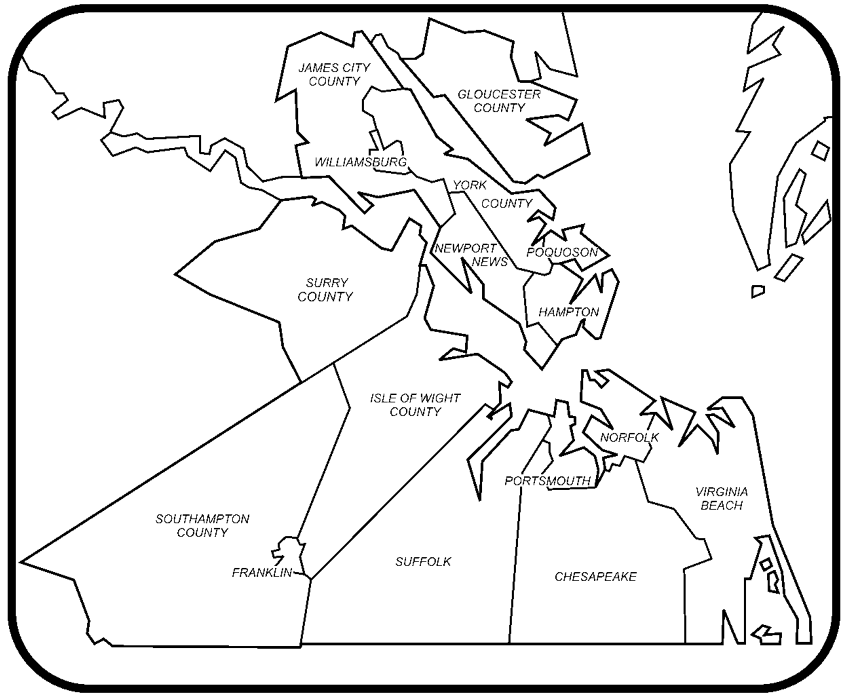

IMPROVING THE COMPETITIVENESS OF HAMPTON ROADS

The Hampton Roads Regional Structure Project

Recommendation to create a

Regional Tourism Strategy

Prepared by the Future of Hampton Roads, Inc.

January 2007

HAMPTON ROADS REGIONAL STRUCTURE PROJECT

REPORT OF STUDY GROUP 4B

HAMPTON ROADS REGIONAL TOURISM STRATEGY

Contents

1. Study Group Task

a. Task. Study Group 4A was charged with exploring the desirability of creating a regional tourism development and marketing strategy for Hampton Roads and, with respect to structure, the creation of a regional convention and visitors bureau to prepare and implement the strategy.

b. Proposal. Following is the excerpt from *Report No.2: Transforming the Regional Structure* (February 2006) that refers to this proposal as part of the overall Structure Project goal of accelerating economic development:

"**3.1 Principles.** A metropolitan region maximizes its competitive position by pooling leadership and resources to hire the most professional practitioners and present a unified image to the external world of potential customers.

3.2 Tourism. The local governments should create a Hampton Roads Convention and Visitors Bureau with a board that is broadly representative not only of the local governments but also of the various interests in the hospitality industry. Both public and private parties should invest in the budget of this entity as is done with the Hampton Roads Economic Development Alliance."

2. Findings

a. Economic Impact of Tourism. The tourism sector is an important contributor to Hampton Road's externally generated income. It enriches the cultural, recreational, and educational quality of life of its own citizens. The industry is built on the region's unique waterways and deep history. Its numerous hospitality and food service businesses provide many of the lower-wage employment opportunities needed for workers with low-tech skills.

From Virginia Beach to Williamsburg, Hampton Roads welcomes millions of visitors every year. According to the Virginia Tourism Corporation (VTC), tourism brings to Hampton Roads more than $3.7 billion annually, or more than 25% of the state's $16.4 billion in tourism income. Of more than 200,000 employed in tourism statewide, more than 46,000 work in Hampton Roads, generating a payroll of more than $800 million. Within Hampton Roads, and excluding the impact of the Outer Banks, the two largest tourist destination markets are Virginia Beach and Williamsburg, accounting for as much as 60 percent of the region's traveler spending each year. (Annex A-1 details the economic impact of tourism separately for each Hampton Roads locality.)

Always important, tourism now offers an increasingly significant economic opportunity for Hampton Roads. As defense expenditures that have boosted the local economy for the past five years are expected to decrease substantially in the next five years, tourism promotion can help fill the income gap. Futhermore, increases in fuel costs combined with the recent 40% decline in the value of the dollar that makes foreign travel so expensive underscore the opportunity for increased income from tourism development.

b. Regional Investment in Tourism. Combined, local governments in Hampton Roads invest approximately $31 million annually in tourism development. That figure includes the budgets of both tourism departments and convention and visitor bureaus that are primarily funded by local governments but also receive some private investments from members and from local Chambers of Commerce. As shown below in a tabulation of 2005 figures from the VTC, by far the majority of the investment is made by Virginia Beach, making up approximately 56% of the total:

Locality	CVB Budget (in $ millions)	
Virginia Beach	$17.8	
Williamsburg	$ 3.8	(CVB $2.1, plus Chamber of Commerce and city)
Norfolk	$ 3.2	
Hampton	$ 3.1	
Newport News	$ 1.5	
Portsmouth	$ 1.0	
Suffolk	$ .385	
Chesapeake	$ .375	
Smithfield	$ .265	
Total:	$31.425 million	

In some localities, tourism marketing dollars are budgeted separately; in others, the funding is mixed in with other departmental budgets. This reality makes it difficult to determine how much localities spend specifically on marketing. However, the Destination Marketing Association, a leading industry group, estimates that the nation's CVB's typically spend about 43% of their budgets on sales and marketing, suggesting that Hampton Roads' localities spend almost $18 million on marketing the region to tourists. The outsized spending by Virginia Beach reflects the fact that the principal draw for the entire region is its outstanding oceanfront.

