



**Item:** Tourism Business Improvement District (TBID) 2014/2015 Budget and Work Plan

**From:** Judy Burg, Taxes and Assessments

**Initiated By:** Tourism Business Improvement District

**Presented By:** Karen Schermele Venetz, Administrative & Marketing Director

**Action Requested:** Conduct Public Hearing and Accept the Tourism Business Improvement District 2014/2015 Budget and Work Plan

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**Public Hearing:**

1. Mayor conducts public hearing, calling three times each for proponents and opponents.
2. Mayor closes public hearing and asks the will of the Commission.

**Suggested Motion:**

1. Commissioner moves:

“I move the City Commission (accept/reject) the 2014/2015 Tourism Business Improvement District Budget and Work Plan.”

2. Mayor calls for a second, discussion, and calls for the vote.
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**Staff Recommendation:** The TBID recommends the City Commission accept the 2014/2015 TBID budget and work plan.

**Background:** The Tourism Business Improvement District was established by Resolution 9792 on December 2, 2008. Its overall purpose is to utilize tax dollars through the TBID assessment and direct those monies for the purpose of promoting tourism, conventions, trade shows and travel to the City of Great Falls.

According to State statute 7-12-1132 (3) MCA, the City Commission must hold a public hearing to hear any objections to the budget and work plan. Following the public hearing, the City Commission may approve the plan or request that amendments be made to it prior to levying an assessment on all properties within the district to defray the costs.

**Concurrences:** The TBID partners with several organizations to provide results and follow the overall purpose of the TBID. Fiscal Services staff is responsible for assessing and collecting the revenues.

**Fiscal Impact:** The TBID is projecting annual revenue for Fiscal Year 2014/2015 of approximately \$455,400 in assessments dollars. Included in the projected assessment amount is an additional delinquent assessment amount of \$36,400 for noncompliance as provided by the TBID By-Laws.

The assessment will be according to the formula approved with the creation of the district.

- The applicable hotels shall be subject to an annual assessment of one dollar (\$1.00) per occupied room night as prescribed in Section 7-12-1133 (c), MCA

**Alternatives:** The City Commission could request the TBID Board for changes either to the Work Plan or the Budget.

**Attachments/Exhibits:** 2014/2015 Work Plan  
2014/2015 Budget



**Great Falls  
Tourism Business Improvement District**

**FY-15  
July 1, 2014 - June 30, 2015**

**Submitted: June 17, 2014**



## Great Falls Tourism Business Improvement District Board of Directors

- Chair; Robert Dompier – General Manager Holiday Inn of Great Falls
  - Vice-Chair; Scott Shull – Owner and General Manager of the Days Inn Great Falls
  - Secretary/ Treasurer; Malissa Hollan – General Manager LaQuinta Inn and Suites
  - Director; David Buckingham – General Manager Comfort Inn and Suites
  - Director; Becky Amaral Miller – General Manager Staybridge Suites
  - Director; Sandra Johnson Thares – Owner and General Manager O’Haire Motor Inn
  - Director; Scott Arensmeyer – Regional Manager TownHouse Inn
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- Administrative & Marketing Director – Karen Schermele Venetz



## Executive Summary

The Great Falls Tourism Business Improvement District (TBID) was formed in December 2008 to provide a stable source of funding for tourism promotion of Great Falls as a preferred travel and event/convention destination. Since its inception the TBID has made great strides in building awareness through promotions, grants and working collaboratively with other Great Falls groups. As a community we should continue to strive to cohesively work together as tourism partners planning and executing the strategies which will bring tourism dollars into our community.

People are attracted to our community for similar opportunities they may find in other areas.

Great Falls needs to identify what sets us apart from other Montana communities.

Tourism plans must target different types of attractions to different types of visitors. There are day visitors, convention attendees, business travelers, people visiting friends and family, vacationers, niche groups from bird watchers to motorcycle groups; they all spend money when they come to town. But they all want different services and amenities to cater to their particular needs and desires.

