoring the fact that this is growing. But we are not Kissimmee where they have over 10,000 commercial rentals (communities built just for this type of thing with no owners)

Comment: Looked at how many of these type of rentals were listed around the Orlando Marriott Lake Mary. Saw about 20 rooms for rent or 'couches/hammocks'

Taxing will be the key issue and are these people being charged.

If we continue to operate at a high occupancy in hotels, Air bnb is a good thing. It means people are coming into the county and having an economic impact, but do the ADR's stay up or will people 'couch surf'

Comment: Surprised that the ADR is so high, and curious about the increase in supply within the other counties. If it increases from year to year, that will be a big concern.

SPORTS TOURISM

Danny Trosset, *Sports Tourism Manager*

- Fiscal year breakdown: had 82 events spanning the partial 15/16 FY and the full 16/17 FY with over 20,000 visitors, 18,000 room nights with a \$32 million economic impact to the county.
- The Sports Complex FY 17/18 projections have 59 events, 15,000 room nights and a \$21 million economic impact. The other county venues look to host 40 events with 12,000 rooms and a \$14 million economic impact.
- As requested, we are tracking actuals per month for events. Between October 2017 and through January 2018, the Sports Complex hosted 17 events with 6500 room nights versus the other venues that had 12 events and 9800 room nights.
Reason the other venues have more room nights was they hosted the 2 ECNL tournaments.
- Monthly projections for February are somewhat lower due to the Daytona 500-hard to schedule with that so close
- The Sports Complex in FY 17/18 will host 48 baseball, 6 softball, 1 field hockey, 1 football and 3 soccer events, whereas the other venues will host 2 baseball, 29 softball (mostly out of Soldiers), 7 tennis and 2 soccer events.
- The county as a whole had a big 30 day window of hosting events. Started with a baseball tournament at the end of December at the sports complex, and ECNL boy's, and flowed right into January 2018 with ECNL girl's and a NFHCA field hockey tournament. All these events brought in roughly 31,000 visitors with 8000 room nights and just over a \$6 million economic impact—for one month.
- The sports team will be attending a national sports commission event in Minnesota at the end of April. This convention looks to showcase sports tourism destinations around the country and the world.
- Beginning to take 2019 requests for dates for tournaments. Starting April 1st, we will begin reviewing those events and dates. Already have over 100 requests for all our venues.

Question: Why was the economic impact lower than the projection for these events in this 30 day period?

Answer: thought we would have more out-of-state participants, but more came from out-of-county, but still in-state.

Question: Why was lacrosse not a bigger draw? Are we looking to grab more lacrosse in the future or field hockey?

Answer: Lacrosse is a great window of opportunity and we are looking to have more effort put into getting lacrosse here, especially with our turf fields. The field hockey event is going to continue since it was a 3 year deal, and we are partnering with the CFSC to bring more field hockey to Seminole.

Discussion about local teams, and hoping that they are not being shut out of the fields. The locals contribute to 20% of the bookings, and without them practicing during the week, our fields would be dark. Monday through Thursday, teams are practicing at all our facilities, and the weekends are structured for tournaments. The weekday practices, etc. may not help the hotels, but it does generate economic impact.

Question: is 15,000 generated considered a success when you look at the early projections before the complex was built?

Answer: short answer, yes. The pro forma did not take into account how many Actual rooms/hotels we had in Seminole County before coming up with their numbers. They were wrong with those projections since they had our number of hotels/ rooms incorrect. 15,000 is a good year, and of course, we can always improve that. We are looking now to increase the balance of types of events we bring to the county. With the increase in hotel occupancy on the weekends, the complex is definitely measured as a success. Since the complex opened, we have broken occupancy every year

Continually looking to add events, but the challenge is making sure we get better events.

Shalisa Griffin, Central Florida Sports Commission

- 17/18 ECNL events update: The boys' event generated 2188 room nights compared to the girls that generated 2516 rooms. The boys had 10 less teams competing. And the ECNL Referee Development Program generated 55 room nights.

Question: how long do we have ECNL?

Answer: through 2020.

- In comparison to previous ECNL years, the % of room nights has been fairly consistent in the 40 percentiles. With the addition of the boys ECNL tournament the room nights generated increased by almost 2000 in Seminole County.
- Have sent the Save-the-Date for the upcoming ECNL tournaments. The dates have changed slightly for the girls.

