

WRITTEN TESTIMONY BY: Robin A. Sollie, IOM, FCCP – President/CEO
Tampa Bay Beaches Chamber of Commerce

PRESENTED TO: Senate Committee on Commerce, Science, and Transportation

HEARING TITLE: "Threats Facing Florida's Tourism Driven Economy,"

DATE: Thursday, August 10, 2017 @ 1:00 p.m.

LOCATION: University of South Florida St. Petersburg Student Center

Thank you for giving me the opportunity to testify today regarding "Threats to Florida's Tourism Economy". On behalf of the businesses in our communities we appreciate all you do each day for our country, the state of Florida and our local communities.

INTRODUCTION:

As the CEO of the Tampa Bay Beaches Chamber of Commerce (TBBCoC), I have the privilege to represent over 730 businesses with the majority directly tourism related (accommodations, restaurants, and attractions). The TBBCoC geographical reach is the entire coast line of Pinellas County, which are 12 municipalities and 1 un-incorporated community. The culmination of these communities is an estimated 8,872 businesses and over 156,000 residents (**Stats from Pinellas County Economic Development <http://www.pced.org/?page=DemoBusiness>*).

Important facts regarding the Tourism industry and its economic impact:

- 112 million Visitors to the State of Florida in 2016
- Over 1.4 million Tourism related Jobs in the State of Florida in 2016
- Approximately \$110 billion Economic Impact to the State of Florida in 2016
- 23% of Sales Tax in Florida is generated by visitors
- Pinellas County alone has over 100,000 jobs, nearly 6 million visitors in 2016, \$10 billion economic impact in 2016
- Diversification in Tourism: sports, film, leisure, and meetings all make up the industry

(**Stats from www.visitflorida.org & www.pinellascvb.org*)

The numbers are very powerful for the entire state and Pinellas continues to lead as a destination. As an industry we continue to keep our pulse on what elements could damage, interfere or even disrupt this vital economic driver. Managing threats is a strategic process with a precise recipe (planning & funding). Mitigating the long term

effects could be managed if proper planning occurs. The elements the industry has found to be threats are:

- Oil Drilling off Florida's Coast (High)
- Storm Surge / Hurricanes (High)
- Continued Funding of Brand USA & Visit Florida (High)
- Transportation (Mid/Long Term)
- Zika (Low)
- Sea Level Rise (Low/Long Term)

The degree at which any of these threats effect Florida's economy is a moving target which in some cases could be timing, media, and if there are multiple threats simultaneously. It's obvious some threats cannot be controlled, but how we react, fund or plan can be within our control.

OIL DRILLING (High Level)

One of the highest threats we have to Florida's tourism economy is the idea that lifting the ban on oil drilling off the coast of Florida is a viable and lucrative option. There is no amount of money/proceeds from oil exploration and drilling that can outweigh the risk that it has on the entire coast of Florida. In 2010, this was experienced firsthand through the Deepwater Horizon explosion.

As a result of this explosion, only small amounts of oil came to Florida's coast in the Panhandle. Not one drop washed to Pinellas County's coast; yet the magnitudes of losses are still being calculated. As of this date, businesses and municipalities are still working on their claims process to compensate for lost revenues.

The environmental consequences have been studied by a variety of agencies one of which is here in Pinellas county; USF's College of Marine Science, the lead institution for the Center for Integrated Modeling and Analysis (C-IMAGE), an international research consortium which was created to study the effects of the 2010 Deepwater Horizon oil spill, their research is outlined here:

<http://news.usf.edu/article/templates/?a=7309&z=220> and mentions as one of 4 finding that prolonged oil toxicity in fish continues. Many of these agencies continue to monitor the ramification of this spill on the marine life and Gulf of Mexico's overall health and indicate that it may be years before we truly fully understand the depth of this impact.

During this tragedy and many months afterwards, the Tourism industry had to fight the perception that there was oil on our beaches, and that our beaches were closed, while re-structuring tourism marketing expenditures to crisis messaging.

