

**MINUTES OF MEETING
BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA
AUGUST 11, 2009
(9:00 A.M.)**

Proceedings of a special meeting of the Board of County Commissioners of St. Johns County, Florida, held in the auditorium at the County Administration Building, 500 San Sebastian View, St. Augustine, Florida.

Proof of publication of the notice of public hearing regarding the Special Meeting to discuss the Tourist Development Council was received having been published in *The St. Augustine Record* on July 31, 2009.

Present were: Cyndi Stevenson, District 1, Chair
 Ron Sanchez, District 2, Vice Chair
 Mark P. Miner, District 3
 Phillip Mays, District 4
 Ken Bryan, District 5
 Michael D. Wanchick, County Administrator
 Patrick McCormack, County Attorney
 Terry Bulla, Deputy Clerk

(08/11/09 - 1 - 9:03 a.m.)
CALL TO ORDER

Stevenson called the meeting to order.

(08/11/09 - 1 - 9:03 a.m.)
ROLL CALL

Stevenson stated that all five commissioners were present.

(08/11/09 - 1 - 9:03 a.m.)
PLEDGE OF ALLEGIANCE

Miner led the Pledge of Allegiance.

(08/11/09 - 1 - 9:03 a.m.)
ADDITIONS/DELETIONS TO SPECIAL AGENDA

There were none.

(08/11/09 - 1 - 9:03 a.m.)
APPROVAL OF SPECIAL AGENDA

Motion by Sanchez, seconded by Miner, carried 5/0, to approve the special agenda as submitted.

(08/11/09 - 1 - 9:04 a.m.)
1. TOURIST DEVELOPMENT COUNCIL DISCUSSION

Wanchick gave the introduction to the program. He suggested the format for the meeting. *There was Board consensus.*

- Wanchick reviewed Staff Directives from the BCC TDC/VCB Workshop on May 12, 2009. He stated that the County Commission had expressed a desire to evaluate operations and functions of the TDC/VCB. He noted that per Commission direction, staff had researched and compiled information related to the TDC/VCB: Clarification and Interpretations, Organizational Structure, Budget and Membership and a Destination Master Plan.
- Power Point Presentation
 - Wanchick reviewed the Legal Clarifications and explained that a memo dated July 24, 2009, from the County Attorney's Office, specifically addressed Commission compliance with the Florida Statutes with respect to levying the two-cent tourist development tax and additional third-cent tourist development tax. The memo stated the Commission had complied with the statutory provisions of Section 125.0104, Florida Statutes not only as such Section existed in 1986 but also as it existed that day. He reviewed the Key Findings.

Key Findings on the Two-Cent Tax included: The two-cent tax was consistent with Florida Statute, was levied pursuant to an ordinance enacted by the Commission containing a tourist Development Plan. Prior to enacting the ordinance, the Commission adopted a resolution appointing members of the tourist Development Council and indicated their intention to consider enactment of the tax. Prior to enactment of the tax, the Tourist Development Council prepared and submitted to the Commission a Tourist Development Plan including funding Categories I, II, and III currently in use. The ordinance was approved by voter referendum in 1986. The Commission adopted the county plan for tourist development as part of Ordinance 86-62, levying the tax and its distribution which may not be substantially amended except by ordinance enacted by a super majority vote of the Commission. The Commission appointed the nine-member Tourist Development Council.

Key Findings on the Third-Cent Tax included: Section 125.0104(3)(d), Florida Statutes, authorized the imposition of an additional one-cent tourist development tax by super-majority vote. The Commission enacted the additional third-cent tax in Ordinance 91-44 by a super-majority vote. The ordinance states the additional third-cent tax "shall be used solely for the purpose of advertising in Category I ...". Florida Statutes Section 125.0104.(3)(d) is silent with respect to whether County removal or revision of the additional one-cent tax must be accomplished by an extraordinary vote of the Commission. Consequently, the Commission may revise the use of the additional one-cent tax by simple majority vote of the Commission. The Commission could then utilize the one-cent tax for any purpose set forth in Section 125.0104(5), Florida Statutes.

Clarifications regarding the TDC Chairman included: County Ordinance 92-52 follows Florida Statute section 125.0104(e) and provides that the County Commission has the option of 1.) Designating the chairperson of the TDC or 2.) Allowing the TDC to elect a chairperson.

- Wanchick reviewed the Interpretations & Definitions

The categories of the Tourist Development Tax as established in the Tourist Development Plan included:

Category I: It was designated for tourism promotion and was described in St. Johns County Ordinance 86-27, and included postage, video equipment and reproduction, maps, literature, photography, advertising, trade marketing and signs. Category I receives 40% of the 2-percent tax and 100% of the third cent tax.

Category II: It was designated for cultural development as described in St. Johns County Ordinance 86-27 to include heritage programs and events, reenactments, fireworks, and performing arts. It receives 30% of the 2-percent tax.

Category III: It was designated for leisure/recreation development and was described in St. Johns County Ordinance 86-27, and included acquiring, constructing, extending . . . operating and promoting publicly-owned leisure recreational activities and facilities. It also included beach revitalizations . . . and could include renourishment, acquisition of parking, ramp, and walkover construction. It received 30% of the 2-percent tax.