Note that the above expenditures do not include dollars spent by large private employers or non-governmental players in the tourism industry such as hotels and attractions, both public and private. Organizations like the Colonial Williamsburg Foundation Busch Gardens, and local museums cooperate in many marketing programs for both in-market and externally focused advertising, adding millions more to the promotional cost. The region's airports also have active marketing programs.

However, when compared to the income shown in section a above, the investment in tourism provides a handsome return indeed. While figures are not available for all localities, research commissioned by the City of Virginia Beach CVB indicates an average ROI for the city itself (measured as the net return of taxes and fees over city expenditures from 2000 to 2006) of 42%. Results like these explain the recent substantial investment in convention facilities by Virginia Beach, Hampton, and Norfolk.

c. Tourism Targets: Where Visitors Come From. The primary sources of visitors to Hampton Roads come from the tens of millions of Americans living within a day's drive of the region. New York, Ohio, and Pennsylvania are key states the area pulls from, but visitors come regularly from as far away as Canada, with Canadian Automobile Association representatives visiting the area for familiarization tours on a fairly regular basis. Virginia Beach reports that as many as 9%

of its visitors come from Canada. Even so, almost half of the visitors to Virginia tourist destinations come from immediate neighbors: North Carolina (13.4%) and Maryland (8.7%) and from Virginia itself (21.2%). (Annex 2 provides the VTC visitation figures by state for 2004.)

While the Norfolk and Newport News/Williamsburg airports have been seeing increases in business, the private automobile is still the primary way that more than 85% of visitors come to the region. Some VTC studies put the number as high as 89%. According to VDOT, the average daily traffic of 88,000 vehicles through the Hampton Roads Bridge-Tunnel increases to more than 100,000 during the tourist season.

It is safe to say that the majority of visitors to our area know where they are going and many don't have far to go to get here. The question then might be, where do they think they are going? Many local marketing professionals, especially those working at area attractions, would argue that visitors only know about the area that brought them here, that is, the Virginia Beach Oceanfront, Williamsburg, or the Outer Banks. The region's magnificent oceanfront is indeed the primary draw, but as compared to our primary tourism competitors in Ocean City, Maryland and Myrtle Beach, North Carolina, the beaches of Hampton Roads are unique in being part of an urban area that boasts significant national history sites and numerous other attractions. Indeed, many visitors are drawn to Hampton Roads by such important attractions as the Virginia Arts Festival, the Azalea Festival, the Virginia Beach Boardwalk Art Show and numerous other local festivals thoughout the year; to the region's outstanding museums, including the Chrysler Museum, Mariners' Museum, Virginia Aquarium, Virginia Zoo, and Children's Museum; and to the many events offered by the Virginia Symphony, Virginia Opera, Virginia Stage Company, Virginia Musical Theater, Virginia Ballet, and other performing arts groups, both classical and popular. The Chamber's proactive program of non-professional sports events attracts many thousands more.

d. Tourism and Regional Identity.

i. "Hampton Roads" is now accepted locally. Since the creation in the 1980s of the consolidated Metropolitan Statistical Area and the Hampton Roads Planning District, surveys show that the region's citizens now accept the name "Hampton Roads." A survey by the Hampton Roads Partnership found that 63% preferred Hampton Roads, 22% Tidewater, and 4% the next highest name. A 2006 Old Dominion University quality of life survey found that over 85% identified themselves as citizens of Hampton Roads. As the definition of Hampton Roads is given by listing the historic names of its cities and counties, use of the name in the regional context no way diminishes the identity of those better-known names.

ii. Use of the regional name. Hampton Roads is now used widely by the media and by the sectors that market their services externally, such as the universities, shipping companies, chambers of commerce, and relocation realtors. It also appears on the regional insets of the maps of Virginia produced by AAA and the state. The AAA tour guide for Virginia has a Hampton Roads section. Regional institutions increasingly use Hampton Roads in their names, as in the Hampton Roads Planning District Commission, the Mayors and Chairs Caucus of Hampton Roads, Volunteer Hampton Roads, Hampton Roads Health Coalition, and many others. In 2007, to commemorate the area's 400th anniversary, the Hampton Roads Partnership is urging use of the slogan "Hampton Roads – America's First Region."

