

Tourism, Infrastructure & Energy Subcommittee

Wednesday, January 27, 2021
4:00 PM – 5:00 PM
Sumner Hall (404 HOB)

Meeting Packet

Chris Sprowls
Speaker

Brad Drake
Chair

The Florida House of Representatives

Commerce Committee
Tourism, Infrastructure & Energy Subcommittee

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Chair

AGENDA

Wednesday, January 27, 2021
Sumner Hall (404 HOB)
4:00 PM – 5:00 PM

I. Call to Order & Roll Call

II. Welcoming Remarks

III. Overview of Broadband Internet Service Deployment in Florida

IV. Overview of Tourism Impacts from COVID-19 and Outlook

V. Adjournment

303 House Office Building, 402 South Monroe Street, Tallahassee, Florida 32399-1300
(850) 717-4873 Fax: (850) 413-0419

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Tourism, Infrastructure & Energy Subcommittee

Start Date and Time:	Wednesday, January 27, 2021 04:00 pm
End Date and Time:	Wednesday, January 27, 2021 05:00 pm
Location:	Sumner Hall (404 HOB)
Duration:	1.00 hrs

Overview of Broadband Internet Service Deployment in Florida

Overview of Tourism Impacts from COVID-19 and Outlook

This meeting will be live-streamed on https://thefloridachannel.org/. As no filed bills or draft legislation will be considered at this meeting, public testimony will not be solicited and seating will be limited to the Members, invited presenters, and the press. As always, you may contact any Representative prior to the start of the meeting. Contact information may be found at https://www.myfloridahouse.gov/Representatives