County Resolution 92-129 retained Categories I, II, and III for funding/spending and established the 40/30/30 percent distribution. It further stated that the 40/30/30 spending Categories established by the original tourist development plan could not be changed without a referendum election. Since the referendum requirement of County Ordinance 92-32 was enacted by County Ordinance, the referendum requirement may be rescinded/deleted/vacated by a subsequent County Ordinance as opposed to a referendum.

The definition of "Cultural" was reviewed. Wanchick noted that many definitions from many destinations were studied. He said they had found that cultural tourism generally had four components: 1.) Promoted the uniqueness of the area as a tourist destination, 2.) Related to the development and promotion of the arts, literacy, historical and cultural experiences, 3.) Stimulated the local economy by attracting higher visitor yields and longer lengths of stay, and 4.) Positively impacted the area's quality of life through a variety of means. He said staff had built upon the definition that the Cultural Council had presented and incorporated those four components. He recommended consideration of the following definition for Category II: "Promotion of the uniqueness of St Johns County as a tourist destination with its authentic, interpretative and interactive experiences relating to the development and promotion of the arts, literacy, historical and cultural experiences, which stimulate the local economy through attracting higher yield visitors, increasing consumer spending and positively impacting the county's quality of life through enhanced resident and visitor experiences."

The Budget Carryover was reviewed and Wanchick noted there were two methods, one used by the Finance Department and one used by the Office of Management and Budget. He reviewed both methods and stated that neither was incorrect, and that staff recommended the OMB method, but that decision would have to be made by the commission.

He reported that the Commission had also directed staff to begin efforts to increase transparency and public knowledge of the TDC. He reviewed the actions taken to improve transparency which included: TDC meetings

were now being televised. Additional information was being added on the County and TDC websites, including budget documents and TDC member information. Local public relations efforts included: the VCB was currently conducting a "Value of Tourism" campaign and staff continued to consider other local public relations initiatives. He reviewed ads put out by the VCB recently.

- Wanchick reviewed the Benchmarks of the Local Option Tourist Development Tax. He noted that information was gathered from across the state and reviewed the specifics.
- Wanchick reviewed the Organizational Structure for St. Johns County as well as the structure for other counties. He reviewed several organizational charts for St. Johns County, including the current and proposed structures. He elaborated on the structure that staff had recommended.
- Wanchick reviewed the TDC Budget & Membership and stated that Administration had selectively implemented the 2009 existing budget to allow operations to continue through September 30th. The County Commission will consider, in detail, the 2010 budget at the August 25th special meeting.

He stated that the Tourism industry had expressed a desire to postpone discussion of the bed tax levels until other TDC/VCB issues have been resolved. He said the Commission might wish to revive the bed tax discussion until a later date when the Destination Master Plan was completed in the fall.

He reported that the TDC membership had been retained for the current time. Per Commission direction, staff had solicited applications from current members and from the general public. Staff had recommended considering formally asking current members to step down and re-apply if interested in continuing to serve, the Board could then make re-appointments/appointments at the August 18th regular meeting or at the August 25th special meeting. He noted there had been 20 applicants received by the application deadline on August 7.

- Wanchick reviewed the Destination Master Plan Update and said the Peckham, Guyton, Albers & Viets, Inc. (PGAV) contract had been extended for 3 months until December 31, 2009. That would allow time for the County to do an overall review the TDC/VCB. He said the VCB contract would be reviewed and updated as a result of the discussion on the organizational structure. It would not be automatically renewed each year. He added that the use of other successful marketing programs may be considered, and an alternative method was currently being utilized for the fall marketing campaign. He stated that the brand establishment for sub-geographical areas was to be considered by the Commission/TDC, with input from the Destination Master Plan.
- Wanchick reviewed the Conclusions & the Next Steps: On August 18th appointments to the TDC Board would be considered. On August 25th the TDC budget for FY 2010 would be considered.

Action steps included: Decision on how carryforwards should be allocated, adoption/re-adoption of funding Categories I, II, and III, consideration or re-affirmation of the 40/30/30 allocation of the 2-cent bed tax, consideration or re-affirmation of the allocation of the third-cent bed tax, consideration of the organizational structure and operation of the TDC and VCB, consideration of appointment options for the TDC board, and discussion on the possibility of adding a fourth-cent to the bed tax.

Future action steps included: Consideration of FY 2010 TDC budget (at the August 25th special meeting), evaluation of the method to more equitably allocate bed tax dollars on a geographical basis (i.e. examine operation of funding panels) and exploration of the terms and conditions of the VCB contract.

Wanchick noted that the action steps were available for their review.

(9:35 a.m.) Bryan asked for direction from the County Attorney to ensure that they were in order. He suggested presentations should go first and public comment should follow.

(9:35 a.m.) McCormack said his proposed method was satisfactory.

(9:37 a.m.) Wanchick said they had received a lot of letters and e-mails and said they would all become a part of the record, even though they would not be read into it.

(9:37 a.m.) McCormack suggested a "batting order" previously discussed by Wanchick. Wanchick clarified his suggestion.

(9:38 a.m.) Sanchez said speaker cards were not indicative as to whether they represented a group or were individuals. He said that speakers representing a group should indicate that they were representing a group.

(9:40 a.m.) Bryan acknowledged that Senator Tony Hill had sent a letter of support.