iii. External recognition. Although Hampton Roads is one of the oldest names in use in Southeastern Virginia, dating from about 1610, its use to identify the harbor rather than the region has made it a well-known name mostly among naval and maritime circles. While broader recognition is always desirable, it is important mainly for selling the region's unique assets among potential customers for the region's goods and services, including tourists. With respect to tourism, the situation is encouraging: In 1994 a telephone survey performed by the Wessex Group of Williamsburg among households in the Northeast and Mid-Atlantic found that 48% had heard of Hampton Roads and knew it was in Virginia, and 51% of this group were able to correctly name one or more localities in the area. As a partial indication of name recognition, this is not bad, though it could certainly be improved on.

e. Tourism and Regional Marketing. Despite increasing agreement on Hampton Roads' regional identity, and more importantly, increasing recognition that regions are the basic units of economic competition, only partial efforts have been made so far to market the image and strengths of the region as a whole.

i. Tourism as a regional experience. It is acknowledged that visitors readily travel among a region's localities to visit various attractions. Though Hampton Roads has no regional marketing plan, as with so many other aspects of regionalism in Hampton Roads the situation is mitigated by some partial efforts at regional marketing. From time to time the region's convention and visitor bureaus have created theme-based packages for visitors. For several years Norfolk marketed itself jointly with Williamsburg and Virginia Beach as "The Virginia Waterfront." The Family Attractions Network recently organized among 29 of the region's municipally-owned museums and other entertainment entities was created precisely to do joint marketing to stimulte cross visitation throughout the region. In their own brochures, the individual localities often mention the major attractions of the region's other cities.

ii. Intra-Regional Competition for conventions. In contrast to the partial effort to accommodate individual visitors interests in regional attractions, the region's cities compete separately for convention business. It is difficult to compile the dollar amounts the region's local governments spend on advertising their own meeting centers and hotels, but as suggested above in section b, the figures clearly are in the millions. The advertising by the smaller communities would be better leveraged in cooperative campaigns, and even the larger cities could realize savings.

iii. HRP cluster planning. The Study Group notes that tourism is one of the economic sectors selected in the current strategic plan of the Hampton Roads Partnership for cluster planning. Also noteworthy is the "Visit Hampton Roads" Web site jointly hosted by the Partnership and the Virginia Tourism Authority. This excellent site mimics the regional descriptions and marketing of other regions in the country (See Annex A-4). However, there is no single regional organization in place to handle inquiries. As an economic sector engaged in selling services externally, the tourism cluster—composed of many hotels, restaurants, museums, and other recreation and entertainment venues—could make a stronger contribution to building the region's image by working together.

f. Regional Tourism Marketing in Other Regions. The material provided in Annexes A-4 and A-5 indicates that CVBs in many other regions that market regionally experience the parochialism that is endemic in our own region. But almost all understand the utility of marketing their regions as a whole in order to meet the needs of tourists and conventioneers. Charleston, Orlando, and Quad Cities are worth studying as models. Many others at least put up a regional internet site to advertise regionally and provide contact points for booking hotels and meetings. Old Dominion Univesity's Bureau of Research has determined that some 80% of all reservations for travel and accommodations are now booked over the internet.

g**. Response to Regional CVB proposal.** To gauge opportunities for a formal regional tourism structure for Hampton Roads, two primary groups of tourism professionals were approached early in 2007 for input. They were asked to comment on the importance of tourism to the region (for which there was no disagreement) and what value a regional organization might hold.

Most of the CVB representatives expressed little support for a regional CVB (a term that apparently implies full staffing for both convention and tourism business as practiced in some other metropolitan areas, though the degree of integration varies). The primary difficulty was summed up in a comment from one local director who said, "Stumbling blocks to any regional organization include funding, time, and pressure to keep room revenue, meals and admission taxes in the localities that fund us." Another current reality for local CVBs is the intra-regional competition for convention business heightened by recent large investments in convention facilities. In these discussions, traditional attitudes among governments and local businesses about political barriers were the biggest concern. Direction would therefore need to be provided by elected leadership.

As described in the next section, the CVBs actually already cooperate in a number of ways and, in fact, they recently intensified the activities of their regional association. Feelings seemed to be that if there was an opening for a stronger regional structure, the place to begin could be to focus on visitors, rather than meetings. In addition, the CVB representatives agreed that a regional approach should be more effective in representing the region's tourism interests in Richmond with the General Assembly. Currently such lobbying efforts are conducted by individual localities and in part by the Virginia Hospitality and Travel Association (VHTA).

Another group approached for comments represented local attractions. The Family Attractions Network (FAN) is a loosely connected marketing cooperative representing more than 20 museums and other attractions from across the region. (See Appendix 3 for a list of membership in 2006.) Members of this organization are primarily focused on promoting movement of visitors around the region from among the visitors who have already been attracted to Hampton Roads. Their response was that better identification by visitors with the region would make it easier to encourage visitation beyond the primary destination points at the extreme ends of the area's boundaries, namely the beaches and Williamsburg.

h. CVB Cooperation and the SEVTA. There is no doubt that considrable cooperation currently exists among local CVB's and, while no use is yet made of a single regional image or brand, in many ways the CVB's cooperative efforts reap positive results.

