

**The Walton County  
Tourist Development Council  
Management Audit**

**Conducted by  
The Institute for Senior Professionals  
(Northwest Florida State College)**

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# **Walton County Tourist Development Council Management Audit**

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## **INTRODUCTION**

In June of 2013, the Walton County Tourist Development Council (TDC) invited the Institute for Senior Professionals (ISP) (Northwest Florida State College) to conduct a management audit.

The objective of the project is to recommend ways the Walton County TDC can become the premier destination marketing organization in the State of Florida.

On June 26, 2013, ISP members Mike Flynt and Art Miller met with newly appointed TDC Executive Director Mr. Jim Bagby to discuss the project and scope of the assignment. Mr. Bagby then submitted a letter of request to the ISP.

Mr. Bagby asked the ISP to meet with key people at the TDCs in Okaloosa, Escambia, Gulf, Bay, and Santa Rosa counties, and with others who are knowledgeable about destination marketing in coastal Florida, to determine the best organizational structure and practices.

ISP agreed to deliver the following:

1. Recommendations on structure, tasks, operational improvements, marketing ideas, use of social media, organization charts, sub-committees, and other relevant data. Where possible, we would also provide matrices on comparisons of people, miles of beaches, access to beaches, assets (e.g. piers, parks, bicycle paths), convention centers, restoration programs, etc.
2. Recommendations regarding ideas on governance and the various ways TDCs report up their governing bodies.
3. Suggestions on how other TDCs create goodwill in their communities, how they reach out to their permanent population, bed tax collectors, and other partners.
4. Suggestions on ways the Walton County TDC can act as a good neighbor and spread good will in the community.
5. Recommendations of sub-committees and staffing.

6. An assessment of where the Walton County TDC is relative to other similar organizations and where it is going, with a focus on implementation in FY2015.
7. Observations about the strengths and weaknesses of the Walton County TDC.
8. Recommendations and observations regarding related topics that might enhance the performance of the Walton County Tourist Development Council.

Mr. Bagby requested the ISP approach this project similar to the way it conducted the Walton County Economic Development Alliance project earlier this year. This included a presentation to the EDA and to the Walton County Board of County Commissioners.

Members of the ISP team are: Art Miller (team leader), Mike Flynt, Bill Fletcher, and Jim Marasia.

Members of the ISP team talked with eight TDC staff directors or Convention & Visitor Bureau directors, and members of the Walton County TDC Advisory Council. The directors were from Okaloosa, Jackson, Escambia, Gulf, Walton, Bay, Collier, Santa Rosa and Sarasota counties. ISP also talked with management staff at the Walton County TDC.

The ISP team conducted a total of 33 interviews with destination marketers and those involved in tourism, and from organizations such as the Florida Association of Destination Marketing Organizations, the umbrella organization that conducts research for its members throughout the state.

In the Florida statute, the nine member person council is referred to as the Walton County Tourist Development Council. In Walton County, the nine person council is called TDC Advisory Council.

The TDC is used in Walton County as the staff supporting tourism. Other counties have established a tourist development department with the TDC functioning only in an advisory and monitoring capacity. The department staff carries out off of the routine operation,

## **I. GOVERNANCE**

The Tourist Development Council in Walton County is appropriately established in the Code of Ordinances, Sec 19-28 in accord with Sec. 125.0104 (4)(e), F.S.

This law requires the county board of commissioners to create an ordinance based on the Florida Statute before they can begin taxing. Walton County's Ordinance is in Chapter 19, Taxation, Article II, Tourist Development Tax, Divisions 1 and 2.

Walton County's Tourist Development Council has been established along the traditional format. The Council has nine members as defined by the Florida Statute. Three members are from government; three members are from the bed tax collector lodging area; and three are from tourist related businesses. One government representative is a county commissioner, and two must be elected officials in the sub-county area where the bed tax is collected.

The Tourist Development Council is covered by Florida's Government in the Sunshine Law. This law applies to any board or commission of any state agency, or authority or of any agency, or authority of any county, municipal corporation, or political subdivision. It is applicable to elected and appointed boards or commissions.

### **Models**

Three models for tourist development are commonly used. In addition to the model described above, there is the Convention & Visitor Bureau (CVB) used in Bay and Sarasota Counties. With the CVB model, the County TDC contracts marketing and promotional activities to the CVB. The third model, used by the Pensacola Bay Area Convention & Visitor Bureau, is a department of the Greater Pensacola Chamber of Commerce. The Chamber gets three of the four cents of the bed tax, and creates the budget for submission to the TDC, and then to County Commissioners. Appendix A was provided by the Florida Association of Destination Marketing Organization (FADMO) and documents the organizations of each county that has a TDC.

The current structure for the Walton County TDC is the most appropriate for Walton County because it allows the Executive Director to be responsible and accountable. Forty-two of the 67 counties in Florida use this model.

Input, cooperation, and assistance in each county from local stakeholders, such as local tourist businesses, residents, and the local government agencies, is highly desirable. Many TDCs have well established outreach programs, usually in the form of committees, to gain community input and support.

Some committees include:

1. TDC members exclusively (Gulf)
2. others mix TDC members with other county members (Santa Rosa)
3. others only use non-TDC members (Escambia).

The main reasons for committees are to get input and consider new ideas.

Santa Rosa County TDC's committees for the north and for the south areas of the county are governed by the Florida Sunshine Law. One reason is because there are TDC members on these committees.

In Collier County, the Naples, Marco Island, Everglades CVB holds an annual "tourism advisory roundtable". The meeting includes people from all the tourist supported businesses, including lodging, restaurant, entertainment, and other attractions. The attendees are presented topics and the CVB get their input. The information collected is used to support the development of their five year strategic plan, or as input for their annual update. This function allows the CVB to keep current with the tourist businesses.

The Sarasota CVB uses a monthly column in the local daily newspaper to inform the community about the tourist industry and the CVB's function.

Several TDC members suggested using local newspapers and magazines to publicize the work of the TDC, and educate the community about the benefits of the bed tax collections.

Although bed tax money comes from the tourists, some bed tax collectors seem to consider themselves as the primary financial source of the Walton County TDC. Many expressed resentment that they must collect the tax while others benefit from their effort. This should be an area of focus for the TDC working with their bed tax collectors.

