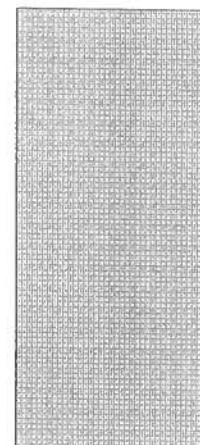


OAK RIDGE PROMOTION

OPTIONS FOR OAK RIDGE CONVENTION AND VISITORS BUREAU (CVB)
MAY 27, 2014



EXISTING CONTRACT PROVISIONS

- In 2013-2014, City contracted for \$300,000
- CVB operates office space and visitors center
- Contract encouraged development of sponsors for community events
- Oversight provided by CVB Board as appointed by City Council
- Focused on bringing events to town and sustaining existing events
- Can be reduced if targets not met

COMPOSITION OF BOARD

- Established by resolution in 1981
- Seven-member Board with power to engage professional assistance and to employ an Executive Director
- Reporting requirements to Council
- Purpose is to development of tourism activities
- Hotel representatives (2) added to Board in 2012

GOALS OF CVB

- Promote Oak Ridge as a destination for DOE and business related travelers
- Promote the Riverfront rowing venue for club, high school and intercollegiate athletics
- Enhance Oak Ridge as a visitation location for mountain biking, hiking and outdoor activities
- Promote the historical aspects of Oak Ridge through heritage tourism initiatives
- Create special events that enhance the quality of life for citizens and visitors alike

PRESENT CHALLENGES

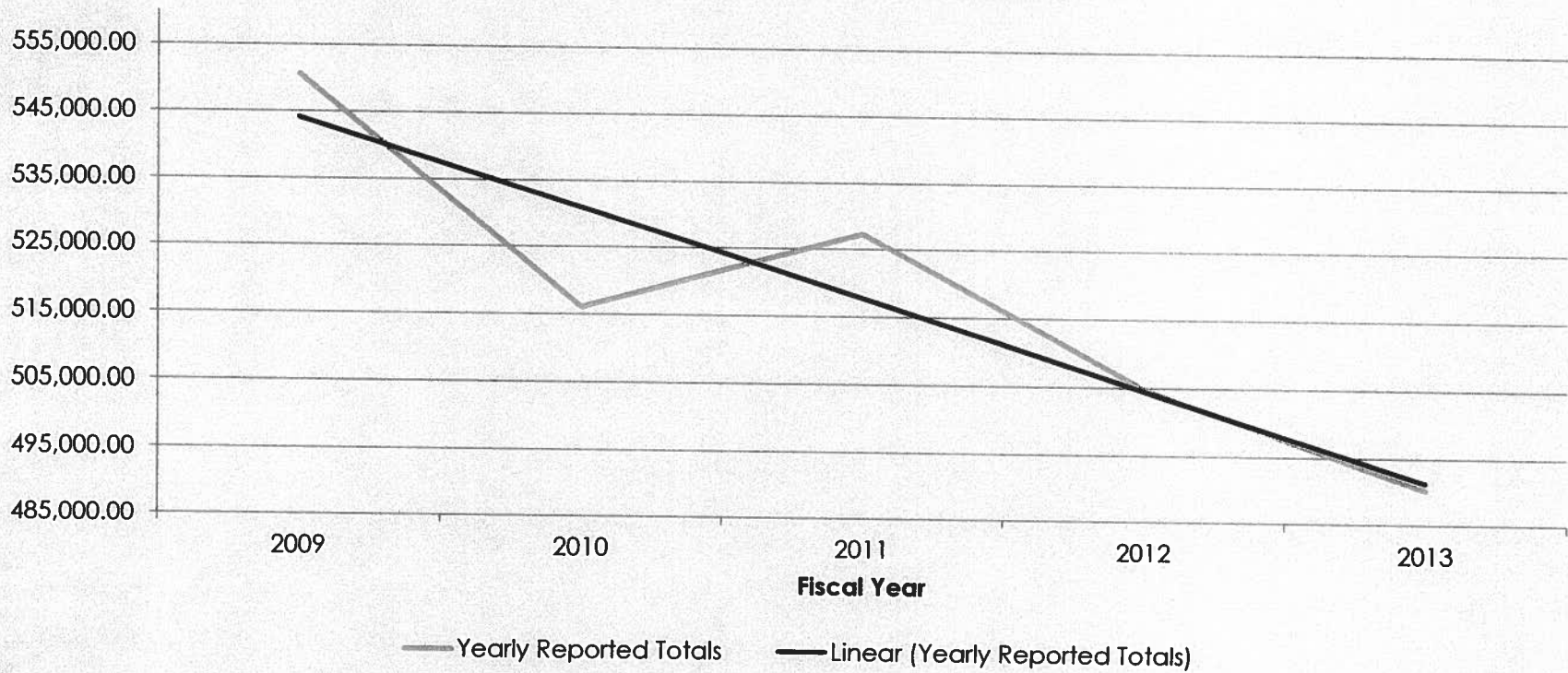
- Competition from I-40 hotel corridor
- Mixture of old and new hotel facilities
- Government and collegiate agreements with Marriott flagship hotels
- Sports facilities are not concentrated in major complexes (soccer and baseball)
- Availability of corporate dollars is changing
- Sustainability of events
- Marketing levels
- Government travel reductions and per diem

FINANCES

- Long term mean reduction in hotel tax collections
- New hotels should mean higher daily rack rates, but is dependent upon growth
- Some hotel tax delinquencies have occurred due to downturn in economy
- Most taxes are contained in salaries and operations, which impacts marketing
- Venue facilities need further investment and capital
- More marketing dollars needed

HOTEL TAX COLLECTIONS

**Hotel/Motel Tax Collections
Yearly Reported Totals
Fiscal Year 2009 to Fiscal Year 2013**



LAST THREE YEARS

• FY 2011-2012 collections	\$ 504,841	
• CVB contract	\$ 404,208	80%
• FY 2012-2013 collections	\$ 490,227	
• CVB contract	\$ 410,000	83.6%
• FY 2013-2014 collections (estimated)	\$ 480,000	
• CVB contract	\$ 314,100	65.4%

DO SOMETHING DIFFERENT!

- City services/support is needed for most community events, challenging the ability of CVB to serve, so bring CVB “in-house”
- Have CVB Board assess impact and cost benefit of operating visitor center and associated overheads
- Utilize more contract services
- Take advantage of City print services and website personnel
- Examine special events that are unique and attractive to Millennials using existing assets

HOW TO IMPLEMENT

- Executive Director reports to City Manager
- Finance Director creates new division for financial reporting
- CVB Board provides ideas, input and initiatives for events and marketing
- No contract needed
- Finalize a transition plan for October 1st and funding a first quarter operation
- Create linkages and support services for a set of community events