

Tourist Development Council Funding Program Workshop

Ocala/Marion County Visitor & Convention Bureau

109 W Silver Springs Blvd.

Ocala, FL 34475

Thursday October 24, 2024

9:00 a.m.

The regularly scheduled meeting was canceled in lieu of a Tourist Development Council Workshop held both in-person and via Teams.

Mr. Jeff Bailey read into the record, members of the public are advised that this meeting/hearing is a public proceeding, and the clerk to the board is making an audio recording of the proceedings, and all statements made during the proceedings, which recording will be a public record, subject to disclosure under the public records law of Florida. Be aware, however, that the audio recording may not satisfy the requirement for a verbatim transcript of the proceedings, described in the notice of this meeting, in the event you desire to appeal any decision adopted in this proceeding.

Roll Call

Present:

Rus Adams, Victoria Billig, Christopher Fernandez, Danny Gaekwad, Commissioner Ron Livsey, Jason Reynolds, Commissioner Carl Zalak (appeared virtually) and Jeff Bailey

Staff:

Loretta Shaffer, Sky Wheeler, DeeDee Busbee, Bryan Day, Jessica Heller, Corry Locke, Samantha Solomon, Heidi Villagomez

Guests:

Angel Russel, Assistant County Administrator, Dana Olesky, Chief Assistant County Attorney; Mary Hutchcraft, Hilton Ocala; Jaye Baillie, Marion Cultural Alliance; Greg Thompson, Ocala Civic Theatre; Rodney Gutierrez, World Equestrian Center; Natalie McComb, Reilly Arts Center; Paresh Chhotu, Hilton Garden Inn; Chris Marshall

Notice of Publication

Notice was published on the County Website on January 2, 2024 and subsequently updated to include Teams information on October 04, 2024.

Mr. Jeff Bailey stated the Tourist Development Council played a vital role in the promotion of tourism and economic development in our community. The workshop held was a crucial step in achieving that goal. The workshop was held to discuss tourism development funding programs.

Ms. Sky Wheeler, Tourism Development Manager, advised during the September meeting it was clear that a discussion was needed regarding all funding programs administered by the Tourist Development Department. Tourist Development funding aids in attracting visitors, helps boost the global economy and enhances the reputation of Marion County. Ms. Wheeler then advised by investing in the aforementioned, the county would create reasons for travelers to return. She then stated the workshop would address the benefits of the programs, the drawbacks, how to effectively allocate resources, how success was measured and find ways to avoid pitfalls. Ms. Wheeler advised the fiscal year budget from 2018 until present included a line item entitled Reserves for Tourism Initiatives where all excess funds were housed (when revenue was outpacing expenditures). These funds have been utilized to assist with the Gateway Signage build and were no longer available as reserve, therefore the department must come up with strategic ways to rebuild the fund or determine how funds would be spent moving forward. Ms. Wheeler then advised the input from the workshop would be used to assist in rewriting policy in coordination with the clerk's office, audit and the legal department to make sure the policy, along with any amendments, adheres to Florida State Statute 125.104. Ms. Wheeler then stated that due to the aforementioned, the department would not accept any new funding applications until the amended program was adopted (applications which were already being processed would not be affected).

Ms. Wheeler advised the current funding programs included the Marketing Assistance Funding Program, Bid Fees/Extraordinary Event Funding and Room Night Generating Funding Program which would all be discussed during the workshop. There was also a proposed funding program entitled the Arts and Cultural Destination Enhancement Funding which would be discussed as well. She began with the Marketing Assistance Funding Program which was adopted in fiscal year 2023 with an annual budget of \$75,000. She further advised it was designed to enable tourism related businesses in Marion County to enhance their marketing opportunities leveraged with the Ocala/Marion County destination brand to promote visitation from out-of-county. The program was promoted on OcalaMarion.com, applications were accepted once a year, all funds were paid within the fiscal year the application was received and very little threat to the program existed other than the lack of restrictions to repeat applications. The amount of funding committed for the Marketing Assistance Funding Program for fiscal year 2025 was noted as \$92,500 (\$21,404 was re-appropriated from the fiscal year 2024 program). She then discussed Bid Fees and Extraordinary Event Funding which was also adopted in fiscal year 2023 with an annual budget of \$500,000. This program allowed the sales team the opportunity to pursue big ticket events. These events were normally held at locations such as the World Equestrian Center or Florida Aquatics Swimming and Training, venues large enough to host extraordinary events. These funding opportunities were not promoted on OcalaMarion.com. The amount of funding committed for fiscal year 2025,

thus far, was noted as \$230,000 and a formal policy does not currently exist for the program. Ms. Wheeler then stated the Room Night Generating Event Funding program had an annual budget of \$330,000 of which \$208,460 had been committed since the start of fiscal year 2025 on October 1. This was a year-a-round program which allowed reimbursement of \$14.00 per room night and was promoted on OcalaMarion.com. The program currently had a number of opportunities for improvement. These opportunities included the amount of funds allocated in the first quarter (48% of budgeted amount), events with a long history of funding, the timing of application submission, potential benefit to Ocala/Marion County, lack of flexibility in room night reimbursement amount throughout the year and tax-exempt room nights.

Mr. Jeff Bailey requested an example of the issues posed by tax-exempt room nights.

Ms. Wheeler provided an example that the YMCA could host a swimming event and pay for the hotel rooms and since the YMCA was a tax-exempt organization, the rooms were exempt from taxes as well. If the YMCA hosted a swimming event and the attendees paid for their own rooms, the rooms would then be taxable.