Partners are important. It is impossible to even think that tourism programs can be successful when executed by a single entity. Tourism development and promotion must be a team effort – especially in smaller communities where resources are limited or stretched.

Partnerships accomplish a number of goals;

- They create continuity in the marketing effort
- Build a stronger brand for the community
- Reduce duplication of efforts (multiple websites, phone numbers)
- And make selling the community easier
  - Prospective visitors are more likely to act when presented with a single source/voice for getting initial information

Types of tourism partnerships (all should be considered)

- Financial partnerships with tourism partners in which partners combine funds to accomplish certain tourism objectives. This allows communities to leverage available funds for advertising, public relations services, photo libraries and quality website development
- Shared resources which also avoid the common duplication of services and visitor confusion. (shared photo libraries, press kits, single toll-free information request lines)
- Involves leveraging the dollars and resources with public/private partnerships. Partners involved in tourism should include economic development organizations, cultural attractions and organizations and event organizers
  - ***We will always be more successful collectively, rather than individually.***

Tourism partnerships are very much like a marriage. You agree, disagree, and get upset, compromise and then move on to a decision that will make all parties reasonably happy. The only difference is that in tourism, it's perfectly legal to have multiple partners – especially when you are building partnerships.

The Great Falls tourism partnerships do work cohesively. We do see results and we all get along! It is time to leverage what we are doing well, and expand on it in order to grow and be as successful as possible. We can accomplish this by working closely on ways to be more effective and efficient as we grow our visitor population in leisure travel and convention and events.

The following plan stretches the partnerships to new levels that will only build on bringing in more visitors.



## Fiscal Year 2014 Accomplishments

- ✓ Western Art Week: First comprehensive collection of information of this signature event
  - Developed an all-inclusive website including everything from the largest signature events, shows and auctions to the smallest unique, niche shows and artists.
  - Provided FREE transportation making it easy for visitors to experience the art throughout Great Falls
  - Created a guide where they could view information about the different shows, locations, artists, showing events and times. Both in brochure and electronic form
  - Collaborated with area shows and museums to create a community-wide celebration of Western Art Week
  - Artist comments: As one of the smaller venues, being featured in the brochure increased my exposure and my sales. This made a big difference
- ✓ TBID collections increased
  - FY-14 = \$415,620 increased to FY-15 = \$419,260
  - Total increase in assessments since 2011
    - FY-11 (first full year of collection) = \$355,707 increasing to FY-15 = \$419,260
- ✓ Canadian visitors increased from 204,798 to 230,179 2012 to 2013
  - (Institute for Recreation Research University of Montana - [www.itrr.umt.edu/](http://www.itrr.umt.edu/))
- ✓ Annual Audit
  - Researched governmental audits, wrote an RFP for a new auditor, researched local auditors that preform governmental audits for non-profits, selected a new accounting firm to perform annual audit resulting in an annual savings of \$400
- ✓ A two-phase feasibility analysis of a potential new/expanded indoor multipurpose center in Great Falls was conducted and presented to the TBID , City and County commissioners and citizens
  - Researched other community multipurpose center RFP's wrote the RFP, researched consultants, including Montana firms to conduct the study, sent the RFP to vetted consultants, reviewed the RFP's we received, interviewed three firms and selected one that performed the study
- ✓ Great Falls International Airport success through tourism partnerships working as one voice
  - Frontier Airlines returns to Great Falls for its third year
    - Many of their fares are lower than last year
  - Allegiant flying to Los Angeles
  - Average ticket prices went down in Great Falls by 4% in 2013
    - Making Great Falls the least expensive airport in Montana
    - The average ticket price has fallen 22% since 2008, while national ticket prices have risen 10%
- ✓ Attended the RMCA Religious Conference
  - 16 one-on-one interviews with meeting planners
    - Working with two meeting planners that may result in a conference commitment