Examples include the Catch-a-Wave initiative, which is a joint partnership among Hampton, Newport News, Portsmouth, Norfolk and Virginia Beach CVBs. Its main function is to promote this region as a select destination for the Group Tour Market. Participation is based on a minimum investment level in select programs and industry events. AA Sales blitzes and "fam" tours are other examples of how the area tourism community works together. The former takes local city representatives out of state and sometimes to Canada, to brief AAA representatives on the latest local offerings, while the latter involves the local CVB representatives in organizing visits by tour operators and trip planners to the area. In each case, every locality gets a chance to speak their piece about their respective locality.

In discussions, CVB professionals admit openly that there is a regular need to work together in an effort to attract large meetings and sporting events that no one locality has the capacity or facilities to accommodate. They rightly point with pride to their ability to organize and cooperate when forced to by necessity in such cases. One recent success occurs in February of 2008 when the American Bus Association, with about 1000 motorcoach owner and tour company members in the United States and Canada, will bring its annual meeting to the area.

Based on such experiences, the local CVBs came together in early 2007 to transform their local association into the Southeast Virginia Tourism Alliance (SEVTA). Current members include the CVBs of Chesapeake, Hampton, Norfolk, Portsmouth, Smithfield/Isle of Wight, Suffolk, Virginia Beach, and Williamsburg and the Norfolk Airport; private sector representatives are likely to be added.

While this group is still seeking a corporate charter it has already undertaken new initiatives. For example, they are issuing an RFP for research into cross-visitation numbers between the cities, a critical piece of data for supporting cooperative programs. They are also planning a collaborative approach to the 2008 National Tourism Week, a regional visitor map, and a program with the airport. In addition,the group is preparing a position paper supporting Senator Tommy Norment's recent proposal addressed to the Secretary of Trade and Commerce to reestablish the state's Tourism Coop Fund by creating a dedicated source of funding for regional tourism advertising programs. Other ideas under consideration include jointly funded visitor centers at main points of entry to the region and jointly funded sales offices in Chicago and Canada. The group's leaders identify the region's main weakness as "lack of product," i.e. a need for world-class hotels and a superstar attraction. This level of thinking and activity suggests that the SEVTA could be the agency designated to act as the point of focus for development of a robust regional tourism development strategy.

3. Recommendations

As with so many other sectors of Hampton Roads, the tourism marketing entities in the region exhibit a high degree of both competition and cooperation. The shared programs of the region's city and county CVBs and the joint marketing of the Family Attractions Network already provide a base for an improved program of regional tourism development strategy. Strong regional tourism marketing programs in competitor regions elsewhere in the country provide instructive examples. The large overall public and private expenditure on tourism promotion also suggests the possibility of achieving not only better professional service through a regional program but also some savings from more focused advertising. The predicted decline in the Hampton Roads economy provides urgency.

Two specific recommendations flow from the research work of the Tourism study group:

a. **Create a Regional Tourism Development Plan**.

The study group recommends that the Planning District Commission undertake to create, in collaboration with the Southeast Virginia Tourism Alliance, a regional tourism development plan for the following purposes:

i. To design strategies and action plans for advancing Hampton Roads to the status of a world-class tourist destination.

ii. To coordinate and fund the marketing of Hampton Roads as a premium site for meetings and conventions.

iii. To support the shared goal of increasing recognition of the region's identity as not only an exciting place to visit but also to live and work.

iv. To improve the contribution that tourism can make to the region's employment and to its externally-generated income and tax revenue.

Strategic planning begins with raising fundamental questions for research and discussion rather than mere brainstorming of initiatives for short-term activity. Among basic questions the Hampton Roads strategic tourism development plan should address are:

i. With respect to tourism, what are the region's strengths, weaknesses, opportunities, and threats?

ii. Which competitors are doing well? Which competitors should be studied as benchmarks for an impoved performance of our own region?

iii. Do changing economic conditions support special outreach to non-traditional customer segments, both domestic and foreign?

iv. What constitutes effective advertising for visitors?

v. How can a shared inter-governmental investment pool be created to finance recruitment of the major attractions and hotels the region lacks?

vi. How can the different needs of the various localities be accommodated, at least partially, in a regional tourism development strategy?

vii. What additional research data is needed to support possible action plans?

viii. What regional structure is needed to provide sustained leadership for maintenance and implementation of the regional plan?

b. Designate the SEVTA as the Hampton Roads CVB.

The Study Group recommends that the Hampton Roads local governments designate and appropriately fund the Southeast Virginia Tourism Alliance to act as the region's convention and visitors bureau for the following reasons:

i. An organization is needed to sustain and implement the proposed regional tourism plan.

ii. The region of Hampton Roads needs to market itself as a whole in order to underscore its wealth of tourism assets. The marketing of visitation and meetings from a consolidated advertising and promotion budget could potentially save the individual cities millions of dollars. (Among other specific ideas, the SVTA should take over maintenance of the Hampton Roads tourism web site from the Hampton Roads Partnership and should coordinate interaction with AAA on the text of its Mid-Atlantic tour guide section on Hampton Roads.)

iv. When private sector participants are added, the SVTA will bring together all the public and private parties most interested in the economic benefits of tourism development.

ii. At a later stage, when the practice of collaboration has been more firmly established, it should become feasibile and perhaps even necessary to consolidate the service of handling the marketing and booking of conventions. This concept could provide a significantly less expensive, highly professional, and more convenient service for *all* of the region's governments both for convention prospects and visitors. However, in designing the appropriate structure, the degree of integration would be a matter for careful study and it is likely that at least some of the municipalities would continue to fund their own CVBs. It is entirely a matter of practicality. The models already in existence that demonstrate the value of this innovation include not only regional CVBs elsewhere but, in our own region, the Virginia Port Authority and the Hampton Roads Economic Development Alliance.

