

COMING IN 2014

Tourism leaders see upswing for Daytona

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DAYTONA BEACH — The local tourism industry enters the new year in transition — with a top executive's resignation and a year of political bickering behind it — but officials and observers nonetheless expect the industry to continue humming along in 2014, thanks to new hotel and entertainment projects and strong demand for Florida vacations.

"I think we're going to do much better this year," said Bob Davis, president and CEO of the Hotel & Lodging Association of Volusia County. "All indicators are up, and people are on the go and are booking vacations."

Halifax Area Advertising Authority Executive Director Jeffrey Hentz submitted his letter of resignation last month and intends to step down at the end of February. His departure comes after a year of political infighting, with politicians and industry players sparring over issues ranging from efforts to market the Ocean Center, the county-run convention center in Daytona Beach, to fiscal oversight and getting the county's three tourism advertising authorities to work more closely together.

Still, Daytona Beach-area tourism is entering 2014 with wind in its sails, industry watchers say. The industry posted its strongest post-recession growth — as measured by bed-tax collections — in the 2013 fiscal year, which ended Sept. 30.

Further, developers intend to break ground on several major hotel renovation and construction projects this year. The projects include a new Hard Rock Hotel and Cafe, a new two-tower hotel-and-condominium complex and a complete gutting and overhaul of the Desert Inn, once rated one of the nation's dirtiest hotels by travel website TripAdvisor.com. The two new hotels are slated to open in 2016, and the Desert Inn is scheduled to open under a national brand in 2015.

"I can't remember a time when there were as many confirmed and speculative developments in Daytona Beach," said ad authority board member Sharon Mock, who also served as the area's top tourism official from 1989 to 2010. "With the improving economy and what's going on nationally and within the state of Florida, the sky's the limit."

Additionally, Daytona International Speedway will continue the work it began last summer on a \$400 million renovation of the Speedway and break ground on an accompanying shopping complex, One Daytona. Both are expected to be finished in



rendering provided by Glenn Storch

Daytona Beach's proposed Hard Rock Hotel as it would appear from State Road A1A.

time for the Daytona 500 at the Speedway in February 2016.

“With all the development ... this will make us a different and better place,” said local attorney Rob Merrell, who represents the company building the two-tower hotel-and-condominium development. “Daytona Beach will turn the corner ... The Speedway will play a huge part of bringing more and better tourists.”

Other renovated hotels are scheduled to reopen this year. For instance, the former Surfside Hotel and Conference Center in Daytona Beach Shores is set to reopen in May as a Residence Inn by Marriott, and the former Bermuda House hotel across State Road A1A from the Bellair Plaza shopping center in Daytona Beach will reopen as a Hilton Garden Inn in December.

“There’s a lot going on in Daytona Beach,” said Ajit Nana, senior vice president of Avista Hotels & Resorts, the Orlando company that owns the Residence Inn. Avista also operates the Hampton Inn Daytona Shores Oceanfront and the recently opened Hyatt Place Daytona Oceanfront, both in Daytona Beach Shores.

‘IMAGE IS GETTING BETTER’

The Speedway renovation, as well as the shops and restaurants planned as part of the One Daytona development, has Avista looking to expand more in the Daytona Beach area.

“We’d love in 2014 to do one or two more,” Nana said, referring to hotel renovations and rebrandings. “I think Daytona Beach’s image is getting better with better-quality rooms in the marketplace now.

“We hope that will attract other business,” he continued. “The more we can offer to consumers as far as better restaurants and things to do, it’s a win-win for hoteliers and the other businesses.”

The Ocean Center also is in the midst of change. At the behest of the Volusia County Council, the ad authority board voted last summer to divert \$400,000 to the Ocean Center’s sales efforts. Ocean Center staff has used that money to add salespeople and create an incentive fund to lure new events to the 205,000-square-foot convention center.

The ad authority will operate without a full-time executive director for the first part of the year. Though Hentz will work from home until February, much of the day-to-day work at the ad authority will be handled by other staff members. Dan Francati, who chairs the ad authority board, and other board members will also volunteer as needed, Francati said.

A committee the ad authority board created to find a new executive director had its first meeting Thursday. Francati said he expects the search to take at least three months.

However, the tourism industry shouldn’t be affected too heavily by the transition, he added.

“I think the (market) fundamentals are strong enough,” Francati said, noting that he believes year-over-year bed-tax revenue growth each month will continue to be in the 5 to 10 percent range the area consistently saw in the second half of 2013.

“The average tourist doesn’t pay attention to (ad authority politics),” he said, adding that the ad authority has adopted an advertising plan for the coming months. “The

advertising is in place. We'll have some new product ... We need to keep up the momentum, and I think we have everything in place to make that happen.”

‘DISCOVER,’ NOT ‘SEIZE’

Some changes are in store for the tourism marketing organization this year. First, the ad authority board last year voted to increase its budget for advertising in the Atlanta area by \$300,000. The money was originally intended to go toward advertising in Ohio, but the board changed plans after focus groups there responded poorly to the prospect of a Daytona Beach vacation.

Francati said he hopes the focus on Atlanta will lead to renewed efforts to attract tourists from other Southeastern states, such as North and South Carolina.

“We’re going to have to broaden our approach to get outside of Florida,” he said. “Daytona is a regional drive market, and we can’t just rely on Orlando for our tourists.”

Florida is the largest source of tourists to Daytona Beach, followed by Georgia and Ohio.

Second, the new year could mean a new advertising campaign for Daytona Beach tourism. The advertisements with the tagline “Seize the Daytona,” which the ad authority rolled out in early 2013, has been controversial at home and, for the most part, panned in focus groups outside the Southeast.

“They don’t get it,” Mock said. “They don’t connect the destination with the message.”

Late last year, Hentz said the ad authority had plans to phase out “Seize the Daytona” in markets outside the Southeast and modify the advertisements in Orlando and other drive-distance markets. But, Francati said he believes “Seize the Daytona” will be completely gone by October.

“I would be surprised if we were still with it,” he said. “We’ll probably gravitate to ‘Discover Daytona Beach.’ ”

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