Several people are of the opinion that restaurants and other businesses that rely on tourism should be required to collect the bed tax as well.

### **Structure**

The Walton County TDC has:

- Executive Director and five direct reports
- Manager of Marketing and Communications
- Manager of Finance and Administration
- Director of Sales and Special Events
- Lead Code Enforcement Officer
- Manager of Beach Maintenance

Panama City Beach Convention & Visitors Bureau (CVB) has:

- President/CEO and five direct reports
- VP Marketing (has Social Media Manager, PR Manager, Marcom Manager)
- VP Tourism Development (no reports)
- Director Group Sales (has Consumer Sales Manager, Sales Coordinator)
- VP Sports Marketing and Special Events (has Director of Sports Marketing. and Coordinator)
- TDC Administrator and VP Ops (has Director of Visitor Services, Partner Engagement Manager, and Visitor Services Specialists)
- Pensacola Bay Area Convention & Visitors Bureau (A department of the Greater Pensacola Chamber of Commerce) has:
  - Vice President of Tourism (five direct reports)
  - Director of Tourism Communications (includes webmaster)

- Sales Team of three Managers (Group, Corporate, Sales)
- Manager Bureau Information Services (two reports)

### **Partnerships**

Partnerships with tourism-related businesses are important. The Gulf County and Greater Pensacola Visitor and Convention Bureau have paid partnership programs, which range from \$100-\$550 a year. Benefits include: access to rack card holders in the visitor center, website links, print advertising, and other marketing opportunities. This income is not significant, but others who depend on tourism, such as charter boats, pay for marketing. Walton County has about 200 restaurants that benefit from tourism, yet pay no tourist development tax (TDT), nor do they pay for placing brochures at the Visitor Center.

Developing cooperation among county tourist businesses is important. A partnership program should be investigated that provides information and fosters teamwork. One rental manager described a “concierge service” that they provide their rental guests for access to bike rentals, stand-up paddle boards, kayaks, and other items. This can be done on line at reservation, in person at the office or via phone. The rental manager uses other local businesses, whenever possible.

Most TDC boards meet monthly, while Walton County’s meets every other month. To educate and inform the public and other government agencies, more frequent meetings are needed. ***ISP recommends that the Walton County TDC improve the process of communicating with the public by means of press releases and forums.***

### **TDC Member Education**

Three key laws control the formation and activities of the TDC. The best TDCs provide training and written training material for new TDC members. Periodic workshops are key ways to assure that the TDC has appropriate education and understanding of their responsibilities.

Okaloosa County’s new director has developed a good process with documentation as a result of past major problems in the county.



With many terms of Walton County TDC members not expiring for some time, there is an opportunity for all training material to be examined and improved. ***ISP recommends there be an annual training update on all governing laws, financial responsibilities, and any appropriate staff standard operating procedures.***

### **TDC Selection Process & Balance**

The Walton County TDC's website has a good application form with instructions. It provides candidates with the information needed to understand what is expected of them if selected. There is no clear, documented process for selection, which allows for the perception that choices are made based on personal or political considerations. No information is available on what the selection process is when multiple candidates are available for an opening. The final selection appears to be based on political and personal considerations.

Representation on the Walton County TDC Advisory Council is out of balance, and some members have no direct stake on the success of the tourist industry. Large bed tax collectors are under-represented on the board. These concerns need to be addressed by developing a documented and more transparent selection process going forward. ***ISP recommends that the selection process be made more transparent and more inclusive of the major bed tax collectors.***

## **II. OPERATIONS**

### **Marketing the County's Tourist Assets**

South Walton County has been described as a "gem of geography": beautiful beaches, huge forest areas, and a rural feel.

Many TDC Council members see Walton County as having the premier location on the Emerald Coast. One director said his area is Belk's and we are Neiman-Marcus.

Based on bed tax collection Walton County ranked 10th in the state out of 67 counties while it is only 41st in population. The prime reason that visitors come to our area is to enjoy our beaches.

Walton County TDC marketing has focused on the beaches and leisure travelers. Our bed tax sub-county region establishment reflects this. During the Memorial Day to mid-August tourist prime time our infrastructure is saturated. Roads are crowded, restaurants are full, and occupancy is high. Many bed tax collectors expressed the view that the TDC's help is only needed in the shoulder seasons.

South Walton has 26 miles of beaches and 60 access points. See Appendix B for details including park and bay access. In contrast, our neighbor to the west, Okaloosa County has Fort Walton with three miles of beach, Destin with six miles, and the Air Force controls most of the 24 miles of shore. They have seven improved beach accesses. Panama City Beach has 100 beach access points.

Some counties expressed the need for greater "bandwidth" to focus on more areas, such as sports marketing, talking to local businesses, hire business development specialists, sales directors to go to cities such as Nashville, St. Louis, Baltimore, etc.

Focusing on all the county's tourism attractions -- beaches, golf courses, eco-tourism, historic sites, fishing/hunting -- helps the community. Diversification keeps tourists in the county even when some attractions might only be day trips from one county location to another.

Jackson, Gulf, and Collier Counties are examples of promoting all their tourist assets. The opportunity for the Walton County TDC is to expand from the southern region of the county to the entire county. (Details are presented in Ideas to Consider, Idea #2.)

### **Branding of South Walton**

The subject of branding Walton County came up frequently. Several people raised the issue of local identity, that is, “Nobody knows what Walton County is, or where it is.” In contrast, almost everyone knows Napa Valley or Hilton Head. So does Walton County need to be branded more effectively? While the TDC has struggled with tag lines (“The Beaches of South Walton”, “To each your beach”, “Visit South Walton”), there is little interest in trying to combine the diversity of South Walton into one brand.

Most bed tax collectors are comfortable with the unique brands we have, such as Rosemary Beach, Watercolor, Seaside, Sandestin, 30A, etc. While Walton County may not evoke a mental image, the individual brands offer a high degree of awareness and positive response.

It is widely believed that the current script logo is ineffective, as are the light blue and tan colors. The design on the water tower at Sandestin is widely regarded as useless. Several people interviewed strongly preferred the three beach umbrella logo, which provided a clear visual “hook” that connected with other advertising.