NOTICE FINALIZED on 01/20/2021 4:02PM by Rigas.Amanda

Tourism

Florida:
An Update on Tourism

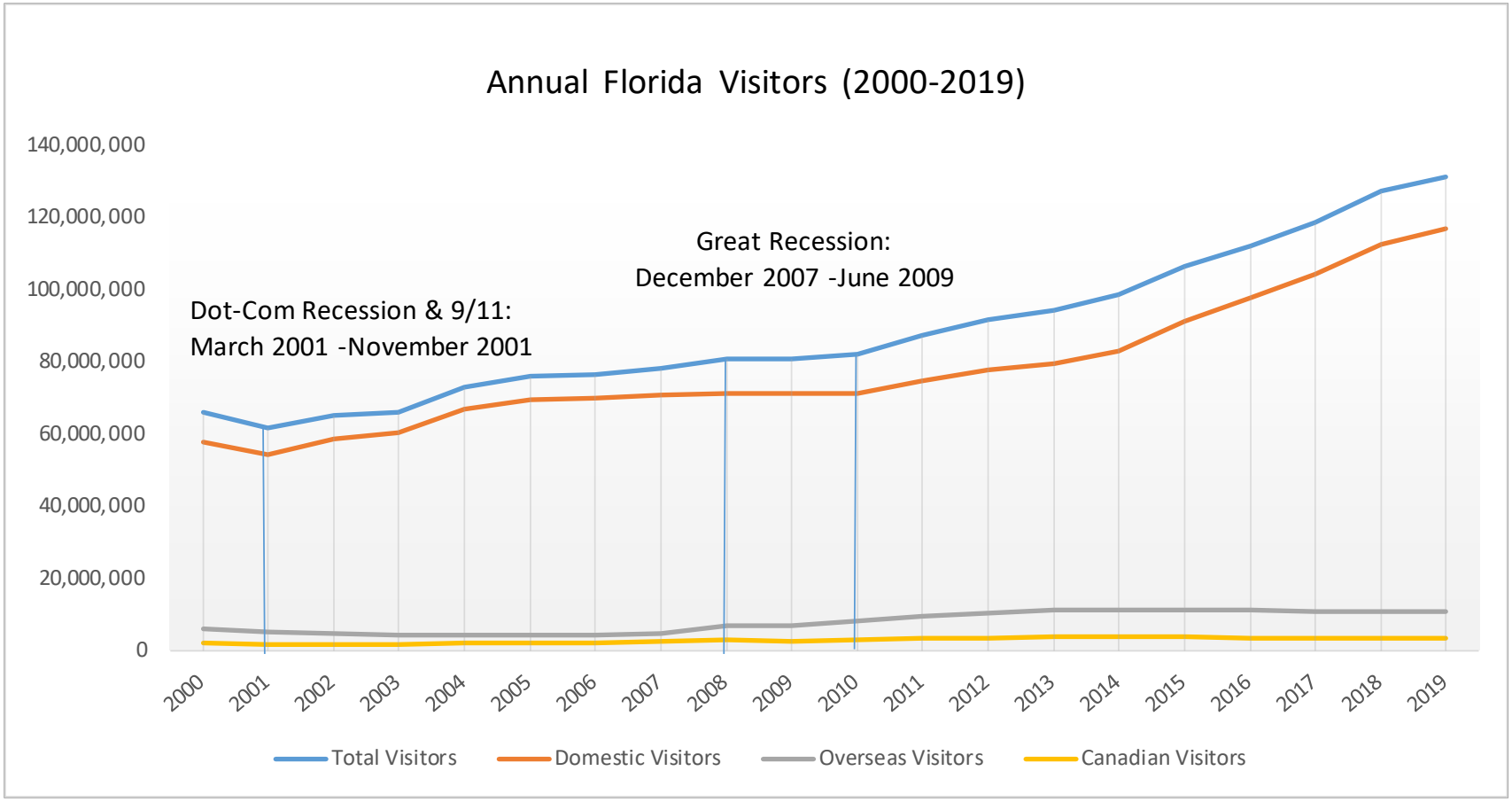
January 27, 2021

Presented by:



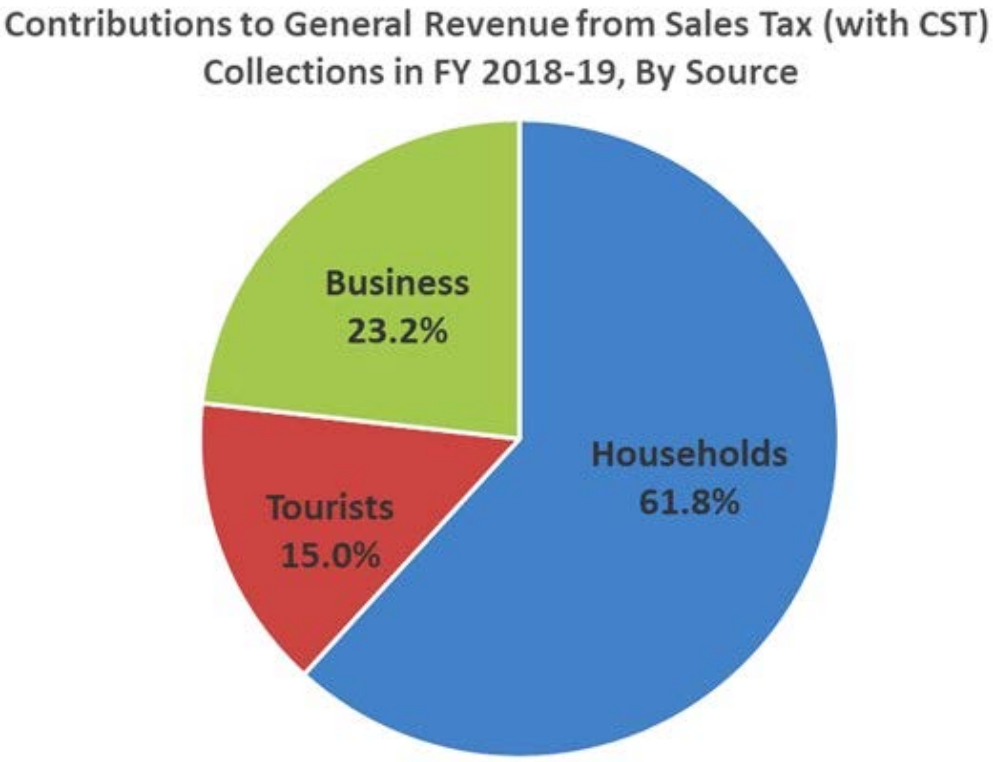
The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
http://edr.state.fl.us

Florida Tourism Pre-Pandemic…



- In the 2000 calendar year, Florida had 65,832,000 visitors.
- In the 2019 calendar year, Florida had nearly double that amount with 131,423,000 visitors. Since the beginning of Florida's recovery from the Great Recession in 2010, tourism has grown each year.

