

## MEMORANDUM

April 25, 2016

TO: Planning, Housing and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst

SUBJECT: FY17 Operating Budget: Conference and Visitors Bureau NDA

The following persons are expected to attend this worksession: Kelly Groff, CEO, CVB; Bethany Manimbo, Director of Marketing, CVB; Karen Aaron, Director of Sales, CVB; Peter Bang, Chief Operating Officer, DED; Pofen Salem, OMB.

The Non-Departmental Account for the Conference and Visitors Bureau (CVB) can be found on page 68-11 of the Executive's Recommended FY16 Operating Budget; a copy is attached at © 1.

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| <b>Staff Recommendation: Concur with Recommended Budget for CVB NDA</b> |
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### Overview

The CVB promotes Montgomery County as a tourist destination to meeting planners, student groups, group tour operators, leisure travelers, sports events/spectators, and travel writers. The CVB's promotion activities include developing and distributing publications and conducting public information campaigns. The CVB also assists small and large hospitality businesses considering new product development or expansions.

**While the Council does approve a budget for the CVB NDA every year, the Council does not approve the CVB's budget.** The CVB is a non-profit entity, and the CVB Board approves the CVB budget. *See CVB FY17 Budget*, © 4. The CVB prepares an annual report to the PHED Committee that contains information regarding the CVB's activities and accomplishments during the previous year and the CVB's work plan for the upcoming year. *See FY15 Annual Report*, © 7. The CVB will make a brief presentation during this worksession. *See CVB Presentation Slides*, © 17.

**The Executive has recommended \$1,444,615 in FY17, an increase of \$20,827 relative to FY16.** The CVB NDA is funded with a dedicated revenue stream—7 percent of the total County revenues from the Room Rental and Transient Tax ("Hotel/Motel Tax") is dedicated to the CVB. The CVB does have other resources, but this dedicated revenue stream represents 77 percent of the CVB's

revenue. The recommended budget does not include any discretionary funding, i.e., the NDA includes only the dedicated funding. Other sources of revenue fund the CVB but do not flow through the CVB NDA—for example, municipal hotel/motel tax revenues (\$76,000); state tourism grant (\$120,000); membership dues (\$55,000); and hotel reservation commissions (\$145,000). *See CVB Budget*, © 4.

### **Economic and Fiscal Summary**

- Total FY17 hotel/motel tax revenue (estimate): \$20,637,350 (of which \$1,444,614 is dedicated to the CVB);
- FY17 room occupancy (estimate): -0.1% versus FY16 to 66.2%;
- FY17 Average Daily Rate (estimate): +2.6% versus FY16 to \$135.81;
- FY17-22 Annual Growth Rate (estimate): 3.3%-3.6% annually, down from the very robust 4.6% growth of a year ago (driven in part by a 6% increase in the average daily rate);
- First quarter of calendar year 2016 room occupancy is up, ADR is down: +1.1% occupancy rate; -1.1% ADR.
- First half of FY16, tourism sales tax revenue increasing: +5.4% versus first 6 months of FY15;
- Day and overnight visitors both increased in 2014: +6.1% combined;
- Supply in the region: new supply in Montgomery County (e.g., Cambria suites in Rockville), but there will be additional supply in the region as well (e.g., National Harbor/MGM Casino);
- Demand factors in the region: International Pow Wow; Museum of the Bible; National Harbor/MGM Casino; Presidential Inauguration.

### **FY16-17 Revenue Issues**

Finance estimates FY16 revenue of \$19,914,314 and projects FY17 revenue of \$20,637,350. This translates into a modest increase in dedicated revenue for the CVB (from an FY16 estimate of \$1,394,002 to an FY17 projection of \$1,444,614). *See Tax Revenue Estimates*, © 6.

The FY16 estimate assumed approximately \$228,800 in additional revenue associated with Expedited Bill 14-15, which was introduced on April 14, 2015. Expedited Bill 14-15 amends the definition of hotel or motel under the County's room rental and transient tax statute. The amendment removes the requirement that a hotel or motel accommodate 5 or more transients and adds "dwelling unit" to the definition of "hotel or motel". The purpose of the bill is to be able to apply the County tax to various businesses that rent, or facilitate the rental of, single rooms or homes within the County. Typically, these types of rentals would not have sleeping accommodations for 5 or more transients at one time and therefore the County tax would not apply. These rentals compete with hotels, motels, and other lodging places to whom the tax does apply. The County is currently in negotiations with Airbnb and implementation is pending.

Settlement payments from brokers increased tax revenue collections in certain months of FY16, although those settlements represent one-time revenues.

### **FY16-17 Expenditure Issues**

The CVB budget funds 7 full-time positions and 1 part-time position. Personnel costs represent approximately one-third of all expenditures. With respect to non-personnel costs, increases in digital marketing and advertising, research, and technology subscriptions are more than offset by declines in spending on print advertising and one-time FY16 expenditures.



**The most significant risk factor for this budget in FY17 relates to the one-time costs associated with moving out of the current location (sub-tenant of DED) into new space.** CVB plans to co-locate with the Montgomery County Economic Development Corporation and WorkSource Montgomery. The FY17 CVB budget assumes \$30,000 for one-time costs associated with the two physical moves that will be necessary (into temporary space in July/August, then into permanent space later in the fall). It is possible that the move into new space will result in both higher than anticipated one-time costs and an increase in recurring costs associated with the CVB's fairly limited physical footprint.

Attachments: © 1 CE's Recommended FY17 Operating Budget: CVB NDA  
© 2 CVB Memorandum to PHED  
© 4 CVB Draft FY17 Budget  
© 6 Hotel/Motel Tax Revenue Estimates, FY15-FY21  
© 7 CVB FY15 Annual Report  
© 17 CVB Presentation Slides

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organizational needs; allowing managers to seek new challenges; and developing and encouraging a government-wide perspective among the County's managers. MLS employees are not eligible for service increments. Performance-Based awards for MLS employees are funded in FY17.

Unemployment Insurance: The County is self-insured for unemployment claims resulting from separations of service. Unemployment insurance is managed by the Office of Human Resources through a third party administrator who advises the County and monitors claims experience.

| <b>FY17 Recommended Changes</b>  | <b>Expenditures</b> | <b>FTEs</b> |
|--|---------------------|-------------|
| <b>FY16 Approved</b>   | <b>2,450,458</b>    | <b>1.23</b> |
| Increase Cost: Actuarial Charges   | 75,000              | 0.00        |
| Increase Cost: MLS Pay for Performance - Non-Tax Supported                   | 6,077               | 0.00        |
| Increase Cost: FY17 Compensation Adjustment                                  | 2,353               | 0.00        |
| Increase Cost: Group Insurance Adjustment                                    | 781                 | 0.00        |
| Increase Cost: Printing and Mail   | 273                 | 0.00        |
| Shift: Telecommunications to the Telecommunications Non-Departmental Account | (150)               | 0.00        |
| Increase Cost: Retirement Adjustment   | (263)               | 0.00        |
| Decrease Cost: Annualization of FY16 Personnel Costs                         | (782)               | (0.05)      |
| <b>FY17 Recommended</b>  | <b>2,533,747</b>    | <b>1.18</b> |

## **Conference and Visitors Bureau**

The Conference and Visitors Bureau (CVB) promotes Montgomery County as a destination for meetings/conferences, student group travel, group tours, leisure travel, and amateur sports events. The CVB develops and distributes publications on points of interest to tourists; implements public information campaigns promoting tourism and event facilitation in Montgomery County; and attends trade shows and sales missions in target markets. The CVB also serves as a resource center assisting small and large hospitality businesses considering new product development and/or expansions. The CVB coordinates with the State Department of Tourism, State Film Office, Capital Region USA (CRUSA), TEAM Maryland, and national and regional events to promote tourism growth, increased visitor spending and visitation in Montgomery County. The CVB manages the tourism marketing grant provided annually by the Maryland Tourism Development Board. The CVB operates on contract with the Department of Economic Development. Funding is based on 7 percent of the total hotel/motel tax revenues.

| <b>FY17 Recommended Changes</b>                             | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY16 Approved</b>  | <b>1,423,788</b>    | <b>0.00</b> |
| Increase Cost: Allocation Based on Hotel/Motel Tax Estimate | 20,827              | 0.00        |
| <b>FY17 Recommended</b>                                     | <b>1,444,615</b>    | <b>0.00</b> |

## **Conference Center**

Prior to FY06, the Conference Center NDA primarily provided for pre-opening expenses. Since the Conference Center opened in November 2004, the NDA has expanded its scope to fund:

- a full-time position to manage the operational and fiscal oversight of the Conference Center complex;
- non-routine repairs, alterations, improvements, renewals, and replacements; and
- the designated reserve required by the management agreement with Marriott International, Inc.

Funding is also included to reimburse the contractor for costs not covered by operations during accounting periods when losses occur. These costs will be offset by contractor payments to the County during accounting periods with operating gains. To ensure fiscal and operational accountability, a management audit is conducted every two years and the program budget is increased by \$50,000 during the year such audit is scheduled. Revenues consisting of net operating income from the Conference Center and land rent from the hotel are deposited into the general fund. Twenty percent of the County's net proceeds from Conference Center operations is retained for investment in marketing and facility improvements to increase Conference Center usage. All proposed investment expenditures are reviewed and approved by the



# VISIT MONTGOMERY COUNTY

Maryland's Gateway to the Nation's Capital

## MEMORANDUM

To: Jacob Sesker, Montgomery County Council  
From: Kelly Groff, Visit Montgomery  
RE: Fiscal Year 2017  
Date: April 22, 2016

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In preparation for the Planning, Housing and Economic Development (PHED) Committee meeting on April 27, 2016, please find attached an update on Visit Montgomery's current Fiscal Year 2016 programming as well as the initiatives and programs planned for Fiscal Year 2017.

Montgomery County's tourism industry economic impact research is completed annually by Tourism Economics in partnership with the Maryland Office of Tourism and other Maryland Destination Marketing Organizations (MDDMO). In 2014 total tourism tax receipts increased by \$15 million from 2013. The total tourism economy, which includes spending by visitors in Montgomery County, is just short of \$1.9 billion. The hotel occupancy from calendar year 2014 to 2015 has leveled off but average daily rate started to increase. In the first quarter of 2016 hotel occupancy is up slightly (1.1%) but average daily rate decreased by -1.1%. According to data released by the Maryland Comptroller for the first six months of Fiscal Year 2016, Montgomery County's Tourism Sales Tax Revenues have climbed 5.4%.

In Fiscal Year 2016 the sales division initiated a new program to encourage venues and hotels to refer business they are unable to accommodate to Visit Montgomery. The Visit Montgomery sales division then circulates the bookings in an effort to keep the business in the county. In Fiscal Year 2017, the sales division will decrease trade show participation and redirect financial and staffing resources to host more out-of-county sales missions targeting pharmaceutical and corporate meeting professionals. In addition, the division will organize local familiarization tours inviting Mid Atlantic and regional meeting and event planners for participation.

The marketing division in Fiscal Year 2016 has seen great results from its digital marketing campaign. Visit Montgomery has more Facebook fans than the MD Office of Tourism. Our efforts in broadening the events calendar page as a central location for finding countywide events is progressing well also. Year-to-date the events calendar page is the top page viewed on our website with 88,583 page views.

In advertising, we launched a new campaign which ties in our tagline "Gateway to the Nation's Capital" with photos that promote unique experiences in the county. The marketing team created a "Made Local" logo and implemented some blogging this year in an effort to promote the craft beer industry. In Fiscal Year 2017 we plan to enhance this marketing beyond breweries to wineries, distilleries and other agricultural products made here in the county. Also new in Fiscal Year 2017 will be a shift of our advertising funding from print to more digital media outlets.

Visit Montgomery is currently co-located with the Montgomery County Department of Economic Development. This lease ends July 31, 2016. We have been working with the new Montgomery County Economic Development Corporation and WorkSource Montgomery on shared office space for 2017. The location details and financial commitment is still pending. Visit Montgomery's moving expenses, space design cost and rent sharing agreement will have an impact on the final budget for FY 2017 (a very small increase in hotel/motel tax collections and allocation to Visit Montgomery is expected in FY 2017).

Please let me know if you have any questions. I can be reached via email [kgroff@visitmontgomery.com](mailto:kgroff@visitmontgomery.com) or 240-777-2062.

Thank you.

