

# Convention & Visitors Bureau

**Department Purpose:** The Convention & Visitors Bureau (CVB), doing business as Visit St. Pete/Clearwater (VSPC), is the official countywide Destination Marketing Organization (DMO) and is fully accredited by Destinations International, the global DMO accreditation organization. The CVB partners with numerous local stakeholders across the county's 24 municipalities and works regionally, nationally, and internationally to develop and implement year-round domestic and international sales and marketing programs aimed at leisure travelers, conventions, trade shows, corporate meetings, sports organizers, and film producers. Key success metrics include visitation, occupancy rate, rooms sold, average daily rate (ADR), revenue per available room (RevPAR), length of stay, and first-time visitation. The ultimate goal of the CVB is to grow the overall economic impact of tourism to the County, which supports the BCC's strategic goal of Fostering Continual Economic Growth and Vitality.

Florida Statute 125.0104 establishes the rights of Florida counties to collect a Tourist Development Tax (TDT) on short-term accommodations within a county, and Chapter 118, Article 3, of the Pinellas County Code outlines the Tourist Development Plan (TDP) and tax revenue allocations. The CVB has the primary objective to market the County as a tourist destination in accordance with the TDP. Consistent with the Article, the CVB is directed to promote and advertise tourism on state, national, and international levels, and to fund convention and tourist bureaus as County agencies or by contract with chambers of commerce or similar associations in the county.

## **Executive Summary:**

The Convention and Visitors Bureau (CVB) experienced significant impacts from the COVID-19 pandemic. The FY21 Capital Funding Program was canceled and total visitors, taxes paid by visitors, visitor direct spending, occupied hotel room rights, and the overall economic impact to the County of the Visit St. Pete Clearwater website were all down by March 2020 (FY20) and most have not recovered to pre-COVID-19 figures.

CVB is in the midst of developing a five-year strategic plan for tourism and is on track to complete and present it to the Pinellas County Board of County Commissioners (BCC) and public in December 2021. CVB is also preparing to kick off the FY22 Elite Events

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Program Cycle and initiate the FY22 Capital Project Funding Program in spring FY21 in anticipation of a return to more pre-COVID-19 conditions in FY22.

### Staffing Summary:

	FY17	FY18	FY19	FY20	FY21	FY22
Total CVB FTE	47.0	49.0	52.0	52.0	48.0	48.0

- When the Convention and Visitors Bureau (CVB) submitted their FY21 budget request, they included 52.0 FTE. Due to the immediate impact of COVID-19 on their revenue, CVB eliminated 4.0 vacant positions in their updated request. Included in reduction was the Creative Manager position which had been added in FY19 but was never filled.
- FY19 FTE increased by three as the result of a Decision Package
  - Creative Manager
  - Sports Director
  - Market Intelligence Specialist
- FY18 FTE increased by two through a Budget Amendment
  - Convention Services Manager
  - Marketing Manager

### Budget Summary:

Expenditures	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	% Change
Personal Services	\$ 4,155,769	\$ 4,537,582	\$ 4,741,721	\$ 5,426,160	\$ 4,788,000	\$ 5,605,110	\$ 178,950	3.3%
Operating Expenses	\$ 26,958,821	\$ 29,600,004	\$ 23,616,038	\$ 32,794,160	\$ 29,406,100	\$ 31,632,910	\$ (1,161,250)	-3.5%
Capital Outlay	\$ 55,433	\$ 25,315	\$ 11,139	\$ 3,230	\$ 3,230	\$ 3,000	\$ (230)	-7.1%
Grants & Aids	\$ 19,752,252	\$ 30,454,877	\$ 34,000,821	\$ 1,544,900	\$ 1,194,900	\$ 350,000	\$ (1,194,900)	-77.3%
Transfer to Capital Fund	\$ 4,659,510	\$ 5,228,240	\$ 3,121,413	\$ 4,329,630	\$ 4,329,630	\$ 4,563,430	\$ 233,800	5.4%
	\$ 55,581,786	\$ 69,846,018	\$ 65,491,133	\$ 44,098,080	\$ 39,721,860	\$ 42,154,450	\$ (1,943,630)	-4.4%
<b>Revenues</b>								
Tourist Development Tax	\$ 59,718,098	\$ 63,082,989	\$ 48,803,837	\$ 51,976,270	\$ 54,711,862	\$ 54,782,990	\$ 2,806,720	5.4%
Grants	\$ -	\$ 83,953	\$ 246,882	\$ -	\$ -	\$ -	\$ -	
Interest	\$ 628,949	\$ 1,889,755	\$ 994,694	\$ 570,000	\$ 410,000	\$ 92,630	\$ (477,370)	-83.7%
Misc.	\$ 775,884	\$ 640,829	\$ 299,890	\$ 263,000	\$ 150,000	\$ 194,750	\$ (68,250)	-26.0%
	\$ 61,122,931	\$ 65,697,526	\$ 50,345,303	\$ 52,809,270	\$ 55,271,862	\$ 55,070,370	\$ 2,261,100	4.3%
Ending Fund Balance	\$ 56,569,426	\$ 52,420,935	\$ 37,275,105	\$ 34,241,030	\$ 52,819,081	\$ 65,735,010	\$ 31,493,980	92.0%