Florida's Tourism Sensitivity…

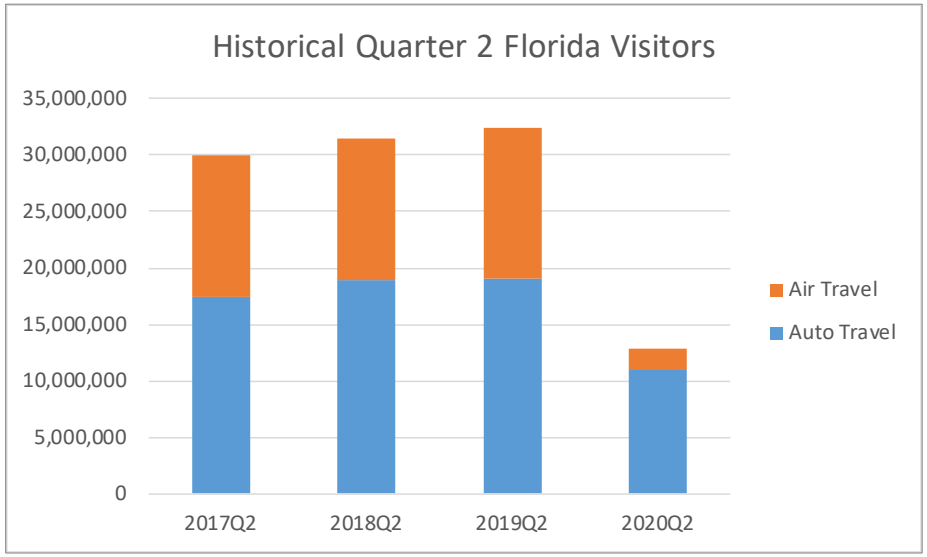


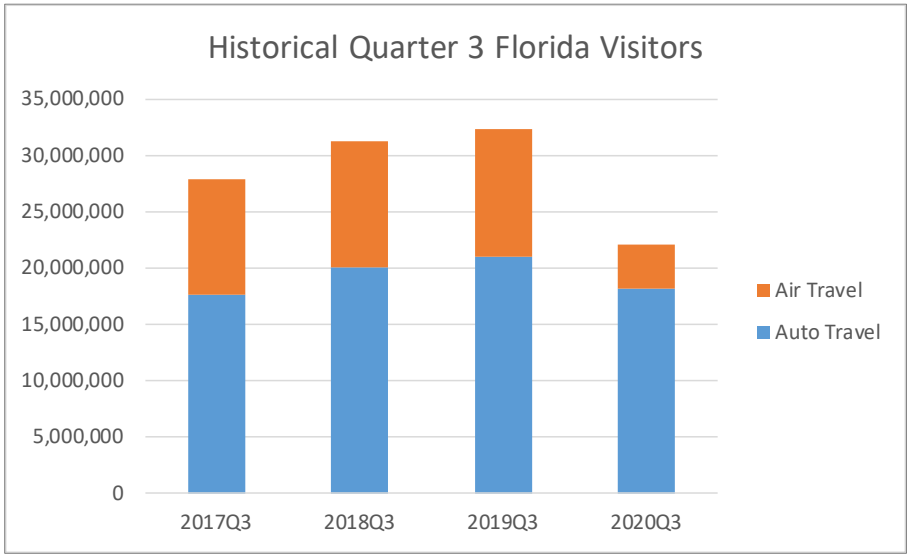
The Legislative Office of Economic and Demographic Research has just updated and refined an empirical analysis of the various sources of the state's sales tax collections. In FY 2018-19, sales tax collections provided nearly $25.4 billion dollars or 76.0% of Florida's total General Revenue collections. Of this amount, an estimated 15.0% (over $3.8 billion) was directly attributable to purchases made by tourists.