### **III. FINANCIALS**

#### **Tourist Development Council Bed Tax Distribution**

The Walton County Tourist Development Tax Distribution is as follows:

1st and 2nd cent – administration, marketing and beach maintenance

3rd cent – beach nourishment

4th cent – shoulder season and new product development

½ cent – emerging markets / Southwest Airlines

#### **Other TDCs**

Santa Rosa County imposes the TDT countywide. Like Walton County, they have different territories in the north and south. Santa Rosa uses tax revenue in the Milton and Navarre areas in proportion to the revenues generated in each. Further, the Santa Rosa TDC is organized in two committees to oversee operations in each area. Their system functions well, reducing potential north-south tension.

Representatives of the large bed tax collectors expressed the opinion that the TDC is “not worth what it is being paid” in bed tax collections. Some members of the TDC stated that we “treat everyone equally”, without regard to size of the bed tax collector. Large tax collectors disagree.

Several large bed tax collectors expressed the view that the Walton County TDC believes the large organizations can handle their own marketing without assistance from the TDC. They question why are they paying the lion’s share of the bed tax and getting little in return. They feel they subsidize smaller competitors, and receive little in return.

Large bed tax collectors expressed the concern that the large resort and group business is not being marketed appropriately or often enough. Group business is important for large resorts because it often occurs during the shoulder seasons when occupancy is low. As an example, 45% of Sandestin’s business is group business (83,000 room nights out of 180,000 total room nights), yet 90% of the Walton County TDC budget is focused on the leisure traveler. Off season group

business is also a major benefit for restaurants, retailers, and other service organizations. Other counties emphasize group sales more.

Escambia and Okaloosa counties do more group sales because they have convention centers. Other counties do more because they focus on all potential visitors, especially groups for conventions in their local hotels or even condo meeting rooms. The ability to attract group business can help the small bed tax collectors if they were informed of potential groups which need only a room for 20 people, 40 people or more. Many small motels or condo buildings have rooms to fit this size group.

Shoulder-season marketing should be a priority for both leisure and group businesses. More marketing to meeting planners, wedding planners, sporting associations, industry groups, professional associations, etc. should be done. This helps spread the tourist season beyond the peak season.

Okaloosa County actively pursues groups for their convention center. Their publication promotes the convention center along with their lodging facilities. Similar advertising could benefit meeting venues at both ends of the South Walton district.

Many TDC or CVB directors believe TDCs along the Emerald Coast could benefit from cooperative ventures. Coastal Vision 3000 is an example of how different organizations worked together to attract Southwest Airlines to begin service to Panama City Beach.

The State's tourism organization Visit Florida does not "look left" from Tallahassee, meaning their focus is from Jacksonville to Miami, not on NW Florida. A collective effort from all the Panhandle TDCs might correct this situation. ***ISP recommends the Walton County TDC leadership communicate and cooperate, where possible, with other Panhandle TDCs to initiate such efforts.***

Team members spent time on the websites of other TDCs searching for information. Comparing the two sites for our TDC; [www.visitsouthwalton.com](http://www.visitsouthwalton.com) and [www.visitsouthwalton.org](http://www.visitsouthwalton.org), ISP believes

the sites are equal to or better than the other eight counties sites. Content and ease of use is noticeable. Also, reviewing the use of social media and development of smart phone apps by our county indicates we are ahead of all other sites. Using these technologies to understand about our tourist guests and following up on leads is excellent. ISP believes the Walton County TDC is using the best practices in this area.

### **The TDC and Tourist Business Development**

The bed tax collected in Walton County represented 15% of the county's revenue. Tourism is the largest single employer in Walton County. According to the UWF Office of Development and Engagement, the 2011 yearly average employment was estimated 10,600 which represent about 32% of the total county's employment. Walton County records indicate that four of the top ten employers in the county are in the hospitality/tourism industry and employ about 1900 people or about 6% of the total. This is typical for many Florida counties, where tourism is the major industry.

Walton County is ranked 10th in the state of Florida for bed taxes collected in fiscal year 2013 (July 1, 2012 to June 30, 2012). Appendix C contains the ranking of the 8 counties where an executive was interviewed. Also, listed in this attachment is each county's rank in population. Walton County is 41st.

Walton County TDC has no formal cooperation with the Walton County Economic Development Alliance. Several TDCs pay to belong to their local Economic Development Alliance. For example, Bay County pays \$20,000 per year to belong. ***ISP recommends that the county's TDC and EDA organizations communicate and work together.***

### **Bed Tax Data from the Clerk's Office for TDC**

Other county's TDCs receive more useful data than the total monthly bed tax collection numbers that is provided by the Walton County Clerk's Office. The use of bed tax collection data should provide useful information to help the TDC staff make better decisions for marketing emphasis and spending. Currently there are 2,023 tourist development tax accounts in September 2013.

In some counties, bed tax data is distributed more widely than to just the TDC staff and TDC members. Many websites can be accessed by the general public. The Bay County Clerk's website has an excellent report available to the public. (See attached Appendix D). Also, the Okaloosa County Clerk's office provides a monthly report with useful data and charts. Appendix E is a copy of this report. The Sarasota Tax Collector provides an excellent annual report that can be found at [www.sarasotataxcollector.com](http://www.sarasotataxcollector.com). Many of our TDC Council members were impressed with these reports.

Some of the important information available in monthly, quarterly and annual reports is the following.

- Revenue based on lodging type: hotel/motel, condo, home, RV
- Revenue based on geographical areas: Okaloosa County has Destin, Okaloosa Island and Fort Walton Beach areas
- Average daily rate for lodging types
- Historical trend charts for revenue
- Additional bed tax collectors joining in a given month
- Unit counts by type: hotel/motel, condo, home, RV
- Count of Bed Tax collectors in total and by type

***ISP recommends that appropriate members of the Walton County TDC Staff and County Clerk's Office review reports from other counties, and consider expanding the bed tax data they report.*** Walton County has many opportunities to report bed tax collection data without compromising privacy. This data would be useful in improved decision making and avoid paying consultants to estimate these facts. (See Appendices D and E.)

### **Bed Tax Collection Process**

The view was expressed that VRBO (Vacation Rental By Owner) and private renters need better policing, and that hiring an additional clerk to collect from VRBOs would pay for itself. As indicated above the team was told that we had 2,023 bed tax accounts currently. About 11,000 rental units are available. Using information in the following table, we can estimate units / bed tax collector beyond the top 13.

