

# 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. 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 Pinellas 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.

## **Performance Summary:**

- CVB's performance focuses on measures related to Pinellas County tourism. All CVB measures and workplan initiatives are expected to be impacted by COVID-19 in some capacity.
- The recently-appointed Director of CVB is currently reviewing performance measures with his team and SPM to determine what should continue to be measured, and what may need to be retired or added. The development of additional key performance indicators (KPIs) will be a byproduct of this analysis as well.

## **COVID-19 Performance Impacts:**

- Data collection for some CVB measures began to subside in April 2020 due to COVID-19, however, the department is testing alternative data collection methods to utilize during the pandemic. As a result, data for some measures are currently unavailable for April and May 2020, which means the full impact of the pandemic is not yet fully understood for CVB.
- With air travel restricted, beaches closed, conferences cancelled, and businesses either closed or restricted, COVID-19 disrupted every aspect of Pinellas County's tourism economy. As tourism has declined, so too have the collected TDT, sales tax, average daily rate (ADR) for a hotel room, and hotel occupancy.

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- Reductions in TDT and sales tax revenues will have negative impacts on the County's budget and ability to meet projected revenue and performance for FY20. As the pandemic continues, we expect to see impacts to year over year comparisons and revenue projections. The full impact and pace of recovery is not yet fully understood; however, the most recent data for April is below.
  - TDT revenue saw a reduction of 48.1% in March FY20 from March FY19. It is expected to have an even greater decrease in the months of April and May, which will decrease CVB's projected revenue for FY20.
  - A decrease in hotel revenue could result in layoffs or furloughs for hotel staff as hotels missed expected quarterly revenues as well. Hotel revenue was down 90.8% for the month of April 2020 when compared to April 2019. March 2020 also saw a reduction of 47.7% from March 2019.
    - The average daily rate (ADR) also saw a significant reduction of 59.8% for April 2020 when compared to April 2019. Pinellas County was also above Florida's overall ADR reduction of 51.2%. Pinellas County also saw a reduction of 13.6% in March 2020 from FY19.
  - Hotel occupancy saw a reduction of 73.8% for the month of April 2020 when compared to April 2019. This was slightly higher than Florida's overall decrease of 72.1% for the same period. Pinellas County also saw a reduction of 40.6% in March 2020 when compared to March 2019.
    - This is a trend that is being seen across Florida's beach and tourist heavy communities. It is expected to have a ripple effect through Pinellas County's tourist related jobs, resulting in layoffs, furloughs, and in extreme cases, closures of businesses. A decrease in visitors (and their spending) leads to less spending power for Pinellas County citizens who rely on them for income, which leads to a further reduction in sales tax revenue.
    - The payroll for visitor related jobs (hotel, restaurant, and attraction staff) was already showing a decline of 6.1% in Quarter II of FY20 when compared to Quarter II of FY19. In 2019 there were over 90,000 tourist related jobs identified in Pinellas County that will be impacted by these reductions.
- As seen in the data above, there is a decrease in all of the measures in Quarter II and then a significant decrease in Quarter III. The measures below show the beginning of that same trend, a decrease in Quarter II of FY20 when compared to Quarter II of FY19. These measures are expected to have a more significant decrease in Quarter III of FY20 as well, however, the full impact will not be known until CVB collects the data. These measures are also meant to support the comments and data for April FY20.
  - Total hotel room nights booked was down 12.6%.
    - This was further supported by April FY20's significant reduction in hotel occupancy and revenue.
  - Total visitor count was down 1.4%.

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- This was further supported by April FY20's significant reduction in hotel occupancy. Visitor numbers for April FY20 are expected to have a similar dramatic decrease.
- Days spent by visitors was also down 24.4%, which means not only are our total visitor counts declining, so too are the average number of days they are staying. Both of these measures are expected to have more significant declines in April FY20.

### Opportunities for Efficiencies:

- Funding decision process for the Elite Events Program should be revamped to provide consistent and transparent scoring for all applicants.

### Decision Packages:

CVB submitted one Decision Package.

- Sponsorship of Super Bowl LV – 7-Feb-2021 in Tampa at Raymond James Stadium (\$1.5M).
  - As a comparison, CVB paid:
    - \$750,000 as part of the Super Bowl XLIII sponsorship in 2009.
    - \$650,000 sponsorship fee for the 2017 College Football Playoff National Championship game in 2017.