(9:40 a.m.) Jay Dick, Director, State and Local Government Affairs, Americans for the Arts, 1000 Vermont Ave. NW, Washington, DC, gave a PowerPoint presentation (Exhibit A). He spoke on the fact that the arts put money back into the county coffers. He said the arts were a great investment and were not for the elite. He noted that the arts employed a lot of people, and reviewed the economic impact of the arts on St. Johns County. He reviewed that impact in comparison to the National average. He stated that 61% of those attending cultural and arts events were from outside the County. He said there were 564 arts related businesses and there were 1,645 employees related to that industry. He reviewed the Economic Stimulus Package recently passed by Congress, and said the money invested in the arts would have a return on its investment. He reviewed the cultural travelers vs. all U.S. travelers and noted that they spent more, were older, more likely to be retired, more likely to spend more than \$1000, more likely to travel by air, traveled longer and were more likely to shop. He said they needed to figure out how to transpose St. Johns County into a cultural destination as there was plenty here for tourists to experience.

(9:54 a.m.) Miner asked Dick's opinion of what structure he would recommend for spending the Category II funding. Dick responded. Miner said the arts and tourism industry needed to work together and asked how he would suggest they achieve that. Dick said they were headed in the right direction and made some suggestions. He said

each category was important and needed funding. He said their path seemed to be fair and equitable. He said St. Johns County was not a tourist destination but could be.

(9:58 a.m.) Scott Bartosh, 422 Camellia Trail, St. Augustine, said he represented the St. Johns County Cultural Coalition and gave the history on the tax devoted to tourism and levied by referendum (Exhibit B). He reviewed the three defeated referenda and the successful passage of the fourth attempt, which was a result of a cooperative effort. He said there was cooperation between tourism, arts and cultural, and government, and a partnership was formed in 1985. A strong "get out the vote" campaign was begun, and in the fall of 1986 the referendum was passed. He noted that by 1991 the "trust" was broken when a third penny was added to the bed tax and with 100% of that going to advertising. He questioned whether it was consistent with the spirit of what was originally passed and said that he believed it was not. He said there was a division between the tourism industry and the Chamber of Commerce. He said the TDC/VCB developed a new board. He reviewed the decline of cultural development and said that cultural development had lost its original intent. He reviewed a plan to maximize the positive economic impact to St. Johns County. He said the fact that everything was in close proximity in St. Johns County, was one of the destination drivers we had. He gave coalition recommendations as the voters originally intended: 40% to marketing, 30% to cultural development and 30% to leisure development and that they were opposed to the fourth cent. He reported that the Coalition was confident of one fact: the funds were too significant to be managed solely by volunteer Boards of Directors of non-profit corporations, and the County would reap larger returns on investments if experts were in place to oversee and manage bed tax funds. He said the TDC should be staffed by an Executive Director and should have no tourism-related activities such as day to day management of the TDC programs. He stated that the BCC should have the ultimate oversight. He said reviews of the budget should take place annually. He stated that hired staff expertise was recommended in three areas: Destination Marketing (currently the VCB), Cultural Development and Parks and Leisure (currently a County department). He said a Cultural Development Plan should be developed and reviewed annually.

(10:17 a.m.) Nick Sacia, Executive Director, Economic Development Council, St. Johns County Chamber of Commerce, 1 Riberia St., said there were more similarities than discrepancies that existed between the TDC and the arts and cultural community. He reviewed the three categories. He said they wanted to look at the way the funding was split. He said the marketing aspect was important to the growth of category two and three. He gave an overhead presentation (Exhibit C). He reviewed Leisure and Hospitality Jobs as it related to the bed tax, jobs and expenditures. He said working together was important, but they had to have the money to be able to tell the world what was happening in St. Johns County. He reviewed how they stood in relation to other counties on what was spent for arts and culture. He said in order for people to know what was going on, it had to be marketed, in good times and in bad. He said it had an effect on jobs as well and illustrated the loss of jobs in the arts, entertainment and recreation industry. He stated that it was important to cooperate and to work with each other.

(10:27 a.m.) Bryan said it was important for them all to work together, but most jobs were paying less than \$20,000 annually. He said they needed to focus on jobs that paid much higher. Sacia said he agreed, and they had to create a market for those jobs, and to create the atmosphere that allowed them to thrive and grow.

(10:29 a.m.) Miner asked where the Chamber had been for the last few years if marketing was important. Sacia said that was a good question and TDC tax had gone to the VCB. He said they were under the impression that the VCB was the voice of the

tourism community. He said they learned that was not necessarily the case. He said they then realized how important it was to bring them together with a unified voice. He said their recommendations came from the tourism industry itself. There was discussion on the three funding categories.

(10:32 a.m.) Mays asked how many jobs in the County were attributable to tourism. Sacia gave the statistics.

(10:32 a.m.) Stevenson said that many of the accommodations in St. Johns County had better paying jobs, including leisure support industries and in some of the finer restaurants. She said it was different than a Disneyworld type experience. She said it was an improvement for many people in the community.

(10:35 a.m.) Bryan said they needed to start thinking big, in terms of attracting individuals and what they could do to keep them here longer and to expand their experiences while they were here. He said they needed to work together to get the people here. Sacia said they were all ready to get serious about it.

(10:38 a.m.) Sanchez said the important issue was what needed to be done in the future.

Miner submitted public correspondence for the record (Exhibit D).

(10:38 a.m.) The board recessed at 10:38 a.m. and resumed at 10:53 a.m. Stevenson reported that all commissions were present.