The units of the top 13 bed tax collectors in South Walton County are the following:

Sandestin	1,320
Sandestin Hilton	598
Watercolor	235
Cottage Rental Agency	211
360 Blue	189
Southern Vacation Rentals	184
Sandcastle Escape	184
Rosemary Beach Collage Rental	183
Newman-Dailey	123
Edgewater	120
Rivard	120
Dune Allen Realty	120
Sunburst	95
Top 13 total rental units	3,682

Subtracting 3,682 from 11,000, the difference is 7,318 rental units for 2,010 accounts. This results in 3.6 rental units per bed tax account. This means that most of our tax collectors have small operations. Many are probably single units. A number of our interviewees with all type of backgrounds expressed concern about collecting all the bed taxes, especially from owners on VRBO and private renters. The county currently has one individual in the County Clerk's Office working to assure compliance.

The Greater Pensacola Convention & Visitor Bureau has a well-defined process to police rental operations. The Sarasota County Tax Collector has on their web site a "Tax Tip Line", an anonymous way to report someone who may not be paying the bed tax.

The team recommends that the TDC and Clerk's Office examine our current process closely. It was suggested that another individual just to monitor VRBO rentals, and the resulting increase in tax income, would pay for the additional position. ***ISP recommends this option be researched and given careful consideration.***



There is widespread opinion that the Walton County bed tax is too high, and that it should be reduced from 4.5 cents to 3.5 cents, especially because the arrangement with Southwest Airlines at Panama City Airport, which pays them a 1/2 cent, is coming to an end. (See Appendix A FADMO report for comparative bed tax rates for every county in Florida.)

### **South Walton Tourist Development Council Taxing District**

The appropriateness of expanding the taxing district to the whole county arose during several interviews. Views expressed recommended both for and against expansion.

Specifics of how the expansion could work are covered below in this report. Positive comments indicated expansion would give TDT collectors north of the bay an opportunity to expand their business based on the many outdoor activities available to visitors there. The possibility of expansion that could ease the north-south tension was also cited by several sources. Opponents of this idea argue that Walton County TDC money raised in the current taxing district would be unequally spent north of the bay to the detriment of businesses south of the bay.

The proportional distribution of TDT revenues generated in Navarre and Milton in Santa Rosa County works successfully and could be emulated in Walton County.

### **Countywide Tax**

The ISP Project Team addressed the implications of imposing the TDT countywide. Collections north of the waterway would generate a modest amount that could be used to promote the growing areas of agri-tourism, eco-tourism, and outdoor activities such as diving in the beautiful springs and bicycling. We prepared estimates of the potential tax revenues and they are presented in this report in the Ideas to Consider Section, # 2. ***ISP recommends that the Walton County TDC Advisory Council consider this possibility.***

#### **IV. ADVISORY COUNCIL AND COMMITTEES**

The primary functions of the Walton County TDC Advisory Council are:

1. Oversee county expenditures, and report unauthorized expenditures
2. Act as a recommending body to the TDC

The view has been widely expressed that under the previous administration, these duties were not always allowed to be carried out.

##### **Advisory Council Representation**

Interviews with bed tax collectors and visitor industry leaders called into question the appropriateness of the segments of Tourist Development Tax (TDT) collectors represented on the Council. Specifically, there were complaints regarding lack of representation from large tax collectors on the west end of the taxing district.

Their complaint was that their areas were not sufficiently marketed. Every segment noted that marketing is the primary function of the TDC. Some of the major collectors questioned collecting the tax if it is used to promote competitors on the other end of the district.

The majority interviewed said the peak season is topped out, and the shoulder season is the period that needs attention. Group travel has the potential to grow in the shoulder seasons, particularly for older travelers without children in school and good disposable income. The major bed tax collectors noted that they have facilities to handle group travel, but believes the TDC does not support them.

##### **Advisory Council Function**

The TDC Council “shall continuously review all expenditures of revenues raised by the tax levied”, according to the Walton County Code of Ordinances, Sec.19-28. Failure to do so resulted in the disastrous situation in Okaloosa County in 2012.

ISP found excellent examples of financial and TDC performance reports from other TDCs. One person suggested our TDC should have at least one member analyze and report to the other council members

on financial statements. That person could serve as Treasurer, should that position be established. ***ISP recommends the Walton County TDC Advisory Council always include a member experienced in analysis of financial reports.***

### **Advisory Role**

The TDC Advisory Council should clarify its advisory role. Interviews indicated some confusion over the advisory role of the council. Because advising on the visitor industry is one of two primary duties of the council, it is appropriate for the council membership and organization be allowed and encouraged to provide the type and quality of advice needed.

### **Advisory Council Organization**

Consider establishing officers on the TDC Council. Several interviews indicated that in the past having a Commissioner as Chairman who did not make all of the meetings led to meeting cancelations. Most other TDCs studied have officers, usually a Chair, Vice-Chair, some also a Secretary and Treasurer. ***ISP recommends the Walton County TDC have a Chair and a Vice Chair, along with someone experienced in financial analysis, perhaps appointed as Treasurer.***

The majority of persons interviewed on this question said the Board of County Commissioners member on the council, as required by §125.0104, F.S., should not be the Chair. Several TDCs have a rotation system for the Chair. In Collier County the Chair is rotated every three years among elected officials, the hotel industry, and other tourism businesses. Such a rotation should assure every part of the visitor industry will receive equitable representation.

If the TDC Advisory Council and Board of County Commissioners require more members on the TDC, a “home rule” bill can be written and introduced in the Florida Legislature. If passed, the TDC Advisory Council membership could be increased.

Gulf County used this process to increase membership from nine to eleven. Sarasota County used this process to increase membership from nine to 13. Any of the three categories can be increased.

## **Advisory Council Member Selection Process**

The member application form is appropriately detailed. How it is handled and a final candidate proposed to the Board of County Commissioners for appointment is not as clear. Interviews indicated the selection process in the recent past was subjective and perhaps politically inspired. The standard operating procedures currently being updated by TDC staff should be used to prescribe a transparent, documented process.

## **TDC Committees**

The Walton County TDC Executive Director has announced his intention to reestablish the committee system. The four committees are:

1. Marketing and Media
2. Beach Management
3. Destination Improvement
4. Events, Activities, Arts and Culture

Committee information is posted on the TDC website. Committees expand the capabilities of the council and TDC staff and they promise greater community buy-in for TDC actions by opening a window for the public.