Mr. Rus Adams requested to know how many room nights were lost due to the restrictions for tax-exempt organizations.

Ms. Wheeler advised that information was not available partly because the department does not request the information from the event planners. She believed there were ways the department could support tax-exempt organizations, since they were good for the economy and generated other tax benefits, but the options would be different than the assistance provided to the taxable organizations.

Ms. Wheeler then discussed the Marketing Assistance Funding Program and some of the areas for improvement that existed. She advised no restrictions currently existed on repeat funding for organizations. The department suggested the program restrict funding to 80% of the total eligible reimbursement amount in years 3-5 and eliminated the ability to apply for funding after the fifth year.

Ms. Victoria Billig requested to know if the organizations would be restricted from applying for future marketing assistance after year 5 or would this restriction be for a specific timeframe.

Ms. Wheeler advised the department recommended hosting an annual workshop where these questions could be addressed. She stated the program had not existed long enough to determine the frequency in which organizations would apply. She then advised the application process was currently very simple. The department recommended organizations submit a Letter of Intent which outlined who they were, what they did as it related to tourism and why they believed this program would benefit them.

Mr. Bailey requested to know what defined a business as a tourism business.

Ms. Wheeler advised a tourism business was defined as a business that attracted tourism and offered a product that tourists used when they were in market. She further advised

as it related to the marketing program, the business could not restrict the times they offered their product (i.e. no available by appointment only businesses).

Mr. Chris Marshall requested to know if bowling alleys would fall into this category.

Ms. Wheeler advised the department would have to look into their application further to review their marketing plan since bowling alleys existed in other markets and were not special opportunities only offered in Marion County. She then advised this was another reason why the Letter of Intent was important so the business could explain their marketing plan.

Mr. Corry Locke, Group Sales Supervisor, discussed the Bid Fees and Extraordinary Events Funding Program. He advised the Bid Fee program was designed to attract high-impact events which would generate a large economic impact and/or large-scale marketing opportunity potentially via live-streaming or telecast. Mr. Locke advised the events were currently evaluated on a case by case basis and were normally submitted with a large Request for Proposal (RFP) or bid packet from 3-50 pages long. The RFP provided relevant information such as how much space was needed, how many spectators they anticipated, the history of the event, the previous destinations visited and how much they had achieved which was then reviewed by the sales team. Mr. Locke advised the Bid-Fee or "events rights fee" funding request could range depending on the event and what the event organizer believed would be required for them to host in Marion County. He also stated to qualify for the Bid-Fee, the event must be new to Marion County.

Mr. Bailey requested clarification and wanted to know if the Bid-Fee requirement was that the event had never been in Marion County or that the event was not currently in Marion County.

Mr. Locke used the World Series as an example and advised a Bid-Fee was accepted in order to bring the event to Marion County on a five-year contract. If the organization decided to leave the county and go somewhere else for five years, a Bid-Fee could be utilized to encourage their return to the county. He advised this event would be considered new business because it left the county. He further stated the World Series implemented another age group into the event which would bring brand new business to the county as well.

Mr. Rus Adams requested to know if the department had to allow the World Series contract to expire before attempting to secure a new contract or could they negotiate terms for additional years before the current/active contract ended.

Ms. Wheeler advised the department could not support an event which had encumbered themselves to something without the Visitor and Convention Bureau's involvement. She further stated if the organization entered into contracts with other vendors before a Bid-Fee was approved, they did not need the Bid-Fee funding. The VCB must be apart of the conversation between the vendor and the event planner to obtain the maximum benefit of what the Bid-Fee would provide to Marion County.

Mr. Locke advised the involvement of the Visitors and Convention Bureau (VCB) was key to providing excellent customer service to the event planner and promoting the support of the VCB to ensure a successful event.

Ms. Wheeler then advised a formal policy would ensure the conversation was consistent and that all parties were aware of the requirements.

Mr. Bailey advised if an organization was awarded a Bid-Fee contract of \$50,000 per year over a five (5) year period, the VCB would not be charged \$50,000 every year for five (5) years but all funds would be deducted from the fiscal year in which the Bid-Fee was awarded.

Ms. Wheeler clarified and advised that all funds would be secured (held) during the fiscal year in which the Bid-Fee was awarded, not paid or deducted from the budget. The funds would be paid during the fiscal year the services were rendered and in accordance with the terms of the contract.

Mr. Locke went on to advise the current Bid-Fee program did not require the completion of a formal application and would not require one moving forward. In lieu of a formal application, a Letter of Intent would be required which outlined detailed information regarding the length of time the event would be hosted in Marion County and the goals the event planned to achieve. He then advised the proposed updates included a formalized policy with stringent assessment criteria and stringent exclusion criteria with emphasis on off-peak periods to create a sustainable competitive advantage. The updated policy would also require vendors to align themselves with the destination brand and provide significant media exposure which would ultimately encourage more people to visit Marion County. Updates to the policy would formalize the requirement of vendors to meet the minimum economic impact, room night, attendee and return on investment (ROI) threshold. After the Bid-Fee packet was received and reviewed by the staff, it would be brought before the TDC with detailed explanation of what the event organizer requested, proposed budget impacts, proposed economic impact and ROI for recommendation to the BCC.

Commissioner Zalak requested to know the minimum economic impact that would be requested and communicated to the vendors.

