

GRAND JUNCTION VISITOR & CONVENTION BUREAU
BOARD OF DIRECTORS MEETING

August 13, 2013

Clarion Hotel
755 Horizon Dr.
Grand Junction, CO

PRESIDING: Mike Bell, Vice-Chair

MEMBERS PRESENT: Brad Taylor, John Williams, Kate Graham, Daren Cole, Mike Bell, Per Nilsson, Sharon Woelfle, Glen Gallegos

MEMBERS ABSENT: Lon Carpenter

GUESTS: Mayor Sam Susuras, Mayor Pro Tem Marty Chazen, Councilmember Phyllis Norris, Greg Ruland - The Daily Sentinel, Karin Mast – Miles Media, Stuart Taylor – Two Rivers Convention Center

STAFF PRESENT: Barbara Bowman, Debbie Kovalik, Mistalynn Meyeraan, Kristin Lynch, Holly Prickett, Sara McGuire, and Kim Machado

The meeting was called to order at 3:08 p.m.

Minutes from the July 9, 2013 Board Meeting: Glen Gallegos moved to approve the minutes as written, Kate Graham seconded; motion approved.

Barbara Bowman welcomed the councilmembers and presented them, along with the board members, with a bag of peaches that represented the VCB's direct mail campaign to meeting planners. Each person in attendance introduced themselves.

Special Events Update

Mike Bell reported that the Special Events Committee received an application from the Rim Rock Marathon requesting \$1,800. Currently, \$1,500 remains in the Special Events fund. This is an event that the VCB has supported in the past. No further applications have been received to date. Mistalynn Meyeraan explained the purpose and policy of special event funding for the benefit of the councilmembers who were present and Holly Prickett shared the events that have been funded for 2013. Brad Taylor moved to approve \$1,500 for the Rim Rock Marathon, Per Nilsson seconded; motion approved.

Video Presentation – FOX 31 Denver *Explore Colorado* Segment

Mistalynn Meyeraan showed a video segment highlighting the Colorado National Monument which resulted from hosting Jennifer Broome, Meteorologist from KDVR FOX31 Denver.

Destination Marketing Presentation – Karin Mast, Miles Media

Karin Mast from Miles Media presented a current marketplace overview of destination marketing. She reviewed tourism as a global industry, tourism in Mesa County & Grand Junction, factors affecting destination marketing, and how Grand Junction and other areas are responding.

According to the U.S. Travel Association, direct spending by travelers in 2012 averaged \$2.3 billion a day, \$97.7 million an hour, and \$1.6 million a minute. Direct travel spending in Mesa County was over \$269.2 million and supported 2,950 jobs. Every \$1 spent in marketing results in \$141 in return on investment (ROI). Based on a 2012 Economic Impact Survey by Dean Runyon Associates for the Colorado Tourism Office, Mesa County's visitor tax revenue has increased 8.11%; lagging behind the State's total local tax collection which increased 13.26%. Compared to other counties in the state, Mesa County generated the third lowest overnight travel-generated earnings in 2012. We are not rebounding like other destinations are.

Factors affecting spending/budgets include:

- Increasingly noisy and evolving marketplace due to rapidly changing consumer habits in social media.
- Additional competition in tourism – online travel agencies, travel review sites, and timeshare/vacation rentals are competing for the attention of travelers and meeting organizers.
- Expanded options with unprecedented budgets – many destinations in Colorado have increased budgets by eliminating subsidies, implementing a car rental tax, lodging and food sales tax expansion, federal grants, and private-sector funds.
- Revenue management strategies by hoteliers – in Grand Junction, year-to-date average daily rate (ADR) has declined .5%, while the year-to-date ADR for the state has increased 5%.

Destinations can stand out by:

- Having the ability to compete in the global marketplace
- Adjust marketing efforts through search engine optimization
- Search engine marketing
- Multi-device development
- Email marketing and custom website content
- Understanding and growing ROI.

Karin shared the total tax and DMO budget of other Colorado destinations along with ways they have increased their budgets. Ideas for funding sources are:

- Tourism marketing districts
- Car rental assessment or fee
- Voluntary tax or fees assessment
- Co-op programs with industry partners
- Better revenue management practices locally through raising the average daily room rate

Mike Bell asked if we are doing enough to maximize our mobile website. Karin displayed a graph that reflected a 630% increase in visits to the mobile website in 2013 vs. 2012. Currently, there are 15,000 visits to the mobile website each month. She recommends improving the mobile site with a more responsive design, building the site separate from the desktop site to control the experience, and

creating a mobile application that can be downloaded. There is a software program that will help us learn what users are doing and looking for while on the site. Costs include a one-time installation fee with a monthly license fee.

Board and Council Discussion

A discussion regarding potential revenue-generating sources began with Mayor Sam Susuras asking if there are grants available. Karin responded that grants are available from the Colorado Tourism Office (CTO) but they are not large in terms of dollar value and the CTO is more inclined to approve grants to communities who partner with other communities on the grant. Barbara Bowman added that we have applied for grants in the past but often times those grants require matching amounts.

Per Nilsson said that hotels in the area are lowering lodging rates with the assumption that it will drive demand. Karin added that there is a long-term negative affect when hotels drop rates and that creating inspiration to attract out-of-town visitors is more effective.

Sharon Woelfle suggested that money the VCB has allocated to other areas be directed back to the VCB. Debbie added that for several years, the VCB has subsidized the operations of Two Rivers Convention Center (TRCC). (Since 2009, over \$900,000 has been transferred to the TRCC fund plus additional monetary support has been provided in the areas of advertising, marketing, and website for a total subsidy of over \$1.2 million). Per suggested that funding for TRCC come from other sources instead of the VCB to allow lodging tax revenue be used for its intended purpose, marketing. Debbie mentioned that the VCB does not know what the level of the subsidy is until February each year and asked Council to define the amount. For the most part the subsidy comes out of the VCB's fund balance.

Daren Cole suggested partnering with Fruita and Palisade for a county-wide tourism effort. Sam said that Palisade benefits from the VCB's Wine Country brand. Debbie responded that Palisade has a \$1 per room tax and that their funding will not increase because it is a flat rate with no increase in rooms.

Mayor Pro Tem Marty Chazen commented that Council is not opposed to spending money after looking for it in the budget and the return can be measured. A strategy will need to be developed that will generate revenue to cover the investment. Mayor Susuras added that Council supports the VCB and if the board would like to bring the issue forward, they will listen. Barbara said that if the VCB could use the \$109,000 budgeted for the TRCC subsidy this year we could launch revenue-generating marketing programs. The VCB would like to take the subsidy out of the fund balance instead.

Glen Gallegos commented that with the current ROI there is unlimited potential in tourism as an economic driver for the area and a strategic plan is needed to be competitive now and down the road. Marty responded that funding for the VCB falls on the city and that maybe it is time to look at other industries to contribute, such as mountain biking and other attractions that have benefited from the VCB's efforts. Debbie added that perhaps we may need to look at charging attractions for a listing in the visitor guide.

There being no further business, John Williams motioned to end the meeting; Daren Cole seconded, motion passed. The meeting was adjourned at 5:19 p.m.