We heard criticism of previous mistakes regarding misappropriation of expenditures, such as buying the rights to a song and associated recording costs, poor advertising ads, poor community and advisory board participation, and suppliers being chosen based on friendships rather than qualifications. Advisory council members, whose responsibility it is to approve expenditures, were not allowed to do so under the previous administration. The active participation of TDC committees will increase scrutiny and help prevent such problems in the future. We also heard criticism that Advisory Council members did not play a role in selecting sub-committee members, and the criteria for selection were not transparent. ***ISP recommends that members of the sub-committees be appointed only after review of the Walton County TDC Advisory Council.***

## V. STAFF UTILIZATION

### Visitor Center

Visitor centers are an integral part of most TDC organizations, yet opinions about their usefulness are mixed.

Those who favor it believe the south side of US 98 at US 331, or on the west side of US 331, near the high school, are the best locations. Additional locations, if only kiosks or temporary facilities, might be desirable at the other entrances to South Walton on US 98.

Many bed tax collectors strongly oppose a new Visitor Center on the basis that few people come to South Walton without lodging reservations. The primary use of the Visitor's Center is to collect brochures and obtain discount coupons. Many bed tax operators make brochures and coupons available on premises, lessening the need for visitors to go to the Center.

There are strong feelings that, in this high tech age, visitors prefer to use GPS or Internet to find restaurants, attractions, shops, etc. Some individuals suggested internet access to attraction and restaurant information could be provided (with a printer) instead of paper copies in the racks.

The location of a Visitor Center anywhere near the current location raises the question about what percentage of visitors comes to South Walton via US 331. Many large bed tax collectors are located west of 331 along 98, 30A, or old 98, which means that visitors arriving from points west, such as Louisiana, Mississippi, Texas, parts of Alabama, and other locations, do not enter via 331. We do not see strong evidence that a new Visitor Center is justified or needed, however, ***ISP recommends that research be collected on traffic to the Visitor Center and the value it can provide to tourists.***

The location and number of visitor centers varies based on county needs. Collier County has six centers. Santa Rosa County has two. Most other counties have kiosks or locations in lodgings for rack cards. Some counties use the facilities of the Chamber of Commerce as

visitor centers and pay for the Chamber's assistance. Walton County would benefit from additional locations to display literature and destination information.

### **TDC Staff Organization**

A consistent theme was that all management decisions should be data based. Each staff member contacted expressed confidence that their function is important. The TDC Council members all said that the staff is competent. We observed nothing to the contrary. Observations on staff organization are based on team experience and interviews, and suggestions are based on organizational considerations, not on evaluation of staff members.

### **Department Lineup**

Several people interviewed suggested having five division or department heads is unnecessary. Some are of the opinion that the current structure is a result of past practices in which leadership wished not to promote a junior employee over a more senior one.

### **Marketing and sales**

Duties of two division chiefs involve marketing and sales – Leisure and Group. There was some indication these two functions are not aligned. Having one person responsible for both leisure and group sales and marketing should be considered. This would eliminate departmental competition and focus on total marketing success.

### **Beaches**

Two departments are focused on the health and safety of visitors on our beaches. Some felt that the Beach Maintenance and Code Enforcement functions should be combined with one manager, thus freeing up one person to provide additional tourist services.

Some felt the beach maintenance function should be contracted out as in Bay and Okaloosa Counties. The beach maintenance contractor contacted by our team felt that trash pickup services could be provided more cost effectively by a private contractor because they would have lower employee costs, because their employees are trained and experienced, and because they could operate equipment less

expensively than the county. Other functions such as construction of beach amenities should be done by the County. ***ISP recommends investigating this possibility.***

### **Standard Operating Procedures**

The staff is currently engaged in updating policies that are part of Standard Operating Procedures. This provides for an opportunity for better employee guidance in the future. A good set of SOPs can eliminate uncertainty and facilitate smooth operation of the TDC.

### **Administration**

Opportunities exist for the Walton County TDC staff to work more closely with county administration, specifically in budget preparation, procurement, and personnel policy.

### **Budget**

The Walton County TDC staff is executing a budget that spends just 40% marketing the South Walton product line, and 60% for maintenance and capital improvement. Some TDCs invert the relationship; more is spent on marketing and less on maintenance and construction. (See Appendix F for other budget examples.) ***ISP recommends an independent study to determine how the Walton County TDC should allocate resources between two top priorities: improving the physical assets, such as beach access, parking, etc., and the marketing of shoulder season tourism.***

### **County Procurement**

According to staff input, the county procurement process does not work well. The four day county work week sometimes means that time-sensitive media buys submitted on Thursday must wait three or more days before procurement actually looks at the purchase request. It would be appropriate to investigate the situation and request special County Procurement treatment of short notice notifications.

***ISP recommends a process that assures at least two signatures are required for expenditures exceeding a predetermined limit.***

### **Personnel Policy**

Rules meant for county service operations hinder efficient operation of our TDC staff. For example, the “No Ride Along” policy prevents TDC

staff to efficiently using county vehicles to nurture relationships with journalists, group travel specialists and others by touring the South Walton TDC District. Procurement regulates time sensitive media buys. It would be helpful to arrange a modification to allow hosting of visitors for the purpose of marketing. ***ISP recommends that certain personnel policies be changed to reflect the business needs of the Walton County TDC.***

### **Beach Management**

Several persons interviewed questioned the need for two divisions responsible for beach maintenance and code enforcement. If both code enforcement and beach maintenance remain in the TDC, then they could be combined with a single chief, providing at least one more position as a worker. As an alternative, the code enforcement function could be taken over by other code enforcement function in the county.

The team learned that Okaloosa and Bay counties contract out beach trash collection and beach cleaning. One cleaning service we contacted felt confident they can perform trash collection more cost effectively. While complimenting the quality of TDC beach management, they cited lesser employee cost, and reduced equipment costs due to a practice of using previously owned trucks. The small construction and facility maintenance functions of TDC Beach Management would remain with county employees. ***ISP recommends the Walton County TDC consider contracting out trash pickup.***



## VI. IDEAS TO CONSIDER

### Idea #1

#### Outdoor Art Event in Walton County

*The Painted Turtle (or Dolphin)*

***ISP recommends the Walton County TDC consider an outdoor art event similar to those that have been successfully presented in many major cities around the world.***

The objective is to offer a unique visual event to simulate people's interest in the area. Such events have had a major impact on locations around the county and the world. This project could be used to effectively increase tourism in the shoulder seasons.

