



VISIT DENVER

10-year Contract Request
BIZ Committee
September 21, 2022

Ginger White
Executive Director
Denver Arts & Venues

Resolution 22-1151

Approves an expenditure contract with Denver Metro Convention & Visitor Bureau Foundation, doing business as VISIT DENVER, beginning January 1, 2024, and for ten (10) years, to direct a portion of the City's lodger's tax to pay for implementation of convention and tourism marketing services to promote the City of Denver as a visitor destination, citywide (THTRS-202264279-00).

Funding Background & Terms

- VISIT DENVER holds the City & County of Denver (CCD) contract to market Denver as a visitor destination, and to market and sell Denver and the Colorado Convention Center (CCC) as a premier meetings and convention destination in order to drive economic impact, create jobs and generate tax revenue for the City
- Sole source contract: VISIT DENVER's mission is solely and historically dedicated to these services

Why Now?

Duration: The current contract expires on December 31, 2023. DAV seeks a new contract with VISIT DENVER: term January 1, 2024 to December 31, 2033

- Provide certainty for the planning and opening of the new CCC expansion space (Q1 2024)
- Ensure no interruptions for booking the new expansion space and balance of the convention center
- Ensure seamless transition and integration with CCC management company

Compensation

- Since 1971, VISIT DENVER has received lodger's tax revenue as the City's official marketing agency
- In 2005, in cooperation with City Council, ran a ballot initiative to increase Lodger's Tax one percent for additional convention & tourism marketing
 - Voters approved 2 to 1
- Funding for this Agreement is provided from receipts from the City's "Lodger's Tax" Revised Municipal Code, derived from 2.75% of the voter-approved lodger's tax, and a portion of the 1% TID tax
 - Lodger's tax is 10.75% of the hotel room rate, plus 1% TID tax for hotels with more than 50 rooms
- VISIT DENVER is funded from both private and public sources
 - In 2021, VISIT DENVER received \$24.5 million in **public** dollars (lodger's tax and portion of TID tax)
 - Plus, **private** dollars raised through advertising, sponsorship, membership fees from its nearly 1,200 members (approx. \$2-2.5M annually)
- VISIT DENVER projects lodger's tax will generate \$35M in 2022 and \$38M in 2023 to its budget

Longwood's ROI study concluded that every \$1 invested in the 2021 VISIT DENVER summer advertising campaign generated \$151 in direct visitor spending and \$17 in state and local taxes.

Required Contract Deliverables

Perform the following services to market the City of Denver as a leisure travel and tourism destination and sell the Colorado Convention Center for meetings and conventions:

- Develop an annual Marketing Plan & Performance Metrics
- Provide a convention and tourism marketing report monthly and quarterly, reporting on indicators
- Submit written report annually to city stakeholders
- Revisit Performance Metrics and Indicators at Year 5 of the contract to ensure relevancy
- Complete and submit monthly "Monthly Expenditure, Funding and Budget Recap for City Funds"
- Support Colorado Convention Center's competitive advantage by providing 'best practices' report annually from convention centers/businesses in Denver's competitive set

Support the furtherance of City and County of Denver's equity values by:

- Adopting and maintaining a Diversity, Equity & Inclusion (DEI) Statement
- Leading semi-annual outreach meetings with diverse small and medium-sized arts, cultural and community organizations to explain the marketing benefits available to them
- Highlighting and featuring diverse communities in marketing, advertising, and other promotional materials

Support Denver's economic development and business attraction efforts by:

- Meeting semi-annually with DEDO to review upcoming conventions, understanding the level or attendees (C-Level)
- Collaborating on business/event attraction efforts
- Exploring industry trends that impact the tourism/convention sector and other economic development areas

Ensure City & County of Denver representation in VISIT DENVER governance

Assistance as requested by City and County of Denver, including but not limited to sharing digital assets, supporting mutually agreed upon citywide special events, etc.

Year-round Tourism & Convention Marketing

Major Annual Campaigns

Regional events (Jan-Oct; regional)

Spring/Summer (Apr-Aug; national)

Basecamp Denver (seasonal; national)

Mile High Holidays (Nov-Dec; local and regional)

Niche markets (multicultural, LGBTQ+, etc.; regional and national)

