



FLORIDA RESTAURANT & LODGING ASSOCIATION

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November 8, 2011

Mr. Denis A. McKinnon, Jr.
Chairman Escambia County Tourism Council
4475 Bayou Boulevard
Pensacola, FL 32503

Dear Mr. McKinnon:

There has been considerable discussion and dispute about the use of the four cents collected under the Tourism Development Tax (TDT), commonly called the bed tax. The tax is a special use tax paid by overnight visitors on the short term rental of condominiums and hotel rooms. The TDT is a dedicated fund that does not come from Escambia County taxpayer dollars and, is used to promote tourism and especially overnight stays. It is only through overnight stays that additional TDT is generated to continue to promote tourism and overnight visitors.

Tourism is a critical part of the Escambia County economy. It, according to a study submitted to the Board of County Commissioners on February 7, 2011 by Dr. Rick Harper, (a copy of which is attached),

- It is 22% of the Pensacola SMA economy.
- Over 3 million visitors generate more than \$550 million in direct spending, and over \$130 million in lodging spending.
- It supports over 20,000 local jobs.
- TDT revenues have increased by nearly 25% over the past 5 years due to significant private sector investment.

Dr. Harper goes on to state:

- “Recently tourism promotion and development has benefited from Oil Spill mitigation. This additional funding provided the Pensacola Convention and Visitors Bureau (CVB) the opportunity to be competitive in the market place in attracting new visitors to Perdido Key, Pensacola and Pensacola Beach.



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- The results demonstrate the importance of having a well-funded and managed tourism promotion program.
- Additional funding for tourism promotion and development has proven to produce a good return on investment.
- Available funds for the promotion and development of our tourism product continue to be limited and in upcoming years could decline to an alarming level.
- Our neighboring counties budget from three to five times the amount of Escambia County for tourism promotion, development and management of our tourism, which puts us in a weak competitive position.”

The current governance model of the CVB adds to our disadvantage, and increases operational cost that could be utilized for promotion and advertising. There are 67 CVBs in Florida using four primary governance models. Only nine are managed by a Chamber of Commerce. All of the others generate less than \$500,000 in TDT, and most generate less than \$250,000. Escambia County generated \$133,000,000 in taxable TDT revenues; all others combined generate less than 70% of that amount.

The tourism development industry is at a critical point. Many areas of the county, but not all, are coming off a good year driven by the BP contributions to the CVB that allowed it to have a national coordinated marketing campaign. In addition BP spent over \$170,000,000 nationally to drive visitors to the Gulf Coast. That money will no longer be available. Every dollar going forward will be important to continue to market our entire county with its multiple destinations to out of town visitors. VisitFlorida has documented that one additional job is created with every 85 new visitors. We need to continue to spend the money necessary to promote our destinations and drive job growth.

Accordingly, the Northwest Florida Chapter of the Florida Restaurant and Lodging Association (FRLA) and the Escambia County Chapter of the Asian American Hotel Owners Association (AAHOA) respectfully request the following:

1. The BCC move Escambia County CVB governance from the Chamber of Commerce to a not-for-profit governance board comprised of TDT collectors, elected by TDT collectors and representing all parts of the county (commonly referred to as a Destination Marketing Organization (DMO)).
2. The TDC contract with this not-for-profit board to govern the CVB and implement the CVB marketing and promotion plan. This not-for-profit board is accountable to



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the TDC and the BCC, which have the ultimate approval of its annual marketing and promotion plan same as the Chamber is today.

3. The BCC require enhanced accountability for the disbursement of all four cents of the TDT to ensure that it maximizes marketing to out of town visitors producing increased numbers of overnight stays. This should include standardized reporting to the TDC for all funds it allocates documenting how the funds were used, and how many overnight stays it produced.

This request is supported by Escambia County hotel and condominium TDT collectors, who represent over 5,225 rooms and 1,875 employees. These entities generate over 85% of the Escambia County TDT. We have petitioned the FLRA for an Escambia County chapter representing all TDT collectors so we can speak with one voice in the community and in the marketing of our various destinations outside our community. This is a proven successful model whose time has come.

We will respectfully present our request to the BCC at its Committee of the Whole meeting this Thursday. We respectfully ask that the TDC support this request at that meeting as well. Please let us know if you have any questions, or if we can be of any service.

Best Regards,


Jim Shirley
President NW Florida FRLA Chapter


Nash Patel
Past AAHOA Chairman/Florida Ambassador

Cc: The Honorable Wilson Robinson, BCC District 1
The Honorable Gene Valentino, BCC District 2
The Honorable Marie Young, BCC District 3
The Honorable Grover Robinson, IV, BCC District 4
The Honorable Kevin White, BCC District 5
Carol Dover, FRLA President and Chief Executive Officer