For example, in Houston, 100+ life-sized models of painted cowboy boots were on display around the city, each painted by a different artist. A local sculptor designed the boot. Each sponsored artist received an unpainted boot and created a unique design.



A similar event took place in Toronto in 2001. Several hundred painted moose were placed at major intersections, parks, shopping centers, plazas, etc., each painted by a different artists and each paid for by a sponsor. The following is from Toronto's Moose in the City website:

*With the completion of Great Moose Auction in January 2001, Moose in the City, Toronto's phenomenally successful outdoor art event, also drew to a close.*

*The statistics for Moose in the City were extremely impressive... from April to October 2000, Toronto's streets were filled with 326 magnificent moose sculptures, created by 500 local artists and sponsored by more than 250 patrons. The exhibition resulted in a season of spectacular moose events and generated well over \$5 million in world-wide media coverage for the City of Toronto! Moose in the City also influenced visitation by close to 2 million tourists, injected \$400 million into Toronto's economy and raised \$1.4 million for Canada's Olympic Athletes and local Toronto charities.*



*During the course of the exhibition, the Moose in the City website and online auction site received close to 5.5 million hits with traffic from all provinces in Canada, all states in the United States, every continent in the world and 31 countries world-wide. As a result, Toronto's moose have found new owners across North America and as far away as Shanghai!*

*Although the exhibition is now over, Toronto's beloved metropolitan moose are far from gone and definitely not forgotten! The legacy of Moose in the City lives on -- from the ongoing benefits of the money the exhibition raised for charity, to the smiles the moose continue to bring to the faces of children and adults alike as they continue to pop up in the most unexpected places. A marvelous reminder of one of the most unforgettable events in Toronto history!*

Many exhibits, called *Cowparade*, a name which is trademarked (see Wikipedia), have taken place in Chicago, Atlanta, and dozens of cities around the world.

For Walton County, we recommend a painted turtle (or dolphin). The event could be organized so that restaurants, hotels, shops, etc., each sponsor a turtle or dolphin, and pay for the sponsorship, with the money going to charity. In the cities mentioned above, the artists received money for materials. Realtors, restaurants, merchants, and the like, could have their own painted animal to use as a marketing tool.

Many artists in NW Florida would be eager to paint a model turtle. It could be an annual event with artists from other parts of the county, and tourists who would want to see all the exhibits.

Designs could be copyrighted and reproduced in miniature for souvenirs. Such an event would also make a great story in *Coastal Living* or other publications

## **Idea #2**

### **TDC Opportunities in North Walton County**

Based on the Florida Statute 125.0104, the Tourist Development Council is a county entity, either the whole county or a defined part. Walton County chose to limit the TDC area in accordance with the statute. By ordinance the bed tax is collected only from lodgings south of the Intercoastal Waterway.

During our discussions with TDCs in other counties, we found that only Okaloosa County, Bay County, and Walton County limit their bed tax collection and tourist marketing to the beach area. This decision means the TDC spends bed tax funds only for the benefit of this area. In Jackson County, the city of Marianna has most of the lodgings and bed tax dollars, but the TDC works for tourism throughout the county. They have “city versus rural” conflicts on spending, but through their TDC grant program, events in other areas are funded. A combined effort of Jackson and Washington County encourages visitors at the beach in Bay County to come north and spend time in historic tourism or eco-tourism.

In Gulf County, conflicts exist between tourist needs and the local resident's desire for the status quo. This is addressed by developing boat and docks in the Sneads area and the Dead Lakes area. Tourists who like to fish are the target demographic, but locals can use them to enhance their outdoor experience. The Greater Pensacola Convention & Visitor Bureau covers the entire Escambia County, even though most of their revenue is along the beaches. In-town attractions, group business, and sports at the complex around Cantonment are marketed in a unified method.

The best example of a cooperative effort for the "north and south" is Santa Rosa County. The Director described their operation as county-wide by design and necessity. It has been operated this way for a long time. When the Navarre Beach area was devastated by hurricanes Opal, Ivan, and Dennis, the northern part of the county, Milton and Bagdad, carried the tourist load and continued to collect bed taxes.

Santa Rosa County's TDC distribute marketing spending by using a pro-rata formula. If the northern part of the county collects 20% of the total bed tax, then this amount of marketing advertising is provided. The Santa Rosa TDC has established two committees, one for the north and one for the south. These committees do not have a fixed number of members. TDC members and other residents from the two geographic areas of the county form each team. They follow the rules of Florida's Sunshine Law for meetings. This is an outreach effort to expand the TDC's effort in the entire county and get local input. Requests for funding for projects, grants, etc., first go to the appropriate area committee. The committees make recommendations to the TDC, and the TDC sends their recommendations to the BOCC.

Here are some examples of the north committee work in 2013:

- Design plan for Bagdad/Milton Riverfront
- Bagdad Mill Site Development
- Bed and Breakfast development
- Hotel development (Highway 87, Milton, Pace)
- Additional Campground/bed tax development

Walton County TDC members and tourist business people in the south are split in their opinions about including the northern part of the county. Some comments reflect the attitude that the people in DeFuniak Springs just want to get the benefits of TDC bed tax money. Others believe that expanding to the north makes sense, since areas around the Bay and further north could complement the tourist experience in the county.

### **Revenue Estimates**

DeFuniak Springs has 300 hotel/motel rooms. Using a daily rate of \$70/night, and a 40% and a 60% occupancy, the current 4.5% bed tax could produce between \$128,000 and \$193,000 /year.

Four RV campgrounds are currently in operation. Some of the campgrounds have cottages along with RV parking setups. While the estimated revenues are small compared with the taxes collected along the beach, it is sufficient to fund marketing money to encourage tourism to come to the area. Jackson County is similar to the northern part of Walton County, and they have similar tourist attractions. Their bed tax is about \$280,000/year. The bed tax amount derived from the area might be at this level.