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Annex A-1

Economic Impact of Tourism in Hampton Roads MSA

Economic Impact in Virginia : Preliminary 2005

Source: Virginia Tourism Corporation

2005 **County**	**Expenditures** **($ Millions)**	**Payroll** **($ Millions)**	**Employment (Thousands)**	**State Tax Receipts ($ Millions)**	**Local Tax Receipts ($ Millions)**
CHESAPEAKE CITY	217.17	43.41	2.69	9.94	8.13
FRANKLIN	77.51	18.79	1.23	3.16	2.39
FRANKLIN CITY	10.54	2.06	0.12	0.66	0.43
GLOUCESTER	32.35	6.81	0.43	1.46	0.99
HAMPTON CITY	179.46	36.25	2.25	8.18	6.46
ISLE OF WIGHT	27.88	5.92	0.36	1.29	0.66
JAMES CITY	309.23	64.16	3.90	14.69	13.39
NEWPORT NEWS CITY	213.30	51.79	2.83	8.56	7.63
NORFOLK CITY	599.09	164.43	7.10	22.67	19.69
POQUOSON CITY	2.43	0.47	0.03	0.11	0.09
PORTSMOUTH CITY	69.72	15.23	0.92	3.30	2.91
SOUTHAMPTON	11.47	2.54	0.15	0.62	0.23
SUFFOLK CITY	41.70	8.03	0.49	2.36	1.33
SURRY	7.82	1.91	0.10	0.34	0.24
VIRGINIA BEACH CITY	985.51	194.19	11.63	44.55	40.46
WILLIAMSBURG CITY	433.69	94.34	5.80	17.24	15.61
YORK	137.67	26.76	1.59	6.28	5.48
Hampton Roads Totals	**3,356.52**	**737.10**	**41.63**	**145.40**	**126.13**
State Totals	**$16,479.65**	**$4,117.71**	**206.47**	**$675.40**	**$473.89**

Annex A-2

Where do Virginia's visitors come from?

Source: Virginia Tourism Corporation
Origins of Virginia's visitors 2003-2004.doc
11/21/2005

Introduction
As with many tourism-related topics, the most obvious and frequently asked questions are often the most difficult to answer. The challenge in determining where Virginia's visitors come from is finding comparable data.

Most surveys are usually designed with a specific definition of "visitors" in mind. This usually involves respondents having traveled a certain distance, ie. 50+ miles for this study, to qualify as a visitor. This, in turn, results in less capture of local resident visitation to popular attractions/destinations, and therefore may not accurately reflect the true origin population for an area or attraction.

Two separate lists of where Virginia's visitors come from are presented in this document, one representing the top states of origin and the other reflecting the top Designated Market Areas (DMAs) of Origin. The first list includes the percentage of household-trips to Virginia from the top 15 states based on the 2003-2004 Virginia Visitor Study.

The second list includes the percentage of household-trips to Virginia from the top 15 DMAs based on the 2003-2004 Virginia Visitor Study. The top 15 states represent 85.2% of all household-trips while the top 15 DMAs represent 60.9% of all household-trips.

2003-2004 Virginia Visitor Study
In 2003-2004, the VTC conducted a follow-up mail survey to households who had responded to TIA's monthly TravelScope survey. Households who had responded that they visited Virginia, North Carolina, Maryland and/or Washington DC, on a recent trip were mailed a separate, more detailed questionnaire to provide the VTC with even more trip details than the original TravelScope program.

Data collected through the Virginia Visitor Study allows the Virginia Tourism Corporation to determine the percentage of Virginia's visitors coming from states and DMAs.
Both sets of rankings are based on *ALL* household-trips to Virginia and can be read:
"X % of all household-trips that included Virginia came from _________ State/DMA in 2003-2004."

Rank	State	Percent
1.	Virginia	21.2%
2.	North Carolina	13.4
3.	Maryland	8.7
4.	Pennsylvania	7.1
5.	New York	5.6
6.	New Jersey	4.8
7.	Florida	4.2
8.	Ohio	3.8
9.	South Carolina	3.5
10.	Georgia	2.8
11.	California	2.5
12.	West Virginia	2.3
13.	Tennessee	2.2
14.	Texas	1.8
15.	Massachusetts	1.6

Rank	DMA	Percent
1.	Washington DC	12.2%
2.	New York	7.7
3.	Norfolk	5.0
4.	Philadelphia	4.8
5.	Baltimore	4.7
6.	Raleigh-Durham	4.7
7.	Richmond	3.7
8.	Roanoke	3.4
9.	Charlotte	3.3
10.	Greensboro	2.6
11.	Pittsburgh	2.2
12.	Atlanta	2.1
13.	Boston	1.7
14.	Greenville-New Bern	1.5
15.	Greenville-Spartanburg	1.3