**VISIT MONTGOMERY** (Conference and Visitors Bureau of Montgomery County, Maryland)

**Fiscal Year 2017**
**DRAFT**

| <b>REVENUES</b>                                | <b>FY 2016</b>            | <b>FY 2017</b>            | <b>Increase/<br/>Decrease</b> |
|--|---------------------------|---------------------------|-------------------------------|
| <b>Public Revenues</b>                         |                           |                           |                               |
| Occupancy Tax - County                         | \$ 1,423,788              | \$ 1,444,615              | \$ 20,827                     |
| Occupancy Tax - Municipal                      | \$ 73,000                 | \$ 76,000                 | \$ 3,000                      |
| MD Tourism Grant                               | \$ 117,000                | \$ 120,000                | \$ 3,000                      |
| <b>Private Revenues</b>                        |                           |                           |                               |
| Partnership Dues                               | \$ 45,000                 | \$ 55,000                 | \$ 10,000                     |
| Membership Events                              | \$ 1,500                  | \$ 2,000                  | \$ 500                        |
| Miscellaneous Income                           | \$ 2,500                  | \$ 2,500                  | \$ -                          |
| <b>Marketing &amp; Promotions Revenues</b>     |                           |                           |                               |
| Hotel Reservation Service Comms.               | \$ 135,000                | \$ 145,000                | \$ 10,000                     |
| Cooperative Trade Shows/Sales Missions         | \$ 5,000                  | \$ 5,000                  | \$ -                          |
| Coop Advertising/Print                         | \$ 5,000                  | \$ -                      | \$ (5,000)                    |
| CVB Collateral Advertising                     | \$ 15,000                 | \$ 15,000                 | \$ -                          |
| Advertising Revenues on CVB website            | \$ 3,000                  | \$ 3,000                  | \$ -                          |
| <b>TOTAL REVENUES</b>                          | <b>\$ 1,825,788</b>       | <b>\$ 1,868,115</b>       | <b>\$ 42,327</b>              |
|  |                           |                           |                               |
| <b>EXPENSES</b>                                | <b>FY 2016<br/>Budget</b> | <b>FY 2017<br/>Budget</b> | <b>Increase/<br/>Decrease</b> |
| Accounting/Payroll Services                    | \$ 36,000                 | \$ 38,000                 | \$ 2,000                      |
| Advertising - Print                            | \$ 173,428                | \$ 125,000                | \$ (48,428)                   |
| Advertising/Electronic/Digital Mrkt.<br>Srvcs. | \$ 248,400                | \$ 300,000                | \$ 51,600                     |
| Advertising/Production & Agency Fees           | \$ 12,000                 | \$ 17,000                 | \$ 5,000                      |
| Consulting/Management                          | \$ 15,000                 | \$ 15,000                 | \$ -                          |
| Depreciation                                   | \$ 1,700                  | \$ 2,700                  | \$ 1,000                      |
| Dues/Subscriptions                             | \$ 9,750                  | \$ 8,750                  | \$ (1,000)                    |
| Equipment/R&M/ADMIN                            | \$ 4,000                  | \$ 3,000                  | \$ (1,000)                    |
| Insurance/Commercial & Board                   | \$ 3,600                  | \$ 3,000                  | \$ (600)                      |
| Insurance Employee Health, etc.                | \$ 43,000                 | \$ 43,000                 | \$ -                          |
| Legal Counsel                                  | \$ 6,000                  | \$ 6,000                  | \$ -                          |
| Maintenance-RENT<br>(moving expenses one time) | \$ 47,000                 | \$ 77,000                 | \$ 30,000                     |
| Membership Marketing/Events                    | \$ 5,000                  | \$ 5,000                  | \$ -                          |
| Miscellaneous/Mileage/ADMIN                    | \$ 12,300                 | \$ 12,300                 | \$ -                          |
| Postage/Shipping and Fulfillment House         | \$ 20,000                 | \$ 25,000                 | \$ 5,000                      |
| Publications/Collateral Materials              | \$ 40,000                 | \$ 45,000                 | \$ 5,000                      |
| <b>SUB-TOTAL</b>                               | <b>\$ 677,178</b>         | <b>\$ 725,750</b>         | <b>\$ 48,572</b>              |
|  |                           |                           |                               |
|  |                           |                           |                               |
|  |                           |                           |                               |

| <b>EXPENSES</b>                            | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Increase/<br/>Decrease</b> |
|--|---------------------|---------------------|-------------------------------|
| Promotions/Public Relations                | \$ 15,000           | \$ 25,000           | \$ 10,000                     |
| Professional Development                   | \$ 10,000           | \$ 8,000            | \$ (2,000)                    |
| Research                                   | \$ 17,000           | \$ 30,000           | \$ 20,000                     |
| Salaries/Retirement Benefits ADMIN         | \$ 625,000          | \$ 650,000          | \$ 25,000                     |
| Total # positions, 7 full time,1 part time |                     |                     |                               |
| Staff Bonus                                | \$ 22,000           | \$ 20,000           | \$ (2,000)                    |
| Sales -Miscellaneous                       | \$ 54,000           | \$ 44,000           | \$ (10,000)                   |
| Sales - Fam Tours and Sales Missions       | \$ -                | \$ 20,000           | \$ 20,000                     |
| Sales Leisure Marketing Campaigns          | \$ 50,000           | \$ 50,000           | \$ -                          |
| Sales-International                        | \$ 15,000           | \$ 15,000           | \$ -                          |
| Sales - Meetings Market Trade Shows        | \$ 44,195           | \$ 21,750           | \$ (22,445)                   |
| Sales - Group Tour Trade Shows             | \$ 5,140            | \$ 5,140            | \$ -                          |
| Sales - Sports Market Trade Shows          | \$ 12,750           | \$ 2,800            | \$ (9,950)                    |
| Sales - Sports Market Bid Funds            | \$ 10,000           | \$ 10,000           | \$ -                          |
| Scholarship/Gift Expense                   | \$ 5,000            | \$ 5,000            | \$ -                          |
| Sports Rebates/Housing Expenses            | \$ 54,000           | \$ 71,675           | \$ 17,675                     |
| Special Projects - promotional campaigns   | \$ 48,425           | \$ 50,000           | \$ 1,575                      |
| Supplies/ADMIN                             | \$ 11,000           | \$ 14,000           | \$ 3,000                      |
| Tourism Business Improvement District      | \$ 35,000           | \$ -                | \$ (35,000)                   |
| Taxes/Payroll ADMIN                        | \$ 65,000           | \$ 50,000           | \$ (15,000)                   |
| Technical Support/Technology               |                     |                     |                               |
| Subscriptions                              | \$ 11,000           | \$ 20,000           | \$ 9,000                      |
| Telecommunications/ADMIN                   | \$ 7,500            | \$ 10,000           | \$ 2,500                      |
| Website SEO/SEM and Development            | \$ 31,600           | \$ 20,000           | \$ 11,600                     |
| <b>SUB-TOTAL</b>                           | <b>\$ 1,148,610</b> | <b>\$ 1,142,365</b> | <b>\$ (6,245)</b>             |
| <b>TOTAL EXPENSES</b>                      | <b>\$ 1,825,788</b> | <b>\$ 1,868,115</b> | <b>\$ 42,327</b>              |

**HOTEL/MOTEL TAX ESTIMATE  
MONTGOMERY COUNTY, MARYLAND**

|  | FY15         | FY16         | FY17         | FY18         | FY19         | FY20         | FY21         | FY22         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Current Law</b>                         |              |              |              |              |              |              |              |              |
| Collect                                    | \$19,038,776 |              |              |              |              |              |              |              |
| Tax Rate                                   | 7.0%         | 7.0%         | 7.0%         | 7.0%         | 7.0%         | 7.0%         | 7.0%         | 7.0%         |
| % change                                   | 7.7%         |              |              |              |              |              |              |              |
| <b>Forecast</b>                            |              |              |              |              |              |              |              |              |
| December '15 Update                        |              | \$19,914,314 | \$20,637,350 | \$21,370,691 | \$22,114,343 | \$22,868,309 | \$23,632,579 | \$24,407,164 |
| FY17 Budget (March '16)                    |              | \$19,914,314 | \$20,637,350 | \$21,370,691 | \$22,114,344 | \$22,868,309 | \$23,632,579 | \$24,407,164 |
| Difference                                 |              | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Growth Factor                              |              |              |              |              |              |              |              |              |
| <b>% change</b>                            |              |              |              |              |              |              |              |              |
| December '15 Update                        |              | 4.6%         | 3.6%         | 3.6%         | 3.5%         | 3.4%         | 3.3%         | 3.3%         |
| FY17 Budget (March '16)                    |              | 4.6%         | 3.6%         | 3.6%         | 3.5%         | 3.4%         | 3.3%         | 3.3%         |
| <b>Growth Factors :</b>                    |              |              |              |              |              |              |              |              |
| - Inflation (fiscal year)                  | 0.7%         | 0.8%         | 1.8%         | 2.3%         | 2.5%         | 2.7%         | 2.7%         | 2.7%         |
| - Add factor                               | 4.3%         | 5.1%         | 0.8%         | 0.2%         | 0.0%         | -0.3%        | -0.3%        | -0.4%        |
| Room Rates                                 | 5.0%         | 6.0%         | 2.6%         | 2.5%         | 2.5%         | 2.4%         | 2.4%         | 2.3%         |
| - Occupancy                                | 4.3%         | -1.1%        | -0.1%        | -0.1%        | -0.1%        | -0.1%        | -0.1%        | -0.1%        |
| - Room supply                              | 5.5%         | 0.3%         | 1.0%         | 1.0%         | 1.0%         | 1.0%         | 1.0%         | 0.9%         |
| - Add factor                               | -4.0%        | 3.0%         | 2.5%         | -1.0%        | 0.0%         | 0.1%         | 0.1%         | 0.0%         |
| Sub-Total                                  | 10.8%        | 6.3%         | 6.0%         | 2.4%         | 3.4%         | 3.4%         | 3.3%         | 3.2%         |
| - Add factor                               | -3.1%        | -1.7%        | -2.4%        | 1.2%         | 0.1%         | 0.0%         | 0.0%         | 0.1%         |
| Total                                      | 7.7%         | 4.6%         | 3.6%         | 3.6%         | 3.5%         | 3.4%         | 3.3%         | 3.3%         |
| <b>Occupancy</b>                           | 67.0%        | 66.3%        | 66.2%        | 66.1%        | 66.1%        | 66.0%        | 65.9%        | 65.9%        |
| <b>Room Rate</b>                           | \$124.91     | \$132.35     | \$135.81     | \$139.27     | \$142.73     | \$146.19     | \$149.65     | \$153.11     |
|  | 5.0%         | 6.0%         | 2.6%         | 2.5%         | 2.5%         | 2.4%         | 2.4%         | 2.3%         |
| <b>MoCo Conference and Visitors Bureau</b> |              |              |              |              |              |              |              |              |
| (3.5% for FY13 and 7.0% for FY14+).        | \$1,332,714  | \$1,394,002  | \$1,444,614  | \$1,495,948  | \$1,548,004  | \$1,600,782  | \$1,654,281  | \$1,708,501  |
| <b>MoCo Conference Center</b>              |              |              |              |              |              |              |              |              |
| (2/7)                                      | \$5,439,650  | \$5,689,804  | \$5,896,386  | \$6,105,912  | \$6,318,384  | \$6,533,803  | \$6,752,166  | \$6,973,475  |

# FISCAL YEAR 2015 ANNUAL REPORT

## VISIT MONTGOMERY

Welcome!

VISIT  
**MONTGOMERY**  
COUNTY

Maryland's Gateway to the Nation's Capital

Visit Montgomery County MD

111 Rockville Pike, Suite 800

Rockville, MD 20850

40.777.2060

[www.VisitMontgomery.com](http://www.VisitMontgomery.com)





## Letter from Board Chair

“According to the most recent report released (2014) by Tourism Economics, an Oxford Economics Company, the tourism industry in Montgomery County generated \$1.75 billion in expenditures in 2014 up from \$1.69 billion in 2013.”

- Valerie Gordon

Dear Industry Partners,

We are pleased to provide you with Visit Montgomery's Fiscal Year 2015 Annual Report. I first want to thank our volunteer board of directors for serving on the board. Your leadership is important to the growth of the tourism industry and the Visit Montgomery organization.

Fiscal Year 2015 marks the second year of the organization's new funding level from an allocation change from the Montgomery County collected room rental transient taxes. It is exciting to see more of the hotel taxes collected to be re-invested in the promotion of tourism for our county. The highlights this year include the launch of a new website with a new calendar feature that provides a countywide view of events happening year round. Also in Fiscal Year 2015 the Marketing Division added a new team member to work on marketing initiatives and provide membership support. The Marketing Division implemented four marketing campaigns throughout the year promoting hotel packages and other deals. The top origin of inquiries for the advertising campaigns were New York, Pennsylvania, Ohio and New Jersey.