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## Expenditures:

- Total FY22 Budget Request is a \$1.9M (4.4%) decrease compared to the FY21 Adopted Budget.
  - **Personal Services** increases by \$178,950 (3.3%), with FTE remaining unchanged from FY21.
  - **Operating** expenses decreases by \$1.2M (4.4%) from FY21.
    - Convention and Visitors Bureau's (CVB) portion of the Creative Pinellas contract increases by \$47,360 (8.8%) to \$585,000. Total funding request for Creative Pinellas is \$775,000, with \$154,000 (\$9,000 increase, 6.2%) from the General Fund, and \$36,000 (\$0 increase) from the Transportation Trust Fund. Creative Pinellas has submitted two Change Requests to increase FY22 funding from both CVB and General Fund.
    - Direct Sales decreases by \$1.4M (22.8%) to \$4.6M. These expenses are for trade show and event registrations, booth rental, and client events. Reductions were made in Film Incentives (\$608,100), and Convention Incentives and Services (\$435,000). These reductions were made to adapt to the impact of COVID-19 on TDT revenue in FY20 and FY21.
    - Travel & Per Diem increases by \$15,450 (3.6%) to \$445,200. Staff travel was greatly reduced from pre-COVID-19 levels in FY20 and FY21. FY22 anticipates a 'return to normal'.
    - Elite Events increases \$250,000 (25.0%) to \$1.3M. This is the maximum funding available to the Tourist Development Council (TDC) to award to applicants in FY22.
      - CVB is on track to complete the FY21 Elite Events in September 2021. CVB will acquire a post event report and finalize reimbursements in November 2021.
      - The FY22 Elite Event Funding Cycle began in March 2021. TDC recommendations for FY22 funding are expected to be presented to the Pinellas County Board of County

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Commissioners (BCC) in July 2021. The cycle is scheduled to end by September 30, 2022 with a post event report and the initiation of reimbursements.

- TDC is in the process of scheduling a workshop over the summer to review and discuss potential revisions to the guidelines for the FY23 cycle. Any revisions to the FY23 cycle will be presented to the BCC for final approval.
- Digital Marketing remains \$5.5M in FY22. CVB has submitted a Change Request requesting an increase of \$1.5M (27.3%) for the Digital Marketing contract. This will aid CVB's efforts to better target the arts & culture and lesbian, gay, transgender, queer, & others (LGBTQ+) audiences moving forward.
  - Success of the Change Request should lead to increases in trackable hotel room night revenue, website consumer engagement, and website traffic to [VisitStPeteClearwater.com](http://VisitStPeteClearwater.com).
  - The Visit St. Pete Clearwater website is funded by the \$5.5M Digital Marketing budget request. The economic impact of the website met its target of 5.5% every year since FY16 until FY20, at which time the website saw a 59.9% reduction in its impact, which is attributed to the COVID-19 pandemic.
- Advertising agency contract increases \$405,000 (3.0%) to \$14.1M.
- Full Cost Allocation decreases by \$208,820 (21.4%) to \$769,020.
- Transfer to Tax Collector decreases by \$101,330 (14.4%).
- CVB is currently conducting a five-year strategic plan for tourism and hired a consultant for \$180,900 (split between FY21 and FY22 budgets). The plan was delayed, and the milestones were adjusted due to the COVID-19 pandemic. CVB will be conducting workshops and surveys with the consultant to gather community and stakeholder feedback. CVB has also had to add the impact and recovery from the COVID-19 pandemic into this plan. The

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department expects to present the plan to the public and BCC in December 2021