- ✓ Attended the Calgary Travel and Adventure show
  - Distributed 750 Great Falls Visitor Guides and collected data for the Great Falls International Airport
- ✓ Awarded grants to 25 local community event/sport planners to assist in increasing attendance at an existing event or for a new event
- ✓ Put together 2000 welcome bags for local events in partnership with Sam's and Downtown Chicks
- ✓ Partnered with the Great Falls CVB, Great Falls International Airport and Central Montana travel region on promotional advertising

## Who are Great Falls' current nonresident visitors?

(The data in this section was provided by the Institute for Recreation Research University of Montana. This data summarizes nonresident visitors during the calendar year of 2013. These travelers spent at least one night in Great Falls; is based on a sample size of 212 surveys, which equates to 7.5% of all nonresident visitors to Montana or a total of 822,069 people.)

- ✓ 1<sup>st</sup> time visitors to Great Falls = 19% @ 156,193
- ✓ Repeat visitors to Great Falls = 66% @ 542,566

### Primary reason for trip:

- ✓ Vacation/recreation/ pleasure = 39% @ 320,607
- ✓ Business/ convention/meeting = 13% @ 106,869

### Montana Entry points:

- ✓ Sweetgrass = 15% @ 123,310
- ✓ Great Falls Airport = 13% @ 106,869

### Top Geographic markets:

- ✓ Alberta Canada, Washington, California, Wyoming
  - Canadian market length of stay: 2.37 nights with retail the primary factors for visiting

### Direct Flight Markets:

- ✓ Denver, Las Vegas, Minneapolis, Phoenix/Mesa, Salt Lake City, Seattle and Los Angeles

### Demographics:

#### Travel Group Type:

- ✓ Couples = 51% @ 419,255
- ✓ Travel by self = 19% @ 156,193
- ✓ Families = 19% @ 156,193



Age Group Represented:

- ✓ 35-44 = 11% @ 90,428
- ✓ 45-54 = 20% @ 164,414
- ✓ 55-64 = 42% @ 345,269
- ✓ 65 -74 = 36% @ 295,945

Trip Type:

1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Business/Conventions	Vacation/Rec/Pleasure	Vacation/Rec/Pleasure	Visit Friends/Relatives
Visit Friends/Relatives	Visit Friends/Relatives	Visit Friends/ Relatives	Business/Conventions
Vacation/Rec/Pleasure	Business/Conventions	Business/Conventions	Vacation/Rec/Pleasure

Top Information sources used for planning trip:

- ✓ Used no sources = 25% @ 205,517
- ✓ Search Engine (i.e. Google) = 24% @ 197,296

Information sources used during trip

- ✓ Map apps = 36% @ 256,000
- ✓ Mobil apps = 23% @ 189,076
- ✓ Visitor Information staff = 30% @ 246,6201
- ✓ Front line staff = 32% @ 263,062.

Top Sites visited on trips

- ✓ Glacier National Park = 52% @ 427,476
- ✓ Yellowstone National Park = 48% @ 394,593
- ✓ Lewis & Clark Interpretative Center = 30% @ 246,621
- ✓ C. M. Russell Museum = 21% @ 172,634

