

April 29, 2011

Casey Toomay  
Budget Manager  
City of Lawrence  
PO Box 708  
Lawrence, Kansas 66044

Dear Casey,

Destination Management, Inc. (DMI) projects city collections of transient guest tax revenue in 2011 to be \$1.2 million, and requests \$756,000 of that collected total. The DMI request is based on 2011 transient guest tax collections to date, and on industry forecasts. New developments in the surrounding area demand an increased effort by the Lawrence CVB to compete for visitor business, particularly in the meetings and conventions market.

DMI, governed by a board with representation from the City, County, Chamber of Commerce, Freedom's Frontier National Heritage Area and a Mayor's appointee from the Convention & Visitors Bureau (CVB) Advisory Board, manages the transient guest tax revenue allocated by the city, through a contract agreement. The CVB budget is guided by a 13 member LCVB Advisory Board appointed by the Mayor. DMI also has agreements for management with Freedom's Frontier National Heritage Area as well as the Douglas County Commission.

As always, staff makes every effort to responsibly manage tax funds in the context of a well-thought-out market plan with benchmarking and research to measure effectiveness. Staff also closely monitors the transient guest tax collections and industry trends and developments throughout the year.

Overall direct spending by visitors to Lawrence in 2010 is conservatively calculated at over \$47.6 million resulting in approximately \$1.08 million in local sales tax. Increased competition for the visitor dollar reinforces our belief that we must continue to invest in marketing our community to the maximum level possible.

Sincerely,



Judy Billings  
President & CEO

**DESTINATION MANAGEMENT, INC and LAWRENCE CONVENTION VISITORS BUREAU**  
**City Budget Proposal 2011**

**REVENUES**

Interest Income	\$600	*It has been proven over the years that good hotel management makes
Transient Guest Tax	\$756,000	a positive difference in overnight business. The Oread Hotel does
Merchandise	\$1,000	provide space for new types of meetings; however, we continue an
Online Booking	\$0	uphill battle due to past mgmt. at our conference property and
<b>TOTAL REVENUES</b>	<b>\$757,600</b>	increased competition for meetings from surrounding communities.

\*We are currently making the most impact with the sports and leisure market but are working with hotels to strengthen meetings business.

\*Visitor Guide does not appear in this budget as ad sales are expected to cover expenses.

\*Tour of Lawrence does not appear in this budget as sponsorships and entry fees are expected to cover expenses.

**EXPENSES**

***Operating Expenses***

Staff Salaries	\$297,910	*Staff salary increases will be considered at anniversary dates as budget
Administrative	\$129,000	and economic climate allow. Raises have not been granted for two years.
Rent & Utilities	\$0	
Operations expenses	\$24,300	*It continues to be important to work with our state lobbying
Prof. Development & memberships	\$12,360	organization, the Travel Industry Association of Kansas, as well as to
<b>Total CVB Operating Expenses</b>	<b>\$463,570</b>	provide professional development opportunities to staff.

***Visitor Center Operating Expenses***

Staff Salaries and Administrative	\$51,210	*The CVB operates the Visitor Information Center with 1.5 paid staff and
Operating expenses	\$1,650	30+ volunteers providing 21,000 volunteer hours of help/year. The center
Program expenses	\$1,600	is open to the public 7 days/58 hours a week. Staff assists Parks & Rec.
<b>Total Visitor Center Operating Expense</b>	<b>\$54,460</b>	by providing assistance to groups using the facility.

**TOTAL OPERATING** **\$518,030**

***Convention Sales & Services***

Travel & Trade Shows	\$4,900	*Convention/meeting sales is where we have the most direct influence
Bid promotion, conference hospitality	\$24,000	with the customer. Staff is working to spend more time in face-to-face
Advertising, printing, database	\$5,800	meetings with potential meeting planners and to proactively work
<b>Total Program Expense</b>	<b>\$34,700</b>	with hotels to cooperatively bring overnight business to the community.

***International & Group Tour Marketing***

Travel/Trade Shows/Promotion	\$6,800	*The Kansas State Travel Office continues to work in this market and is
Hospitality	\$1,400	having demonstrated success in growing it.
<b>Total Program Expense</b>	<b>\$8,200</b>	

\*We work cooperatively with the state office to host familiarization tours and to provide services when hosting a group tour.

***Public Relations/Leisure Travel Marketing***

Advertising	\$98,500	*Advertising efforts are focused on driving potential visitors to our
Vis Guide mailing and fulfillment	\$28,780	website for additional information and to request a visitor guide. Efforts
Special Project/Event Promotion	\$6,650	are also focused on vehicles that deliver measurable results.
Printing, photography, media relations	\$18,750	
Website & database	\$8,900	*We continue to grow and refine our database of potential visitors
Market Research	\$8,500	allowing us to target "e-messages" and direct mail. We also use this
<b>Total program expense</b>	<b>\$170,080</b>	information to effectively spend advertising dollars by seeking outlets

that reach both new targets and match current visitor demographics.

\*We assist in promoting many local events including Civil War on the Western Frontier, Kaw Valley Farm Tour, Final Fridays, etc. by printing fliers on their behalf and using our website and social media tools.

\*Our website and mobile site are our strongest promotional tool and need constant updates to remain relevant.

***Sports Marketing***

Travel/Trade Shows/Memberships	\$4,540	*We are having success working with local sport organizations to bring
Bid Promo/Hospitality	\$8,700	new events to Lawrence. There continues to be great
Event Management	\$11,750	potential in hosting amateur sport events including the Kansas Relays,
<b>Total program expense</b>	<b>\$24,990</b>	youth basketball and softball tournaments and track & field events.

**TOTAL PROGRAM EXPENSES** **\$237,970**

**TOTAL OPERATING & PROGRAM EXPENSES** **\$756,000**