(10:54 a.m.) Dana St. Claire, Director of Heritage Tourism, City of St. Augustine, and Executive Director of the 450th Commission, referenced Colonial Williamsburg and said they saw about one million visitors annually, as compared to an estimated visit of six million heritage tourism visitors to St. Augustine each year. He said we already had a tourism base. He said heritage was a specific segment of the tourism market. He said a study was available for the University of Florida representing the impact of Heritage Tourism on Florida. He said roughly three million people were staying the night while others were staying only for the day. He said Heritage Tourism supported the cultural arts and recognized it as an asset. He said if they extended the visitor's stay, they would spend more money in the local economy. He said the advancement of that program could not come at the expense of the Heritage Tourism market which supported the local economy and was the largest industry in St. Johns County. He said they were meeting with many of the cultural organizations, and programming would only enhance the visitor experience. He cautioned them that the history based tourism market should not be jeopardized with any initiative.

(10:59 a.m.) Ellen Whitmer, 1178 Natures Hammock Rd. South, Fruit Cove, said she represented the St. Johns Civic Roundtable, which passed a resolution supporting the 40-30-30 split of the bed tax funding. She said they asked for greater transparency of how the money was funded and spent. She said they should not neglect the St. Johns River as a thrust of their advertising as it was a valuable asset.

(11:01 a.m.) Mark Schmitt, 130 Drake Rd., St. Augustine, President of the St. Augustine Spanish Garrison and Florida Living History, Inc., said they were committed to the interpretation of Florida's history. He noted that St. Johns County and St. Augustine were unique with the natural beauty, but also for their cultural history. He said they could draw upon every period from our nation's past. He stated that the TDC had long funded heritage events. He explained that the vast majority of historical re-enactors were volunteers, and without the assistance of the TDC many of those cultural heritage events would cease to exist. He said now was the time for planning, to tell the true

history of our county and city. He asked for an equitable distribution of Category II funding.

(11:05 a.m.) Sandra Parks, Vice President, St. Johns Cultural Council, 71 Valencia St., St. Augustine, said the partnership was important for the initial passage of the bed tax. She said the ordinance was passed, also because of recreation, which in 1985 was nothing like it is today. She said the funding should be equally distributed within that category. She said it was important to look at the issue as a countywide issue. She said the allocation of Category II funding was tiered in three components and reviewed those components. She said they needed to go back to the tiered system rather than supporting specific events. She also spoke on accountability and transparency. She congratulated Glenn Hastings and his staff on the fine presentations they were making for grants. She stated that they needed more feedback on where their advertising money was spent. She said they also needed accountability from the organizations where the money was being spent. She said they needed to know the return to the community that the bed tax was providing.

(11:11 a.m.) Diane Bradley, 144 Cedar Ridge Circle, St. Augustine, President of the St. Augustine Art Association, said she was also an artist. She spoke on the impact of losing TDC funding for her organization. She said they were no longer eligible for funding for their two primary events, the fall and spring arts festivals. She said the participation had dropped significantly due to the loss of advertising funding. She asked that they not be excluded because they had been there for a long time. She said they received no state or federal funding and now no county funding. She questioned some of the allocation as it pertained to cultural events, and asked for their support.

(11:14 a.m.) Bryan asked how many days the Arts Festivals lasted. Bradley said it was Saturday and Sunday, was a juried show, and they had participants from all over the county.

(11:15 a.m.) Irving Kass, 887 Garrison Dr., spoke on behalf of the 11,000 members of the tourism industry. He said it was time to talk about solutions and process. He said they needed to go to the fundamentals of the TDC/VCB process and organization. He said the TDC board needed to be a board that understood the business and needed to be accountable. He cautioned that the board could determine whether they succeeded or failed. He said the role of the Board was to grow tourist development tax dollars, and they needed to grow the investment by showing a sound return. He suggested that they needed at least a 7.5% return on their investment. He said all three categories needed to be held accountable for performance, with voluntary boards that kept them accountable. He said they should not be looking to add payroll. He said they had to market the destination and grow the funding so that everyone had enough money to be successful. He said the budget had declined or remained static, and they needed an 11% increase to get back to the 2007 levels.

(11:25 a.m.) Robert Samuels, 110 Mickler Blvd., St. Augustine Beach Civic Association, spoke for the group and explained their purpose. He said they had been able to draw tourists from out of the area, and there was no other place like St. Augustine. He said they had applied for and received TDC funding. He noted they were small, but had continued to grow. He said they got phone calls from people from out of state asking what was going on. He spoke on the many activities taking place there. He said St. Augustine Beach was celebrating its 50th anniversary and was bringing in many people. He said he would like to see the 40-30-30 distribution of funding, and that St. Augustine Beach would like to have representation. He said they had many needs at the beach and listed some of them. He also encouraged passage of the fourth cent tax.

(11:29 a.m.) Albert Syeles, 83 Bridge St., CEO of Romanza St. Augustine Inc., a non-profit citizens organization, which was supporting a festival similar to the Spoleto Festival, which would benefit the whole area. He said the Spoleto Festival had transformed Charleston into a tourist destination and he believed their group could do the same thing for St. Augustine. He spoke on the combination of the marketing and cultural events and how it could impact the County and City with visitors from all over the world.