One of the largest resorts on the West Coast of Florida, Tradewinds Island Resorts had the following impact on their business (during the 2010 spill):

- Call volume from potential visitors went down by as much as 25%
- Since the oil spill (April 21st through June 2010), two resorts were down by over approximately \$1.7 million dollars in revenue. If you assume the hotels that represent the rest of the 35,000 rooms experienced similar revenue losses per room, that is over \$70 million dollars in revenues lost in just Pinellas County
- Keep in mind these losses don't consider restaurants, suppliers, attractions or other secondary businesses which rely on visitors staying in hotels

*(*Taken from Keith Overton written testimony July 12th to the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling)*

It is simple; the Deepwater Horizon explosion was off the Louisiana Coast and still had major threats and consequences to the entire Florida Tourism Industry.

ACTION TO MITIGATE THIS THREAT: *Continue the extensions of the moratorium on drilling off Florida's coast.*

STORM/HURRICANE SURGE AND BEACH EROSION (High Level)

The threat of storm/hurricane surge results in beach erosion; this holds true for the entire coast of Florida. In Pinellas County we are very proactive in what measure we need to take regarding beach nourishment. Beach nourishment is vital to the health of the beaches for our visitors and residents to enjoy as well as our wildlife (birds and turtles).

The #1 reason travelers come to the state of Florida is to visit the coastal communities and enjoy the award winning beaches.

A stat sourced from visitflorida.org/resources/research "The most popular activities for domestic visitors in 2015 were beach or waterfront activities (41%)"

In June 2012, Tropical Storm Debby and in 2016, Hurricane Hermine came for a visit. Both of these visitors left their baggage behind. That baggage was the damage to the beach - large amounts of erosion along Pinellas County.

Andy Squires, Section Manager for Coastal Resources in Pinellas County provided specific data regarding Tropical Storm Debby and Hurricane Hermine.

Hurricane Hermine Impact to Pinellas Beaches:

(Reference PDF, page 28, Table 1 for summary of sand losses)

Table 1. Volume Changes Measured along the entire Sand Key, Treasure Island, and Long Key

			Volume changes				MHHW line change
			Dune	dry beach	overall loss	overall gain	
			Cu. yds	Cu. yds	Cu. yds	Cu. yds	ft
<u>Sand Key Barrier Island:</u>							
North End Sand Key:	R55-R56:	Not nourished	-2100	-2300	-15800	2100	-19.3
North Sand Key:	R56-R66:	Nourished in 2012	-4900	-11000	-83700	69600	-17.2
Belleair Shore:	R66-R71:	Not nourished	-8600	-8000	-57900	34800	-9.2
Indian Rocks Beach:	R71-R82:	Nourished in 2012	-18300	-21300	-117100	91900	-5.0
Headland:	R82-R89:	Nourished in 2012	-10600	-30900	-66900	30000	-29.2
Indian Shores	R89-R100:	Nourished in 2012	-7100	-30500	-66300	21000	-35.3
North Redington Beach:	R100-R107:	Nourished in 2012	-3000	-16700	-23400	14000	-32.0
Redington Beach:	R107-R116:	Not nourished	-2800	-12300	-34700	12700	-29.3
Madeira Beach:	R116-R124:	Not nourished	-800	-11800	-15500	13300	-18.4
Total Sand Key			-58500	-144600	-481200	289500	
<u>Treasure Island Barrier Island:</u>							
Sunshine Beach:	R126C-R128:	Nourished in 2014	300	-3600	-3100	3100	-15.6
Middle Treasure Island:	R128-R136:	Not nourished	2000	-13400	-41000	36200	-23.9
Sunset Beach:	R136-R143:	Nourished in 2014	-3100	-10500	-24900	29200	-11.0
Total Treasure Island:			-800	-27400	-69000	68500	
<u>Long Key Barrier Island:</u>							
Upham Beach:	LK1-LK6:	Nourished in 2014	1800	-2600	-5900	12300	-6.4
Middle Long Key:	LK6-R160:	Not nourished	9100	-32200	-52500	42100	-15.2
Pass-A-Grille Beach:	R160-R165:	Nourished in 2014	-3600	-14900	-21800	15800	-23.1
Total Sand Key			7300	-49700	-80200	70500	