The community also hosted the United States Youth Soccer Association (USYSA) National Championships this year on July 22-27, 2014. This is one of the country's most prestigious national youth soccer events bringing together the nation's top 96 youth soccer teams. This event generated more than 9,000 room nights in just one week. In addition to this championship, throughout the year Visit Montgomery's team provided housing services to other events held at the MD SoccerPlex, tracking more than 14,000 room nights for seven tournaments. The Sales Division booked 12,758 definite room nights and retained 14,450 room nights for repeating events.

The Montgomery County hotel tax collections jumped 6.4% for Fiscal Year 2015. According to the most recent report released (2014) by Tourism Economics, an Oxford Economics Company, the tourism industry in Montgomery County generated \$1.75 billion in expenditures in 2014 up from \$1.69 billion in 2013. Lodging occupancy as reported by Smith Travel Research for 2014 was 66.6%, up from 64.1% in 2013. And, Montgomery County welcomed over 8 million visitors in 2014 up 6.1% from 2013.

We are encouraged with the growth of the industry locally and regionally. We thank you for your continued support of the Visit Montgomery organization and look forward to working with you moving forward to grow the hospitality economy.

Sincerely,

Valerie Gordon  
Visit Montgomery Board Chair, Fiscal Year 2015



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## CVB STAFF DIRECTORY

|  |   |
|--|---|
| <b>Kelly Groff</b><br><i>President &amp; CEO</i>         | <b>Sally Slater</b><br><i>Senior Sales Manager</i>                    |
| <b>Bethany Manimbo</b><br><i>Director of Marketing</i>   | <b>Shalomi Sanders</b><br><i>Client Services Coordinator</i>          |
| <b>Karla Saravia</b><br><i>Digital Marketing Manager</i> | <b>Yvonne Pearson</b><br><i>Marketing &amp; Membership Specialist</i> |
| <b>Karin Aaron</b><br><i>Director of Sales</i>           | <b>Romola Ghulamali</b><br><i>Office Administrator</i>                |

## FISCAL YEAR 2015 BOARD OF DIRECTORS

### EXECUTIVE COMMITTEE

**Chair**  
**Valerie Gordon**  
*William F. Bolger Center*

**Vice Chair**  
**Keith McNeill**  
*Bethesda Marriott*

**Secretary**  
**Alicia Dinwiddie, CMP**  
*la Madeleine*

**Treasurer**  
**Mark J. Grabowski**  
*Strathmore*

**Immediate Past  
President**  
**Paul Reynolds**  
*B.F. Saul*

### PAST PRESIDENT'S COUNCIL

**Joe Fernandez**  
*AAA World  
Mid-Atlantic Magazine*

**Ted Seale**  
*THEO Consultants, LLC*

**Vira Safai**  
*Comfort Inn  
Shady Grove*

**Sara Torrence, CMP**  
*Sara Torrence &  
Associates*

### BOARD MEMBERS

**Cheryl Barron**  
*Courtyard by Marriott  
Silver Spring Downtown*

**Lynn Bowersox**  
*Washington  
Metropolitan Area  
Transit Authority  
(WMATA)*

**Trish Heffelfinger**  
*Maryland Soccer  
Foundation*

**Suzan Jenkins**  
*Arts & Humanities  
Council of Montgomery  
County*

**Charles Kauffman**  
*Vamoose Bus*

**Sarah Rogers**  
*Heritage Tourism  
Alliance*

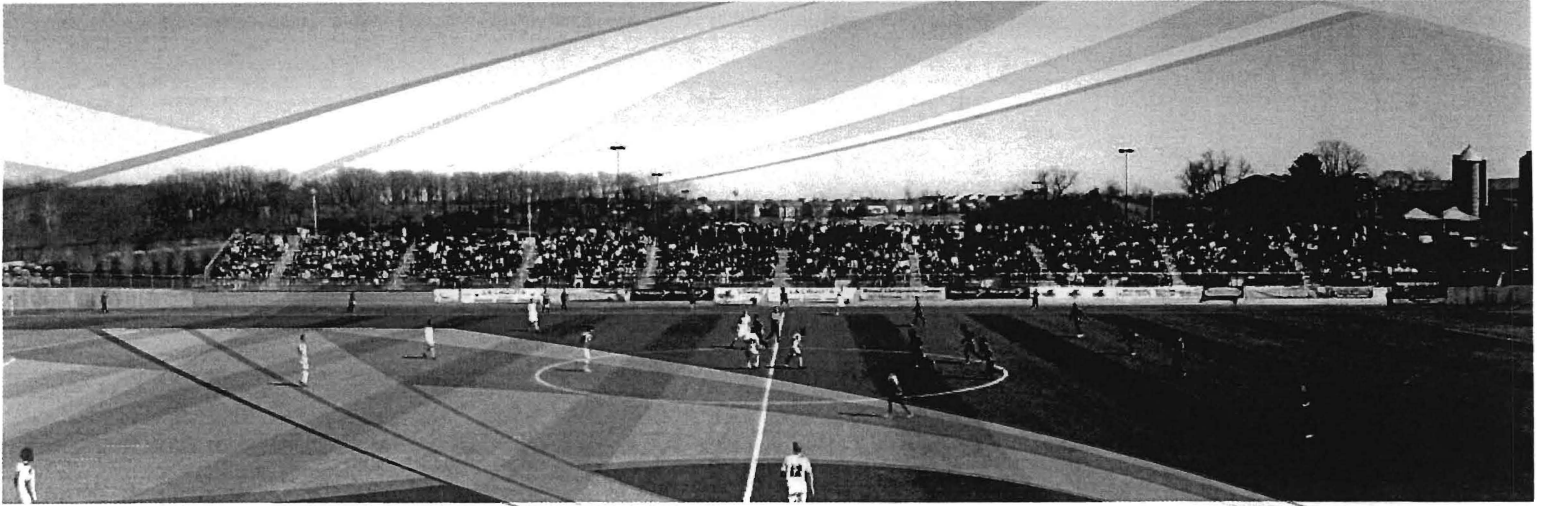
**Paul Warnquist**  
*Adventure Park at  
Sandy Spring*

**Ruth K. O'Rourke,  
MS, CHE**  
*University of MD Eastern  
Shore at Universities of  
Shady Grove*

### EX-OFFICIO MEMBERS

**Councilmember  
Craig Rice**  
*Montgomery  
County Council*

**Tina Benjamin**  
*Montgomery  
County Department of  
Economic Development*



# News

## USYSA NATIONAL CHAMPIONSHIP: JULY 22-27, 2014

The Maryland SoccerPlex hosted the U.S. Youth Soccer Association (USYSA) National Championship Series on July 22-27, 2014. USYSA is the country's most prestigious national youth soccer tournament, bringing together the nation's top 96 youth soccer teams, in the Under-13 through Under-19 Boys and Girls brackets. Visit Montgomery, Maryland Soccer Foundation and the Maryland State Youth Soccer Association (MSYSA) worked closely on the bid to host this prestigious event. The estimated economic impact of USYSA was \$4-5 million.

## WWW.VISITMONTGOMERY.COM WEBSITE RE-DESIGN

Visit Montgomery launched a new website with updated features including a county-wide calendar of events, interactive map and a trip builder. The website was developed by the Frederick-based web design firm Wood Street. Additional features like an itinerary and interactive map were created by the app developer CARTONOVA, and the new events calendar was developed by Time.ly. The responsive design easily converts from a desktop to a tablet or mobile device.

## FIND LOCAL EVENTS CAMPAIGN

Visit Montgomery County launched a local advertising campaign promoting the new county-wide calendar of events available on [www.VisitMontgomery.com](http://www.VisitMontgomery.com). The "Find Local Events" campaign included Ride On bus ads, print and online advertisements in Recreation News, The Gazette, The Washington Post Express and an on-air campaign with All the Hits 107.3.



## NEW STAFF MEMBERS

Sally Slater joined the Sales team as Senior Sales Manager in October 2014. Sally brings a wealth of experience from the industry including her experience working for Travel Alberta, Canada, Visit Bloomington, Minnesota and the Greater Ft. Lauderdale CVB.

Yvonne Pearson joined the Marketing Team as the Marketing & Membership Specialist in February 2015. Yvonne's background includes management of the Gaylord ICE event in 2014 and extensive customer service skills. This is the first year Visit Montgomery has had a full time staff member dedicated to membership.

## MARYLAND TOURISM AWARDS

Visit Montgomery won three awards at the Maryland Tourism Summit, held November 12 – 14, 2014 in Ocean City, Maryland. Kelly Groff, president and CEO won Tourism Person of the Year. This prestigious award, now in its 33rd year, is given to an industry leader whose exceptional commitment has significantly enhanced and perpetuated the tourism industry in Maryland.

Visit Montgomery County also won Best Website and Best Digital Campaign for the Washington Post Brand Connect Campaign.



## HOLIDAY DONATIONS TO THE CHILDREN'S INN AT NIH

Visit Montgomery initiated a holiday food drive in partnership with several hotels for the Children's Inn at NIH. Food donations were accepted by hotels. Thank you to the following hotels and businesses for participating in this project:

- Holiday Inn Express, Germantown
- Courtyard by Marriott Chevy Chase
- Moore & Associates, Bethesda
- Hilton Garden Inn/Homewood Suites Rockville Gaithersburg
- DoubleTree Silver Spring Downtown
- HiltonRockville
- Comfort Inn Shady Grove



## HOLIDAY PARTY AND OFFICE DECORATING CONTEST

The Holiday Party continues to be the most highly attended membership event. The event could not be possible without the generous contributions of food and raffle prizes from our members. Visit Montgomery sends a special thank you to Ruth O'Rourke and her team of student volunteers from the Minorities in Hospitality Management program at the University of Maryland Eastern Shore Shady Grove campus. The donations at the event raised more than \$600 for this organization.



## WEDDING EXPO

The Visit Montgomery staff exhibited at the Wedding Experience Bridal Expo in Washington, D.C. on January 4, 2015. About 200 brides stopped by the booth and around 70 brides expressed high interest in having their wedding in Montgomery County. The Visit Montgomery staff also received inquiries for Visit Montgomery membership. The Weddings Expo was an excellent way to promote Visit Montgomery's new wedding services to local brides.



## MARYLAND TOURISM DAY

Visit Montgomery attended the annual Maryland Tourism Day on February 13, 2015 in Annapolis, Maryland. Staff spent the day learning about Maryland's growth in the tour and travel market and advocating for the industry.

## TOURISM IMPROVEMENT DISTRICT (TID) PANEL DISCUSSION

On March 24, 2015, Visit Montgomery hosted a panel discussion at Strathmore with Gary Sherwin, President & CEO of Visit Newport Beach, CA and Cheryl Kilday, President & CEO of Visit Spokane. The panelists discussed their experiences with creating a TID and the benefits to their communities. The guests included hoteliers from Bethesda and Rockville as well as other CVBs from Maryland counties.

## ADVOCACY ALERT: KELLY GROFF TESTIFIES ON AIRBNB ISSUE

Kelly Groff, President and CEO of Visit Montgomery, testified in support of Bill 14-15, Taxation, Room Rental Transient Tax at a Montgomery County Council hearing on May 5, 2015. Airbnb and other booking sites are all part of the new sharing economy concept. The concept is a short term home rental service. Montgomery County has over 300 listings on Airbnb. They are all participating as rentals but are not currently required to pay room rental transient taxes.