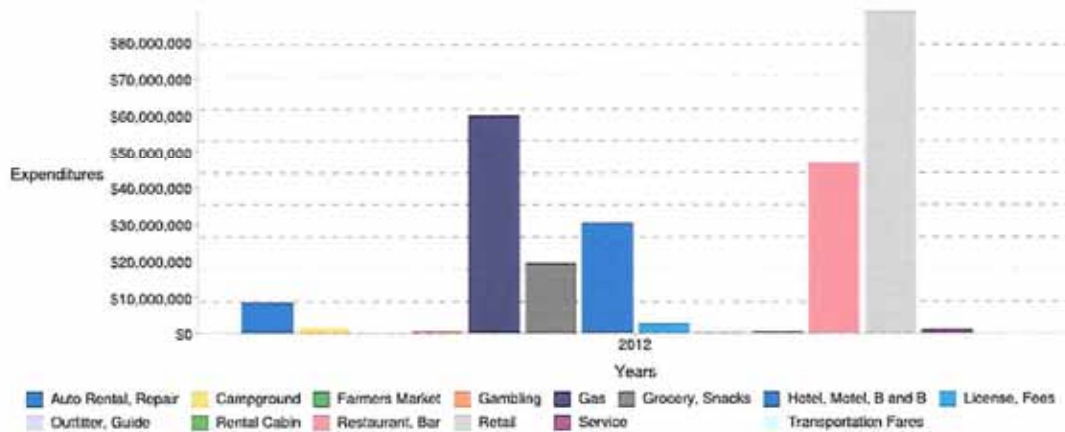
Top Activities on this trip

- ✓ Scenic Driving = 69% @ 567,228
- ✓ Recreational shopping = 42% @ 345,268
- ✓ Visiting other historical sites = 32% @ 263,062
- ✓ Day Hiking = 30% @ 246,621
- ✓ Wildlife watching = 29% @ 238,400
- ✓ Nature Photography = 29% @ 238,400
- ✓ Visiting Lewis & Clark Sites = 28% @ 230,179

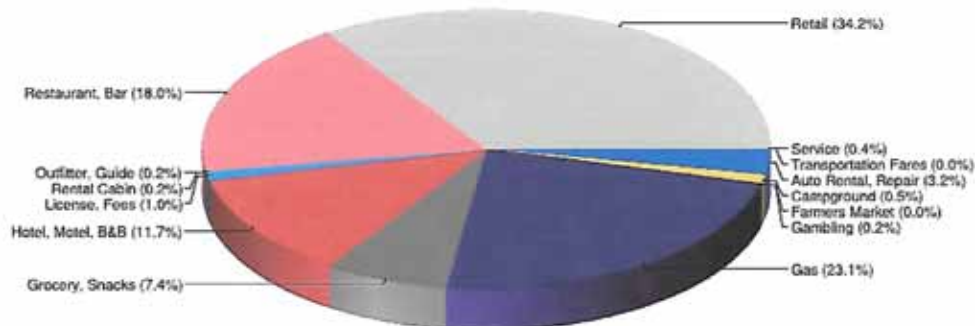
## 2012 Nonresident Expenditures for Cascade County

2012 Nonresident Expenditures for Cascade County			
Categories	Expenditures	% of County	% of State
Auto Rental, Repair	\$8,369,000	3.2%	0.3%
Campground	\$1,293,000	0.5%	0.0%
Farmers Market	\$87,000	0.0%	0.0%
Gambling	\$453,000	0.2%	0.0%
Gas	\$59,780,000	23.1%	1.8%
Grocery, Snacks	\$19,104,000	7.4%	0.6%
Hotel, Motel, B&B	\$30,141,000	11.7%	0.9%
License, Fees	\$2,536,000	1%	0.1%
Outfitter, Guide	\$398,000	0.2%	0.0%
Rental Cabin	\$442,000	0.2%	0.0%
Restaurant, Bar	\$46,661,000	18.1%	1.4%
Retail	\$88,300,000	34.2%	2.7%
Service	\$962,000	0.4%	0.0%
Transportation Fares	\$31,000	0.0%	0.0%
<b>Total</b>	<b>\$258,557,000</b>	<b>100%</b>	<b>7.9%</b>

2012 Nonresident Expenditures for Cascade County: \$258,557,000



2012 Nonresident Expenditures % for Cascade County: \$258,557,000



## Current National Travel Trends

### Alternative Competitive Lodging Services:

A growing travel trend is the alternative lodging resources such as Airbnb, HomeAway, VRBO, and specialized lodging associated with a particular activity such as a bike hostel. The impact of this trend may be small in Great Falls, It is still important to stay in tune with this trend while continuing to highlight the variety of affordable and quality lodging opportunity in Great Falls.

