



Destination Management, Inc

May 1, 2014

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

Dear Casey,

Destination Management, Inc. (DMI) projects 2014 city transient guest tax collections to be \$1.25 million. DMI requests \$869,200 of that collected total for the operations of DMI and the Lawrence Convention & Visitors Bureau. The request is based on actual transient guest tax collections during fiscal year 2013 and 2014 collections year-to-date, with the knowledge that the third and fourth quarters historically represent the largest revenues. .

One of the Lawrence CVB's roles in sports marketing is to solicit and secure regional and national sporting events many of which will be well-supported by Rock Chalk Park. These events typically require the host community to provide financial incentives to the sanctioning body in order to be selected. In most cases, cities are bidding against other communities to win the bid. As Lawrence's new sports-oriented assets become available, the Lawrence CVB is having conversations with groups whose events require these types of investments.

For the balance of 2014, the Lawrence CVB will host and organize several key sporting events that will have direct economic impact on Lawrence:

- the USSSA fastpitch world series in July, which will generate an estimated 1,300 room nights and 2,200 visitors;
- NAIA Cross Country National Championships in November, resulting in an estimated 1,100 room nights and about 2,100 visitors;
- AAU's Youth Cross Country Championships in December, generating an estimated 2,400 room nights and 3,000 visitors.

Securing and organizing these 3 events alone will cost \$50,000. As part of this year's request, \$40,000 is designated for bids/site visits to ensure successful competitive recruitment of tournaments. To successfully host sports events, and rebook them for the future, it is imperative that the CVB be able to provide a high level of hands-on service to the event planner and participants.

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Identifying and securing conventions and meetings continue to be a top priority. We are continuing to optimize the Kansas Associations in 2014 to ensure Lawrence is a top tier city for their upcoming meetings and conventions. Along with this initiative, we are also recruiting corporations and associations from the Kansas City Metro area concentrating on securing Sunday-Thursday business. This allows us to expand our sales efforts to a different market that has not previously been cultivated. Working with these Kansas City based corporations and associations will give us a chance to expand Lawrence's potential opportunities for meetings and conventions. With increased competition for the convention dollars, we must invest in marketing our community to the maximum level possible.

DMI, through a contract agreement, manages the transient guest tax revenue allocated by the city. 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 (funded by the federal government through the Department of Interior and National Parks Service) as well as the Douglas County Commission to manage county money budgeted for five heritage agencies. A combined DMI and CVB budget is attached.

As always, DMI and the CVB 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. DMI also closely monitors transient guest tax collections and makes adjustments to spending as necessary.

Direct spending by visitors to Lawrence in 2014 is conservatively calculated at \$61.2 million, resulting in approximately \$1.56 million in local sales tax. To maintain a competitive position to attract visitor spending, we will pursue new regional markets and collaborative partnerships that deliver sustainable benefits to community stakeholders while *exceeding* expectations in visitor experiences and services.

Sincerely,

Frederick P. Conboy
President/CEO, Destination Management, Inc.