## NEW INITIATIVES FOR FY15:

1. Visit Montgomery started its first scholarship donation to the hospitality program at Montgomery College in the amount of \$5,000.00.
2. Four Marketing Campaigns:
  - a. Sunny Savings Deals
  - b. MoCo 20k Giveaway
  - c. Kickoff to Savings
  - d. WMATA Deals Promo
3. Exhibited at the Washington DC Weddings Expo
4. Hosted USYSA at the Maryland SoccerPlex

## NEW MEMBERSHIP INITIATIVES FOR FY15:

**FY15 Partnership Kick-off Meeting at the Hilton Garden Inn Bethesda:** *October 8, 2014*

**Holiday Open House:** *December 10, 2014*

**Networking Event at Crave Restaurant:** *February 24, 2015*

**Education Event: Group Tour Market with Rich Gilbert from the Maryland Office of Tourism Development:**  
*April 15, 2015*

**Cheers to Summer Networking Event at 4935 Bar & Kitchen:** *June 18, 2015*

## VISITOR INQUIRIES FY15

*Individual inquiries*

4225

### Top 6 Origin

NY 11.6%

PA 10.53%

OH 5.73%

NJ 5.21%

MO 5%

IL 4.88%



## TRADESHOWS

FISCAL YEAR 2015

| Meetings/Government/Corporate/Association/SMERF  | Date                  | Location          |
|--|-----------------------|-------------------|
| Smart Meeting Events NYC Show                    | August 14, 2014       | New York City, NY |
| Connect Association Marketplace                  | August 21 - 23, 2014  | Orlando, FL       |
| Connect Specialty Marketplace                    | August 21 - 23, 2014  | Orlando, FL       |
| HSMIA - MEET (Capital Connections)               | September 3-4, 2014   | Washington, DC    |
| M&C Destinations Northeast                       | September 21-24, 2014 | New Orleans, LA   |
| Rejuvenate (SMERF Market)                        | October 28 - 30, 2014 | Atlanta, GA       |
| NATCAP SGMP Show                                 | November 13-14, 2014  | McLean, VA        |
| Holiday Showcase 2014                            | December 16, 2014     | Chicago, IL       |
| Diversity Marketplace                            | February 25-27, 2015  | Anaheim, CA       |
| DMIA's Destination Showcase (local show)         | March 25, 2015        | Washington, DC    |
| Springtime 2015 (local show)                     | April 9, 2015         | Washington, DC    |
| Collaborate Marketplace                          | June 11-13, 2015      | Orlando, FL       |
| Sports Market                                    | Date                  | Location          |
| S.P.O.R.T.S                                      | September 8-11, 2014  | Annapolis, MD     |
| National Soccer Coaches Assoc of America (NSCAA) | January 15-17, 2015   | Philadelphia, PA  |
| NASC Symposium                                   | April 27-30, 2015     | Milwaukee, WI     |
| International Market                             | Date                  | Location          |
| International POW WOW                            | May 31-June 4, 2015   | Orlando, FL       |

## SALES BOOKING CHART ANALYSIS

FISCAL YEAR 2015  
JULY 1, 2014 - JUNE 30, 2015

| Fiscal Year | Booked      | Room Nights Booked |
|-------------|-------------|--------------------|
| 2007        | \$4,135,321 | 6,803              |
| 2008        | \$1,241,272 | 5,395              |
| 2009        | \$2,694,282 | 11,953             |
| 2010        | \$2,053,690 | 6,752              |
| 2011        | \$1,425,858 | 4,137              |
| 2012        | \$1,189,336 | 6,505              |
| 2013        | \$1,462,478 | 7,186              |
| 2014        | \$1,707,041 | 15,425             |
| 2015        | \$1,556,476 | 12,758             |

## SALES BOOKING SUMMARY

FISCAL YEAR 2015

### BOOKED

Number of Room Nights Definite  
12,758

Number of Room Nights Sports Event Retention  
14,450

### TOTAL

27,208

Estimated Economic Impact  
\$1,556,476

### LOST

Number of Room Nights Lost  
24,564

### PENDING

Number of Room Nights Tentative  
51,004

Estimated Potential Room Night Economic Impact  
\$13,361,077

14,000 Room Night Goal

**HOTEL DATA (BY COMMUNITY)**  
1ST SIX MONTHS CALENDAR OF FISCAL YEAR 2015

| Community             | Total # of Hotel Rooms | Average Daily Rate 2014 | Same period 2013 | Occupancy 2014 | Same period 2013 |
|-----------------------|------------------------|-------------------------|------------------|----------------|------------------|
| Montgomery County     | 9,308                  | \$130.98                | \$124.07         | 67.9%          | 66.8%            |
| Silver Spring         | 1,544                  | \$136.36                | \$127.91         | 71.5%          | 70.8%            |
| Rockville             | 1,943                  | \$110.87                | \$106.04         | 68.3%          | 68.0%            |
| Gaithersburg          | 2,171                  | \$114.69                | \$105.64         | 69.1%          | 64.0%            |
| Bethesda              | 1,892                  | \$172.58                | \$160.46         | 69.2%          | 71.3%            |
| SUB-TOTAL COMMUNITIES | 7,550*                 |                         |                  |                |                  |

Source: Smith Travel Research

\*the additional 1,597 hotel rooms inventory are in the areas of Takoma Park, Chevy Chase and Potomac

**MONTGOMERY COUNTY/MUNICIPALITIES ROOM TAX COLLECTIONS**  
FISCAL YEAR 2014-2015

| Community                     | FY 2014 Collections | FY 2015 Collections | Inc/Dec 2014-2015 |
|-------------------------------|---------------------|---------------------|-------------------|
| Montgomery County (7% tax)    | \$17,986,020        | \$19,216,039        | 6.4%              |
| City of Rockville (2% tax)    | \$798,122           | \$942,199           | 15.29%            |
| City of Gaithersburg (2% tax) | \$1,028,511         | \$1,122,930         | 8.41%             |

Note: FY 2014 was the year of the Government Sequestration and Shut Down.

**MARYLAND SOCCERPLEX HOTEL RESERVATION SERVICE**  
**EVENT TRACKING**  
FISCAL YEAR 2015

| Event Name                               | Date                 | Estimated Room Nights |
|--|----------------------|-----------------------|
| Club National Lacrosse                   | July 10-13, 2014     | 346                   |
| Discovery Cup                            | October 9-12, 2014   | 1,056                 |
| Bethesda Girls Soccer Tournament         | November 13-16, 2014 | 3,999                 |
| Bethesda Boys Soccer Tournament          | November 21-24, 2014 | 4,186                 |
| Potomac Soccer Memorial Day Invitational | May 23-25, 2015      | 4,400                 |
| Embassy Cup (NEW)                        | June 19-20, 2015     | 186                   |
| Nation's Capital Cup Lacrosse            | June 25-28, 2015     | 261                   |
| Total Room Nights                        |                      | 14,434                |

**FACEBOOK  
LIFETIME  
"LIKES":  
22,534**



**FACEBOOK  
NEW "LIKES"  
IN 2015:  
10,352**

## TOURISM SALES AND USE TAX ANALYSIS

FISCAL YEAR 2015

| Capital Region- Counties | FY 2015<br>Tourism Sales Tax<br>Revenue | FY 2014<br>Tourism Sales Tax<br>Revenue | % Change 2014-2015 |
|--------------------------|---|---|--------------------|
| Montgomery               | \$71,708,328                            | \$67,555,878                            | 6.1%               |
| Prince George's          | \$56,806,705                            | \$53,358,655                            | 6.5%               |
| Frederick                | \$12,382,189                            | \$12,067,159                            | 2.6%               |
| Maryland - ALL           | \$425,932,447                           | \$401,333,609                           | 6.1%               |

## FY 2015 SUMMARY OF INQUIRIES

FISCAL YEAR 2015

| Fiscal<br>Year<br>2015 | Sales Leads<br>Phone/Email | Knot Leads | Total Advertising | CVB Website<br>Inquiries | Housing Website<br>Inquiries | CVB Web Group<br>RFPs | # of Cvent Leads | Total Inquiries |
|------------------------|----------------------------|------------|-------------------|--------------------------|------------------------------|-----------------------|------------------|-----------------|
| JULY 2014              | 9                          | NA         | 765               | 0                        | 24                           | 2                     | 15               | 819             |
| AUG 2014               | 8                          | NA         | 422               | 2                        | 22                           | 2                     | 8                | 478             |
| SEP 2014               | 20                         | 25         | 1167              | 3                        | 10                           | 5                     | 13               | 1256            |
| OCT 2014               | 6                          | 15         | 0                 | 23                       | 3325                         | 3                     | 15               | 3387            |
| NOV 2014               | 7                          | 22         | 1132              | 9                        | 200                          | 2                     | 19               | 1369            |
| DEC 2014               | 12                         | 7          | 244               | 20                       | 20                           | 5                     | 22               | 323             |
| JAN 2015               | 20                         | 21         | 187               | 7                        | 1                            | 2                     | 17               | 255             |
| FEB 2015               | 8                          | 7          | 172               | 17                       | 1                            | 1                     | 12               | 218             |
| MAR 2015               | 8                          | 12         | 0                 | 10                       | 12                           | 3                     | 18               | 64              |
| APR 2015               | 7                          | 8          | 150               | 20                       | 175                          | 5                     | 16               | 381             |
| MAY 2015               | 7                          | 19         | 1300              | 12                       | 2000                         | 2                     | 9                | 4649            |
| JUNE 2015              | 12                         | 9          | 10080             | 18                       | 35                           | 1                     | 17               | 20225           |
| TOTAL                  | 124                        | 145        | 15619             | 141                      | 5825                         | 33                    | 181              | 33424           |

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## ELECTRONIC MARKETING SUMMARY

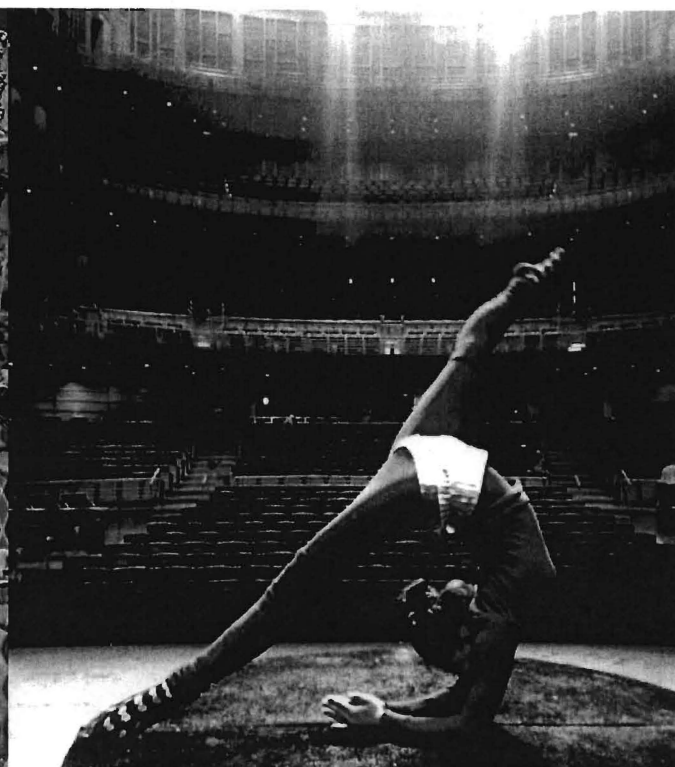
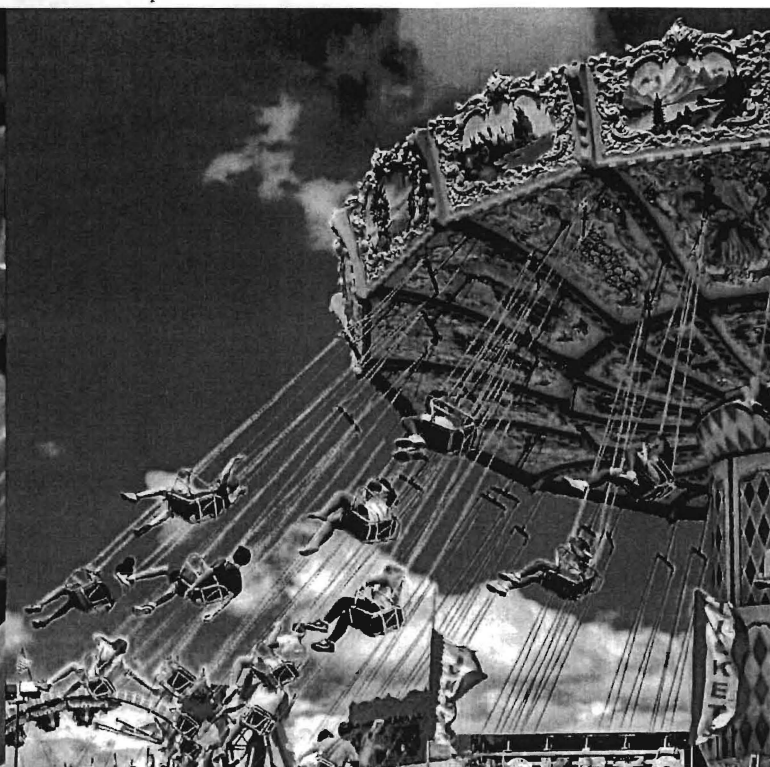
FISCAL YEAR 2015

| Fiscal Year 2015     | CVB Website Visits | Website Visits from Facebook | Website Visits from Twitter | Website Visits from Yelp | Website Visits from Washington Post | Website Visits from Gazette |
|----------------------|--------------------|------------------------------|-----------------------------|--------------------------|-------------------------------------|-----------------------------|
| JULY 2014            | 41,179             | 745                          | 34                          | 36                       | 5                                   | 180                         |
| AUGUST 2014          | 36,346             | 355                          | -                           | 113                      | 169                                 | 267                         |
| SEPTEMBER 2014       | 22,065             | 243                          | -                           | 39                       | 274                                 | 168                         |
| OCTOBER 2014         | 19,305             | 194                          | -                           | 188                      | 1                                   | 122                         |
| NOVEMBER 2014        | 20,317             | 3,606                        | 1                           | 168                      | -                                   | 159                         |
| DECEMBER 2014        | 27,507             | 919                          | 2                           | 111                      | 3                                   | 196                         |
| JANUARY 2015         | 22,020             | 2,651                        | -                           | 14                       | -                                   | 203                         |
| FEBRUARY 2015        | 16,382             | 1,656                        | 62                          | 14                       | 6                                   | 209                         |
| MARCH 2015           | 19,381             | 3,375                        | 44                          | -                        | 3,715                               | 242                         |
| APRIL 2015           | 18,301             | 12,690                       | 84                          | 14                       | 652                                 | 142                         |
| MAY 2015             | 28,659             | 3,375                        | 44                          | 14                       | 652                                 | 321                         |
| JUNE 2015            | 42,522             | 12,690                       | 84                          | 14                       | 1,040                               | 314                         |
| MONTHLY AVERAGE      | 26,165             | 3,541                        | 29                          | 60                       | 543                                 | 210                         |
| FY14 MONTHLY AVERAGE | 29,248             | 179                          | 48                          | 978                      | 235                                 | 208                         |