Mr. Locke stated the VCB had not finalized the criteria to create a pre-determined amount because economic impact varied based on the event, the time of year the event was hosted, the number of attendees and the number of days the event was held. All of the aforementioned must be taken into consideration when determining the economic impact, as well as, the number of impressions the event would generate either digitally or in-person. He further stated the discussion was brought before the TDC to generate conversation about potential changes to the current program and obtain suggestions on how to proceed.

Commissioner Zalak then advised that Mr. Locke had successfully brought previous business into Marion County and that the TDC should rely on him to create criteria and

present it to the TDC for consideration. He then requested to know if there was anything the Council and Board could do to assist the sales team with bringing business into Marion County during the off-peak seasons.

Mr. Reynolds requested to know how the sales team would emphasize the off-peak season to vendors and if incentives would be established.

Mr. Locke advised the Bid-Fee program did not technically have an off-peak period but that criteria could be established for the sales team when requests were reviewed. For instance, if a Bid-Fee request was submitted for January, February or March the team could communicate with the vendor and emphasize Marion County's shoulder season as an option to host the event. These recommendations would be in-line with the Strategic Plan which indicated Marion County needed to host more business during its shoulder season.

Mr. Adams stated he believed the return on investment (ROI) took these elements into consideration so if the ROI was adjusted based on the season it would create a minimum economic impact amount that could be utilized.

Ms. Wheeler advised some of the factors which influenced ROI decreased during the off-peak season. For instance, room rates decreased which was a direct correlation to the return on investment and what was recouped in taxes. The VCB had to consider incremental economic increases, not a specific dollar figure. The VCB had to determine where a need for growth existed and how much that growth could be influenced by the actions of the VCB. The "need" element would not be taken into consideration with the ROI. It would only look at what the expenditures were, what the investment was and what the tax generation was. Therefore, during the summer months the VCB would have to provide more funding to generate less taxes than other months but less tax generation during the summer would be more than not generating any taxes at all.

Mr. Bailey requested a definition of ROI or return on investment.

Ms. Wheeler stated the VCB considered direct ROI and indirect ROI. She further advised the VCB's emphasis was on indirect ROI because the focus was on the overall impact of the event to Ocala/Marion County and the additional spending generated by the event not just the tax revenue created. For instance, hotels would be able to employ more staff which would create more spending power for those employees.

Mr. Bailey stated the Council needed to understand that the percentage of ROI presented by staff did not solely represent Tourism Tax.

Ms. Wheeler affirmed.

Mr. Adams requested to know whether a vendor could apply for any other form of funding assistance even if they were granted a Bid-Fee.

Ms. Wheeler advised the vendor could not apply for additional funding assistance for the same event but could apply for a different event.

Mr. Gaekwad asked for examples of the highest Bid-Fee requested and the lowest Bid-Fee requested.

Mr. Locke stated the largest Bid-Fee was requested by an event organizer for USA Roller Sports in the amount of \$200,000 for a thirty-day event (July 13-August 16th) held at the World Equestrian Center with an estimated 2,400 room nights per week. The lowest Bid-Fee requested was in the amount of \$5,000 for the World Series event the county hosted for the past five years.

Mr. Gaekwad requested to know if the World Equestrian Center could assist in paying the financial obligation generated by awarding the Bid-Fee since the event would be held at their facility.

Mr. Angel Roussel, Assistant County Administrator, requested to know if a Bid-Fee proposal only outlined financial expenditures and income or if it included an entire package for the event facility.

Mr. Locke confirmed a Bid-Fee proposal presented to the event organizer was an entire packet created by the Sales Team inclusive of information from local hoteliers outlining specific rates and availability, venue information including rates and offerings as well as a formal presentation for the organization.

Ms. Wheeler advised the Bid-Fee packet normally had specific requirements of the host destination as well as the host venue.

Mr. Roussel clarified and stated the Bid-Fee request from the event organizer for USA Roller Sports was \$200,000 but the value of the overall packet would be more than the requested funding. The additional value outlined in the packet would be created by organizations which partner with the VCB to create the destination experience.

Mr. Bailey stated there were many destinations that did not offer Bid-Fees because they do not have facilities large enough to host the events. Bid-Fee options were normally offered in larger communities where there were expansive venues such as Convention Centers which could house major events. The Florida Aquatics Swimming and Training (FAST) facility along with the World Equestrian Center opened a market for Marion County which was not accessible five years ago.

Ms. Loretta Shaffer, Tourism Development Director, stated when an event organizer sought out locations for an event, they submitted Bid-Fees to multiple destinations. Those destinations then completed the Bid-Fee packet and created an extensive proposal outlining what their destination had to offer. That information would then be reviewed by the organizations Board of Directors who decided which locations they wanted to hear more about and then requested a presentation highlighting that destination.

Mr. Gaekwad then requested to know if the Visitors and Convention Bureau was required to pay the hotel incentive fee, as well as, the Bid-Fee and if there was a policy which outlined the responsibilities of each party.

Ms. Dana Olesky, Chief Assistant County Attorney, stated a policy did not exist which outlined the aforementioned and that was why a formalized policy was necessary.

Mr. Gaekwad advised that a formal written policy would support the staff's ability to enforce the rules of the funding programs.

Mr. Bailey stated the rules were previously enforced verbally without a written policy.