Annex A-3

Hampton Roads Family Attractions Network
www.hrfan.net

2006 Membership

Contemporary Art Center of Virginia
Chesapeake Attractions
Children's Museum of Virginia
Chrysler Museum of Art
Courthouse Galleries
Endview Plantation
Hampton Roads Naval Museum
The Hermitage Foundation Museum & Gardens
Lee Hall Mansion
The Mariners' Museum
Nauticus, The National Maritime Center
Naval Shipyard Museum
The Newsome House Museum & Cultural Center
Norfolk Botanical Garden
Peninsula Fine Arts Center
Portlock Galleries
Portsmouth Lightship Museum
Riddick's Folly House Museum
Seaboard Station Railroad Museum
Shooting Star Art Gallery
Suffolk Museum
Suffolk Center for the Cultural Arts
Virginia Air and Space Center
Virginia Aquarium & Marine Science Center
Virginia Living Museum
Virginia Sports Hall of Fame
Virginia War Museum
Virginia Zoo

Annex A-4

Web Sites of Selected CVBs in the United States

All data is taken from the internet. MSA populations are in millions as of 2000. It appears that MSAs of a size similar to Hampton Roads generally market their entire region, even if there are several CVBs—no doubt based on the ease with which a visitor can visit attractions throughout the region. In contrast, the very large metro areas, such as Chicago, have too much to offer to provide an MSA-wide picture on their Web sites.

Norfolk-Va.Beach-Newport News MSA (population of 1.6 mil.)
Norfolk, VaBch, Wil'burg, NNews, Ham, Ports, Ches all have CVBs.
Most of their Web sites list only their own attractions and hotels; a few list outside attractions. On the Web, a Google search of "hampton roads" brings up, first, Pilot Online, which is aimed mostly at residents but under "Guides" lists a tourist guide that has complete information in both a regional format and by principal city for individuals but not meeting planners. The fifth Google listing is "Visit Hampton Roads," described as the official tourist site for the region; the attractive site is maintained by the Hampton Roads Partnership and the Virginia Tourism Corporation and is a complete regional information source for both individual visitors and convention planners.

Richmond-Petersburg VA (996 thou)
Richmond Metropolitan CVB.
Web site is regional: "Welcome to the Richmond Region."
Includes Henrico and Chesterfield Counties.
Petersburg is not included and apparently has no CVB.

Memphis TN (1.1 mil)
Memphis Convention & Visitors Bureau
Website is regional. CVB serves Memphis and Shelby County TN. (but not Tipton Cty TN, Crittenden Cty Arkansas, or DeSoto Cty Mississippi in the MSA).
West Memphis Arkansas is across river: Website mentions Memphis TN attractions.

Austin-San Marcos TX (1.1 mil)
Austin Convention & Visitors Bureau
Markets the metro area.
There is a separate San Marcos CVB.

Indianapolis IN (1.6 mil.)
Indianapolis Convention & Visitors Association
Web site provides regional map, accommodations and attractions in entire MSA.
Four of eight counties in MSA surrounding Indianapolis have their own CVBs— Hendricks, Hancock, Hamilton, Madison—each of which has separate Web site.

Orlando FL (1.6 mil.)
Orlando/Orange County Convention & Visitors Bureau, Inc.
Markets Orlando and Orange County, but Web site includes info on entire MSA.
MSA includes three other counties—Lake, Osceola, Seminole—with own CVBs.

Kansas City MO - Kansas City KS (1.7 mil)
Kansas City Regional Destination Alliance links from Kansas City CVB Web site.
Cities are across from each other on the Missouri River.
Web site markets entire three-state MSA, including outlying counties.

Miami-Ft.Lauderdale-Miami Beach FL (2.3mil)
Greater Miami CVB, Ft.lauderdale CVB, Palm Beach CVB
MSA includes Dade, Brower, Palm Beach counties
The MSA is not marketed as a region. Each CVB has an extensive Web site.

San Diego-Carlsbad-San Marcos CA (2.8 mil.)
CVB Web site is regional: "The Official Travel Resource for the San Diego Region."
Carlsbad has its own CVB.

Chicago-Naperville-Joliet, IL (7.8 mil)
Chicago Convention & Tourism Bureau emphasizes the central city.
Chicago Southland Convention & Visitors Bureau covers south side Chicago
Prospect Heights Convention & Visitors Bureau covers north shore communities.
Metro Division includes seven other counties, three of which have CVBs.

Annex A-5

Survey of Regional CVBs

In June 2007, the Study Group invited 17 CVBs to answer the following questionnaire. Six responses were received and are attached.

1. It appears that your CVB is a regional organization, that is, that it serves more than one locality or local government. Is that correct?

2. If so, what localities are members? Are there business members?

3. How do you define the market area you serve? Is it the same as that of your members?

4. Does your market include your entire metropolitan area? What is the population of the area you serve?

5. Do any of your localities have their own CVBs or tourist departments? If so, how do their functions differ from yours?

6. What is your governing structure? How are affiliated localities represented? Is there business representation?

7. What is the working relationship of your organization to your state's tourism agency?

8. What are your sources of funding?

9. How large is your staff? Do they have any unusual duties (i.e., other than the standard functions related to conventions and tourism)?