- Impacted Pinellas beaches for 2 days between Sept 1-3, 2016
- Sand Key sand loss from erosion totaled about 481,200 cubic yards
- For reference, a typical volume of sand placed each 6 year nourishment cycle is typically about 1.3mm cubic yards. The 2 day storm eroded over 1/3 the volume of sand that is typically eroded over a 6 year duration
- Loss of dry beach width ranged from 5 feet along Indian Rocks Beach to 35 feet along Indian Shores
- Treasure Island sand loss from erosion totaled 69,000 cubic yards and loss of dry beach width ranged from 11 feet at Sunset Beach (part of Treasure Island) to 24 feet at middle of Treasure Island
- For Long Key (St. Pete Beach) sand loss (note Table 1 has a typo) from erosion totaled about 80,200 cubic yards; Loss of dry beach width ranged from 6 feet to 23 feet

Tropical Storm Debby Impacts to Pinellas Beaches

(Reference PDF, page 20, Table 1 for summary of sand losses)

Table 1. Volume Changes Measured along the Long Key, Treasure Island, and Long Key

			Volume changes				MHT line
			Dune	dry beach	overall loss	overall gain	change
			Cu. yds	Cu. yds	Cu. yds	Cu. yds	ft
<u>Long Key Barrier Island:</u>							
Pass-A-Grille Beach:	R160-R165:	nourished in 2004	1500	-22100	-36500	22900	-25.6
Middle Long Key:	LK6-R160:	not nourished	6400	-31500	-64000	82600	-15.1
Upham Beach:	LK1B-LK6:	nourished in 2010, T-groins	270	-5100	-12900	20400	-10.8
Total Long Key			8170	-58700	-113400	125900	
<u>Treasure Island Barrier Island:</u>							
Sunset Beach:	R137-R143:	nourished in 2010	-7700	-12000	-43400	22600	-21.3
Middle Treasure Island:	R128-R137:	not nourished	11000	-13000	-50100	63600	-10.2
Sunshine Beach:	R127-R128:	nourished in 2010		-2100			
Total Treasure Island			3300	-27100	-93500	86200	
<u>Sand Key Barrier Island:</u>							
Madeira Beach:	R116-R124:	not nourished in 2006	700	-22500	-29600	35000	-18.4
Redington Beach:	R107-R116:	not nourished in 2006	-4300	-19200	-38600	48800	-18.4
North Redington Beach:	R100-R107:	nourished in 2006	-500	-21800	-59400	41000	-33.8
Indian Shores:	R89-R100:	nourished in 2006	-6300	-32200	-98400	100000	-34.4
Headland:	R82-R89:	nourished in 2006	-5500	-15800	-58400	61400	-28.2
Indian Rocks Beach:	R71-R82:	nourished in 2006	-12100	-15300	-86900	100800	-10.2
Belleair Shore:	R66-R71:	not nourished in 2006	-2800	6800	-29900	38600	10.5
North Sand Key:	R55 – R66:	nourished in 2006 and now	-5600	2500	-22800	20000	
Total Sand Key			-36400	-117500	-424000	445600	

- Impacted Pinellas beaches for 3 days from June 24-26, 2012
- Sand Key sand loss totaled about 424,000 cubic yards and dry beach width loss ranged from 10 feet to 34 feet
- Treasure Island total sand loss was 93,500 cubic yards and dry beach width loss ranged from 10 to 21 feet
- Long Key (St. Pete Beach) total sand loss was 113,400 cubic yards and dry beach loss ranged from 11 to 26 feet

In summary the overall impacts to erosion from each storm were similar. This demonstrates that a tropical storm can have extreme impacts and risk to our beach environments.