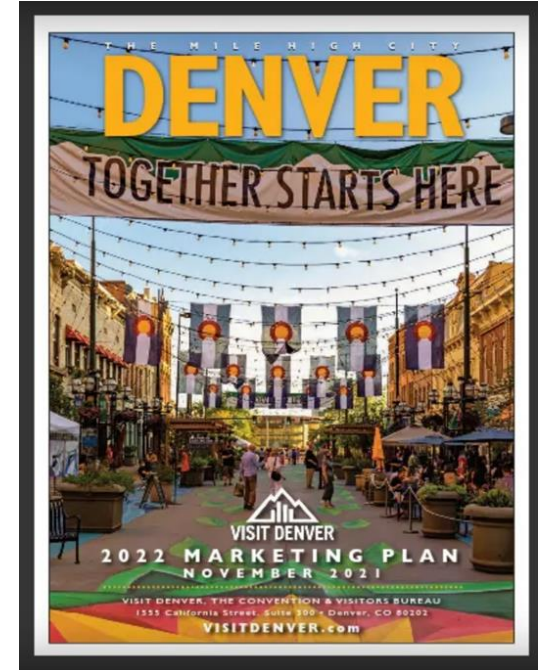
Conventions (Jan-Dec; national meeting planners)

Local & Regional Branding Programs

Denver Restaurant Week (Feb-Mar)

Denver Beer Week (Sep-Oct)

Denver Arts Week (Oct-Nov)



2022 Marketing Plan

Performance Measures & Reporting

Convention Sales Performance

- Convention room nights booked and estimated economic impact
- Hotel leads, lead room nights and economic impact generated

Tourism

- Number of domestic and international leisure visitors
- Leisure travel room nights booked and estimated economic impact

Public Relations

- Earned media value of VISIT DENVER-generated Denver stories/mentions

Total Visitor Inquiries

- Marketing and interactive impressions: including but not limited to website and social media engagements
- Visitor Information Resources
- Visitor touch points including official visitor publications

Customer Service Evaluation

- Meeting planner post-convention survey results

Sales and Marketing Teams

Convention Sales & Services

- 25-person convention sales & support team
 - Books more than \$600M in business annually
 - Manages relationships and commitments for \$2B in future convention business
- 7-person destination services team providing a myriad of services to groups

Tourism & Leisure Travel

- 15-person tourism sales and marketing team
- Includes digital marketing department
- 2-person communications team
 - Promotes domestic and international visitation
- Generates millions of dollars of media value

Partnerships & Community

- 4-person partnership team selling advertising, sponsorships and planning annual events
- One government & community affairs director

Sports Commission

- One director soliciting high-profile sporting events to Denver including:
 - MLB All-Star Game
 - USA Volleyball Championships
 - Concacaf Soccer