10. When was your regional organization created? What reasons motivated its creation?

11. What successes do you attribute to your regional approach?

12. What problems, if any, have you encountered?

<u>Austin Texas</u>
Karen E. Case, Director of Administration
Austin Convention & Visitors Bureau

1) We are not a part of a regional CVB. We represent the City of Austin and a couple of suburban localities.

2) We are a non-member CVB, however, we work with outlying localities in our MSA. i.e., Round Rock, Texas that has grown in population.

3) We are non-membership, however, we market our MSA, which is five counties.

4) We do market the entire metropolitan area. Population of the City of Austin is 680,899 (2002 census); however, we also represent our MSA which is 1,513,565 in population and is a five-county radius.

5) Round Rock, Texas has just opened their own CVB, using hotel tax from that community. There are a number of hotels in that area that we send leads to, and we have assessment agreements with some of them.

6) No.

7) We work with the State Tourism Office in a co-op partnership particularly at tradeshows.

8) Our source of funding is a portion of the local hotel tax. We have a small amount of retail revenue, co-op funding, and in-kinds as well.

9) Staff is at 51. We have two departments that are slightly unusual – our Film Department of course works with the film making industry; and we have a Music Office which represents our live music venues, musicians, etc. and enhances our events at site visits and conventions.

10) NA

11) NA

12) NA

<u>Charleston, South Carolina</u>
Perrin Lawson, Deputy Director
Charleston Area Convention & Visitors Bureau

1) Yes Charleston, North Charleston, Mt. Pleasant, Isle of Palms, Sullivan's Island, Folly Beach, Kiawah Island, Seabrook Island and Charleston County. Our area served is defined as Charleston County and its various municipalities. We also represent lower Berkeley and Dorchester counties in a supplement capacity.

2) Yes; 350,000

3) No; but a few have a tourism coordinator whose primary responsibility is to coordinate accommodations grant requests to local organization's requesting funds for festivals and events. In most cases we have helped these cities hire their tourism director and we work closely with this person.

4) We have a Board of Governors that is representative of our industry, affiliated tourism organizations (Greater Charleston Hotel & Motel Association, Greater Charleston Restaurant Association, Charleston Heritage Federation, etc) and our funding governments. Each funding government has a seat on our board.

5) We maintain a very close working relationship with the South Carolina Department of Parks, Recreation and Tourism.

6) Our funding comes 50% from the portion of state accommodations taxes that are mandated to go to a tourism marketing organization. The balance of our funding comes from various competitive matching grant programs and private sector investment.

7) We have a full-time staff of 45 including the auxiliary organizations that are housed in our offices (Charleston Golf, Inc., Coastal SC USA, and Charleston Metro Sports Council).

8) The CACVB was formed in 1985 when the area's tourism marketing was transferred from the Charleston County Parks and Recreation Commission to the Charleston Trident Chamber of Commerce. Although the bureau operated autonomously, we were technically a division of the Chamber until 2003, when we became a separate 501 C – 6 organization.

9) The regional approach is the only way to generate sufficient marketing funds to be competitive in the national and global marketplace. Working collectively has enabled us to brand and position the Charleston area as a historic, cultural, beach, shopping, dining and recreational destination. This has created the critical mass needed to create festivals and events that further establish our brand and position in the market.

10) The only problem is keeping our various governments bought into the concept of destination marketing. This has become easier over time as it becomes more common for the area's main challenges (traffic, economic development, air service, education) to be addressed from a regional perspective.

<u>Madison, Wisconsin</u>
Deb Archer, CDME, President & CEO
Greater Madison Convention & Visitors Bureau

1) Yes, our CVB serves our County (Dane County), Wisconsin.

2) Our funding structure currently has the City of Madison contributing 20% of their annual room tax receipts (approx. 50% of our budget); Dane County contributes an amount from their general tax levy (approx. 11% of our budget). 6 municipalities in our county are "Municipal Partners" and contribute 10% of their annual room tax receipts. There are currently 4 communities in our county that collect a room tax, but are not yet municipal partners. This has more to do with our not engaging them vs. their not choosing to contribute. We also have business memberships. Currently we have about 580 business members. Membership dues equal approx. 15% of our budget.

3) We define our market as our county. We do have members from outside our county, but we do not solicit memberships outside the county.

4) Our metro population is just under 500,000

5) One community in our area has a City Tourism Department. Other communities' Chambers offer some tourism-related services, primarily responding to inquiries and producing some very basic collateral material on their community. The Middleton Tourism Commission focuses on short-term day-trip and leisure visitor efforts. Our efforts are focused on strategic destination marketing and convention sales.

6) We are governed by a 21 person board. The County Executive appoints an elected County Board member and the City of Madison Mayor appoints an elected Alder. We do not have appointments from other municipal bodies from the region. Our Board composition:

University of Wisconsin Chancellor's office
University of Wisconsin Athletic Office
Madison Area Innkeepers
Madison Restaurant Association
Dane County Tavern League
City of Madison Alder
Dane County Supervisor
Balance of board members are nominated and elected "at large"

7) We work very closely with our state tourism office. I have served as Chair of the WI Governor's Council on Tourism for four years. This body is the advisory body to our Secretary of Tourism (cabinet level position) and Dept of Tourism. 3 people in our office serve on various committees for the state Dept of Tourism. Our Dept has an active marketing grant program. We consistently pursue these grant dollars.