Mr. Gaekwad stated the hotels were full January through April. If the VCB brought another 50,000 people to Marion County during that timeframe it would not make a difference to the hoteliers but would actually create a bad impression for the county and a bad experience for the visitor. During this period of time, hoteliers would charge more money for a room because more demand existed and less rooms were available. If a large event was scheduled during this timeframe and people flocked to Marion County, they would be upset because the room rates would have drastically increased. Mr. Gaekwad advised this was the reason why many people who attend events in Gainesville decided to stay in Ocala. He advised encouraging event planners to host their events during the shoulder months would create new money for the county and benefit the community.

Ms. Shaffer advised that there wasn't a current written policy in place which would support staff recommending an event organizer change the date of their event and host it during the shoulder season. Therefore, if the event organizer requested documentation which outlined this directive, the staff would not have anything to provide.

Ms. Wheeler advised that after COVID, every opportunity which was presented to Marion County to host an event was considered and welcomed. She then stated that at this time, the county must be more selective and pursue events which would be the right fit for the community. She advised Marion County's destination occupancy was consistent for the majority of the year excluding February and March. Therefore, the opportunity to pursue new business and increase occupancy would exist every month except January, February and March. She also stated the average daily rate for local hotels was consistently slightly over \$100.00 every month. The leveling out of the average daily rate indicated the VCB staff successfully marketed Marion County, occupying hotel rooms and eliminating large fluctuations in pricing. Ms. Wheeler then emphasized there were some major athletic conferences which occurred during January, February and March and Bid-Fee funding was a key component which allowed the event to secure their venue space.

Mr. Bailey advised that when the county was able to generate jobs by bringing more business (more visitors) to the area and maintain a steady work environment for residents, it created a better quality of life for them as well.

The staff and Tourism Development Council took a 5-minute recess.

Ms. Wheeler introduced a discussion regarding the Room-Night Generating Funding Program and advised the staff requested clear direction from the council on specific elements of the program.

Mr. Locke advised the current program reimbursed \$14.00 per room night and the staff

proposed to change the reimbursement amount. He also stated that it was noted that January-March was the county's busy season and April-December represented the county's shoulder season. Mr. Locke advised the staff proposed to increase the reimbursable amount for events held from April-December to \$15.00 per room and reduce the reimbursable amount for events held January-March to \$0.00-\$5.00 per room.

Ms. Wheeler advised the proposed reimbursable amounts were not arbitrary but the Sales Team reviewed the fiscal year 2024 events to determine where some of the impact to the budget could be reduced. As stated earlier, a large portion (48%) of the budget has already been committed to events occurring during the first quarter of the year. Therefore, the staff proposed to reduce the reimbursable amount to one-third or less than what was being paid during other months of the year. Ms. Wheeler advised the reduction would save money in the budget which could be used to fund additional new events.

Mr. Reynolds requested to know if a timeframe existed in which organizations were no longer eligible to apply for funding.

Mr. Locke advised no policy was currently in place which phased out an organization after a specific timeframe.

Ms. Wheeler advised a policy could be established if the Council desired one.

Mr. Gaekwad advised the funding program was not designed for charity but to assist in promoting new events. He further stated events should be funded even if they do not produce significant room nights in the beginning but have the potential to grow and increase their room nights in the future. The smaller events should not be overlooked for funding because they do not generate significant room night totals in their infancy. These events could be funded for one to four years and if the event cannot be self-sufficient after that time period, the county should no longer fund the event.

Ms. Wheeler stated the VCB staff must consider unintended consequences when considering funding guidelines. She advised there were some events which were funded that may not have needed the funding but there were also some events which would not exist in Marion County without the funding. Ms. Wheeler advised other options existed for event planners and they could choose to leave Marion County and take their business across county lines.

Mr. Bailey requested to know what determined if an event could be counted between the January-March timeframe and if it was based on the event start date.

Ms. Wheeler advised the staff normally made that determination based on when the majority of the event took place. An event could not start on December 31 and qualify for \$15.00 per room night through the end of January (proposed room night reimbursement for January-March was \$0.00-\$5.00). She further advised if an event was a two (2) day event and fell on December 31 and January 1, the staff would have to look at that event individually based on the specific STR data relative to the timeframe to

determine how to proceed. Ms. Wheeler then advised that a conversation was needed to determine how these decisions would be made and communicated to the vendors.

Mr. Adams requested to know how much of the budget was allocated to the first quarter of the year (January-March) for events.

Ms. Wheeler reiterated that 48% of the budget had been encumbered for the months of January-March 2025 for the Room Night Generating Funding Program.

Mr. Adams stated the events that occurred during the first quarter of the year (January-March) were large events the department supported for a number of years. He advised that he would like to see the department publish a progressive reduction so the vendor would not be completely cut from funding in January 2026 but their reimbursable amount would be reduced from \$14.00 to \$10.00 and then from \$10.00 to \$5.00 in 2027 until they no longer need or qualify for reimbursement. Mr. Adams suggested the department inform vendors of the reduction in reimbursement approximately two (2) years in advance to signify the county appreciated them and everything they have done for the community.

Ms. Wheeler advised the department would definitely have a discussion with vendors to inform them of the changes. She further advised there were times the TDC chose not to award funding to large events because the event benefited from several funding opportunities in the past. She then advised staff considered reducing reimbursement to these vendors to \$5.00 per room night but felt the option presented by Mr. Adams would suffice.

Mr. Adams requested to know if the number of rooms nights some of the larger events would secure was multiplied by \$5.00 per room night, how close they would come to reaching the maximum reimbursement amount of \$25,000.

Ms. Wheeler affirmed staff had completed these calculations and indicated events such as HITS would still reach the \$25,000 maximum room night reimbursement based on \$5.00 per room.