ACTION TO MITIGATE THIS THREAT: Continue and increase funding for beach nourishment projects throughout the state of Florida; along with funds at the local level.

TRANSPORTATION (Mid-Level)

Florida is #4* in the nation when it comes to transportation and we must continue to stay competitive. However, many of our popular destinations fall well below average as it relates to transportation options (transit/mobility). With the increase in traffic from foreign travelers and a rise of the millennial traveler, both demographics desire and expect access to better mobility options.

Transportation options are vital to stay competitive.

(Source: <http://www.flchamber.com/did-you-know-florida-road-conditions-rank-best-in-the-country/>)

ACTION TO MITIGATE THIS THREAT: Encourage funding for progressive transportation projects to ensure we can stay competitive in the ever changing travel market.

FUNDING BRAND USA & VISIT FLORIDA

EMERGING COMPETITIVE MARKETS (Mid-Level)

With emerging competitive markets (Cuba and Dubai for example) vying for our tourists it is imperative that agencies like Brand USA (and Visit Florida) are adequately funded and funded for extensive periods of time. This will ensure the marketing is earmarked to continue to attract global travelers to our award winning destinations.

ACTION TO MITIGATE THIS THREAT: Continue funding this agency to remain competitive to emerging markets like Cuba and Dubai.

SEA LEVEL RISE (Low level)

We do not see any immediate consequences in the business communities; however, if our state and local agencies do not start to draft land use plans accordingly for the long term effects of this, we will experience impacts. Sea level rise will continue to become a pressing issue in the years to come. It is vital to plan for the future and set the legacy we leave behind.

Pinellas County executed a study titled: "Awareness and Implications of Sea Level Rise". It is clear that if coastal communities begin to plan for sea level rise, there are options to protect the majority of the acreage that will eventually be impacted. (See Table 29, from Awareness and Implications of Sea Level Rise – Document is also attached).

TABLE 28
Estimated Sea Level Rise for the Tampa Bay Region

Sea Level Projections by Year						
Probability (%)	2025 cm	2050 cm	2075 cm	2100 cm	2150 cm	2200 cm
90	7	13	20	26	40	53
80	9	17	26	35	53	71
70	11	20	30	41	63	85
60	12	22	34	45	72	99
50	13	24	37	50	80	112
40	14	27	41	55	90	126
30	16	29	44	61	102	146
20	17	32	49	69	117	173
10	20	37	57	80	143	222
5	22	41	63	91	171	279
2.5	25	45	70	103	204	344
1	27	49	77	117	247	450
Mean	13	25	38	52	88	129

Source: Tampa Bay Regional Planning Council, "Sea Level Rise in the Tampa Bay Region", 2006.

ACTION TO MITIGATE THREAT: Start the planning now in conjunction with coastal communities; collaborate to have a unified approach.

ZIKA VIRUS (low level)

Though a low level threat at this time, depending on press, containment, number of cases it is still a threat to certain parts of the tourism market. Some resorts reported minor cancellations when they could track, but many times it is difficult to track.

ACTION TO MITIGATE THREAT: Fund research and development of eradicating this disease or a cure to how harmful it is.

CONCLUSION

We recognize many of the threats that Florida's Tourism economy faces are uncontrollable circumstances. It is the deliberate pre planning and funding we invest now that will mitigate and help soften the immediate and long term effects on Florida's overall tourism economy.

Additionally, we do not know the exact ingredient for successful mitigation. However, we do know that in 2010 we had a recipe for a major hit on this industry which was an oil spill, a severe cold snap and the recession. The three combined resulted in a considerable dip in bed tax collections, sales tax, 1000's of job losses and business closures. We need to be pro-active and innovative as we protect this industry.

As a voice for over 730 business members and 14 communities we urge this committee to acknowledge all aspects of tourism and consider your ability to invest in the future of this indispensable economy.