### **Tourist Attractions**

--Chautauqua

DeFuniak Springs is the home of the Florida Chautauqua Center, Inc. In 1993 this organization was formed for the purpose of reviving, promoting, and sustaining the original Florida Chautauqua Assembly. On February 10, 1996, after a hiatus of more than 75 years, organizers brought back the assembly. Programs include history, health, art, and current events along with entertainment from performers across the county and world.

Attendance figures for recent assemblies beginning in 2008 are the following.

2008-- 6,000

2009-- 7,500

2010-- 8,000

2011-- 8,000

2012-- 10,000

2013-- 15,000 (all rooms in DeFuniak Springs were sold out)

They have offices and museums there. [www.florida-chautauqua-center.org](http://www.florida-chautauqua-center.org).

--Florida High Point

The highest point in the State in Florida is Benton Hill at 345 feet. It is near the town of Lakewood. It is the lowest state highpoint in the USA. Some tourists try to climb the highest point in each state during their lifetime.

--Natural Bridge

Natural Bridge is classified as an arch in Walton County, near the small town of Gaskin. It is located 2 miles south of Geneva County, AL. The Natural Bridge is over Natural Bridge Cavern.

--The Walton County Heritage Association, Museum and Genealogy Society

The heritage association is a nonprofit organization promoting the preservation of historic buildings, maintain the Walton County Heritage Museum, document the county's history, and educate others about the history. The museum is located in the old L&N Railroad station in DeFuniak Springs. This year is the 25th Anniversary of the association. Its web site is [www.waltoncountyheritage.org](http://www.waltoncountyheritage.org).

--Historic District

The DeFuniak Springs Historic District is a U.S historical district (designated as such on August 28, 1992). The district is bounded by Nelson and Park Avenues and 2nd and 12th Streets. It contains 172 historic buildings. Many of these are around the lake and in the downtown area. This could be a draw for history tourists.

--E.O. Wilson Biophilia Center

The center is on the 50,000 acre Nokuse Plantation on Florida Highway 20 east of Freeport. The E.O. Wilson Biophilia Center is an environmental education facility serving students, teachers and professional audiences. It was developed in 2009. The Center is in the Longleaf Pine ecosystem, which is considered the 6th most biodiverse

area in the continental U.S., and less than 2% of it remains intact today. As such, it is a perfect place to educate visitors on the importance of biodiversity, and to encourage conservation, preservation and restoration. This ecological “hot-spot” is available as a gathering place where local and regional scientists can conduct ecological research and participate in symposia that disseminate this research to the public. The Walton County TDC has provided some funding in the past, but not at present. If the TDC decides to cover the entire county, it should consider a cooperative effort with the center to attract tourists. [www.eowilsoncenter.org](http://www.eowilsoncenter.org).

#### --Morrison Springs

Morrison Springs is a second magnitude natural spring in Walton County, Florida that is a popular scuba diving venue. Water temperatures are between 65 and 68 degrees year round.

The privately owned spring had been a locally-known swimming hole and site of a commercial dive operation. In 2004, the State of Florida purchased the 161-acre parcel of land and water, located in the Choctawhatchee River floodplain, and leased it to the county, which maintains it as a park, free and open to the public. The Walton County TDC could publicize this as another non-beach facility in the county, and possibly support a vendor with scuba diving equipment.

#### --Golf Courses

There are three 18-hole golf courses north of the Bay open to the public:

- \*Blackstone Golf Club at Mossy Head
- \*DeFuniak Spring Country Club at DeFuniak Springs
- \*Windswept Dunes in Freeport

South of the Bay, there are six 18-hole golf courses open to the public:

- \*Sandestin Golf and Beach Resort (3 courses)
- \*Seascape
- \*Santa Rosa Golf & Beach Club
- \*Camp Creek

The Walton County TDC could market a golf trail concept, similar to Alabama’s Robert Trent Jones golf trail. It encourages golf enthusiasts

to schedule a series of golfing dates as they move through the area. The terrain for the north golf courses differs from those in the south. Additional venues could be an attractive shoulder season opportunity.

#### --Hiking Trails

Hiking trails exist in both the north and south parts of the county, in state forests or on Eglin Air Force Base. The Florida Trail Association has a Choctawhatchee Chapter to encourage and lead hikes in the area. With the rise of eco-tourism, developing hiking opportunities should be a goal of the Walton County TDC. Working with the appropriate governmental agencies, developing trail head parking and sanitary facilities, as exist at County Road 395 by Watercolor, would attract tourists to our forests. Many trails can also be used for trail biking. A section of the Florida Trail crosses our county and should be publicized.

#### --Choctawhatchee Bay and River

The Bay is a resource that is underutilized for tourism. Opportunities exist on the Bay for boating, fishing, and launching boats, kayak, canoe or paddle board. Boat rental facilities should be advertised. Information about fishing opportunities on the Bay should be presented along with the Choctawhatchee River and the many county bayous. Bunker Creek is another popular area in the county for boating and exploring. The Walton County TDC could help identify fishing guides and promote their business. Both Holmes and Washington Counties have canoe and kayak trails funded by TDC funds.

#### -- Shoal Sanctuary

Shoal Sanctuary is located off I-10 at Exit 70 in Mossy Head. A unique place in the Florida Panhandle, it is a 50 acre private nature preserve that operates from donations, and is a welcoming retreat for individuals and small groups.

Shoal Sanctuary offers a rural experience, a place of soul rejuvenation for the weary and civic inspiration for the energized. Through hikes and/or tours, folks get reacquainted with the glorious outdoors and awakened to human possibility. An invitation is extended to people who strive to better know themselves, one another, and nature. Shoal



Sanctuary also hosts programs and small seminars designed to promote human decency, heighten respect for wildlife, and enhance ecological awareness. Its website is [www.shoalsanctuary.com](http://www.shoalsanctuary.com)

### **Idea #3**

#### **Geocaching**

Geocaching is a trendy and increasingly popular year round outdoor recreational activity. Participants use a Global Positioning System (GPS) receiver or mobile device and other navigational techniques to hide and seek containers, called "geocaches" or "caches", anywhere in the world.