Pandemic…

- First currently known cases were reported in China in December 2019, but evidence exists that the first case was at least a month earlier.
- Near the end of Florida's 2020 Regular Session, the World Health Organization declared a Global Pandemic (March 11, 2020).
- Global and national recessions have since been called.
  - ✓ The US economy declined in the first quarter (January, February and March) by its fastest rate since the Great Recession. According to the US Commerce Department, Bureau of Economic Analysis, GDP shrank at a 5.0 percent annualized rate. The National Bureau of Economic Research (NBER) had previously dated the business cycle peak to February 2020 after 128 months of expansion, marking that month as the official turning point which began the recession.
  - ✓ During the second quarter (April, May and June), the US economy further contracted—this time, at its greatest rate in postwar history. According to the US Commerce Department, Bureau of Economic Analysis, GDP shrank at an annualized rate of 31.4 percent.
  - ✓ In the third quarter (July, August and September), the US economy gained at a 33.4 percent annual rate according to the just released "third" estimate that was only slightly higher than the "second" estimate. Year over year, the real level is 2.8 percent lower than the third quarter of 2019. [Next Release: January 28, 2021]

Pandemic's Immediate Impact…

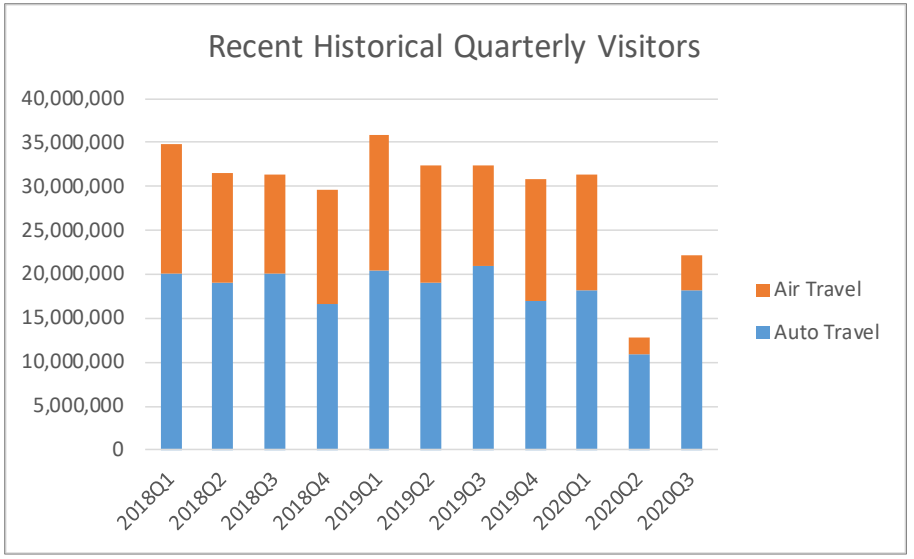




2020:Q1
- Total Visitors…31,387,000 (93.7% of PY)
- Air…86.5% of PY
- Auto…88.6% of PY

