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If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and that, for such purpose, the person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

CRA BOARD WORKSHOP MINUTES
Monday September 18, 2017 5:00 p.m.
Environmental Services Department Training Room
434 S. Swinton Avenue, Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Kevin Matthews	Krista Walker	Susan Shaw
Lori Hayward	Kristyn Cox	D J Lee	Elizabeth Burrows
Joan Goodrich			

OTHERS PRESENT:

Rozeta Mahboubi	Jim Knight	Kelli Freeman	Francesca Mallows
Mavis Benson	Jane Smith	Tiffany Mazer	Stephen Chrisanthus
John Lambeth (via telephone)		Laura Simon	

1. Call to Order

Chair Gray called the meeting to order at 5:00 pm.

2. Roll Call

Present: Annette Gray, Cathy Balestriere, Dedrick Straghn, Daniel Rose, Reggie Cox, Sandy Zeller, Morris Carstarphen

Absent: None

3. Approval of Agenda

Ms. Balestriere made a motion to approve the Agenda which was seconded by Mr. Cox and passed unanimously.

4. Delray Beach Marketing Cooperative (DBMC) Presentation - Tourism Improvement District

Executive Director Jeff Costello introduced the item. Stephanie Immelman, Executive Director of the DBMC introduced some of her Board members, gave some background on the item, and introduced Rozeta Mahboubi who is the Project Manager for Civitas. Ms. Mahboubi was joined by John Lambeth of Civitas via telephone. Ms. Mahboubi reviewed her background in marketing within the tourism industry and gave a presentation for the creation of a Tourism District (TID) in Delray Beach. She noted that 1 in 9 jobs are supported by the Tourism industry in this country, and that tourism contributes about \$2.1 trillion annually to the economy. She stated that in Florida last year tourism translated into 112.4 million visitors to the State and provided 1.4 million tourism jobs. She explained the need for destination marketing and positioning.

Regarding the TID's, Ms. Mahboubi said the process is that the hotel collects a small assessment from each guest which they collect and turn over to the local government which in

turn provides the funds to the Destination Marketing Organization (DMO), in Delray Beach's case, the DBMC. She noted that TID's level the playing field, are transparent, are reliable and produce revenues from the visitor. She stated that Tampa has been the first TID in Florida although they exist in 14 other states. She commented that Florida has "Home Rule Authority" so local governments can impose special assessments. She said the process of forming a TID is that the hotels and local government do outreach and gather input from stakeholders. A plan is then prepared and the plan then goes to the local government for final approval.

Mr. Cox asked about getting buy-in from the hotels. He noted the Comp Plan is being updated by the City which involves stakeholder input so the TID option could be included in those meetings to see if there is buy-in. He asked about possibly piggy-backing off of the Tampa plan, getting hotel buy-in and then implementing the Tampa template to present to the City Commission thereby saving the CRA the \$58,000 fee to Civitas. Ms. Gray noted that Delray Beach has a significant number of Airbnb properties and vacation rental and asked if those vacation rentals would be included in the TID. Ms. Mahboubi stated first that doing it on your own is not a good idea, and that there is a lot of legal expertise and documentation that goes into putting the process in place. She added it is time consuming, and that if the City used their own attorneys who are probably not experts in this area it could end up costing even more money. As for the vacation rentals and Airbnb, she stated that if they are already paying bedtax then it is easy. Sometimes they do not report that they are renting to transients, but that if they are recorded on the county's list they can be approached for buy-in. Mr. Lambeth stated that support is needed from both hotels and the City, and Civitas goes through a process of educating the City and its attorneys as well as the hotels as to how the process works. He also stated Tampa is a bit different in that they only included 13 hotels in Ybor City and did not include vacation rentals.

Mr. Carstarphen asked about the data on room nights in Delray Beach hotels. Ms. Immelman said she knows there are about 1,100 room nights in Delray, so at \$1 a night it would be \$365,000 and Delray Beach runs at about 78% occupancy so that would be about \$300,000. She noted it may not be equitable to have the guests at the smaller motels pay the same as in larger ones so a percentage might be better than a flat assessment but those are the things that will need to be decided. Either way, fixed amount or percentage, it would probably generate between \$300,000 and \$600,000 annually. Ms. Mahboubi stated that in Tampa it was only Ybor City that became a TID, and she said the TID was initiated there by the Hotel Association and included 13 hotels which each levied a \$1.50 assessment per occupied room per night with a projected \$1.36 million to be generated for the year. Mr. Lambeth added that in the first few months they are running ahead of the projections. Mr. Rose said he would not be comfortable paying for a study without attaining hotel buy-in first. Mr. Lambeth explained that if Civitas was told to proceed, the CRA is not liable for the entire amount but only for the work that is done so if there is outreach done and the hotels want to go forward then they will proceed. The CRA has the ability to stop the process and only pay for what has been done should the feedback be negative. He said the proposal submitted was specific to Delray Beach, and that it covers a lot of work over a ten month period. Ms. Gray noted that there was a lot of specificity regarding the number of trips and amount of outreach Civitas would provide in the contract so she asked if the number of visits etc. were reduced would the fee then be lower. Mr. Lambeth confirmed if the scope was changed then yes the fee would be adjusted as they only want to be paid for the work they do. He said they have a pretty good idea on the scope of their contracts since they have done a lot of these, and that in fact the \$58,000 fee is on the low side.

Mr. Zeller asked how exactly it works once established. Mr. Lambeth explained that Civitas sets up the process and establishes a TID in the City, then the City collects the funds which are turned over to and managed by the marketing organization, in this case the DBMC. Ms.

Balestriere commented that this could really assist the DBMC in becoming self-sufficient as the marketing organization for Delray Beach, and she asked what Civitas's experience was in getting hotel buy-in. Mr. Lambeth said he has had great success with hotels. He stated that when the hotels learn that the money is going to be dedicated to putting heads in beds and will only make a modest increase in guest bills so they won't lose any business, they want to sign up. He said they have had great success with hotels being supportive and in some cases it can be set up for a certain period of time in order to have the hotels see the results. He noted that once a threshold of consensus among hotels of over 50% has been reached then it goes to the City for the approval process. Ms. Immelman explained that the DBMC has been in partnership with the City for 23 years, and that currently they raise about 30% of their budget themselves and that being a TID will minimize the need to rely on public funding. She stated that the Board would be expanded to include some hoteliers along with the Chamber of Commerce, the City and CRA representatives, and a marketing plan would be developed which would be approved every year by the Board. She noted she wants Civitas to handle the process to assure its success.

5. Adjournment

The meeting was adjourned at 5:55 pm.

Jeff Costello, Executive Director

Annette Gray, Board Chair