8) 55% City of Madison (room tax): Contract with performance measures in five areas including bookings and revenue for the City's convention center.

11% Dane County (general levy): Contract with performance measures for sales of the County's convention and event complex

15% Membership (580 members)

4% Surrounding communities (room tax)

13% Other private funding sources

2% Other public funding (state tourism grants, etc.)

9) 20 full-time, 13 part-time. Typical duties. Nothing unusual.

10) We were incorporated in 1972. Region was growing and room tax being spent on general items vs. tourism.

11) The fact that most of our industry organizations (innkeepers, restaurant association, etc.) are regional in nature, is largely responsible for our success as a regional DMO.

12) Smaller communities find it difficult to share their room tax with us when they feel we are only concentrating on central-city issues, etc. We face this challenge constantly.

<u>Indianapolis, Indiana</u>
James Wallis, Vice President of Finance, Administration & Technology
Indianapolis Convention & Visitors Association

We are not a regional organization. While we do promote a few attractions outside of our county, we are only supported by Marion County and thus do not fit your criteria.

<u>Orlando, Florida</u>
Misty Johantgen, Vice President of Member Services
Orlando/Orange County Convention & Visitors Bureau, Inc.

1) The Orlando/Orange County CVB markets the Central Florida area (i.e. Orange, Osceola, Seminole and Lake counties). We have a contract with Orange County which provides a portion of the Tourist Development Tax to us for marketing purposes. We are a private, not-for-profit trade association -- 501(c)(6).

2) We have 1400+ dues-paying business members.

3) While we only market the 4-county region, we do accept members from outside this region. Specifically:

a) Lodging members can only be from the 4-county region
b) Attractions, retail and restaurant members must be within a day-trip of the Orlando area
c) Service members can be from anywhere within the U.S.

4) Our market includes our metropolitan area. Metro Orlando population is at 1.8 million.

5) Osceola, Lake and Seminole Counties all have their own CVBs which are managed by either their County Commissions or Tourist Development Councils/Commissions. They are not membership-based organizations.

6) Our President and CEO reports to a 30-member Board of Directors. This Board is made up of representatives from all segments of the tourism and meetings industry. The Mayor of Orlando and the Mayor of Orange County serve as "Designated Directors" on this Board.

7) We partner with VisitFlorida (our state tourism agency) on many of their advertising and marketing programs.

8) The primary source of our funding is the Tourist Development Tax collected in Orange County hotels. Additional sources include membership dues, advertising dollars, and revenue earned from such entrepreneurial activities as the sale of attraction tickets, providing convention registration services, etc.

9) We have appx. 170 staff.

10) We were founded in 1984. Please click on the link to learn more about our history: http://orlandoinfo.com/media/corporate/history.cfm

11 & 12) The partnership and involvement of our members along with the support of our County Commission (i.e. through additional funding) has contributed significantly to the success of our marketing efforts. We have not, however, been successful in organizing any large-scale regional cooperative marketing efforts with the other CVBs (with the exception of activities directly following the 9/11 attacks). There is history here (probably similar to what your area is experiencing) that is too lengthy to go into via e-mail.

<u>Quad Cities</u>
Joe Taylor, President
Quad Cities Convention & Visitors Bureau

1) The Quad Cities CVB covers Scott County, Iowa and Rock Island, Mercer, Henry, Warren and Henderson Counties, Illinois.

2) We are funded directly by Scott County, Iowa, Rock island County, Illinois and the cities of Davenport, Bettendorf, Eldridge, Iowa and Rock Island, Moline, East Moline, Silvis and Carbon Cliff, Illinois and indirectly through Illinois Bureau of Tourism grants. We have about 400 business members.

3) Our market area is much larger than our service area – we market to the region and nation as needed.

4) Yes, the market includes the entire metropolitan area of about 300,000.

5) No, we are the single tourism promotion agency for the region.

6) We are governed by a 14- member board of directors – the seven largest funding sources (Scott County, Rock Island County, Davenport, Bettendorf, Rock Island, Moline and East Moline) each appoint one representive to the board. The other seven are elected by members.

7) We have two state tourism offices to work with – Iowa and Illinois. We have and maintain excellent relationships with both states.

8) Funding sources include direct public contributions from hotel/motel taxes, grants, memberships, welcome center fees, gift shop revenues, and more.

9) Staff is 14 full time members. Job duties are the norm of any CVB…we are open Saturdays and the welcome center is open 361 days a year so staff does work weekends.

10) 1990. Created because we are one destination and needed to compete against the outside world more and less among ourselves.

11) A strong board that deflects politics from staff, programs and management.

12) Our professional staff is split among two offices – one in Davenport, Iowa and one in Moline, Illinois which leads to duplicative costs and inefficiencies in management.

Annex A-6

Members of the Study Group

Dan Cawley, Chairman
Executive Director
Virginia Sports Hall of Fame and Museum

James F. Babcock, Chairman and CEO (ret.)
First Virginia Bank – Hampton Roads

Philip Damuth, Account Executive
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Sallie Grant-DiVenuti, Executive Director
Hampton Convention & Visitors Bureau

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