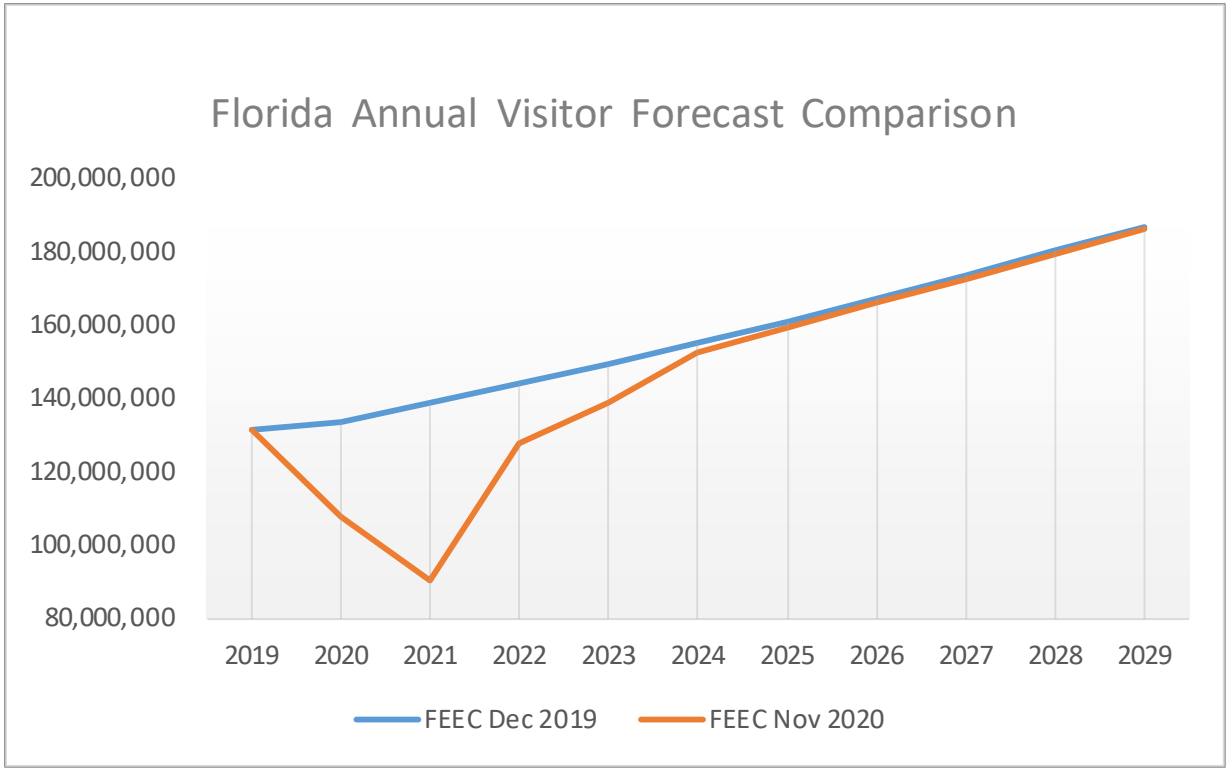
2020:Q2
- Total Visitors…12,859,000 (38.0% of PY)
- Air…14.6% of PY
- Auto…57.2% of PY

2020:Q3
Total Visitors…22,112,500 (64.8% of PY)
- Air…34.2% of PY
- Auto…86.8% of PY