### Mobile Devices:

Because 91% of the adult population now owns some kind of a cell phone that means 56% of all American adults are now smart phone adaptors. Adoption varies by age and household income. Every major demographic group experienced significant year-to-year growth in smartphone ownership between 2012 – 2013, although seniors – defined as those 65 and older – continue to exhibit relatively low adoption levels compared with other demographic groups. 36% of Great Falls visitors fall into the 65+ demographic, we must remain diligent in maintaining the print, billboard, radio media type sources they are comfortable with. (Pew Research Internet Project, Smartphone Ownership 2013)

### Social Media:

Some 73% of online adults now use a social networking site of some kind. Facebook is the dominant social networking platform in the number of users, but a striking number of users are not diversifying onto other platforms. Middle-aged and older adults place a relatively high value on social media as a tool to connect with others around hobby and interest. Sixteen percent of 30-49 year olds and 18% of 50-64 year olds cite “connecting with others with common hobbies and interest as a major reason they use social networking sites.” Additional, men are a bit more likely than women to use these sites to connect around a hobby or interest – 56% of male users say that this is either a major or minor reason for their usage of these sites, compared with 44% of female users. (Pew Research Internet Project, Social Networking Fact Sheet)

### Senior Travel:

The senior segment will continue to grow as approximately 10,000 baby boomers retire each day and travel is on the top of their list. In their travels they seek out good customer service and affordable and memorable experiences. Great Falls has a strong senior visitor population and should continue to expand.

Trends for Great Falls to consider following:

- ✓ Senior travel; bus and group travel
  - Making sure we are communicating with them
- ✓ How (if approved) the Keystone Pipeline may effect Great Falls
- ✓ Trends in Government travel: MAFB and MANG

# FY-15 Marketing Plan-Strategic Components

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Note: The following plan is a living breathing document, meant to serve as a road map for the next fiscal year. There may be new items added or altered and detours that lead us on new avenues of tourism adventure.

## Strategic Component: Electronic marketing/ technology

- ✓ Website enhancements or total remake
  - Completely re-develop website to create a responsive website
    - Work towards one tourism website – one information source/voice
      - Propose combining the TBID and GF CVB websites to work as one
      - Include a written agreement to protect all parties
  - Continue to partner with the CVB on electronic marketing media buys
  - ✓ Refresh content and imagery, especially in support of event/conventions/sports
  - ✓ Develop links that work with each funding grant, i.e.
    - [www.gftourismbid.com/horseracing](http://www.gftourismbid.com/horseracing)
    - [www.gftourismbid.com/PRCA](http://www.gftourismbid.com/PRCA)
  - ✓ Search engine optimization
  - ✓ Propose purchase of Google Analytics
  - ✓ Develop a social media presence through a Social Media Specialist
  - ✓ Propose purchase iPads for use at tradeshows and possible use at the GF Visitor Information Center for collection of data
    - Install App on Ipad that collects all the of information
    - Collection of visitor and tradeshow attendance data develops a target audiences to send E-blasts
  - Overall goal is to connect with:
    - Active meeting planners
    - Leisure visitors

## Strategic Component: Leisure Marketing

People are attracted to our community for scenic driving, recreational shopping, visiting historical sites and day hiking ... and so is every other Montana community.

Let's think about highlighting what is unique in Great Falls, i.e. the Lewis and Clark Interpretative Center the C. M. Russell Museum, Glacier National Park and Yellowstone National Park as well as continuing with Western Art Week. In 2013 visitors spending one night in Great Falls; 52% visited Glacier National Park, 48% visited Yellowstone National Park, 44% visited the Lewis and Clark Interpretative Center and 27% visited the C. M. Russell Museum.

Assist in funding or cross promoting the above mentioned as Great Falls destination highlights. The GF CVB already supports the national parks, but may consider additional support. Support conditions

would include prompting an overnight stay, website presence. Receive \$5 off entrance fee when you present a room key from a participating hotel.

