

### **Introduction**

Good morning Senator Rubio, other officials and Keys residents. My name is Stacey Mitchell. I am the Marketing Director of the Monroe County Tourist Development Council, the county agency that is the destination marketing organization for the Florida Keys and Key West.

The TDC is funded by a portion of the extended sales tax that visitors pay when they stay at a Florida Keys lodging establishment; whether it is a hotel, motel, R/V resort, guesthouse or vacation rental. The collected money, known commonly as a bed tax or resort tax, funds advertising, public relations, sales and other tourism marketing programs for the Florida Keys. Another portion of the revenue pays for infrastructure enhancements to the Keys such as beach maintenance, coral reef restoration, artificial reef construction, cultural projects, special events and other programs. These benefit our residents as well as tourists.

I have been the marketing director since shortly after Hurricane Irma was an unwelcome visitor to the Keys in September 2017. But I was the TDC's sales director for many years prior to that and worked in sales for a Key West hotel before coming onboard with the TDC. During my 35 years of living in Key West, I have raised a daughter who is now finishing her collegiate life at UCF and will be returning to Monroe County to start a career as an elementary school teacher. My mantra is: I am a mother first, a resident second and a marketer third.

As the tourism director for Monroe County, my responsibilities include organizing and managing our in-house staff of 13 as well contracted advertising, public relations, web and foreign sales agencies of record. I also serve as the primary liaison to the TDC board, five district advisory committees and three affinity umbrellas. I also manage a number of financial budgets, which in the current fiscal year total \$56.4m.

### **Importance of Tourism to the Florida Keys Economy**

There is no question that tourism is the top industry in the Florida Keys. Here are a few facts from TDC's most recent research provided by Rockport Analytics based on 2018 numbers.

- Tourism is responsible for 44 percent of all Monroe County jobs.
- In 2018, the total economic impact generated by visitors to the Florida Keys represented approximately 54 percent of Monroe County's private sector gross domestic product.
- About 40 cents of each visitor dollar went towards paying Monroe County workers a total of \$940 million in wages and salaries.
- Over \$1.8 billion was retained in the Monroe County economy, providing an array of businesses with revenue, supporting jobs for county citizens and producing revenue for state and local governments.
- Keys tourism contributed nearly \$255 million in tax revenue to state and local coffers in 2018.
- Another \$43 million was raised from taxes such as hotel taxes, rental car fees, and other licenses and fees
- In 2018, sales taxes paid by visitors to Monroe County made up nearly 57 percent of state and local tax receipts that were attributed to tourism.

### **How storms such as Irma impact our area and for how long.**

Hurricanes can have a profound impact on tourism flow to the Florida Keys and a direct hit is not even necessary.

An example is 1992's Hurricane Andrew which devastated southern Miami-Dade County. I was the acting 'manager on duty' for the Reach Resort. Misperceptions, caused by erroneous news reports made it seem that the Keys were also severely impacted by Andrew, which was not the case. It took more than three months to correct that misperception in domestic and international travel marketplaces.

As far as Irma was concerned, the Category 4 storm had a profound impact on tourism for more than year after it blew through the island chain on September 10, 2017.

The Keys did not formally welcome back visitors until October 1, 2017, but even then, most oceanside hotels in Islamorada, Marathon and the Lower Keys required anywhere from six months to a year to complete repairs and reopen. Two properties in the Lower Keys — Little Palm Island and KOA R/V Resort — still have not reopened, though both are expected to be back online by next year.

In October 2017, only 57 percent of the Keys lodging inventory was able to accommodate visitors. A year later, that number rose to almost 95 percent. Currently, 97 percent of Keys accommodations are back online including some new properties, such as Isla Bella in Marathon, which opened in April of this year.

Shortly after the storm, those lodging units that could operate were able to minimize losses by providing accommodations to recovery personnel, but it was tourism service providers such as fishing and dive charters, as well as other attractions that suffered even more because recovery workers are not traditional visitors and do not engage in visitor activities. Many of my friends who work as backcountry guides had to take work in other fields to make ends meet before they could convince their customers that it was ok to not only travel to the Keys, but also that the infrastructure was intact for them to have a satisfying experience. Other operators lost their boats, their traps and other types of equipment essential to their line of work.

### **Trickle-down economics of such storms and for how long.**

Beyond physical recovery from hurricane impacts, image recovery can often be challenging. Social and mainstream media coverage of storms can often be extremely narrow in focus. In the case of Irma and the Keys, the broad-brush reporting that the entire Keys had been devastated took almost two years to correct in the minds of many travelers. The work of the TDC, using emergency marketing reserves as well as planned programs, while interfacing with the private industry, helped to eventually correct misperceptions. We were also caught in a balancing act: those businesses who suffered little damage needed the injection of visitor revenue in order to maintain payroll, but then many of those employed in the industry did not have a dwelling to return to. It is very difficult to work in the hospitality industry by day, ensuring that our guests have a memorable vacation, while living in a hotel or temporary housing and arguing with adjustors, inspectors and insurance agents.

I recently wrote to my board that we would need two quiet hurricane seasons to gain the confidence of potential visitors to plan a vacation to our area during the time frame of late August to mid-October. Locally we call this a 'hurricane hangover'. Sadly, we saw the quick reaction from confirmed and potential visitors over Labor Day

weekend when Dorian was making her presence known in the Atlantic Basin. The month of September has been significantly slower than the last 'average' September (2016) and the threat of a storm reinforced the consumer's hesitation to travel to a tropical destination during the height of hurricane season.

Several locally based business owners have told me they will close for the month of September next year as it wasn't worth it for them to maintain payroll and other operating expenses for the significant drop in business they have experienced during the month of September.

Just the idea of a 'storm brewing out there' has significant effects on the visitors psyche, and with a direct hit in recent memory, our revenue collections continue to feel those impacts.

### **How can the federal government assist in a quicker recovery?**

There are two takeaways from Irma that may be of help to tourism destinations down the road.

The first is to ensure that federal officials have facts correct from local officials prior to speaking to mainstream media and posting on social media.

Several days after Irma passed through the Keys, a high-level Federal Emergency Management Administration official reported that 90 percent of the residences in the Keys had either been destroyed or seriously damaged. That figure differed vastly from the actual preliminary number that Keys officials had determined.

And two days after Irma passed through, a Department of Defense press release reported that U.S. Navy ships were headed to Key West to evacuate 10,000 people because there was no drinking water. Key West officials knew nothing of that plan and it was never executed.

Media reported both stories cited above and significantly exacerbated destination perception challenges for the entire Florida Keys.

Finally, it would be helpful to know if FEMA could consider communicating the viability of the destination as soon as infrastructure is restored and is appropriate. There are many on-air opportunities to relay the appropriate message and hearing it from a FEMA official or as a partnership between FEMA and the tourism office has more validity and portrays confidence in the stability of the region.

### **Hurricane Safety for Visitors**

It should be noted that the Monroe County Tourist Development Council takes hurricane safety very seriously. In 1998, the TDC pioneered a proactive working relationship with Monroe County Emergency Management to help communicate hurricane-related protective actions to visitors within the destination as well as those planning to travel to the Keys.

The programs that evolved were groundbreaking, and in 2004 and 2005 the TDC received public education/awareness awards from the National Hurricane and Florida Governor's Hurricane conferences, respectively. The honors were the first ever bestowed on a destination marketing office, and Keys efforts have served as a model for other tourism programs throughout Florida and the Caribbean.

The initiative demonstrates that the Keys tourism industry wants to ensure that visitors understand that their safety is paramount and that they should be comfortable traveling to the island chain during the Atlantic Basin Hurricane Season.

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