Additional Information About VISIT DENVER

Richard Scharf, President & CEO

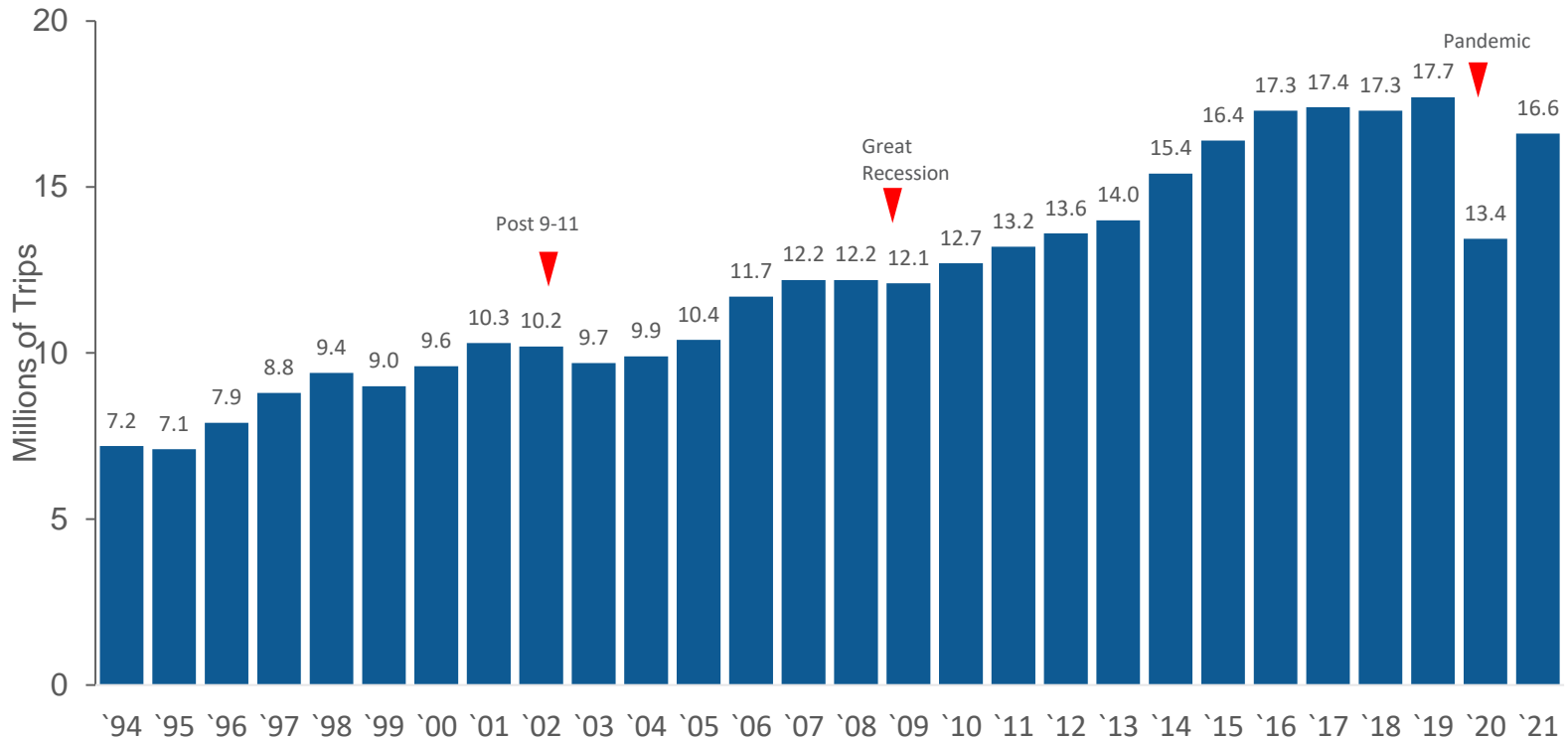
VISIT DENVER

History of Partnership

- VISIT DENVER Board of Directors, in cooperation with the City Council, created the visitor taxes to build the original Colorado Convention Center (CCC) in 1990, and funded the 1999 ballot-approved CCC expansion. Taxes are now funding the 2015 ballot-approved second CCC expansion along with the National Western Center redevelopment
- In 2008, VISIT DENVER helped create a governance structure called the Convention Center Alliance, which includes five stakeholder organizations focused on the success of the convention center (VISIT DENVER, Hyatt Regency CCC, ASM Global, DAV and Sodexo Live!)
- In 2017, VISIT DENVER helped form the Tourism Improvement District to bridge the finance gap of the current convention center expansion and created funding for ongoing improvements
- City staff and City Council are members of the VISIT DENVER Board of Directors