## NEWSLETTER STATISTICS

FISCAL YEAR 2015

| Fiscal Year<br>2015  | Consumer<br>Newsletter<br>Open Rate | Consumer<br>Newsletter Click<br>Thru Rate | Member<br>Newsletter<br>Open Rate | Member<br>Newsletter<br>Click Thru Rate |
|--|-------------------------------------|---|-----------------------------------|---|
| JULY 2014  | 27%                                 | 12%                                       | n/a                               | n/a                                     |
| AUG 2014   | 29%                                 | 20%                                       | n/a                               | n/a                                     |
| SEP 2014   | 25%                                 | 14%                                       | n/a                               | n/a                                     |
| OCT 2014   | 29%                                 | 14%                                       | n/a                               | n/a                                     |
| NOV 2014   | 28%                                 | 16%                                       | 26%                               | 21%                                     |
| DEC 2014   | 26%                                 | 14%                                       | n/a                               | n/a                                     |
| JAN 2015   | 29%                                 | 19%                                       | n/a                               | n/a                                     |
| FEB 2015   | 29%                                 | 15%                                       | 27%                               | 6%                                      |
| MAR 2015   | 23%                                 | 6%  | n/a                               | n/a                                     |
| APR 2015   | 28%                                 | 11%                                       | 24%                               | 11%                                     |
| MAY 2015   | 23%                                 | 18%                                       | 24%                               | 13%                                     |
| JUNE 2015  | 28%                                 | 27%                                       | 24%                               | 17%                                     |
| AVERAGE  | 27%                                 | 16%                                       | 10%                               | 6%                                      |
| INDUSTRY AVERAGE   |                                     |   |                                   |   |
|  |                                     |   | Open Rate                         | Clicks (Click-Through Rate)             |
| Travel and Tourism (ex. limo driver, tour guide, reservations) |                                     |   | 20.79%                            | 7.75%                                   |
| Marketing, Advertising, Public Relations                       |                                     |   | 15.15%                            | 6.92%                                   |



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# PLANNING, HOUSING & ECONOMIC DEVELOPMENT WORK SESSION

**FISCAL YEAR 2017 BUDGET**

Wednesday, April 27, 2016

9:30 am

## MARKET UPDATES:

# WHAT'S COMING – OUT OF COUNTY

### NATIONAL HARBOR: MGM CASINO

- Opening late 2016
- \$1.2 Billion Project
- 27,431 sq. ft. of meeting space
- 3,000 seating theatre
- 308 hotel rooms
- 26,582 sq. ft. salon and spa
- 33,003 video lottery terminals

### FREDERICK CONFERENCE CENTER

The proposed Downtown Frederick Hotel & Conference Center will feature a 207 room full-service Marriott with 24,000 sq ft of meeting space including two ballrooms.

– Set to open 2019

### MUSEUM OF THE BIBLE

- Opening in 2017
- 430,000 sq. ft. non-profit museum in Washington, D.C.
- Located two blocks from the National Mall and three blocks from the Capitol

### SMITHSONIAN NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE

- Welcome Center is now open
- Scheduled to open in 2016
- The museum is located on the National Mall in Washington, D.C., on a five-acre tract adjacent to the Washington Monument

## MARKET UPDATES:

# WHAT'S COMING – EVENTS

### INTERNATIONAL POW WOW (IPW)

*IPW is coming to Washington, D.C. for the first time ever in 2017*

- **What is IPW?**

IPW is the largest travel trade show in North America—a one-stop opportunity for U.S. destinations, attractions and businesses to showcase themselves to thousands of influential travel professionals from international markets.

- **What is the IPW Economic Significance?**

The business transacted at IPW has been calculated by the independent firm Rockport Analytics to bring nearly one million extra international visitors and \$1.7 billion in international tourism spending to recent host cities, and 8.8 million additional international visitors and \$28 billion in international tourism spending to the U.S. economy.

- **IPW in 2017?**

The District will host the U.S. Travel Association's International Pow Wow in 2017. The annual event, **has never been held in D.C.**, attracts approximately 5,500 travel industry delegates.



MARKET UPDATES:

## WHAT'S COMING – EVENTS

### STUDENT YOUTH TRAVEL ASSOCIATION (SYTA)

*SYTA is coming to Baltimore in 2018*

SYTA's Annual Conference is the premier event for the student and youth travel industry. There are 1,500+ colleagues from across the globe for three full days of powerful networking, valuable business appointments, thought-provoking education sessions, and innovative business solutions.

Visit Montgomery will be a sponsor of the event.

Pre and post familiarization tours of Montgomery County will be offered to convention attendees.



## MARKET UPDATES:

# WHAT'S COMING – IN COUNTY

### WHITE FLINT SECTOR PLAN

- Pike & Rose
- New Brand for the Pike District
- Hilton Canopy
- AMP
- Pinstripes
- Carluccio's

### PREMIUM OUTLETS IN CLARKSBURG

- Opening 2016



## MARKET UPDATES:

# WHAT'S COMING – IN COUNTY

### HILTON CANOPY

- Hilton's new "Canopy" concept at Pike & Rose
- 177 rooms, opening 2017



### BETHESDA MARRIOTT

- Completed in 2015; the first hotel in the region to offer guests the new keyless entry

### HYATT BETHESDA

- \$38 million renovation 2015/2016

### HILTON ROCKVILLE

- \$20 million renovation 2015/2016

### THE WESTIN BETHESDA

- New ground breaking in 2017

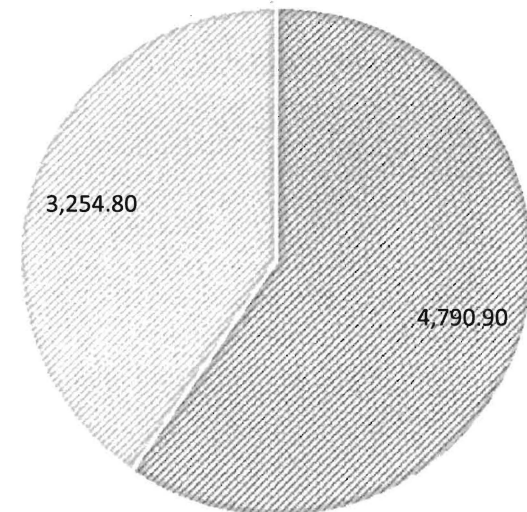
# DAY & OVERNIGHT VISITORS

## Montgomery County Visitors

| Year | Overnight | Day     | Total   | Growth Rate |
|------|-----------|---------|---------|-------------|
| 2014 | 3,254.8   | 4,790.9 | 8,045.8 | 6.1%        |
| 2013 | 3,122.7   | 4,460.0 | 7,582.8 | 3.8%        |
| 2012 | 3,030.2   | 4,274.2 | 7,304.5 | 3.4%        |
| 2011 | 2,903.3   | 4,160.6 | 7,063.9 | 3.6%        |
| 2010 | 2,743.2   | 4,073.0 | 6,816.1 | 7.8%        |
| 2009 | 2,456.8   | 3,868.5 | 6,325.3 |             |

## VISITORS (MILLIONS)

■ Day ■ Overnight





# TOURISM IMPACT

Source: Tourism Economics

| Total Tourism Tax Receipts (\$millions) |         |                 |        |         | Tourism Sales (\$millions) |                 |
|---|---------|-----------------|--------|---------|----------------------------|-----------------|
| Year                                    | Federal | State and Local | Hotel  | Total   | Tourism Industry           | Tourism Economy |
| 2014                                    | \$272.8 | \$263.3         | \$19.2 | \$536.0 | \$1,754.1                  | \$1,893.3       |
| 2013                                    | \$266.0 | \$257.3         | \$19.1 | \$521.3 | \$1,691.5                  | \$1,806.3       |
| 2012                                    | \$264.3 | \$252.0         | \$18.7 | \$514.7 | \$1,644.5                  | \$1,770.0       |
| 2011                                    | \$261.0 | \$250.4         | \$18.5 | \$510.1 | \$1,625.6                  | \$1,744.7       |
| 2010                                    | \$241.9 | \$243.6         | \$17.8 | \$483.7 | \$1,564.4                  | \$1,682.7       |