Mr. Bailey advised occupancy in Marion County was pretty consistent throughout the year but the ADR (average daily rate) fluctuated which caused the RevPAR (revenue per available room) to differ throughout the year.

Mr. Adams then stated if hotel occupancy was consistent but hotel rates were not, the need existed for a quarterly scale to assist with determining the amount to reimburse vendors. He believed this would help to incentivize vendors to host their events in the quarter which needed the most business.

Ms. Wheeler advised too much variation in pricing created difficulty in tracking and selling and a policy was needed which streamlined the funding program.

Mr. Reynolds advised he agreed with the recommendation to require vendors to apply for funding at least four (4) months prior to the event start date or the event planner

would need to reapply at a different time of the year.

Mr. Bailey advised he also agreed with the recommendation to require vendors to apply for funding four (4) months prior to their event start date but stated other business opportunities could be presented, reviewed and secured in less than four (4) months and should be considered.

Mr. Locke suggested the application period be modified to require vendors to apply for funding three (3) months prior to their start date which would allow staff time to process the request.

Ms. Shaffer advised event planners were securing their venues up to six (6) months prior to their events but weren't applying for funding within the same timeframe. She further stated the requirement to apply for funding at least three (3) months prior to the event would cause vendors to prioritize the funding program.

Ms. Wheeler advised if opportunities were declined because the event organizer did not meet the application deadline, the department would bring those before the TDC.

Mr. Reynolds then stated a timeline should be created to progressively reduce the room night reimbursement amount and ween vendors from the funding program.

Mr. Locke requested to clarify the request of the department and stated the VCB did not recommend to eliminate any vendors from the program but did recommend a reduction in their eligible reimbursement amount.

Mr. Bailey advised he would like to see a program where existing vendors progressively received a reduced reimbursement to create available funds for the sales team to secure new business. He provided an example where vendors received 75% of their eligible funding after five (5) years and 50% of their eligible funding after 8-10 years.

Mr. Adams requested to know if the room rate reimbursement amount should be adjusted if the aforementioned was put into effect.

Ms. Wheeler advised the department would recommend an amended reimbursement amount. She then requested clarification as to what the staff and council agreed to.

Mr. Adams requested to know if everyone agreed to requiring vendors to apply for funding four (4) months prior to their event start date.

Council and staff agreed.

Mr. Adams then requested to discuss the full marketing plan.

Mr. Locke advised a marketing plan was optional and every event did not have an established marketing plan. The department's request to have vendors execute a marketing plan inclusive of the Ocala/Marion County logo and brand would be part of leveraging the opportunity to promote tourism and Marion County.

Commissioner Zalak advised he was not completely in agreement with the

aforementioned and requested to explain. He further advised he was not concerned with the division of funds or the maximum funding amount. Commissioner Zalak stated an adjustment was needed because too much of the funding budget was encumbered during the first quarter of the year. He further advised the department shouldn't a significant amount of funding to support businesses that would come to Marion County without the money. He then requested clarification as to the purpose of the Room Night Generating Funding Program. He reiterated that 40-50% of the allocated budget was being spent during the county's busiest time of year and suggested the council consider allocating 75% of the budget for the shoulder season (April-December) leaving the remaining 25% for the peak season (January-March).

Mr. Reynolds advised the progressive reduction in the room night reimbursement amount would limit the amount of funding awarded during the peak season.

Ms. Wheeler requested to know if the council wanted to base their funding decision on the number of years an event existed in the market, the number of years an event had been funded or to allow each event to start calculating the number of years they were funded once the workshop concluded. The council decided they would review the total number of years an event was funded (prior to the workshop) to determine the amount of reimbursement the event organizer would be eligible for.

Ms. Wheeler then reiterated the aforementioned and requested the TDC confirm whether they requested the staff review an event's prior funding history and create specific timeframes to denote the amount of funding an event was eligible for. Ms. Wheeler further stated that if the council based their funding decisions on the HITS organization, they would achieve the maximum funding amount of \$25,000 even if allotted \$5.00 per room night. She advised the HITS organization consistently secured a copious amount of room nights.

Mr. Bryan Day handed out Exhibit 1 – FY24 RNG Events Funding & Expense Amounts

Mr. Gaekwad stated the focus of the discussion should not be on the reduction of funding for HITS or World Equestrian Center but should be focused on where the county should invest its money and obtain the greatest benefit (return on investment). Mr. Gaekwad advised HITS was a great organization but the county needed to find other organizations that could benefit the county in the same manner. He further stated that funds were needed for the Sales Team to pursue additional business and the majority of the funds should be utilized during the shoulder season (April-December) not during the peak season (January-March) when hotel rooms were occupied whether events were funded or not.

Commissioner Zalak stated the council also needed to consider those existing funded businesses who were getting savvy and scheduling multiple events throughout the year to create additional opportunities to reach the \$25,000 maximum. He further stated a conversation was needed to determine the number of shows an event organizer could host and be awarded funding during a certain time of year. Commissioner Zalak advised

some organizations change the name of an event every couple of years but the foundation of the event nor time of year it was hosted changed.

Mr. Bailey then stated that HITS expanded their event schedule from January-March to November-March which brought significant business to Marion County during months business was drastically needed. Mr. Bailey advised this effort on the part of HITS should be rewarded. He further advised that even though the organization had not changed, they expanded what they offered to the county and should be incentivized to continue their efforts.