- In FY20, CVB invested \$16.0M in marketing, and found that of surveyed visitors, 33.5% stated that a Visit St. Pete-Clearwater marketing campaign had influenced their decision to make the trip to visit Pinellas County. It was found that visitors influenced by marketing campaigns paid \$82.4M in County taxes and spent \$1.4B while here.
  - The analysis also concluded that for every \$1.00 spent on CVB marketing, it returned \$84.95 in visitor spending to Pinellas County businesses and returned \$5.15 in taxes paid to Pinellas County government. The economic analysis utilizes IMPLAN, an economic impact analysis software, and includes TDT, property, and sales taxes that are estimated to be paid by visitors of Pinellas County.
  - CVB will continue to measure and analyze the data as there is a downward trend for the return on investment (ROI) for both dollars returned to Pinellas County businesses and dollars returned to Pinellas County government since FY18. FY20 data may have also been heavily impacted by COVID-19. Further analysis may indicate a peak ROI where any additional investment in marketing offers a diminishing rate of return.
- **Grants and Aids** decreased by \$1.2M (77.3%). Only one project remains of the initial list of Capital Funding Program for \$350,000 (Holocaust Museum). Additional potential projects are noted in the Capital Funding Program section below.
- **Transfer to Capital** for beach renourishment projects increases by \$233,800 (5.4%) to \$4.6M. This is funded each year at the value of ½ of one of the 6 percents of the Tourist Development Tax (TDT).

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## Revenues:

- Total FY22 Budget Request is a \$2.3M (4.3%) increase compared to the FY21 Adopted Budget.
  - Tourist Development Tax revenue increases \$2.8M (5.4%) to \$54.8M
    - This is \$8.3M below FY19, the last full year before COVID-19.
    - Total visitor counts experienced a reduction of 63.7% (1.6M) in Quarter III (April-June) of FY20 when compared to Quarter III of FY19 (4.3M). By Quarter IV (July-September) FY20 and Quarter I (October-December) FY21, visitor counts had returned closer to FY19 totals. This was likely driven by local visitors who sought Pinellas County's beaches and green spaces during times of social distancing and business closures and just made day trips.
      - This conclusion is further supported by the FY20 figures that remained lower than FY19 totals for direct visitor spending, occupied hotel room nights, and average days and nights spent by visitors.
      - Hotel room nights related to sports and meeting marketing initiatives saw significant decreases in March FY20, followed by a light recovery. FY20 totals remained significantly lower than FY19 totals throughout the rest of FY20 and into FY21.
    - County taxes paid by visitors was down 22.6% in FY20 (\$246.0M) when compared to FY19 (\$317.7M) and down 24.0% when compared to FY18 (\$323.7M). The total amount of bed tax collected also saw a significant decline in March 2020 and remained lower than FY19 totals throughout FY20 and into FY21. The economic analysis utilizes IMPLAN and includes TDT, property, and sales taxes that are estimated to be paid by visitors of Pinellas County.
  - With interest rates near 0.0%, interest income is projected to decrease \$477,370 (83.7%) to \$92,630.

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## **Capital Funding Program:**

As noted above, the County is committed to only one capital project. However, the County is in negotiations with the Dali Museum on a \$17.5M request, the St. Petersburg Historical Society for \$2.8M, and the City of Clearwater for a \$40.0M request for improvements to the Phillies Spring Training facility. Both of these projects, if approved, would be funded from the 40.0% portion of CVB's budget. Additionally, potential funding for a new stadium in St. Petersburg for the Tampa Bay Rays is being discussed. The Convention and Visitors Bureau (CVB) budget request includes \$100,000 for a consultant for the Capital Funding Program that could be available for the County's share of the stadium consultant. (See Attachment 10)

- CVB is in the process of developing the FY22 Capital Project Funding Program Cycle and has budgeted \$100,000 for a consultant. Discussion of potential revisions to criteria guidelines is expected to be presented to the Tourist Development Council (TDC) in June or July for approval and then presented to the Pinellas County Board of County Commissioners (BCC).

## **Ending Fund Balance/Reserves:**

Because of the Tourist Development Taxes' (TDT) sensitivity to the economy and other outside forces, the goal of the Pinellas County Board of County Commissioners (BCC) and Tourist Development Council (TDC) is to maintain adequate reserves. When the current 60/40 split between operating and capital was implemented, it was decided the reserves would be split into separate accounts for operating and capital projects. In FY21, operating reserves are \$22.3M (42.3% of revenues) and capital reserves are \$11.9M (22.6% of revenue). In FY22, reserves are increasing to \$35.5M (64.4% of revenues) for operating, and \$30.3M (55.0% of revenues) for capital. Operating reserves exceed the BCC's target of 20.0% of revenues.

## **Related Supporting Detail:**

- Attachment 1 – CVB Org Chart
- Attachment 2 – Change Request
- Attachment 3 – Budget Performance Dashboard
- Attachment 4 – Forecast Pro forma and Charts
- Attachment 5 – TDT Capital Program Uses and Sources (4-May-21)