(11:32 a.m.) Ginger Lilley Peace, 29 Turtle Back Trail, Ponte Vedra Beach, Executive Director of the Ponte Vedra Beach Chamber of Commerce, said they were a business and cultural partnership. She asked that funds be distributed equitably, geographically. She noted that Ponte Vedra and Ponte Vedra Beach had not been well represented in the Destination Master Plan.

(11:34 a.m.) Dick Williams, 193 Plantation Circle South, Ponte Vedra Beach, Executive Director of the Cultural Center, said he agreed with Ms. Peace. He said the distribution of the money was important, that Ponte Vedra Beach did exist in St. Johns County, and that it performed in the tourism area. He said they were collecting between 22 and 30 percent of the tax money and were receiving much less than that, approximately 4 percent of Category II funding. He said he would like to see how the Category II funding was developed. He said there were many events held there and tourists were coming from outside the County. He said they needed to look at the definition of tourist.

Peace said the number one question they received was "What am I going to do while I'm here?" She said they needed to enhance the tourist experience on an individual local basis.

(11:39 a.m.) John Johnson, 70 Cuna St., Carriageway Bed & Breakfast, spoke on the fact that the community could not afford any further lag on the tourism industry. He said much time had passed and many people were simply trying to keep their jobs. He stated they were competing with counties all across the state, who were also trying to bring in more people. He said we were a leisure tourism market and Ponte Vedra was a corporate market as well as a leisure market. He said they were continuing to lose market share to surrounding communities. He said they were against any change in distribution of the bed tax and against the forth-cent tax until order was the standard of performance.

(11:45 a.m.) Dulcy Freeman, 90 Colon Ave., St. Augustine, thanked the Board and the TDC. She said she was president of the First Coast Opera and they had benefited from their funding. She spoke on the art of opera and said it was the community's only resident reparatory opera company. She thanked them again.

(11:47 a.m.) Carol Gladstone, 913 Windward Way, St. Augustine, said the people were the backbone for the cultural arts organizations, and they gave their talents away. She said the youth were a major part of the work involved in the arts. She said they were led by wonderful professionals who worked for very low salaries, loved their craft and loved the kids. She encouraged the Board to support the youth as the future of the arts and to support the on-going organizations that really needed their support.

(11:51 a.m.) Gina Villacorta, 1147 Ardmore St., St. Augustine, stated that she worked for three hotels in the area and had worked for the VCB previously. She said the marketing of the area could not be understated and was very important. She said experience of the staff was also important; they had a dedicated and experienced staff in place, and asked them to give that consideration when making their decisions.

(11:53 a.m.) Stockbridge Spence, 445 Bay Point Way North, Board of Directors of the St. Augustine Art Association, gave his credentials. He said he knew something about performers and artists. He said he was also a musician. He said he was speaking from the artists' perspective, and what had happen in the past was over and done. He stated they could correct it and make it better. He said the attitude of government and business toward the artists had to improve. He said many communities, Charles, Savannah or Virginia Beach, had taken their artists and made them an attraction which had been hugely successful. He said artists wanted to contribute but had a hard time doing it. He asked them to consider the attitudes of the individuals they appointed to the Board, and guaranteed success if they all worked together.

(11:57 a.m.) Tommy Bledsoe, 31 Colony St., spoke regarding the potential for artists in the community. He said he worked with the St. Johns County School District and was the Arts Program Coordinator for the District, and listed some of the programs in the community and schools. He said they were preparing kids to be great learners and to contribute in a way that was creative. He said it was frustrating to see kids go into the arts and then leave the community because there was no potential for them to come back. He asked them look at Category II for building capacity for organizations who were struggling to keep their doors open. He encouraged them to look at ways to continue the arts and to develop the future for our children.

(12:01 p.m.) Sanchez asked those wishing to speak during the afternoon to fill out another speaker card and to indicate PM on it.

The board recessed at and resumed at 1:33 p.m. with all five Commissioners, Wanchick, Cameron, Hastings, McCormack, Hunt, and Deputy Clerk Lenora Newsome present.

(1:33 p.m.) Frank Usina, 4125 Coastal Highway, spoke on making sure everyone understood everything, Boards having problems keeping people on them, advertising, and needing to address the world and securing the necessary funding.

(1:38 p.m.) James Bullock, 3643 Fort Peyton Circle, spoke on quality and how everyone could work together in a weakened economy, promoting and maximizing what St. Augustine had to offer, there being enough money for all of the groups, marketing our history to the world, and commended everyone on all the hard work and time spent on wise choices to guide this further.

(1:42 p.m.) Elaine Fraser, 307 Dartmouth Road, stated that she was actually going to sign up to represent the history group. She requested the Board to listen to everyone, let the Tourist Development Council get seated, and allow the Visitor Convention Bureau to reorganize.

(1:44 p.m.) Charles Cox, 3689 Lone Wolf Trail, reiterated several points, and stated that the economy had affected everyone. He stated that it was essentially about the money, and the money was down. He asked to keep funds allocated as they were, and spoke on the definition of a tourist.

(1:48 p.m.) John Yanni, 38 Lee Drive, mentioned that he had been involved in tourism in St. Augustine for about 30 years, spoke on the areas of funding, and the flow charts.

(1:51 p.m.) Maureen Ortagus, 1445 Masters Drive, spoke on photographing the reenactments and arts and culture around the City, the people working in tourism, a lead agency, the Cultural Council, and the funding channel. She stated that she would like to see transparency in a lead agency, and asked the definition of a lead agency.