Discussion about how this may cause some displacement in bookings and possibly with room rate changes the later in the month they go.

Only so much control the CFSC has over when the teams play. Can continue to negotiate as much as possible.

- Future Events: FHSAA Tennis State Championships, Champions Cup, ECNL boys and girls and the US Youth Soccer National Presidents Cup in July of 2020

Boys ECNL: December 29-31

Girls ECNL: January 11-13

Question: what happens with ECNL after 2020? Do they stay here in Seminole County?

Answer: the goal is to have them come back. The girls have been in Seminole County for 8 years. We will start negotiations after this year's tournament to hopefully keep them in Seminole County.

PARADISE UPDATE:

Kristen Murphy, *Account Manager*

MJ Kolassa, *Public Relations*

- Looking to launch the Spring/Summer campaign in April and begin working on the next campaign with staff
- Integrated marketing communications content plan between Paradise and Evok so that working across the different platforms will be consistent
- NASC in April and Connect Sports in August-sponsorships in the works

PR:

- Drafted a press release for the historic Goldsboro in Sanford
- More partners are giving information about their venues we assist them in distributing and incorporating them in our press releases
- Have a 'What's New' press release we send to the feeder markets and our local media as well. Local media outlets are interested in doing articles about staycations and spending time and money in Seminole County
- Getting a lot of pick-up with nationally syndicated stories from our release about how Seminole County is different from the theme park area.
- November FAM recap: One of the writers had stories about the Willow Tree Café and the Zoo which ran in American Roads & Global Highways and has a pending article to come out in the Family Motor Coaching Magazine. One of the writers will have an article out in the River Region Living Magazine in their April issue; same article will run in the spring issue of Florida Courier. The South Carolina region has Columbia Living Magazine and will run a story in the fall, and the Jacksonville Free Press has an article pending.

Looking to have a public memorial sometime at the end of April for Cedar. Will let you all know the dates when finalized.

EVOK UPDATE:

Kathy Fordam, *Account Director*

Ashten Ross, *Director of Visual Strategy*

Holly Fuller, *Social Media Strategist*

- Discussion on their goals and objectives. Looking to increase Facebook followers to over 13,000 with a monthly engagement of 175. Looking to have Twitter followers at 5200 with 852 monthly engagements. With Instagram, we would like to increase followers to 1400 and have 810 monthly engagements.

An engagement is taking an action on a post versus an impression which is when you see a post.

- Will continue to keep all postings consistent and tailored to each specific channel and maintain the branding guidelines set forth by Paradise.
- Look to highlight partners specifically in postings versus being broad. Will help generate the engagements being more specific.
- Looking to have \$2000 per month for paid social advertising. Using \$1000 to drive Facebook clicks to web ads, and \$1000 for Facebook, Twitter, Instagram promoted posts to boost engagements and support quarterly promotions.

Zoo did not present

OLD BUSINESS: None

NEW BUSINESS:

- Per Chairman Skwarlo: discussion on minutes and amended minutes for January 2018 TDC meeting:

The January 2018 minutes did not have in detail the discussion about Rec McCullough's Hotel Occupancy Report. Therefore, additional notes were taken and handed out today with that discussion. Chairman Skwarlo wanted it notated that as an alternative to the Red Report, Gui would be making a monthly (or bi-monthly to match the TDC meetings) report in lieu of Red's report. It would be based on the STR. Gui sent that out to the hoteliers. What he sent out was not Red's report, but extrapolations based on the STR. Chairman Skwarlo wanted it noted that we offered that solution to the hotel stakeholders that they would receive Gui's report instead of Red's now that he has passed.

Also in discussion was whether or not the STR report should be included in the booklet since the booklet is made public since any reproduction of the STR can't be distributed publicly without permission.

A Call to Action was noted that Tricia and county attorney Paul Chipok would discuss if STR remains in booklet.

- Gary Brender commented on how incentives being cut back has directly affected the City of Lake Mary. That although there has been growth over last 2 years, it was not unusual to get 5-6 requests for relocating business, and now without the incentives, that number has fallen to 1-2 a week.
Incentives do make a difference for companies regardless of size. Seminole County is a great place to live and work, but sometimes having that extra incentive of getting money helps to garner good will and bring that company here rather than someplace else.
George discussed how one business wanted to come to Seminole, but without the incentives they went to New York instead.

Chairman Skwarlo adjourned meeting at 4:28pm