Commissioner Zalak agreed that organizations that expanded their business into shoulder season should be incentivized to continue their efforts. He then advised he was more concerned with those businesses dividing their events into multiple weeks in an effort to submit additional applications for funding.

Mr. Adams requested to know if any research was conducted to determine what percentage of rooms nights were achieved during January-March. He further advised that if the data showed that 60% of the annual room night occupancy was achieved during the first quarter of the year and the department was spending 48% of the budget to achieve this number then the amount spent during the first quarter would not be an issue.

Ms. Wheeler advised the department did not know the percentage but could advise that occupancy was greater during that period. Ms. Wheeler advised the data did not reflect that the percentage of occupancy was greater than the percentage of the budget expended. She stated the amount of money the county invested varied but the room night occupancy did not.

Mr. Gaekwad then reiterated the shoulder season needed to be the focus of the TDC and the VCB not the peak season.

Ms. Wheeler presented another option which included implementing \$15.00 per room night from April to December with a maximum reimbursement of \$25,000 and reducing the maximum payout to \$10,000 from January-March with a room night reimbursement of \$5.00 per room. Ms. Wheeler further advised if the need to request authority to exceed the maximum reimbursement amount for a specific organization existed, it would be brought before the TDC for review.

Mr. Gaekwad agreed.

Mr. Reynolds advised the requirement for staff to bring a request to exceed the maximum reimbursement amount before the TDC was an issue.

Ms. Wheeler stated the requirement could be waived. She then stated that staff would not recommend exceeding the maximum reimbursement amount January-March but may determine a need to request authority during the shoulder season if there was a compelling case to do so.

Mr. Bailey requested to know if staff reviewed the data to determine if any other

organization that held their events from January-March would be eligible for the maximum reimbursement of \$25,000 if the per room rate was reduced to \$5.00.

Ms. Wheeler advised no other organization would reach the maximum reimbursement amount, only HITS. She further stated that very few organizations secure enough room nights to reach the maximum reimbursement amount.

Mr. Bailey advised that he did not see a need to reduce the maximum reimbursement amount from \$25,000 to \$10,000 during the months of January-March.

Ms. Wheeler advised reducing the maximum reimbursement amount would allow staff to continue their support of long-term events held in the county.

Mr. Adams suggested the VCB staff provide their opinion on each application submitted because they have more knowledge about the event, have reviewed the documentation presented and have established a rapport with the event organizer.

Ms. Wheeler advised the amount of time being spent on the applications process was an issue. The staff requested clear cut guidelines to streamline the process and reduce the amount of time needed to review and customize each application. She further advised that if an application did not meet the adopted criteria or had extenuating circumstances, it would be brought before the council for review.

Mr. Bailey requested to know how much of the budget would have been saved during the 2025 peak season (January-March) if the reimbursement was reduced to \$5.00 per room.

Mr. Locke advised that \$208,460 was allocated for the first quarter of 2025 (January-March) at \$14.00 per room night. If the room night allocation was reduced to \$5.00 per room, the total payout would have been \$101,680.00.

Mr. Gaekwad requested to know the total budget for the Room Night Generating Funding Program.

Mr. Locke advised \$330,000.00.

Commissioner Zalak stated the VCB should spend 25% or less of the budget during the first quarter of the year (January-March) for room night generating events. He then requested to know if the council and staff thought accepting Bid-Fee applications during the first quarter of the year was reasonable and if so, what the submission process should be moving forward.

Mr. Gaekwad requested to know how much of the budget was allocated for room night generating events for the first quarter of 2025 (January-March) and the overall budget total.

Mr. Locke advised \$174,000 was committed for the first quarter of 2025 and the overall budget was \$330,000.

Mr. Bailey advised that based on the aforementioned, only \$34,000 was committed

outside of the first quarter of 2025.

Mr. Gaekwad requested to know what events were per pending TDC review and recommendation and how much of the budget would be affected.

Mr. Locke advised that \$180,000 in funding would be requested during the November TDC meeting and \$62,000 of that request would be for events hosted during the first quarter of 2025.

Mr. Gaekwad advised that would increase the committed funding budget to \$236,000.00.

Mr. Reynolds requested to know how much of the budget would have been affected if the per room reimbursement amount was reduced to \$5.00 per room.

Ms. Wheeler advised there were some funds re-appropriated from Fiscal Year 2024 for use in Fiscal Year 2025. She further stated that \$128,000 of the FY24 Bid-Fee budget was re-appropriated to FY25's Bid-Fee budget increasing the total Bid-Fee budget from \$500,000 to \$628,000. As it related to the Room Night Generating Funding program, \$25,000 was re-appropriated from FY24 to FY25 increasing the total Room Night Generating budget from \$330,000 to \$355,000.

Mr. Locke advised the \$62,000 funding request to be considered in November for Room Night Generating funding would be reduced to \$22,000 if the per night reimbursement amount was lowered from \$14.00 to \$5.00 per night.

Mr. Bailey then requested to re-cap of the agreed upon changes to the Room Night Generating Funding Program. The following was noted:

- There was more consensus to reduce room night reimbursement to \$5.00 per room night than \$0.00 per room night
- No one agreed to authorize \$0.00 per room night
- There was more consensus to reduce the reimbursable amount from \$15.00 to \$5.00
- There was consensus to allow a reimbursement of \$10.00 per room night during the months of April, May and October

Ms. Wheeler advised each year the staff could review the previous year's data and write the guidelines to reflect the three months with the highest occupancy in the previous year would qualify for reimbursement at \$15.00 per room night, the three months with the lowest occupancy would qualify for reimbursement at \$5.00 per room night and the six months in-between would qualify for \$10.00 per room night. This documentation would be updated every fiscal year based on the prior year's occupancy data.

