

**City Council**  
**Business, Workforce & Sustainability Committee**  
**August 28, 2013**

**Summary of Contract for Convention and Tourism Marketing Services with VISIT Denver:**

The current contract with the Denver Metro Convention and Visitors Bureau (dba VISIT Denver) expires on December 31, 2013. VISIT Denver will continue to provide “convention and tourism marketing services” for the City under the new contract beginning on January 2014 through December 31, 2023.

**History:**

After Denver hosted the 1908 Democratic National Convention which proved so successful in generating press and economic development, City leaders organized the Denver Convention Bureau in 1909. The Bureau was a branch of the Chamber of Commerce but separated in the 1950’s to become the Denver & Colorado Convention & Visitors Bureau as a 501(c)(6) non-profit trade association organization.

In the mid-1970’s the Bureau began a partnership with the City and received 1.75% of the City’s lodger’s tax in payment for its services. Over the years the relationship has continued. When the Colorado Convention Center opened in June, 1990 it was the 10<sup>th</sup> largest convention facility in the country. By 1999, due to the boom of convention center growth around the country, the Colorado Convention Center dropped to the 40<sup>th</sup> largest. Denver is now the 23<sup>rd</sup> largest facility.

In 1999 VISIT Denver worked with the City to pass the initiative to double the size of the building and to add the 1,100 room convention center hotel. When these improvements opened in 2004/2005 the budget to promote the City was ranked 38<sup>th</sup> out of the top 40 bureaus in the nation. As a result, in 2005 the City again went to the ballot to successfully increase the lodger’s tax by 1% which goes to additionally fund this contract.

Visit Denver’s work on the City’s behalf has helped to bring in more tourism dollars to the City. For every \$79.00 in visitor spending the City earns \$5.92 in local tax revenue. In 2011 visitors to Colorado spent \$3.3 billion. Last year a survey of national meeting planners earned Denver the 4<sup>th</sup> highest overall score of 46 cities.

**Compensation:**

VISIT Denver markets Denver as a convention and tourist destination. Payment for these services is provided through the Lodgers Tax on hotel room rentals. The total Lodger’s Tax is 10.75% of the room rate and 2.75% of the tax is paid to VISIT Denver for their services.

In 2012, VISIT Denver was paid \$14.8 Million. We anticipate that we will pay VISIT Denver approximately \$15.3 Million in 2013.

**Contract Deliverables:**

VISIT Denver will assume full and complete responsibility for the implementation and operation of convention and tourism marketing services including the collection of tourism data and compliance with the booking policies applicable to the Colorado Convention Center

The following deliverables are required under the current contract and will continue under the new contract:

- Annual Marketing Plan
- Monthly Expenditure, Funding and Budget Recap
- Monthly Marketing and Tourism Report

New deliverable requirements include:

- Quarterly Report Detailing Spend on Subsidiary Contracts
- Additional monthly marketing metrics which reflect inbound referrals of online traffic (via the website, mobile or social media) to [denvergov.org](http://denvergov.org)
- Additional annual metric of online traffic regarding designated ‘branding events’ (i.e. Denver Restaurant Week, Denver Arts Week, and Denver Beer Fest)
- Semi-annual outreach meetings with diverse small and medium sized arts organizations to explain marketing benefits available to them through VISIT Denver
- Annual submission of an official inventory list detailing personal property purchased with funds provided through this contract.