(1:55 p.m.) Scott Singleton, 11 Oak Avenue, stated that he was in favor of returning to the 40/30/30 split, the way it was originally brought up by the voters. He suggested an increase in the tax to four percent, and having week long art and cultural festivals from September through January. He suggested looking for quality events that would bring in quality people and money.

(1:58 p.m.) Stevenson asked if there were any addition presentations or items to which staff wanted to respond. Wanchick replied, not that he was aware of, but it might be helpful to put the one slide from his presentation up that enumerated the issue. Stevenson mentioned that Yanni's comment, regarding the third organizational flow chart, was basically what they were doing now. Wanchick stated that he didn't think that it really was, but he also didn't think that Bryan's suggestion was dramatically different than his. He spoke on the flow charts. Bryan stated that he focused on the fact that the respective bureaus should have an individual that would be in charge of each bureau. He didn't think that volunteers should be responsible for the funds, that it was critical to have professionals in charge, and spoke on structuring the organizations, moving forward, needing a thorough audit, and marketing and advertising being very critical.

(2:04 p.m.) Discussion followed with the Commissioners giving opinions on the individual items. Miner stated that he agreed with the Office of Management and Budget's (OMB) recommendation for the first item and Stevenson concurred.

(2:05 p.m.) Wanchick stated that Allen MacDonald, from the Finance Department, mentioned that he felt like they summarized his approach a little too quickly. He mentioned that, prior to that year they had been carrying the money over as a forwarding balance. He stated that there had been a request to clarify the methodology earlier in the year, and MacDonald had made the presentation to the Board regarding that methodology. He stated that if the Board wanted to leave the 40/30/30 split in Category's I, II, and III as it was, the fund would roll over and would not be reallocated.

(2:07 p.m.) Mays stated that the fundamental issue of how the TDC worked needed to be fixed first. He suggested keeping the allocation the same, spending Category I money more efficiently, fixing how the money was being used and getting a process established for how it would work. He recommended the current distribution, reorganizing the TDC and/or VCB or getting rid of VCB, and taking a look at where there might be some reallocation or look at adding a fourth penny.

(2:09 p.m.) McCormack stated the meeting was advertised as a special meeting and the Board could take action if they chose to. He stated that the first item, the carry forward was appropriate for the Board to act on that day, and stated that he thought that he had heard a consensus and wanted it clarified. (2:10 p.m.) *There was a consensus on going with OMB's recommendation for the first item.* He stated that to give direction to make changes to any of the items could not be done that day. Miner stated that now was the time to go ahead and address those issues, and that waiting wasn't going to do anything for them. He stated that he had a huge problem with the way the third penny had been designated as 100 percent for marketing, and that every penny should be the 40/30/30 split. He stated that everyone in that room, in the tourism of industry, was in it together. Stevenson stated that she thought the item was not about funding levels, but about definition of the categories. Wanchick gave staff's interpretation of Categories I, II, III and stated that they needed to settle on a definition of Category II. He stated that no one had raised an issue with Category I or III's definition. Stevenson spoke on recreational things being between the three categories and asked which category they would be in. Wanchick replied that he thought they would be in Category III,

Recreation. Stevenson stated that the scenic highway was an important part of a sustainable tourism for St. Johns County. Mays stated that the problem with Category II was that the definition was unclear, and the money wasn't being used appropriately. Stevenson spoke on allocating resources and that no one wanted to claim the Visitor's Information Center and fireworks. Wanchick stated that if they raised the bed tax, what category it needed to go in was the area that needed to be addressed, where the funding was coming from. Bryan mentioned that they needed professionals within the prospective categories to make sure funds were going to the appropriate sources. He stated that they needed to know where they've been, to determine where they were going. He stated that while they were restructuring, all they had to do, was accountability and oversight. He spoke on not waiting to start generating revenue, that the fourth penny could be implemented, collections started, and in about six to eight months allocation of funding could begin once they had the organization in place. He stated that without that additional penny they were not competing with everyone else and they were almost at the bottom of the list. Discussion followed on the fourth penny and for what it could be used.

(2:27 p.m.) Sanchez voiced concern about not accomplishing much that day. He stated that they needed to organize and decide on each category, and get the funding back to what the voters intended.

(2:29 p.m.) **Motion by Bryan, seconded by Miner, to immediately vacate the current TDC Board members and new members would be appointed Tuesday, at the next Board of County Commissioner's meeting.** Sanchez stated that he had a problem with getting rid of the whole Board and that he would not support the motion. He stated that he would like to see the current Board remain in operation. Stevenson stated that she concurred with Sanchez, that she didn't think the issue was the Board, but that the Board needed to feel more empowered to do their job. Miner mentioned that he thought it was a good motion, because they had 20 people ready to serve on the Board. Bryan concurred with Miner's remarks and that he didn't think they were targeting anyone. Mays concurred with Miner and Bryan and stated that they needed to show that they were making a change and taking it seriously. Sanchez asked if they could totally relinquish the Board and move on without one. McCormack advised legally not to vacate but to sunset the Board. *He stated that if the maker of the motion would consider to sunset the current membership of the Board as of a date certain and then reappoint on that same date.* Stevenson stated that this was not about the people serving on the Board, but it was a desire of the Commission to create a clean slate and change of direction. (2:35 p.m.) **Bryan stated that he modified the motion, seconded by Miner, to sunset the current board members from the current TDC membership and appoint a new Board at the next Board of County Commissioner's meeting on August 18, and maybe concurrently appoint a new Board.** Wanchick asked the Board if they wanted to give themselves an extra week and do it on August 25. McCormack asked if the maker of the motion accepted August 25th as the sunset and the appointment date. **Maker of the Motion accepted August 25th and the second accepted it. The motion carried 3/2 with Sanchez and Stevenson opposing.**