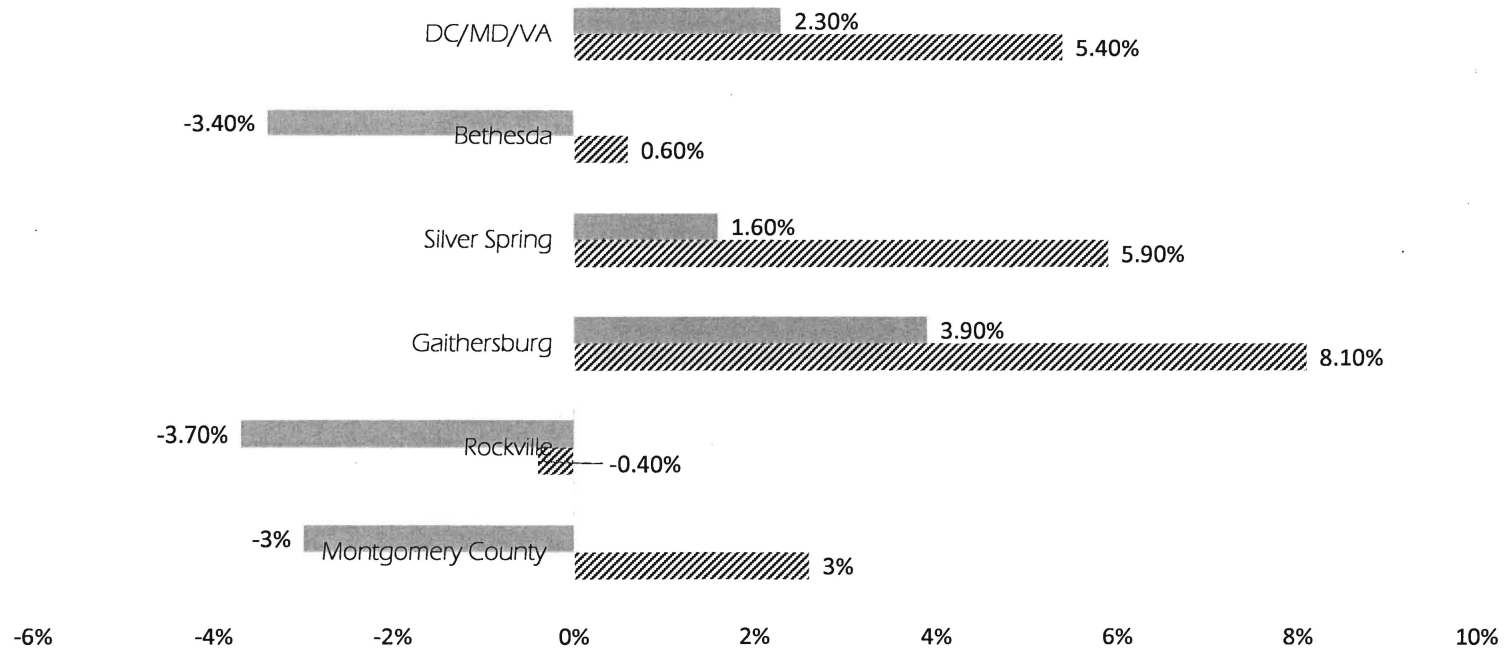
# Hotel Occupancy

% change 2014-2015

## Hotel Occupancy | Average Daily Rate

■ Hotel Occupancy

▨ Average Daily Rate



# ROOM TAX RECEIPTS

CVB Allocation Reports // FY 2014-2016

| Room Tax      | Actual RRTT             | Income Rec'd           | Actual RRTT            | Income Rec'd           | Actual RRTT             | Income Rec'd         |
|---------------|-------------------------|------------------------|------------------------|------------------------|-------------------------|----------------------|
| Tax           | Revenue                 | by CVB                 | Revenue                | by CVB                 | Revenue                 | by CVB               |
| Month of      | FY 2014                 | FY 2014                | FY 2015                | FY 2015                | FY 2016                 | FY 2016              |
| JUL           | \$ 1,429,057.51         | \$ 100,034.03          | \$ 1,775,687.45        | \$ 124,298.12          | \$ 1,545,792.49         | \$ 108,205.47        |
| AUG           | \$ 1,191,898.28         | \$ 83,432.88           | \$ 1,324,340.53        | \$ 92,703.84           | \$ 1,298,529.93         | \$ 90,897.09         |
| SEPT          | \$ 1,556,525.06         | \$ 108,956.75          | \$ 1,837,565.63        | \$ 128,629.59          | \$ 2,034,051.27         | \$ 142,383.59        |
| OCT           | \$ 1,500,222.26         | \$ 105,015.56          | \$ 1,782,243.19        | \$ 124,757.02          | \$ 1,787,323.62         | \$ 125,112.65        |
| NOV           | \$ 1,292,300.03         | \$ 90,461.00           | \$ 1,402,228.18        | \$ 98,155.97           | \$ 1,449,110.23         | \$ 101,437.72        |
| DEC           | \$ 1,018,288.34         | \$ 71,280.18           | \$ 1,193,543.26        | \$ 83,548.03           | \$ 1,127,081.86         | \$ 78,895.73         |
| JAN           | \$ 1,802,090.32         | \$ 126,146.32          | \$ 892,889.75          | \$ 62,502.28           | \$ 713,571.50           | \$ 66,950.09         |
| FEB           | \$ 1,063,435.82         | \$ 74,440.51           | \$ 1,088,708.16        | \$ 76,209.57           | \$ 1,127,584.24         | \$ 78,930.90         |
| MAR           | \$ 1,699,119.00         | \$ 118,938.33          | \$ 1,899,326.86        | \$ 132,952.88          |                         |                      |
| APR           | \$ 1,698,381.24         | \$ 118,886.69          | \$ 1,898,471.43        | \$ 132,893.00          |                         |                      |
| MAY           | \$ 1,866,350.19         | \$ 130,644.51          | \$ 1,947,567.15        | \$ 136,329.70          |                         |                      |
| JUN           | \$ 1,868,352.32         | \$ 130,784.66          | \$ 2,173,468.19        | \$ 152,142.77          |                         |                      |
| <b>TOTALS</b> | <b>\$ 17,986,020.37</b> | <b>\$ 1,259,021.43</b> | <b>\$19,216,039.78</b> | <b>\$ 1,345,122.77</b> | <b>\$ 11,083,045.14</b> | <b>\$ 792,813.24</b> |

26

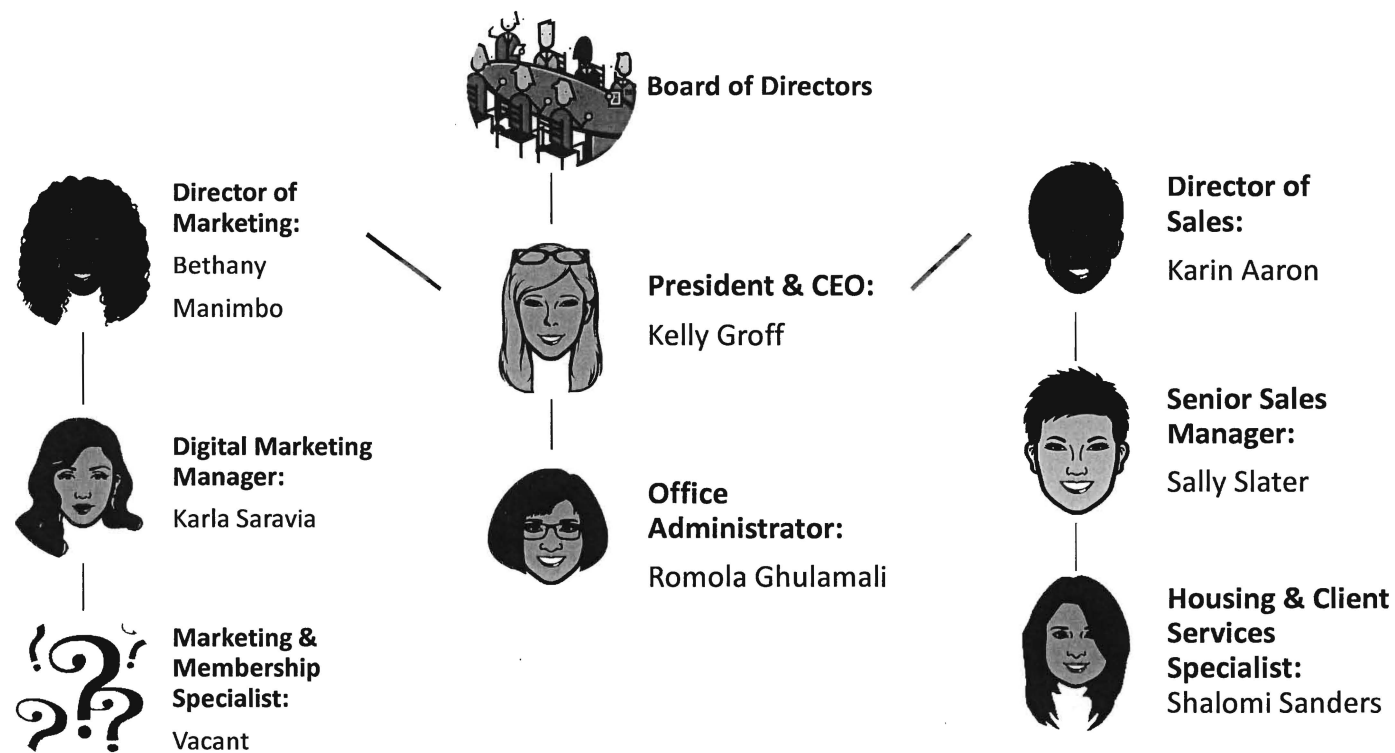
# SALES & USE ANALYSIS

*first six months FY 2016*

| Capital Region       | FY 2015 Tourism Sales<br>Tax Revenue | FY 2016 Tourism Sales<br>Tax Revenue | % Change<br>FY 2015 – 2016 |
|----------------------|--------------------------------------|--------------------------------------|----------------------------|
| Montgomery           | \$35,438,136                         | \$37,350,140                         | 5.4%                       |
| Prince George's      | \$14,118,096                         | \$15,079,507                         | 6.8%                       |
| Frederick            | \$6,262,928                          | \$6,590,167                          | 5.2%                       |
| Capital Region Total | \$55,819,160                         | \$59,019,814                         | 5.7%                       |

*Source: Maryland Comptroller*

# FY 2016: ORGANIZATIONAL CHART



# OVERALL KEY STRATEGIES - FISCAL YEAR 2016

- Sales initiatives targeting the association market
- A familiarization tour for meeting professionals in the Mid-Atlantic
- Launch of the Made Local Campaign featuring breweries and wineries
- Create a Tourism Improvement District (TID)
- Development of leisure travel market campaigns

# FY 2016 SALES HIGHLIGHTS

*progress year to date*

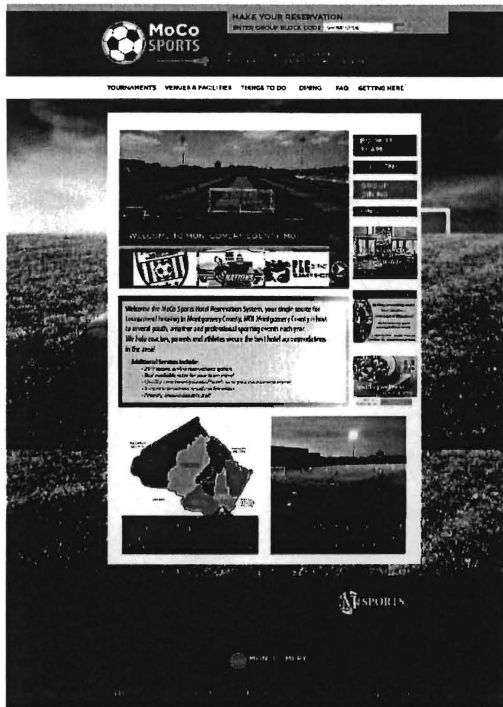
- Booked over 29,000 room nights year to date in Montgomery County, Maryland
- Visited the Philadelphia area with (4) four hotel partners. Met with clients and a hosted a reception targeting corporate and pharmaceutical travel planners.
- Created a meetings referral program. Keep It in the County (KIITC) Referral Program to ensure that potential business is not lost to other communities
- NEW! Visit Montgomery Destination Meetings Video to be used for presentations and client visits.
- Follow up with live "Video Vignettes" to share with meeting planners for new business.



# FY 2016 SALES HIGHLIGHTS

*progress year to date*

## SPORTS



New and improved MoCo-Sports.com website with functionality upgrades and icons.

- Partnering with the U.S. Olympic committee to host “Olympic Day” in conjunction with Embassy Cup Soccer in June 2016
- Partnered with Special Olympics MoCo to host the 2016 Landmark Swim & Dive Championship in February 2016
- Implemented and awarded our first Visit Montgomery Sports grant to solicit more sports tournaments to the county.
- Distributed Valpak coupons to sports groups for tracking their food & beverage spending.



# FY 2016 SALES HIGHLIGHTS

*progress year to date*

## Top Five Sports Tournaments: Mo-Co Sports.com Reservation Volume

| TOURNAMENT NAME                          | RESERVATIONS | BOOKED ROOMS SOLD |
|--|--------------|-------------------|
| Potomac Soccer Memorial Day Tournament   | 2,412        | 4,400             |
| Bethesda Boys Premier Soccer Tournament  | 2,125        | 4,186             |
| Bethesda Girls Premier Soccer Tournament | 1,950        | 3,999             |
| FLG in 3D Lacrosse Tournament            | 200          | 1,245             |
| Discovery Cup Soccer Tournament          | 300          | 1,056             |

# FY 2016 MARKETING HIGHLIGHTS

*progress year to date*

## INCREASED MEMBERSHIP & COMMUNITY OUTREACH

A new position in the Marketing Division was created: Membership & Marketing Specialist. This person formed stronger bonds with current and prospective members and attended Chamber events and other networking events.

New initiatives include a Visit Montgomery News Facebook and LinkedIn page to highlight current industry-related topics. Other new initiatives include a Montgomery County ValPak coupon book and a Membership Appreciation Month in October.

## BRITISH INVASION: TRAVEL WRITER FAM TOUR

Visit Montgomery was pleased to host six travel writers from Great Britain on September 19 and 20, 2015. The writers were covering outdoor recreation and adventure in the Capital Region.

## DIGITAL MARKETING SUMMIT - APRIL 14, 2016

The event was sponsored by the Washington Post Digital and featured panelists from Yelp, Wedding Wire, CVENT and Visit Montgomery. The Summit was held at AMP by Strathmore. More than 100 attendees came to the event.

## WEBSITE TRAFFIC AND SOCIAL MEDIA GROWTH

## NEW ADVERTISING CAMPAIGNS AND PROGRAMS

The "Gateway" and "Five Senses" campaigns were introduced in FY16.