A typical cache is a small waterproof container containing a logbook where the geocacher enters the date they found it and signs it with their established code name. After signing the log, the cache must be placed back exactly where the person found it. Larger containers such as plastic storage containers (Tupperware or similar) or ammunition boxes can also contain items for trading, usually toys or trinkets of little financial value, although sometimes they are sentimental. Geocaching shares many aspects with benchmarking, trigpointing, orienteering, treasure-hunting, letterboxing, and waymarking. ***ISP recommends the Walton County TDC consider supporting this activity as a means of promoting shoulder season tourism.***

### **Idea #4**

#### **Biking**

The Walton County TDC is investing \$1.5 million to improve its network of bikes paths and bridges. Many bed tax collectors object to the use of bed tax funds being used for such purposes. They argue that there is a tenuous linkage between biking/walking and attracting tourists. Many feel such paths, and athletic fields, primarily only serve the interests of local residents, and that TDC funds should not be used for these purposes.

Proponents make the case that improved bike/walking paths and bridges will attract tourists to South Walton, and, unlike our number one attraction, the beaches, the paths will attract tourists on a year round basis.

With trails in the both the north and south public forest areas, off-road biking can be encouraged and supported. Bike paths on County Road 30A and Scenic 98 could be a prime marketing feature for families, and for people who want to leave their cars parked during their stay. This is a topic that deserves further research. Can a case be made, based on statistical evidence, that bike paths attract tourists, and if they do, to what extent?

Since funds have already been approved for improved bike/walking paths, ***ISP recommends that a portion of the advertising budget be directed to this segment of the marketplace, perhaps by advertising directly to cyclists, hikers, etc., in magazines such as Outdoor, and similar lifestyle publications or websites.***

#### **Idea #5**

##### **Eco-tourism**

Navarre promotes eco-tourism theme with the Navarre Beach Sea Turtle Conservatory and Navarre Beach Marine Sanctuary started by a teacher. It has an “Adopt a Reef Tree” program that encourages snorkeling in both the sound and Gulf. A three disc or an individual branch is placed in the water and eventually marine organisms, fish, turtles, and marine life make their “home” on it. Sponsors can contribute to the Navarre Beach Marine Sanctuary and maintain their reef site. Once the site is established, NBMS sends the sponsor its location. [www.navarrebeachmarinesactuary.com](http://www.navarrebeachmarinesactuary.com)

NavarreBeachSeaTurtle.org rescues, rehabilitates, and releases sick, injured, threatened or endangered sea turtles, and promotes understanding and conservation of Florida’s coastal marine resource through research and education. They seek donations to pay for turtle habitats, pools and filtration systems, medical equipment, and displays and materials. ***ISP recommends the Walton County TDC investigate similar programs for South Walton.***

#### **Idea #6**

##### **Tram**

The use a tram or a shuttle along heavily traveled routes in South Walton is a controversial and politically charged topic. While many

believe a tram would alleviate congestion along 30A and Scenic 98, few believe the Walton County TDC should fund such a system. Instead, it believes communities, such as Seaside and Watercolor, are at a “tipping point” during the peak season because of traffic. Communities and businesses should cooperate and fund their own system.

Previous attempts to use a tram proved costly to riders, (\$6 per ride), and the trams themselves were thought to cause further congestion because of frequent stops. Another negative was the resort operators did not support the system because they did not want their guests traveling to competing locations.

The objectives of such a system would be to add value by reducing traffic volume during peak season, and provide a convenience for guests.

Sunshine Shuttle, a local operator that provides an effective tram system within Sandestin, has the capability of operating a privately funded or subsidized system in South Walton, apart from any TDC involvement. Any such system would require “off-road” stops so as to not impede traffic flow. ***ISP recommends that the Walton County TDC help facilitate options for developing a tram system on 30A and Scenic 98 during peak tourist season.***

## **CONCLUSION:**

1. ISP heard many positive comments about the Walton County TDC's efforts to promote tourism in South Walton. ISP also heard some negative comments about the policies and practices of the previous administration.
2. The Walton County TDC, under the new administration, has an opportunity to operate in a more transparent and inclusive manner.
3. The Walton County TDC should improve communication with interested parties, especially with the general public.
4. The Walton County TDC should continue to demonstrate its value to the community, especially to bed tax collectors.
5. The Walton County TDC should continue to help bed tax collectors appeal to the high end of the tourist market, and to maintain a high average daily rate (ADR).
6. The Walton County TDC should look to increase bed tax revenue by exploring non-beach related opportunities.
7. The Walton County TDC should continue developing a team that is focused, energetic, loyal, and personally accountable for its work.
8. The Walton County TDC should focus attention on developing bed tax revenue in the shoulder seasons.

## Appendices

- A. FADMO TDC Organization Models and Tax Rates
- B. Walton County Information on Beach and Bay Access
- C. Matrix of TDC and CVB Organizations Compared to Walton County
- D. Bay County Monthly Tourist Development Tax Report
- E. Okaloosa County Monthly Tourist Development Tax Report
- F. FADMO TDC Budget Information

## Appendix B

### Walton County Information on Beach and Bay Access

- Number of Beach Accesses- TOTAL 60 (Developed and Undeveloped)
- Number of Bay Accesses- TOTAL 9 (Developed- Cessna, Legion, Haugen, 331, Point Washington & Undeveloped)
- Number of Lakes- TOTAL 3 (Western Lake, Eastern Lake, Lake Powell)
- Number of Parks- TOTAL 4 (Haugen, Legion, Cessna, Lakewood)
- Number of Drive on Accesses- TOTAL 7 (Miramar, Seascape, Dune Allen, Grayton, Walton Dunes, Inlet, Phillips Inlet)
- Number of Restrooms- TOTAL 10 (Beach: Miramar, Dune Allen, Ed Walline, Gulfview Heights, Blue Mountain, Van Ness, Santa Clara, Inlet, Parks: Cessna, Legion)
- Number of Public Parking- TOTAL 15 (2 @ Miramar, 2 @ Santa Clara, Seascape, Stallworth, Dune Allen, Lake Causeway, Ed Walline, Gulfview Heights, Inlet, San Juan, Van Ness, Grayton, Blue Mountain)
- Number of ADA- TOTAL 7 (Miramar, Dune Allen, Ed Walline, Grayton, Van Ness, Santa Clara, Inlet)
- Number of Fishing Piers- TOTAL 2 (Lake Powell, Cessna)
- Number of Boat Launches- TOTAL 6 (Legion, Cessna, 331, Point Washington, Western & Eastern Lake- Western & Eastern Lake are only Coastal Dune Lakes)