Other items include:

- ✓ Creating a “service standard” with tourism partnerships to more cohesively work as one tourism source/voice.
  - Establish an agreed upon lead distribution system, timeline and action process with the GF CVB, GF Area Chamber of Commerce and other tourism partners
- ✓ Continue to develop and support the Visitor Information Center Partnership
- ✓ Work in partnership with the GF CVB to attend travel and trade shows, i.e.
  - The Calgary Travel & Adventure Show; March 2015
  - Calgary Women’s Show; October 2014
- ✓ Work in partnership with the GF CVB, Great Falls Area Chamber of Commerce to develop an accessible photo library. Photos exist, but could be more readily accessible
  - Provide support to the already created GF CVB power point presentation for use in promotion
- ✓ Set a date to work with the GF CVB to develop FY-16 marketing plans in tandem
- ✓ Continue to partner with the Great Falls International Airport and other tourism partnerships to market the direct flights. Marketing to include specifically “staying” in Great Falls.
- ✓ Continue to partner with the Great Falls International Airport to help incentivize current direct flights and new markets with other entities to maximize dollars committed to the campaign
- ✓ Continue the Canadian marketing partnership with the GF CVB. Consideration may be made for the TBID to take the lead
- ✓ Tourism partnerships include but are not limited to; GF CVB, Central Montana, GF International Airport, GF Area Chamber of Commerce, Downtown Great Falls Association, Great Falls Development Authority, Business Improvement District, City of Great Falls, Cascade County, Downtown Chicks, Montana State Parks, Montana Office of Tourism and GF Visitor Information Center, Conero Sports Foundation, Great Falls Public Schools
- ✓ These partnerships and a new “service standard” will allow the combined resources the greatest opportunity to increase awareness of Great Falls as a preferred travel and event destination

### **Strategic Component: Meetings/ Conventions/Events**

- ✓ Create a “service standard” with tourism partnerships to move cohesively work as one event planning source/event
  - Establish an agreed upon lead distribution system, timeline and action items
- ✓ Continue to partner with the GF CVB, The Mansfield, MT Expo Park and hotel/convention venues
  - Provide a one-sheet about possible TBID funding for them to include in their sales presentations
- ✓ Continue to establish Customer Relationship Management (CRM) program
- ✓ Research a Lead Generation source
- ✓ With the resources of an agency create a marketing program to promote Great Falls as a meeting/ convention destination

- ✓ Create a comprehensive data base and recruitment program of all active regional planners
- ✓ Research “Trip Builder” Media
  - A mobile app
  - Conference attendees can post, comment, and ask the speaker questions
  - Can include destination content
  - Could be used at hotel/convention venues, the Mansfield, Mt. Expo Park
- ✓ Continue membership and attendance with MSAE.
  - Increase number of MSAE events held in Great Falls from two to four
- ✓ Propose attendance at conferences and trade shows to generate leads, i.e.
  - Christian Meeting and Convention Association Annual Conference: April 2015
- ✓ Research membership and marketing opportunities with Event Planning Associations
- ✓ Execute at least one FAM tour for either;
  - State/Regional/Convention tradeshow
  - Sports Tournaments
- ✓ Target markets within the Great Falls major industries
  - Wind energy
  - Agriculture
  - Healthcare
- ✓ Research successful event concepts in other cities
- ✓ Research and Identify a new event – with assistance of STAR (Smith Travel Report)
  - Come up with an insane or unique idea
  - Research events in a non-competitive region
  - Seek out a non-profit group with a strong volunteer core to put on the event
  - Visitors may find comfort in the familiarity of a Wal-Mart in every town or a McDonalds on every corner, but they will seek out which is truly unique.
  - In order to be successful, we must set ourselves apart from everyone else
- ✓ Revise grant application:
  - Make it more user friendly
  - Help the applicant understand the TBID
  - Help the applicant understand the need for measurable results
  - Include a signature line upon receipt of funding to supply measurable results
  - Help applicant supply measurable results
- ✓ Follow guidelines set by Feasibility Analysis

