

**GREATER WILDWOODS TOURISM IMPROVEMENT & DEVELOPMENT
AUTHORITY
WILDWOODS CONVENTION CENTER**

REGULAR MEETING, THURSDAY, MARCH 15, 2018

**Part I - OPERATIONS
GWTIDA as agent for NJSEA**

Call to Order: The Meeting was called to order by Mr. Byrne at 6:00 p.m.

Salute to flag.

The Open Public Meetings Act was read by Mr. Byrne.

Roll Call:

Mr. Byrne	Present	Mr. Patterson	Present
Mr. DelMonte	Present	Mr. Barnabei	Present
Mr. Reidenbach	Present	Mr. Greenland	Absent
Mr. Morey	Present	Mr. Hamlin	Present
Mr. Montello	Present		

Also present were Mr. Siciliano, Ms. Trapp, Mr. Rose, Mr. Lynch, Ms. Kane, Mr. Federici, Mr. April, and Ms. Feketics.

A. Approval of Minutes

Mr. Reidenbach made a motion to approve the minutes from the Regular Meeting on January 18, 2018, second by Mr. DelMonte.

Roll Call:

Mr. Byrne	Yea	Mr. Patterson	Yea
Mr. DelMonte	Yea	Mr. Barnabei	Yea
Mr. Reidenbach	Yea	Mr. Greenland	Absent
Mr. Morey	Yea	Mr. Hamlin	Yea
Mr. Montello	Yea		

Motion was moved and approved.

B. Public Comment – None.

C. Executive Director's Report

Included in the board packet were:

- Administration Update – February/March 2018
- Finance Update – February/March 2018
- Housing Update – February/March 2018
- Sales Update – February/March 2018
- SMG Update – February/March 2018
- Delaware North Update – February/March 2018

Correspondence/Communication: None.

Mr. Siciliano reported on the 10-year history of the 2% tax collections, as well as collections for 2016 and 2017, how we did against the 5-year average and how we did against plan for 2017. We had another very good year in 2017 with the 2% tax. The averages between hotel and food & beverage are pretty much staying the same, at 55% for food and beverage and 46% for hotel/motel accommodations.

With respect to the audit, things are moving forward and we are trying to schedule the auditor to come back in to finalize.

Mr. Byrne had questions on the billboards that were answered by Mr. Rose.

There were also questions on the Statement of Operations regarding comparison between December 2016 and 2017. We show that the convention center makes a profit from Operations. We then need to deduct capital project costs and capital reserves. The NJSEA has taken notice of the increase in capital expenses and asked that we address the capital reserve. Mr. Siciliano explained that the 2017 spending increase for capital projects is not included in the Operations report. NJSEA wants a dedicated fund, and they will open separate account for the capital reserve. Additional discussion on original capital reserve fund took place.

Mr. Byrne commented on the 2% tax. Collections were at \$4.7 million last year, which was the highest year ever, and 14% above what we budgeted. When Mr. Byrne was first appointed to the board, the collections were \$3.5 million.

Mr. Siciliano stated that our plan (our budget for 2017) was \$4.1 million. We use the 5-year average as a better guesstimate as to what the revenues could be. However I would like to focus on the fact that we are at 8% above 2016. Also, 4-5-6% growth every year is not a bad story to tell, and it's a real story. This is from the hotel and food & beverage industry and we've been showing good, solid increases year after year.

Mr. Byrne stated that the 2% tourism tax is the engine that runs the convention center. Out of the 2% tax, the \$4.7 million, 90% goes to NJSEA to run the facility. Plus \$600,000 net profit from parking lots. Mr. Siciliano stated that there is also event revenue, and food and beverage which generated revenue of \$1.1 million. Mr. Siciliano added that when you look at the tax, which is really the deficiency agreement that is put in place for this building, if your budget says \$4.1 million, and you come in with a \$500,000 surplus, the bottom line on your buildings Operations is going to be \$500,000 or 90% of that. Then you deal with capital repairs.

Mr. Siciliano stated that NJSEA has a new President, Vincent Prietto.