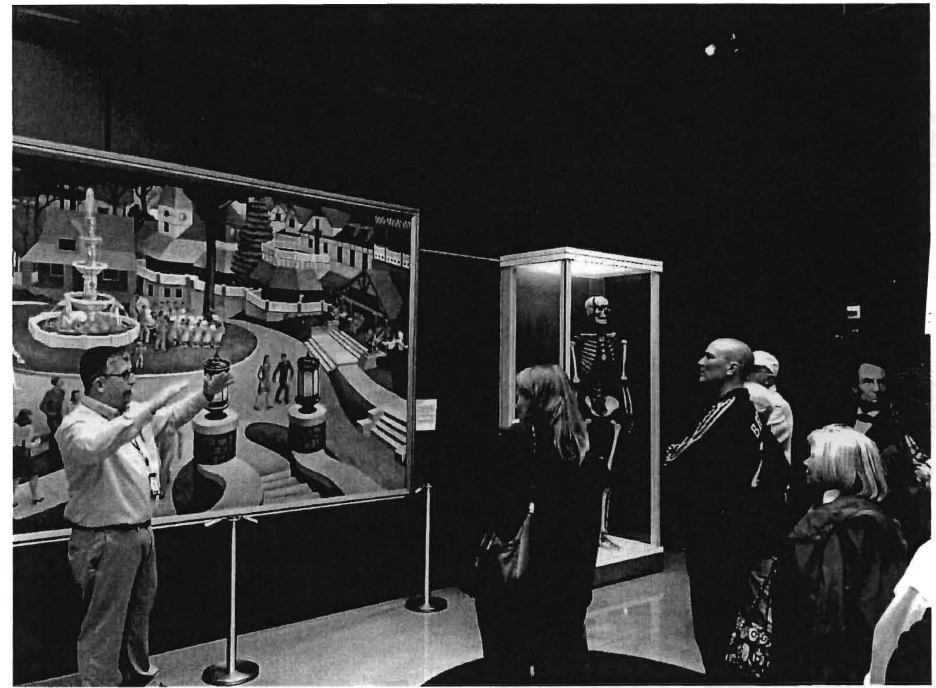
## IMPLEMENTATION OF SIMPLEVIEW

Simpleview will be the new customer relationship management (CRM) system. It will integrate with the website and used for reporting, invoicing and more.

# FY 2016 MARYLAND OFFICE OF TOURISM TOUR

On Thursday, April 21, 2016, The Maryland Office of Tourism Development (OTD) brought a team of approximately 30 people (home office, welcome center staff and call center staff) to Montgomery County for their Spring Destination Training Mobile Workshop. The "Workshop" is a one day bus tour and training of Montgomery County.

They choose one Maryland county each year to visit, and they unanimously chose Montgomery County. This was a great opportunity to showcase our County to the folks at Visit Maryland.



# PROGRESS ON PARTNERSHIP RENEWALS

200 PARTNERS IN FISCAL YEAR 2015

## NEW PREMIER PARTNERS

- AFI Silver Theatre and Cultural Center
- Courtyard by Marriott Chevy Chase
- Westfield Montgomery

## NEW PINEAPPLE PARTNERS

- Cambria Suites Rockville
- Downtown Silver Spring Urban District
- Montgomery County Golf Courses

Several Visit Montgomery Partners upgraded to the Premier and Pineapple levels.

All of the Partners that upgraded in FY15 renewed at the same level in FY16:

### Pineapple:

AAA Mid-Atlantic  
EVEN Hotel Rockville

### Premier:

Cherry Hill Park  
Go Ape!  
Hilton Garden Inn Bethesda  
Hilton Garden Inn Rockville/Gaithersburg  
Homewood Suites Gaithersburg

# FY 2016 EVENTS HIGHLIGHTS

## Digital Marketing Summit

April 14, 2016

The event was sponsored by the Washington Post Digital and featured panelists from Yelp, Wedding Wire, CVENT and Visit Montgomery. The Summit was held at AMP by Strathmore. More than 100 attendees came to the event.

#DMSummit



# FY 2016 MARKETING HIGHLIGHTS

2016 is the 100 year anniversary of the National Parks Service. To commemorate this anniversary, the NPS launched a #FindYourPark campaign.

Visit Montgomery created a Find Your Park blog and also placed advertising promoting the parks.



# FY 2016 PUBLIC RELATIONS

In FY2016, Visit Montgomery participated in and hosted several public relations outreach events. Many of these events helped to form stronger relationships with travel and lifestyle bloggers in the D.C. area.

## **Women of Color in Travel on November 17, 2015:**

Bethany Manimbo participated as a panelist

## **Blogger Bash on October 22, 2015:**

Maryland Office of Tourism hosted a blogger event at VisArts

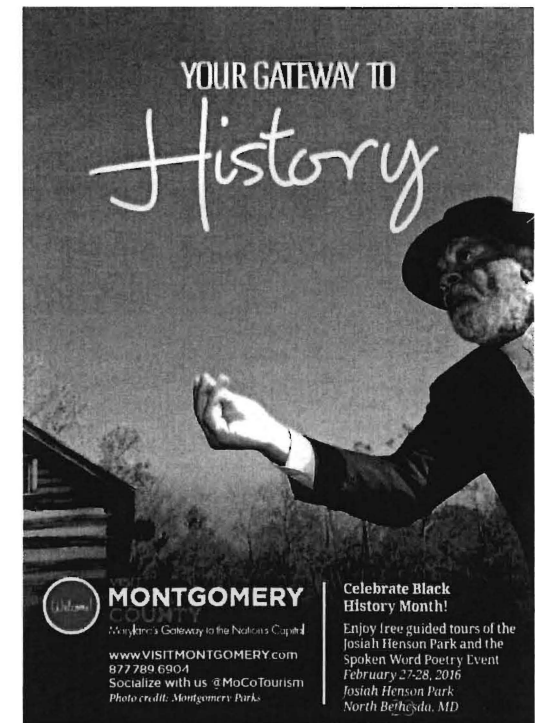
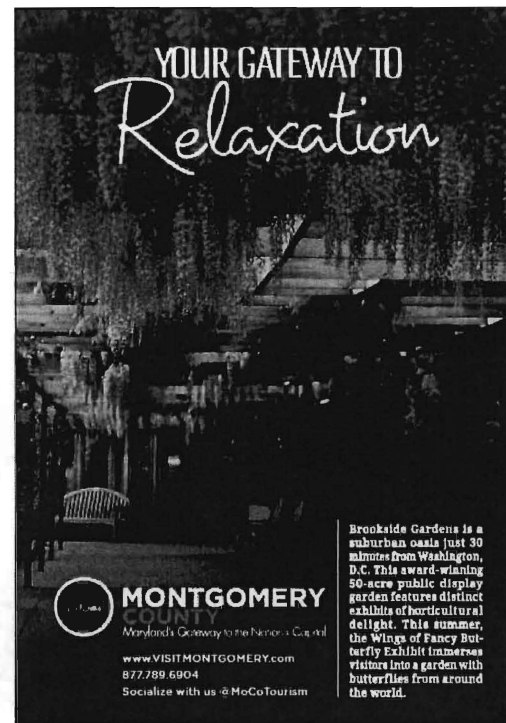
## **#DCTravelBlogger Spring Brunch on April 2, 2016:**

Visit Montgomery, Westfield Montgomery & Naples Ristorante partnered on this event



# FY 2016 ADVERTISING HIGHLIGHTS

Visit Montgomery launched a new advertising campaign in Fiscal Year 2016. The "Gateway" campaign ties in the Visit Montgomery tagline, "Gateway to the Nation's Capital" with photos and unique experiences in Montgomery County.

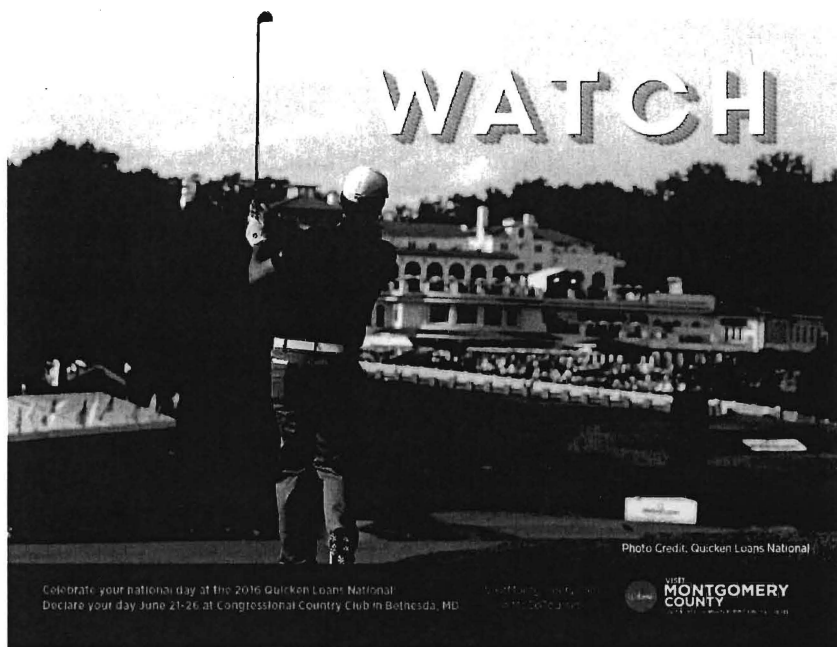




# FY 2016 ADVERTISING HIGHLIGHTS

The "Spoil All 5 Senses" campaign is part of the Maryland Office of Tourism Development (OTD) Advertising Grant program.

New this year! Maryland Tourism participates in the Station Domination at the Philadelphia 30<sup>th</sup> Street Station. All of the display advertising in the entire train station will feature Maryland destinations, including Montgomery County.



# FY 2016 ADVERTISING HIGHLIGHTS

Visit Montgomery partnered with Destination DC on an advertising co-op program. The advertising buy includes:

- New York Magazine
- Philadelphia Magazine
- Boston Magazine
- Atlanta Magazine
- Chicago Magazine

This opportunity expands Visit Montgomery's presence past our target markets of the Mid-Atlantic into new markets in Boston, Atlanta and Chicago.

After last year's Destination DC co-op advertising, we saw an increase in website visits from those target markets. In particular, we saw a 300% increase in visits from Massachusetts.

YOUR GATEWAY TO  
*Summer*

CHARLES F. MERCER

Visit MONTGOMERY  
COUNTY  
Maryland's Gateway to the National Capital

www.VISITMONTGOMERY.com  
877.789.6904  
Socialize with us @McCoTourism  
Photo credit: Stephanie Clifford @Flickr

Celebrate the 100th year of the National Park Service! Take a step back in time and enjoy a boat ride along the historic C&O Canal in Great Falls. Park rangers in period clothing describe what life was like in the 1870's. The Great Falls Visitor Center is just minutes from Washington, D.C.

# FY 2016 ADVERTISING HIGHLIGHTS

*progress year to date*

## MONTGOMERY COUNTY BREWERIES

The craft beer industry is booming! Visit Montgomery promotes local county breweries through a few blogs on [VisitMontgomery.com](http://VisitMontgomery.com).

Visit Montgomery created a “Made Local” logo.



YOUR GATEWAY TO  
*Good times*

14.3.16

**VISIT  
MONTGOMERY**  
COUNTY  
Maryland's Gateway to the Nation's Capital

The craft beer scene in Montgomery County is quickly brewing up some great options for all palettes. Enjoy one of 35 craft beers in the dog-friendly beer garden at Denizens Brewing Co, located in the bustling downtown Silver Spring area.

[www.VISITMONTGOMERY.com](http://www.VISITMONTGOMERY.com) | 877.789.6904  
Socialize with us @MoCoTourism | Photo credit: Denizens Brewing Co

# FY 2016 DIGITAL MARKETING HIGHLIGHTS

*progress year to date*

60,000

50,000

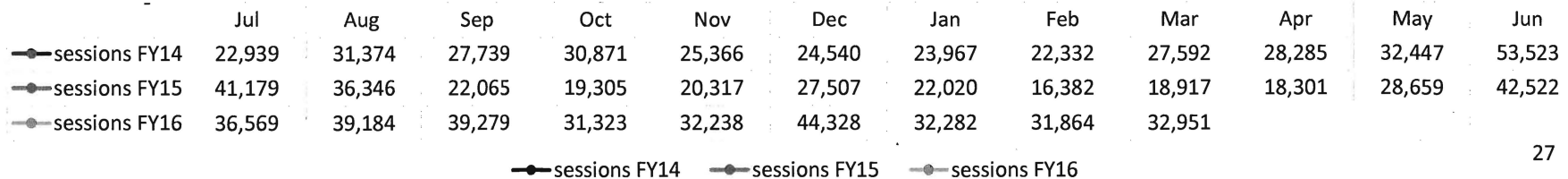
40,000

30,000

20,000

10,000

VisitMontgomery.com | Website Visits | Year over Year Comparison



# FY 2016 DIGITAL MARKETING HIGHLIGHTS

*progress year to date*



## TOP 5 PAGES VIEWED IN FY 2016

1. Events Calendar Page – 88,583 pageviews
2. Homepage – 43,220 pageviews
3. Where to Stay (Hotels) Page – 17,880 pageviews
4. Holiday Happenings Blog – 13,051 pageviews
5. Things to Do (Attractions) Page – 12,995 pageviews

## WEBSITE HIGHLIGHTS

Total Website Traffic YTD (July – March 2016) in FY 2016:

308,181 sessions

Total Website Traffic in FY 2015:

313,520 sessions

# FY 2016 DIGITAL MARKETING HIGHLIGHTS

*progress year to date*

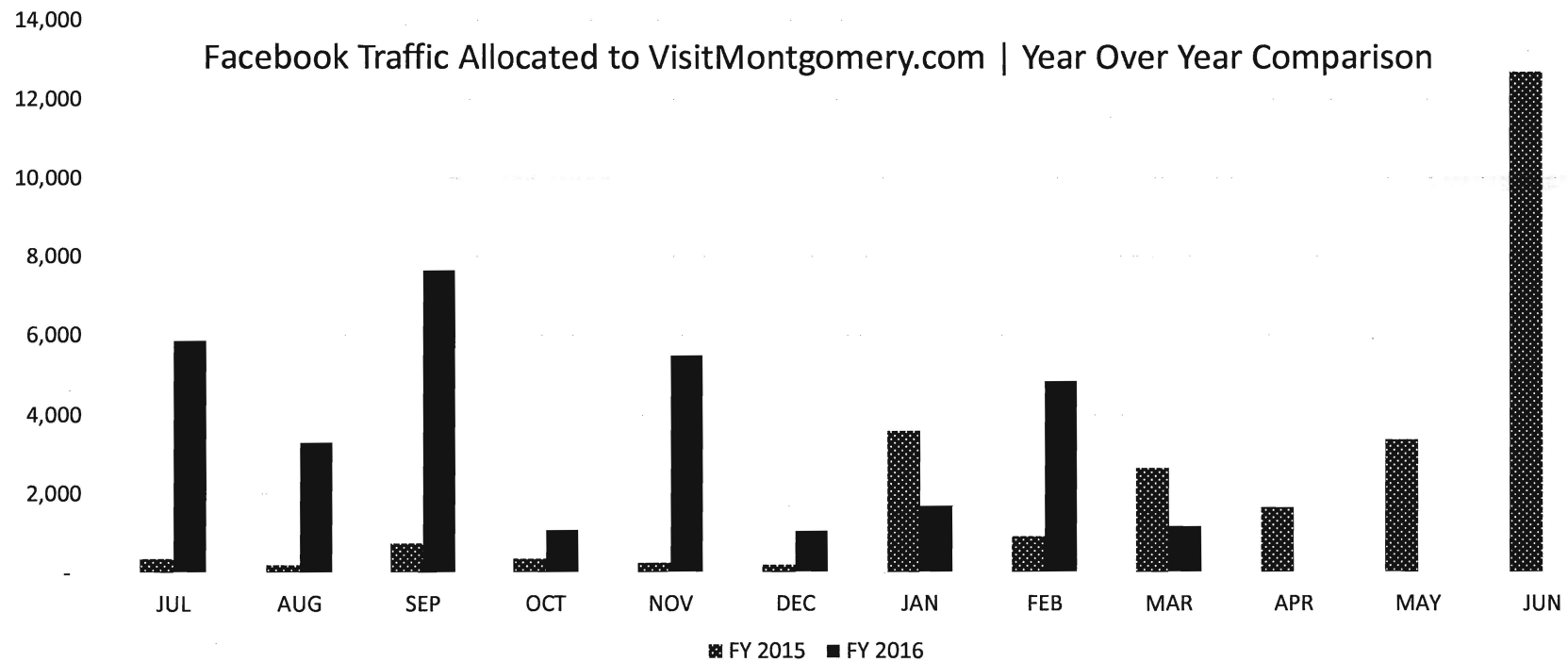
## TOP 5 BLOGS IN FY 2016

1. Holiday Happenings – 13,051 pageviews
2. Outdoor Activities – 8,237 pageviews
3. Indoor Fun – 7,905 pageviews
4. Best Ice Cream Spots – 6,840 pageviews
5. 10 Things to Do for 10 or Less – 5,622 pageviews



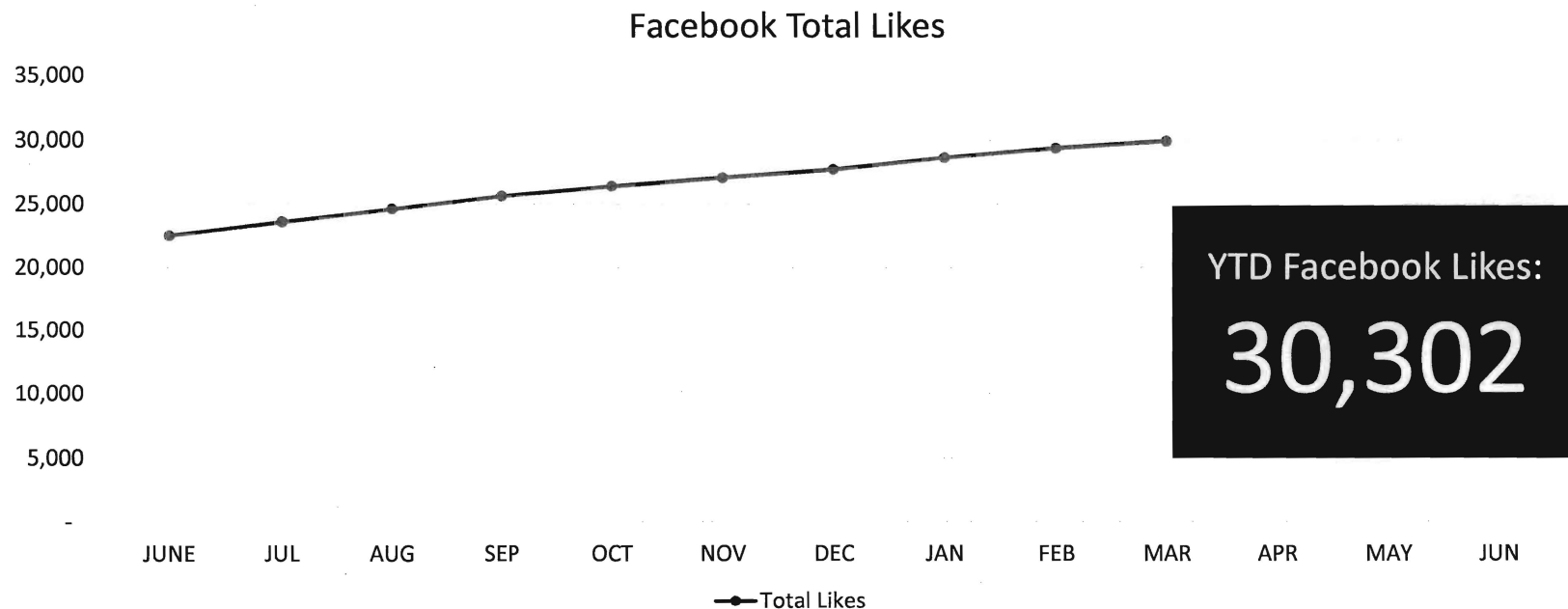
# FY 2016 DIGITAL MARKETING HIGHLIGHTS

*progress year to date*



# FY 2016 DIGITAL MARKETING HIGHLIGHTS

*progress year to date*

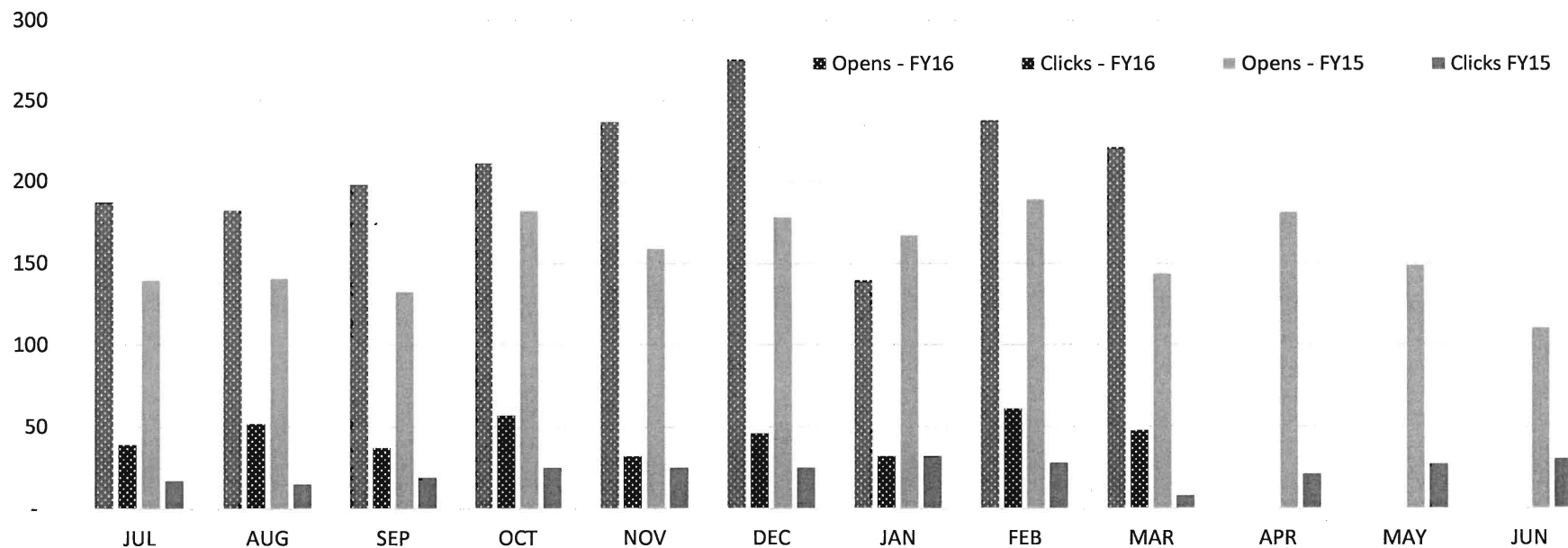




# FY 2016 DIGITAL MARKETING HIGHLIGHTS

*progress year to date*

Consumer Newsletter Email Open & Click Rates | Year Over Year Comparison



# STAFF INVOLVEMENT IN BOARDS & COMMITTEES

## Boards:

- Montgomery Parks Foundation Board – Kelly
- MD Hotel and Lodging Association Board of Directors – Kelly
- Montgomery County Chamber of Commerce Advisory Board - Kelly
- Heritage Montgomery Board of Directors – Bethany

## Committees:

- MD Destination Marketing Organizations Grant Committee – Kelly
- Mid-Atlantic Tourism Public Relations Alliance Marketing Committee – Bethany
- Josiah Henson Park Campaign Steering Committee - Kelly

## Sales Team Involvement :

- SGMP: Membership Committee; Society of Government Meeting Planners - Karin
- DMAI-Sales and Marketing Council; Destination Marketing Association International - Sally
- PMPI: Professional Development Committee; Potomac Meeting Planners International - Sally
- NASC: Meeting Committee; National Association of Sports Commissions – Karin
- WISE: Board member; Women in Sports and Entertainment – Karin

# FY 2017 SALES GOALS

- Host an industry familiarization tour (FAM) targeting local and non-local meeting planners in the Mid-Atlantic region.
- Host 2 out of county sales missions targeting the pharmaceutical and corporate markets in Delaware and New Jersey.
- Grow tournament rebate collections by 20% year over year.
- Secure/sponsor a meetings related tradeshow to be hosted in Montgomery County (Smart Meetings, M&C meetings, Collinson, etc.,)
- Partner with the Maryland Office of Tourism and area DMO's on cross county tour & travel itineraries for the group tour market.
- Work with our industry partners to establish weekend/overnight hotel packages for the 2017 Presidential Inauguration .

# FY 2017 MARKETING GOALS

- Work with Heritage Montgomery on the Maryland Heritage Areas Authority (MHAA) Marketing Grant. The grant amount is \$100,000 (\$50,000 grant + 50,000 match from Visit Montgomery). In partnership with Montgomery Parks and the new Woodlawn Manor Cultural Park, the goal is to promote the African-American historical sites and activities.
- Increase blog posts on VisitMontgomery.com
- Work with local craft breweries to promote out-of-town visitation.
- Sponsor events and outreach at International Pow Wow (IPW) in Washington, D.C. in 2017. Consider a special branding approach to the international market.
- Update the \$421,000 advertising budget to include additional online advertising campaigns, SEM, SEO, and PPC campaigns.
- Utilize the new SimpleView database to provide reports and metrics on campaigns, including results to participating partners.
- Continue work with the MD State Highway administration on the implementation of the new Tourist Attraction Corridor (TAC) signage program.

# FY 2017: THE MOVE

Visit Montgomery will co-locate in Fiscal Year 2017 in new space with the new Montgomery County Economic Development Corporation and Work Source Montgomery.