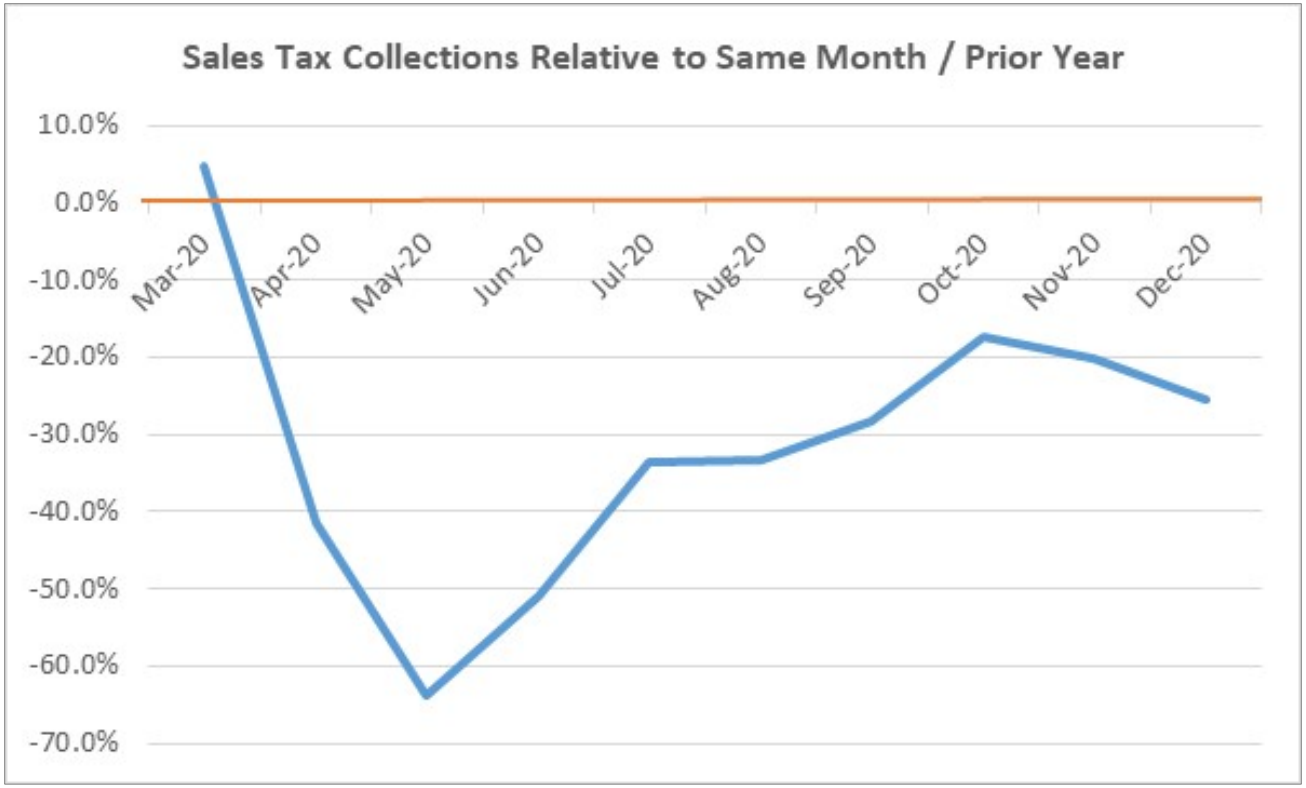


Florida-Based Vulnerability

Florida's tourism-sensitive economy is particularly vulnerable to the longer-term effects of the pandemic. Previous economic studies of disease outbreaks have shown that it can take as much as 12 to 15 months after the outbreak ends for tourism to return to pre-disease levels. The magnitude of this event is greater. Several industry groups have already predicted that it will take at least two years to reach recovery from this pandemic. Current expectations are that leisure driving vacations will recover first, and then—in order—business travel, domestic air travel, and international travel. The new tourism forecast generally follows this pattern with recovery in 2024.



Sales Tax Impact…



Average fiscal year growth over most recent five years: 6.1% from FY 2014-15 through FY 2018-19.

Mar-20	4.6%
Apr-20	-41.3%
May-20	-63.7%
Jun-20	-51.0%
Jul-20	-33.5%
Aug-20	-33.3%
Sep-20	-28.1%
Oct-20	-17.4%
Nov-20	-20.2%
Dec-20	-25.5%
Cumulative	***-31.5%***

In the ten months that sales tax collections have been reported since Florida's first two cases were officially confirmed by the Department of Health on March 2nd, the tourism category collections have been down cumulatively by -31.5%. Even though a significant part of the loss arises from a reduction in the number of out-of-state tourists, this category also includes sales to Florida residents at restaurants, local attractions and other leisure-based activities which have likewise been negatively affected by the pandemic.

Recent Research…

- A recent report from Skift Research and McKinsey & Company on the status of the travel industry offered insights and proposals, many of which are applicable to State DMOs. The report noted that “travelers are keen to travel but are restrained in the leisure space by the inability to do anything meaningful at the destination, due to necessary public health measures and safety precautions, such as quarantines, closures, and other restrictions.” Business travelers may be further limited by corporate travel policies developed in response to the pandemic that reflect the company’s focus on its duty-of-care obligations to employees.

- Until the travel economy recovers, the report suggests the industry pursue emerging opportunities in tourism. For example, in-state, drive-to “nearby vacations” in out-door venues are a substitute for out-of-state and international travel. Additionally, “the working-from-anywhere trend has the potential to blur permanently the lines between leisure and business travel.” These digital nomads and “bleisure” travelers are a growth market opportunity for facilities designed for or adapted to extended-stays, provided the traveler’s health safety concerns are addressed.