Mr. Byrne had questions regarding Cheerleading. Did it fill a hole where the Futsal event was? Per Mr. Lynch, it will fill the hole next year. Also, a discussion was had regarding the difference between the cheerleading competitions we have had and the new firm that came in this year. Mr. Lynch stated that since we have opened, Glenn Kingsbury has brought in over 78 cheerleading events – our biggest client. The new cheerleading company, Varsity Spirit, is top of the line. They ran a competition here that was 260 teams down to the second. Brought people in from MA to VA. The quality was top-notch. The dynamics of how SMG and F&B set up the building, was phenomenal. Mr. Federici stated that the Varsity event was the highest-grossing food-only concessions event that we have ever had here. It was

more than 2 WWE's back to back. Varsity is also in the process of building a cheerleading venue in Disney. Mr. Lynch also reported that we just committed to 3 years of dates with Varsity Spirit in March, February and February, respectively. The Sales Department is also trying to get the NJ Regional Futsal into the building during Martin Luther King Weekend.

Mr. Siciliano stated that we are working with a company called Rukus, to rectify some Wi-Fi issues in the building. When we have large events, the Wi-Fi is not holding up its end, and it starts to affect Food & Beverage and different parts of the facility. The guests are affected, as well as revenue. Food & Beverage uses I-Pad registers/wireless credit card system. Our wiring and switches are currently restrictive. We will move forward to identify the bog down. Food & Beverage will get a dedicated bandwidth that will not be available to the general public so their systems will never be competing for bandwidth and stop transactions mid-way in the concession stands, causing long lines and the need to go to cash-only intermittently throughout an event.

Mr. Siciliano stated that we have a need to go out to bid for Security Services/Event Security at the Wildwoods Convention Center. We currently use Strike Force and are happy with them.

Motions:

Mr. Morey made a motion to authorize the Purchasing Agent to go out to bid for Security Services/Event Security at the Wildwoods Convention Center, second by Mr. Patterson.

Roll Call:

Mr. Byrne	Yea	Mr. Patterson	Yea
Mr. DelMonte	Yea	Mr. Barnabei	Yea
Mr. Reidenbach	Yea	Mr. Greenland	Absent
Mr. Morey	Yea	Mr. Hamlin	Yea
Mr. Montello	Yea		

Motion was moved and approved.

D. Chairperson's Report

Mr. Byrne reiterated meetings held and attended throughout the month.

Mr. Byrne provided an update on the convention center hotel. A developer has been chosen, Gurwicz Enterprises, and they have proposed a 125 room Hilton Garden Inn. There is an issue in that neither the developer nor Hilton were happy about parking being underneath of the hotel, as the Hilton Garden Inn model works with surface parking. We agreed to help negotiate land in the area to put parking on. Tennis courts were explored, however after research, it was found that this will be a tough lift, due to dedicated land, Green Acres, etc. A letter was sent to the developer stating that the tennis court property is not an option. Next step is to meet with realtor to find land to turn into parking. NJSEA is not going to give up any of our other lots for hotel parking. The developer is interested in moving forward with working with a realtor and moving forward with the project.

Mr. Morey discussed a deck over our existing parking at boardwalk level. Paved parking on the beach was also discussed. Until the new dune is on the beach, this will not be discussed by NJDEP. We will look at all options and nothing will be ruled out. Cost estimates were done by Fred Booth, and it was approximately \$20-24 million. Turner Construction did the plans, which we will try to locate.

Mr. Morey discussed an incremental increase in public parking revenue as a result of having more spaces. We will look at all options.

Committee Reports:

- o **Buildings and Grounds** – Mr. Byrne reported on the 2 meetings that were held. We are happy with our landscaper. Also, SMG will be hiring a groundskeeper to keep up with grooming, etc.

Old Business: Mr. April stated that there is no ruling yet on the Declaratory Judgement. We are awaiting a decision, and there is no deadline.

In addition, the Financial Disclosure Statement issue has gone away, per Mr. April.

New Business: Mr. Morey discussed possible parking on the port au cochere (our turnaround). We may be able to optimize that space. Ms. Kane informed the board that there are holding tanks that all of the water from the parking lots go into, before going into the outfall lines.

Policies/Procedures: Nothing.

Correspondence/Communication: Nothing.

E. **Executive Session** – None.

F. **Any matter of immediate attention** - Nothing.

G. **Motion to go into the GWTIDA/Advertising portion of the meeting.**

Mr. DelMonte made a motion to go into the GWTIDA portion of the meeting, second by Mr. Patterson.