(2:37 p.m.) Stevenson asked if they would be ok with the Category I, II, and III definition or if they wanted to leave it for another day. McCormack stated that if they were going to formerly change the definition, it needed to be done through ordinance, and adopt by a super majority. Stevenson asked if they needed to add a category for those things that did not neatly fit into those definitions. She stated that they would cross that bridge at another time. *There was a consensus on definitions for Category I, II and III.* Mays mentioned that Categories I and III were remaining the same and II was adding staff recommendations. McCormack stated that it could be technically done on the 25th, but would not give them any room for error, if there were any issues

that came up. Stevenson asked what would become of such items as fireworks, and asked if it would push them out of that category. Wanchick replied that in order to do that they would need somewhere to go. He stated that there were some issues that needed to be addressed by the County, and they might want to save five percent or ten percent for another subset, but that was a discussion that they could have later. Wanchick stated that a lot of people felt that money was being bled off to things that were not related to those categories, and they had an opportunity to correct that. He mentioned the possibility of adding a small category of funding which would probably be a fourth category under the four cent. Discussion followed on the four cent tax. Wanchick mentioned that he would bring a report back on the 25th.

(2:42 p.m.) *There was a consensus on the 40/30/30 allocation of the second cent bed tax.*

(2:43 p.m.) Stevenson asked if they should consider and reaffirm the allocation of the third cent bed tax which was currently designated to be used for advertising. Mays stated that he would like to confirm the allocation of the third cent bed tax, and then they would talk about a fourth cent and that could go into different categories. Wanchick stated that they didn't need to defer the discussion, but that they needed to direct staff to begin the process for establishing a fourth cent. He noted that while they were going through the legal process for preparing an ordinance, they could bring the Board some alternatives on how they could expect the fourth cent to be allocated, prior to enacting the ordinance. Stevenson stated that she definitely would like to have the Destination Master Plan funding and would love to get it out of the other categories. Wanchick mentioned that they could run along parallel tracks, and it would save them some time. McCormack said that the fourth cent would not have such broad uses as the first three cents. He stated that he believed that the fourth cent, if Board enacted it in the future, would cover Category I and II type activities, and some but not all of Category III. Wanchick stated that was because of the way the State Statute was written. McCormack explained uses of the fourth cent, not including all of the uses. Sanchez asked that since they couldn't do that with the fourth cent, if they could play with the additional cent that was added, to balance out what they did with the fourth cent. McCormack replied, potentially, yes the Board could do that. Stevenson asked Sanchez, if it was his contention, that every bit of tourist development tax that was passed in St. Johns County should be allocated by the 1986 law. Sanchez replied that was what the voters voted on. Miner stated that he concurred and that he would venture to guess that everybody in the room would probably not want to put it back on the ballot. Discussion followed on the third and fourth cent tax increase. Sanchez spoke on trying to get the people to work together. Mays stated that he thought that they were willing to work together once they got TDC more functional. (2:52 p.m.) Wanchick mentioned that if they left the one cent alone, as it was that day, but add a fourth cent they would bring in more revenue in Category I, II and III. He stated that they were trying to accomplish the same thing with a slightly different intent, and that it would be disruptive to just withdraw the one cent as it was that day. He stated that it might be cleaner to leave the first two pennies and the third penny as they were currently and pursue an equitable mix for the fourth cent. Sanchez mentioned that the fourth cent couldn't be divided and that was what was creating the problem. Wanchick replied that it could be divided between all three categories but the State law placed a little more limitation on Category III. Sanchez stated that the Administrator needed to come back to the Board with the proposals on everything that could be done, and then the Board could decide. Wanchick suggested bringing back some proposals to the Board that they could review. (2:54 p.m.) *There was consensus of the Board to do what Wanchick suggested.*

(2:55 p.m.) Wanchick wanted clarification on leaving the first two cents as 40/30/30, the third cent totally allocated to Category I, and bringing back proposals for the fourth

cent which hopefully addressed some of the concerns people had about bringing additional funding into the other categories.

The meeting recessed at 2:55 p.m. and reconvened at 3:09 p.m.

(3:10 p.m.) Bryan commented on the budget and the revenue streams. He said it was critical to look at it and to get the tourists to help pay for it through the bed tax.

(3:11 p.m.) Stevenson said they had agreed to reappoint the TDC Board at the August 25th BCC meeting. She stated that they also had the VCB to consider and asked if that was an issue that they wished to speak to at that time.

(3:12 p.m.) Miner said he liked Bryan's organizational structure. He said the TDC executive director should work for the Tourist Development Council. He said they should also have an executive director for the VCB, as well as for Category II.

(3:12 p.m.) Bryan said he liked his own recommendation, and he said he thought they were on the same page as Administration, with some minor modifications. He said the VCB wanted autonomy and some say so in their decisions.