### Potential Threats:

- Continued impact from COVID-19 and the resulting economic slowdown.
- Reduced amount of federal and state funding available for beach renourishment projects.
- Reduction in state funding for Visit Florida.
- Expanded allowable uses of Tourist Development Tax revenue.

### Budget Summary:

The CVB is funded entirely by the Tourist Development Tax Fund, with 97.8% of funding coming from the Tourist Development Tax, also known as the 'bed tax'. The County taxes all temporary accommodations at 6.0%, the highest allowable rate.

### Revenues

	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Estimate	FY21 Request
Tourist Development Tax	\$54,787,340	\$59,718,098	\$63,082,989	\$61,390,010	\$37,471,944	\$51,976,270
Grants	\$54,000	\$ -	\$83,953	\$ -	\$ -	\$ -
Interest	\$272,171	\$628,949	\$1,889,755	\$570,000	\$600,000	\$570,000
Misc.	\$659,795	\$775,884	\$640,829	\$580,300	\$220,000	\$263,000
Total Revenue	\$55,773,306	\$61,122,931	\$65,697,526	\$62,540,310	\$38,291,944	\$52,809,270

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## Revenue Budget Highlights:

- Total revenues decrease by \$9.7M (40.0%) to \$52.8M, with budget at 95% of projected.
  - TDT revenue decreases by \$9.4M (40.3%) to \$52.0M.
    - Due to COVID-19 and the resulting travel restrictions put in place, this highly sensitive revenue source is expected to perform at a much lower level than previous years.
    - Miscellaneous revenues decrease by \$317,300 (54.7%) to \$263,000.

## Expenditures

	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Estimate	FY21 Request
Personal Services	\$3,844,565	\$4,155,769	\$4,537,582	\$5,590,430	\$4,997,079	\$5,426,160
Operating Expenses	\$24,617,378	\$26,958,821	\$29,600,004	\$37,005,700	\$28,264,760	\$32,794,040
Capital Outlay	\$5,589	\$55,433	\$25,315	\$21,050	\$13,140	\$3,230
Grants & Aids	\$1,087,650	\$19,752,252	\$30,454,877	\$37,587,650	\$33,600,820	\$1,544,900
Transfer to Capital Fund	\$3,980,290	\$4,659,510	\$5,228,240	\$5,115,830	\$3,121,413	\$4,329,630
<b>Total Expenditures</b>	<b>\$33,535,472</b>	<b>\$55,581,786</b>	<b>\$69,846,018</b>	<b>\$85,320,660</b>	<b>\$69,997,212</b>	<b>\$44,097,960</b>

## Staffing Summary:

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

## Expenditure Budget Highlights:

- Total expenses for CVB are decreasing in the FY21 Request by \$42.5M (49.8%) to \$42.8M.
  - Personal services decrease by \$164,270 (2.9%).
    - FTE decrease by 4.0 to 48.0.
      - CVB de-funded four vacant positions in FY21 due to reduced revenues as a result of COVID-19.
  - Operating expenses (including payment to the Tax Collector) decreases by \$4.2M (11.4%) to \$32.8M.
    - Includes contracts with BVK (up to \$14.5M) and Miles Partnership (up to \$5.5M), contractors used for advertising and promotional services with both print and digital marketing activities.
    - Reductions were made to travel, direct sales, professional development, and professional contracts due to COVID-19 related reduction in revenue.
  - Grants & Aids decrease by \$36.0M (95.9%) to \$1.5M.

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- The County's commitments to various Capital Funding Program projects end in FY20.
  - City of Dunedin/Blue Jays Spring Training - \$33.2M
  - Dali Museum - \$500,000
  - American Craftsman Museum - \$2.0M
- FY21 budget request includes:
  - City of Clearwater Countryside Sports Complex - \$950,000
  - Florida Holocaust Museum - \$350,000
  - City of Clearwater Phillies Spring Training Complex - \$244,900
- Transfer to the Capital Fund decreases by \$786,200 (15.4%) to \$4.3M.
  - This transfer is used as matching contributions for Federal and State grants to fund County beach renourishment projects and is equal to the value of  $\frac{1}{2}$  of one of the six percentages of TDT.