Roll Call:

Mr. Byrne	Yea	Mr. Patterson	Yea
Mr. DelMonte	Yea	Mr. Barnabei	Yea
Mr. Reidenbach	Yea	Mr. Greenland	Absent
Mr. Morey	Yea	Mr. Hamlin	Yea
Mr. Montello	Yea		

Motion was moved and approved.

Respectfully,



Frances Feketics
Board Secretary

**GREATER WILDWOODS TOURISM IMPROVEMENT & DEVELOPMENT AUTHORITY
WILDWOODS CONVENTION CENTER**

REGULAR MEETING, THURSDAY, MARCH 15, 2018

Part II – GWTIDA/Advertising and Promotions

A. Approval of Minutes

The Regular meeting minutes of January 18, 2018 were approved.

B. Executive Director's Report

Department Updates – Included in the board packet were:

Events Department Update – February/March 2018
Finance Department Update – February/March 2018
Marketing/Public Relations Update – February/March 2018

Mr. Siciliano stated that the 1.85% collections (GWTIDA tax on hotel rooms) are at \$1.995 million. Mr. Byrne stated that the first thing we take out of it is the money we pay the City of Wildwood for parking. The rest of it, we split between the three municipalities. The reason we take that out first, is because when this building was built, the NJSEA said that we want this parking. Wildwood wanted to be paid for the parking. The other municipalities did not want to chip in. So GWTIDA came to the table and said they would pay for the parking. So, we have a contract with the City of Wildwood. We lease the lots for 99 years, starting at \$183,000, and is now at \$230,000 due to CPI index. But by taking it out of the tax, which eventually gets split between the municipalities, they're really all sharing in it. So out of the \$2 million, we take out \$230,000 first, then we take 50% of it, and give it to the 3 municipalities for beach offset payment, so they each get between \$250,000 and \$300,000 annually to keep the beaches free and clean and to offset their budgets to clean the beaches. The remaining money comes to GWTIDA, and that money is used for our advertising. For every dollar we raise, we get less than 50 cents into our advertising budget. So when the 1.85% grows, our advertising budget grows incrementally. In addition, the Tourism Development Fees (TDF), that are collected through mercantile licenses go to fund events, and event support. That is how the GWTIDA side runs. To date, TDF's are about \$1.2 million. TDF's are slowly decreasing.

Correspondence/Communication – None.

Motions:

Mr. Reidenbach made a motion to approve the Bill List in the amount of \$264,674.52, second by Mr. Patterson.

Roll Call:

Mr. Byrne	Yea	Mr. Patterson	Yea
Mr. DelMonte	Yea	Mr. Barnabei	Yea

Mr. Reidenbach	Yea	Mr. Greenland	Absent
Mr. Morey	Yea	Mr. Hamlin	Yea
Mr. Montello	Yea		

Motion was moved and approved.

Mr. Byrne had questions on the loan principal/interest regarding the Wildwoods Sign. There was also a \$300,000 contribution from CRDA. The sign cost a total of \$1.1 million and was the best investment we have made.

C. Chairperson's Report

Mr. Byrne reiterated meetings attended throughout the month, including Jay Ford's Retirement reception. Also, as GWTIDA Chairman, Mr. Byrne is involved in a group of business leaders who are a "think tank" for Mayor Troiano to bounce ideas off of. A lot of credit goes to the Mayor for putting that together. The committee meets as needed. A few meetings were held regarding the Rio Grande Avenue Project, which will start in September. Also met with Mike Zumpino to discuss C5 initiative, as well as hotel and Green Acres and parking. Committee meetings and WBID's meeting were also attended.