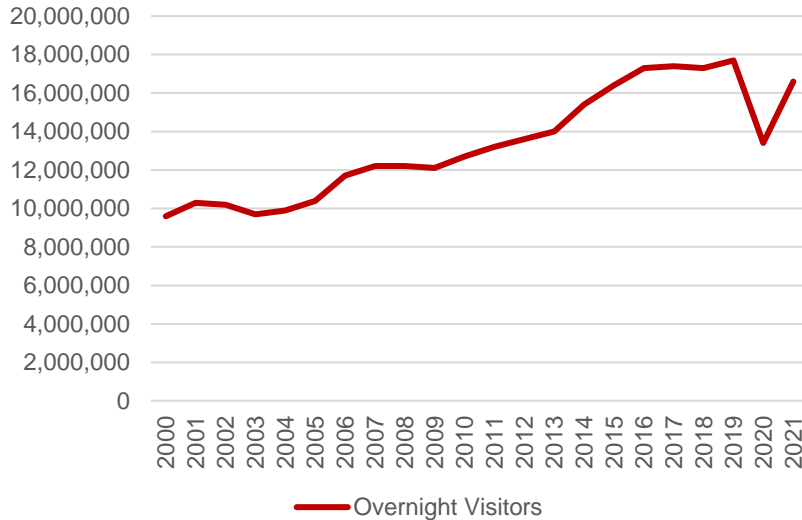
History of Success

Total Overnight Trips to Denver: 1994 - 2021

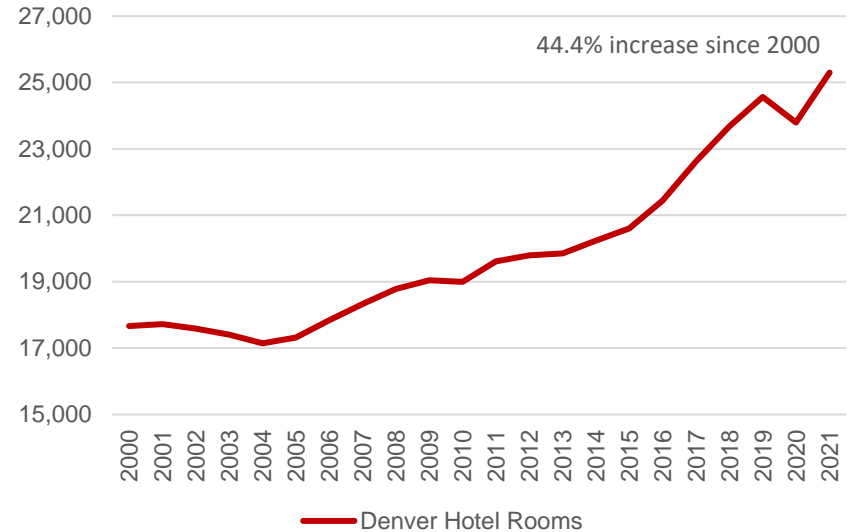


Hotel Room Growth

Overnight Visitors

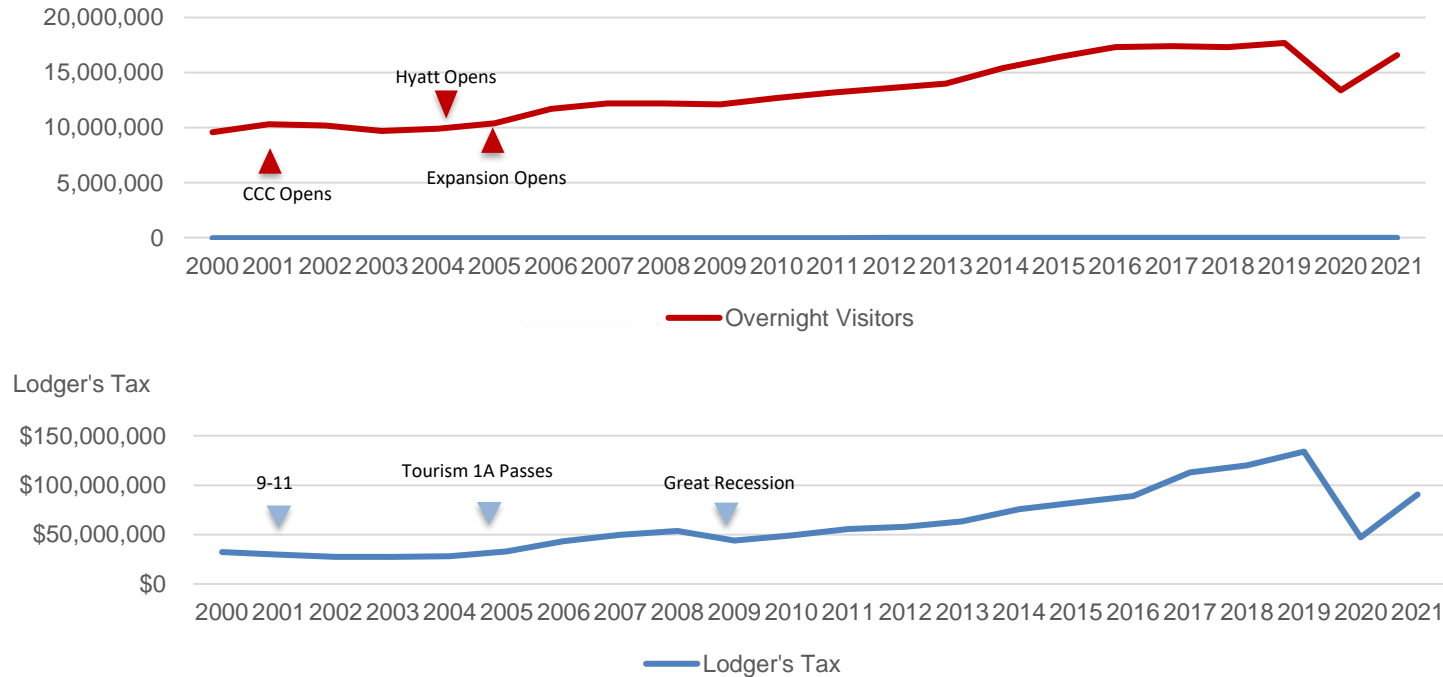


Denver Hotel Rooms



SPECIAL NOTE: According to Dean Runyan Associates, direct travel industry employment totaled 35,890 jobs for the City & County of Denver in 2021, as compared to more than 45,000 in 2019.

Overnight Visitors Drive Lodging Taxes



Requesting approval of Resolution 22-1151

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THANK YOU!

Q&A