- Finally, the report recommends that marketers understand customers as microsegments, not monoliths, especially in an environment of diminished demand. The report suggests that micro-segmentation has value in forecasting and stimulating demand, as well as informing commercial and marketing strategies.

Broadband

Florida Office of Broadband
Department of Economic Opportunity

Executive Director Dane Eagle

January 27, 2021

Florida Office of Broadband Creation

- Governor DeSantis signed HB 969 into law, establishing the Florida Office of Broadband, effective July 1, 2020.

- The Florida Office of Broadband, within the Department of Economic Opportunity, was created for the purposes of developing, marketing, and promoting broadband Internet service in the state.

Florida Office of Broadband Responsibilities

- Create a strategic plan to increase the use of broadband internet services in the state.
- Build and facilitate local technology planning teams, especially with community members from the areas of education, healthcare, business, tourism, agriculture, economic development, and local government.
- Encourage the use of broadband Internet service, especially in rural, unserved, and underserved areas of the state through grant programs.
- Participate in the Federal Communications Commission proceedings that are related to the geographic availability and deployment of broadband internet in Florida.

Florida Office of Broadband Actions

- Worked with the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce for information on mapping projects in other states.
- Worked with the Broadband USA team to identify resources and best practices in other states and to learn from their experiences.
- Attended NTIA and Broadband USA tele-meetings.
- Continual review of Federal Communications Commission meeting agendas for broadband topics.

Florida Office of Broadband Regional Workshops

- The Florida Office of Broadband has partnered with the Florida Regional Councils Association to host 10 virtual workshops where participants will discuss broadband internet accessibility.

- These industry sectors include education, healthcare, private business, community organizations, agriculture, tourism, parks and recreation, economic development, local governments, and internet service providers.

- All virtual workshops will be from January 27, 2021 to February 12, 2021.

Florida Office of Broadband Regional Workshops

Virtual Broadband Workshop Details		
Regional Planning Council (RPC)	**Counties within the RPC**	**Workshop Date**
Treasure Coast	Indian River, St. Lucie, Martin, Palm Beach	January 27 from 2:00 - 4:00 p.m.
Apalachee	Jackson, Calhoun, Gulf, Gadsden, Liberty, Franklin, Leon, Wakulla, Jefferson	January 28 from 10:00 - 12:00 p.m.
Emerald Coast	Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay	February 1 from 2:00 - 4:00 p.m.
Southwest Florida	Sarasota, Charlotte, Glades, Lee, Hendry, Collier	February 2 from 10:00 - 12:00 p.m.
Central Florida	Polk, Hardee, DeSoto, Highlands, Okeechobee	February 3 from 10:00 -12:00 p.m.
Northeast Florida	Baker, Nassau, Duval, Clay, Putnam, St. Johns, Flagler	February 4 from 2:00 - 4:00 p.m
South Florida	Monroe, Broward, Dade	February 9 from 10:30 - 12:30 p.m.
North Central Florida	Madison, Taylor, Hamilton, Suwanee, Lafayette, Dixie, Levy, Gilchrist, Columbia, Union, Bradford, Alachua	February 10 from 10:00 - 12:00 p.m.
East Central Florida	Marion, Sumter, Lake, Volusia, Seminole, Orange, Osceola, Brevard	February 11 from 10:00 - 12:00 p.m.
Tampa Bay	Citrus, Hernando, Pasco, Pinellas, Hillsborough, Manatee	February 12 from 10:00 - 12:00 p.m.

Florida Office of Broadband Study

The Office of Broadband is currently working on securing funding to establish a three-phase approach for the implementation of broadband expansion.

Phase 1: Feasibility Study to Specify the Nature of the Connectivity Gap and Why It Exists

Phase 2: Strategic Plan: Assessing Strategies

Phase 3: Implementation

Florida Office of Broadband Looking Forward

- Host virtual workshops with various with industry and community leaders where participants will discuss broadband internet accessibility.
- Conduct a feasibility study to identify the status of broadband internet availability, access, and affordability in the state.
- Create a Florida Strategic Plan for Broadband to review internet availability, accessibility, and transmission speeds in Florida.
- Design state programs and resources for broadband adoption, deployment, expansion, and resiliency.