(3:14 p.m.) Mays asked about the Marketing and Promotions Bureau. Wanchick attempted to explain that there were two staffing options. He said what the Marketing and Promotions Bureau proposed was the same as was in the current Category I. Mays said he was trying to clarify between that and Bryan's designation for Category I. Stevenson attempted to clarify. Wanchick said to look at the staffing option for I and II and put them under I. Mays asked who they would put in place to do marketing in Category I. Wanchick said they could choose VCB staff or could go outside for marketing support. Mays said the hotel industry said that it didn't work, they needed to do it a different way, and he was trying to figure out how to get the oversight. (3:18 p.m.) Bryan said he sensed that VCB wanted to determine and make their own decisions on how they wanted to market and promote. Mays said that the hoteliers said that the VCB was not being effective with marketing. Wanchick said, in his understanding that there was more concern with the VCB staff than with the VCB Board. Mays asked how they could give them a voice in Category I. Wanchick suggested that they create a marketing and promotions bureau. He stated that they would make a decision on how to proceed, make a recommendation to the TDC, and then forward that recommendation on to Commission as part of the budget. He said they could choose whether to use one of the two staffing options. Bryan said that it still appeared as if they were duplicating efforts with the staff. Wanchick said it would be the same staff.

(3:20 p.m.) Irving Cass, 887 Garrison Drive, said there was redundancy of their intent. He said their intent was to have a very lean, mean, and effective Category I Organization and to include marketing and group sales to effectively drive room nights to the market place. He said they envisioned Category I as being redefined for effectiveness and the Advisory Board revised so that they would have no more than ten top level industry people, who would give direction. Bryan spoke regarding the chart. Stevenson stated that the TDC was an action board, not a rocking chair board. Wanchick mentioned that there were two options; to use the VCB staff that existed currently for certain tasks or to go out to the market place. Discussion followed on the VCB staff, TDC, and on advertising, *Exhibit E*. McCormack stated that he didn't think that there was any intent by anyone to avoid the Sunshine Law or the County Purchasing Policies. Stevenson stated that the VCB was needed because there were certain things that couldn't be paid for under statute. She said that VCB had private partners who could pay for something with private money, and it was appropriate to

have that kind of organization and functionality to further tourism in St. Johns County. Cass stated that they had about \$100,000 a year budgeted for the VCB that were private funds built up over the years. Discussion followed on the chart. Wanchick mentioned returning on the 25th with a reformatted organization chart, running it by Bryan, to make sure they were still on the same page, and they could then reflect on that change. Wanchick stated that he liked Bryan's layout flow chart. Mays stated that they would have to be careful with hiring people that they couldn't really afford to hire. Bryan mentioned that it was important to get the structure together, have the additional revenue coming in, and using those funds to support the staff. Bryan spoke on making revenue charts that he didn't bring with him. Wanchick stated that under the current TDC, there was an executive director, and in the interim period of time, he would provide the oversight and facilitate what needed to be done in Categories I, II, and II with the staffing options that were discussed previously. He stated that he would not hire any directors now, but at some point in the future as the revenues increased, and if there was more of a need to go to expertise, they could revisit that topic. Sanchez stated that he was against the hiring of the executive director, even if they approved the fourth cent. He stated that they needed to find some other way to manage it. Wanchick stated that the question was just asked on the two staffing options; the current VCB staffing option and the private consultant option. He stated that those two options would be available to Categories I, II, and III.

(3:41 p.m.) Stevenson spoke on Hastings having a broad view of the entire industry and that he could represent the whole room. Bryan stated that it was nothing personal, that he knew Hastings could do it, but he needed help. Mays mentioned Wanchick coming back within the next meeting or so with a cleaned up organizational structure of TDC, VCB, and options on the fourth cent. Wanchick replied yes, but the four cent would be further down the road. McCormack mentioned there had been 20 applications for the TDC, and stated that the County Attorney's Office would work with staff to do some bidding with those, because there were statutory requirements. He stated that they would not take any of the 20 off of the table, but they would form an opinion as to whether they were eligible under the statute or not. Wanchick stated that the deadline for the applications was 7:00 p.m. and asked if they could extend the deadline to Friday. Bryan spoke on the knowledge of the TDC Board being very valuable. Miner stated that he agreed with Bryan, and that they were providing an out for anyone on the Board. He stated that he was ok with extending the deadline until Friday. Stevenson stated that it would be great to leave it till Friday. Wanchick stated that it was no comment on the quality of the applicants, up to this point in time; he just thought that they might be missing an opportunity, given as much exposure as that they have had that day and that they would have in the next couple of days.

(08/11/09 - 15 - 3:47 p.m.)

2. OTHER BUSINESS AS NECESSARY

COUNTY COMMISSIONERS' REPORTS

Mays - no report.

Bryan - no report.

Sanchez - no report.

Miner - no report.

Stevenson mentioned having a complaint that came in on the use of some County property, regarding drug activities at one of the County parks. She stated that she would forward the information to Wanchick for follow up.

Motion by Bryan, seconded by Miner, carried 5/0, to adjourn the meeting. With there being no further business to come before the Board, the meeting adjourned at 3:48 p.m.

Approved September 1, 2009

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Cyndi Stevenson
Cyndi Stevenson, Chair

ATTEST: CHERYL STRICKLAND, CLERK

By: Shonnie King
Deputy Clerk