Mr. Byrne also reported that the C5 Project is one of his initiatives, after finding out how GWTIDA uses the 1.85% tourism assessment and the 50% share that goes to the municipalities. We can barely keep our heads above water with \$800,000 of advertising, when OC, MD has \$5 million, VA Beach has \$8 million, and AC, NJ has \$30 million. We also have event support money but it is limited to only supporting events. In addition, we were created to also help with infrastructure projects on the island. Mr. Siciliano found a grant that we were able to use to hire Triad Associates to write an executive summary which said that Wildwoods are in need of some infrastructure, i.e. the boardwalk needs to be rebuilt, we need to replace tram cars, we need entryway projects and we need to do other tourism related projects. All of these projects add up to approximately \$80 million. There is no way to get this done. So we also hired Tourism Economics, who compiles the State Economic Development numbers, to do development numbers for the Wildwoods. It turns out that Wildwood is a huge engine that generates a very significant number of sales tax for the state. So GWTIDA was formed to take on these tasks and we need to find the money. We made a proposal to the State that says they should match our 2% sales tax collection. Triad, Mr. Byrne and Mr. Siciliano met with Senator Van Drew, who reviewed it and asked for resolutions to make sure that everyone is on board, then he will discuss at a higher level. We received resolutions from the municipalities, as well as the county, put them into a packet, and sent it to Senator Van Drew. Governor Murphy was elected, and Senator Van Drew pre-filed it. He will introduce it into the Senate, however we also need a House version. There are no co-sponsors yet. We also met with Brendan Sciarra to get some assistance. It is in committee now, and we are excited about our vision with C5. There are a lot of things we could do with this money, and we would truly be able to fulfill our mission as a tourism improvement and development authority. Additional discussion on tourism districts and counties of the 6th class took place. A county of the 6th class is a county that borders the Atlantic Ocean and has a less than 100,000 year-round population.

Committee Reports:

- **Advertising:** Mr. Barnabei reported that the committee discussed new website development and the new company we hired, Sparkable. Mr. Rose stated that we had several discovery and strategic meetings. They also had individual meetings with people working on the site itself. We presented them with specifications of everything we would like to see this new website contain and do, then we had many meetings to further discuss. They developed an actual site map. The next phase, which starts April 1st will be putting together the graphic look of the site. Our current website is written in a very antiquated programming language. Also, our website is currently able to be translated into both French and Spanish and will continue to be able to do so. Hoping for a target date of the first weekend in July. In addition, we will be able to manage the content of the site ourselves, in-house. The committee also discussed the PR strategy, placement of articles, etc. Suasion Communications will be broadening our area. We are looking to cover a larger regional area.
- **Special Events:** Mr. DelMonte stated that the Doo Wop Tours will be adding a night, a better trolley, and a sound system. The Borough of Wildwood Crest will be hosting a Christmas in July event at Sunset Lake. Also, the committee approved event support for the Crest Best 10 miler on Columbus Day Weekend. 700 people have registered to date, with the registration only being open for 2 weeks. It will be a nice event. Mr. Siciliano noted that our new Calendar of Events were distributed at the meeting. There is a lot of work and energy that goes into getting it developed every year. It looks great! Ms. Trapp added that it is an 8-month project. Also, for the first time in 7 years, we increased our print quantity, going from 275 to 350. This is big year for new events for us. Discussion on Jeep Invasion took place. The event is located south of the convention center, and Ms. Trapp recommended the board view the event from our roof at some point during the event. It is a well-rounded demographic event, and the setup is beautiful. Mr. DelMonte stated that we are also getting a Pro-Beach Volleyball Tournament. It's a big year with a lot going on.
- **Strategic Planning:** Mr. Morey gave an update on the Rio Grande Avenue Project. It is still scheduled to start in September 2018. Ms. Trapp voiced her concerns on having good signage for guests attending events in the fall. Mr. Byrne has noted this.

Old Business – Nothing.

New Business – None.

Policies/Procedures – None.

Correspondence/Communication – None.

D. Public Comment – None.

E. **Executive Session** – None.

F. **Any matter of immediate attention**

Our next Board Meeting will be held on Thursday, April 19, 2018 at 6:00 p.m.

G. **Motion to Adjourn**

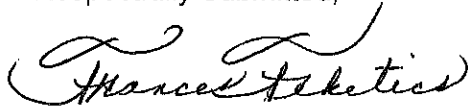
Mr. Reidenbach made a motion to adjourn, second by Mr. Patterson.

Roll Call:

Mr. Byrne	Yea	Mr. Patterson	Yea
Mr. DelMonte	Yea	Mr. Barnabei	Yea
Mr. Reidenbach	Yea	Mr. Greenland	Absent
Mr. Morey	Yea	Mr. Hamlin	Yea
Mr. Montello	Yea		

Motion was moved and approved.

Respectfully Submitted,



Frances Feketics
Board Secretary