Mr. Christopher Fernandez requested to know why lowering the maximum reimbursement amount from \$25,000 to \$20,000 was not a part of the discussion.

Mr. Bailey advised only two businesses would reach the \$25,000 maximum payout amount based on the data presented.

Mr. Fernandez advised the payment structure presented affected the businesses which

needed the funding most and not those business that could maintain regarding of funding. He further stated that if the maximum payout amount was not reduced, the VCB would not receive any cost savings from events such as HITS because they would still secure enough rooms to receive \$25,000 (the maximum payout amount).

Ms. Victoria Billig advised that she agreed with the general concept of the amended policy but wanted clarification as to whether or not a limit would be placed on a vendor's eligibility to apply for funding.

Mr. Bailey advised he still wanted limitations to a vendor's eligibility to apply for funding to be discussed.

Mr. Adams advised he would like the department to be more aggressive in their pursuit of business during the shoulder season by offering \$19.00 per room night to motivate vendors to consider hosting events during those months.

Ms. Wheeler advised motivation already existed but the team was trying to disincentivize January and February. She further advised setting the room night reimbursement amount at \$14.00 was an aggressive approach, based on their research.

Mr. Gaekwad advised he agreed with the recommendation to lower the maximum payout amount from \$25,000 to \$20,000 during the peak season and maintain the maximum payout at \$25,000 for the other months of the year. He further advised that wording which allowed vendors to pursue compensation outside of the guidelines should not be included in the written policy (no options, exceptions or extenuating circumstances). If the staff determined an event was exceptional and needed consideration outside of the set guidelines, they could bring it before the TDC.

Mr. Bailey advised there was consensus among the group to have a varied maximum payout amount during the year but requested to know if the council wanted to adjust it to \$10,000 or \$15,000 for the peak season.

Commissioner Zalak advised he did not want the council to spend more than 25% of the budget during the first quarter of the year so whatever number would allow for that to occur, he agreed with. He then advised he believed staff recommendation for a maximum payout amount of \$10,000 would suffice.

Mr. Adams advised adjusting the maximum payout amount may be the best way to proceed because the smaller events (which do not put a strain on hotels) that the TDC would like to nurture into larger events may decide to alter their dates from peak season to shoulder season.

Ms. Wheeler reiterated the tentative policy changes, based on the aforementioned discussion and stated the following:

- A maximum payout amount of \$10,000 could be offered during the first quarter
- If an event was a repeat event or an event which was held more than 5 years during the first quarter, it could be eligible for \$5.00 per room night

- Another option would be to have the first quarter reimbursed at \$5.00 per room night, second quarter reimbursed at \$10.00 per room night, third quarter reimbursed at \$15.00 per room night and fourth quarter reimbursed at \$10.00 per room night

Additional discussion ensued and the council agreed upon the following:

- Q1 \$5.00 per room night with a maximum payout of \$10,000
- Q2 \$10.00 per room night with a maximum payout of \$25,000
- Q3 \$15.00 per room night with a maximum payout of \$25,000
- Q4 \$10.00 per room night with a maximum payout of \$25,000

Ms. Wheeler then requested to know if repeat funding would be considered in the Room Night Generating Funding Program.

Mr. Gaekwad requested that Ms. Shaffer check with the Visit Florida Board of Directors to see if they allowed repeat funding and if so, for how long.

Mr. Bailey suggested the staff proceed with the decision to lower the per room rate and maximum payout amount to see what affect it had on the \$330,000 budget and if an issue still existed, the council could have further discussion regarding established organizations. He then reiterated the agreed upon funding options discussed of:

- Q1 \$5.00 per room night with a maximum payout of \$10,000
- Q2 \$10.00 per room night with a maximum payout of \$25,000
- Q3 \$15.00 per room night with a maximum payout of \$25,000
- Q4 \$10.00 per room night with a maximum payout of \$25,000

Consensus from all parties was noted.

Commissioner Zalak advised he agreed with the aforementioned as it related to lowering the per room amount and maximum payout during the first quarter because it allowed for flexibility during the shoulder season. He then discussed the Marketing Assistance Funding Program and advised he wanted more conversation around pending a vendor's eligibility to apply for funding for 24-48 months after they had consistently applied for five years of funding. Commissioner Zalak then advised he wanted to revisit the policy as it related to Bid-Fees because he did not want a large portion of the budget expended during the first quarter for this funding option.

Ms. Wheeler affirmed.

Mr. Bailey and Mr. Gaekwad circled back to the discussion as it related to establishing a definitive policy which removed language that would allow a vendor to request funding outside of the guidelines because they felt their event was exceptional or extraordinary.

Mr. Adams affirmed but then pointed out that the Bid-Fee documentation mentioned the word "extraordinary" in the description. He further requested to know if a Room Night Generating event qualified as an extraordinary event would it then also qualify for the Bid-Fee process.

Ms. Wheeler advised the Bid-Fee was not a way to bypass the requirements of Room Night Generating funding. A Bid-Fee was an established, competitive bid process which already existed. She further stated the language under the Bid-Fee description could be changed to remove the word "extraordinary".

Commissioner Zalak then stated did not agree with the \$25,000 maximum payout amount if no flexibility existed when considering maximum payouts above the established amount. He further advised the maximum payout amount should be increased to \$50,000 to motivate large events to come to Marion County.

