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To: Urbana City Council
From: Laurel Prussing *LP*
Re: **Setting Performance Standards for Increasing Tourism**

The Champaign County Convention and Visitors Bureau was established 25 years ago to increase the number of visitors to Champaign County. Urbana has contributed over \$2 million during that time. Clearly we need to evaluate whether and at what level we should continue our support.

Here is an outline of how we might proceed. Please review it and let me know your suggestions for what you would like to see.

- I. First, we need to understand the market we are trying to impact.
 - a. How many visitors a year come to Champaign County?
 - b. What brings them here and how many are in each category?
 - (1) U. of I. sports events
 - (2) Other events
 - (a) initiated by CVB
 - (b) initiated by others.
 - c. How does CVB contribute to increased visitors for each category of events?
This would help us understand how many visitors have come to the area as a direct result of CVB efforts and how many would come regardless of CVB. Then we could see if the dollars CVB spends generate a reasonable return on investment.
- II. Second, CVB seems to have shifted from the original focus of bringing visitors here to a new emphasis on informing/entertaining them while they are here. We need to determine what the pay back for each dollar spent in each category is and then see if there are other more effective methods to get the job done or other agencies that would be more appropriate, e.g., Urbana Business Association (UBA).

For example, I believe bringing new sports events to the community is a wise use of funds. However, it may be more effective for Urbana hotels/motels to have Urbana specific information on restaurants, shops and historic sites, rather than being buried in a huge CVB document which is not even widely distributed. **In a recent survey, Mike Monson did not find promotional materials from CVB at three Urbana hotels he visited.** Perhaps the hotels need to have such information available on in-room television and we should have such links on our website and on-UBA's website.

Setting Performance Standards for Increasing Tourism (cont.)

- III. Third, we should identify how the CVB should be providing service to Urbana and determine what return on its investment Urbana would get as a result of funding the CVB.

TIF agreements generally include a payback analysis. How do we calculate a payback on investment in the CVB?

Are there tourism activities the City is currently engaged in that the CVB can pay for? (Similar to the City of Champaign's pass-through for 40 North?)(To take the burden off of the general fund? For example, Market at the Square, Public Art, others?)

- IV. Finally, any funding provided CVB should be for work or services that will yield measurable results. The performance measurements or specific standards need to be included in a work contract. Payments should be based on results, quarterly reports, etc. to ensure regular review of performance and accountability to our taxpayers.

Staff will research items listed above, plus the following:

Review the 2005 industry standards for what we would like to incorporate in a possible contract.

Review the new city of Rockford CVB contract. Also:

- What does "hosted" mean in the CVB marketing materials?
- What is the progress on the new CVB website?
- Can we use a model where hotels/motels pay some percent of revenue into a tourism fund for stays directly attributable to CVB?
- What is the arrangement between the CVB, hotels/motels, and the marathon on bookings made through the marathon's website?
- Talk to RPC about job creation multipliers for different industries so we can determine the most effective use of economic development dollars