Mr. Bailey advised he respectfully disagreed and that an event which qualified as an exception to the rule could be reviewed on a case-by-case basis.

Ms. Olesky interjected and stated the application process and funding program allowed the Board of County Commissioners to review an application if an applicant requested more than the maximum funding amount. The process allowed the Board of County Commissioners to exceed the maximum funding amount based on the documentation presented to them. She then advised that she did not recommend changing the maximum funding amount in an effort to secure one or two additional events. Ms. Olesky advised the discussion was extended to draft the framework staff needed to present the funding program to a potential applicant. She further advised if an applicant had an event that triggered an increase in the maximum funding amount to \$50,000 or more, that information would be presented at the TDC meeting and the council could recommend the application go before of the Board of County Commissioners. The Board of County Commissioners has authority to exceed the guidelines if presented with information that warrants additional review. Ms. Olesky stated she would work with the VCB staff to develop a program that would capture events that do not fit the criteria of Bid-Fee but may generate significant room nights and qualify as an extraordinary event.

Commissioner Zalak affirmed.

Ms. Wheeler continued and reiterated the staff would codify a policy for Bid-Fees emphasizing the shoulder season. As it related to the Marketing Assistance Funding program, the staff would review the policy to potentially require a business partner to take a 24-48-month hiatus after they've received five years of funding to allow room for other partners to benefit from the program.

Ms. Billig requested to know if the hiatus would be required after five years of consecutive applications or a total of five nonconsecutive years of funding.

Ms. Wheeler stated the Marketing Assistance Funding Program policy would not look at consecutive years but the number of years funded.

Ms. Wheeler then introduced a discussion for a proposed program entitled the Arts and Cultural Destination Enhancement Funding Program. She advised the Marion Cultural Alliance was designated as the Local Arts Agency for both Marion County and the City of Ocala therefore, the staff worked closely with Jaye Baillie, Marion Cultural Alliance

Director, and her Board to develop a program that would fit the needs of the arts community. Ms. Wheeler advised the Long-Range Tourism Plan had strategic initiatives relative to enhancing and promoting the arts and culture sector. The policy was drafted, revised and was pending additional review. Ms. Wheeler stated the program would be based on an annual award cycle with elements of economic impact, return on investment and potential for room nights. She advised the program was budgeted at \$150,000 under Tourism and Visitor Activities in the Promotional line item of the budget. She further advised the maximum reimbursement for one entity would be 10% of the available budget (\$15,000), funding would be restricted to 80% of the total eligible amount in years three to five and no funding after year five, funds would be reimbursed and the applicant must match 50% of their funding request. The applicant would need to provide a Letter of Intent along with a proposal which would be reviewed and ranked by a committee.

Mr. Bailey advised he would like the staff to consider including some seasonality to the Arts and Cultural Destination Enhancement Program so the events stretched throughout the year.

Ms. Wheeler advised the Rank and Review Committee would review any proposals and consider events held during the shoulder season. She further advised the review process would be collective and competitive.

Mr. Bailey requested clarification as to whether all proposals would be graded at the same time.

Ms. Wheeler affirmed and further advised it would be an annual process.

Mr. Bailey advised the arts program should require an event to generate room nights if they event could potentially recoup 10% of the proposed budget or \$15,000. He further advised he would like to see the maximum amount of eligible reimbursement reduced because it would currently only allow ten (10) events to benefit from the program, if the maximum amount was achieved by each event.

Ms. Wheeler advised the maximum funding amount could be adjusted since it considered programming and events.

Mr. Bailey advised he would like the maximum amount of reimbursement reduced to 5% of the budget or \$7,500 and for seasonality to be addressed in the policy.

Commissioner Zalak affirmed and reiterated that the council did not want to see any more than 10% of the funding budget encumbered during the first quarter of the year.

Mr. Adams requested to know if the staff could add language regarding room night generation into the policy.

Ms. Wheeler advised the policy stated an applicant would be evaluated on their ability to generate overnight stays but it did not specify a minimum number of room nights which had to be achieved.

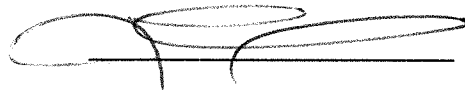
Mr. Adams requested the opinion of Ms. Jaye Baillie regarding the Arts and Cultural

Destination Enhancement Funding Program.

Ms. Jaye Baillie, Marion Cultural Alliance Executive Director, advised arts and culture normally attracted a more affluent visitor who would be more likely to extend their overnight stay. She then referenced the Americans for the Arts study completed by Intercept which was based on local events at the Appleton Museum, Ocala Symphony Orchestra, etc. and indicated that 21.3% of the attendees were from outside of Marion County. She further advised the out of town visitors spent approximately \$49.50 in the community, excluding the price of the ticket. She then stated that 12.5% of the 21.3% of out of town guests reported they paid for overnight lodging. On average, 12.5% of visitors who stayed overnight in Marion County spent \$145.40 per person versus the \$49.50 spent by day-trippers.

Ms. Victoria Billig, Assistant Director – Appleton Museum, stated she was happy to see the genesis of this funding program due challenges the arts community faced when applying for funding opportunities. She further stated this program would benefit a lot of organizations in the community.

Ms. Wheeler advised some adjustments would be made to the funding programs and brought back before the council.

A handwritten signature in black ink, appearing to read "Jeff Bailey", written over a horizontal line.

Jeff Bailey, Chairman