## **Strategic Component:**

### **Opportunity Marketing and Community Enhancement**

- ✓ Create an action plan to move forward in building a multipurpose center in Great Falls
- ✓ Market and promote a new multipurpose area in Cascade County
- ✓ Research financial support of the new center
- ✓ Follow the next step list provided by the consultants
- ✓ Follow up with locations that have success and challenges in proposing and building a multipurpose center

- ✓ Continue to partner with the Great Falls International Airport to help incentivize current direct flights and new markets with other entities to maximize dollars committed to the campaign
- ✓ Continue the Canadian marketing partnership with the GF CVB. Consideration may be made for the TBID to take the lead
- ✓ Continue rotating coordination of Superhost training each year with the GF CVB. FY-15 will be the CVB rotation.
  - Work to build this program as more of an “Ambassador Program” so more frontline staff of several different type organizations participate
- ✓ Maintain support of the Great Falls Development brand initiative
- ✓ Research possible relationship with Delta Airlines
  - There is a separate side to Delta Airlines that works to develop vacation/convention destination sites

### **Strategic Component: Sports Sales and Tournament Retention**

- ✓ Create a “service standard” with sporting partnerships to work more cohesively as one source/voice
  - Establish an agreed upon lead distribution system, timeline and action items
- ✓ Continue and work with and support Conero Sports Foundation, Get Fit Great Falls, University of Great Falls, Great Falls Public Schools and local sports organizations including but not limited to the GF Americans and GF Voyagers to bring new tournaments and to retain tournaments
- ✓ Work with the Great Falls Tae Kwon Do academy to bring in a regional or national tournament
- ✓ Contact regional tournament holders in Montana, Washington, North Dakota, South Dakota, Wyoming and Idaho to present sports opportunities in Great Falls
- ✓ Work on developing relationships with local and state youth sports organizations to bring state wide youth tournaments to Great Falls
- ✓ Develop a “sports” planner
- ✓ Seek out volunteer organizations that will assist with tournaments
- ✓ Follow guidelines set by Feasibility Analysis

### **Strategic Component: TBID Administration and Support**

- ✓ Continue to contract full-time with an Independent Contractor (IC) serving as the Administrative and Marketing Director of the TBID
  - The Administrative and Marketing Director shall be charged with the general supervision and management of the business affairs of the TBID; a) so shall manage the affairs of the TBID as to promote the objectives for the TBID; b) maintain sound financial practices; c) prepare the annual Management Discussion & Analysis (MD&A) for the annual audit.
  - Follow the contract and scope of work agreed upon between the IC and the TBID Board of Directors
- ✓ Research Smith Travel Report/separation of Great Falls and Helena
  - Monthly report = \$2000 annual purchase
  - One-time report as far back as 1987 to current for \$725
    - Support of new event timeline

- Support of actual TBID statistics beyond assessment reports
- Support of continuing the TBID past 2018
- ✓ Research opportunity of professional sales development
- ✓ Propose a quarterly E-Blast
  - Use as Voices of Great Falls Tourism
  - Educating all partners and our broader community
- ✓ Propose monthly E-Blasts to TBID members
  - Monthly recap of meeting high lights



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GREAT FALLS TOURISM BUSINESS IMPROVEMENT DISTRICT					
BUDGET FOR FISCAL YEAR 2014-2015 (FY-15) July 1, 2014 - June 30, 2015					
	Budgeted	Spent	2015 Set Asides*	Balance	Percent of Budget
<b>REVENUES</b>					
Assessments	\$419,000.00				
Interest Income	\$1,100.00				
Miscellaneous					
<b>Total Revenues</b>	<b>\$420,100.00</b>				
<b>COMPONENT</b>					
Electronic Marketing	\$25,000.00			\$25,000.00	
Leisure Marketing	\$35,000.00		\$25,000.00	\$10,000.00	
Meeting, Convention / Event Sales	\$60,000.00		\$15,500.00	\$44,500.00	
Opportunity Marketing & Community Enhancement	\$100,000.00		\$10,000.00	\$90,000.00	
Sports Sales & Tournament Retention	\$50,000.00		\$18,500.00	\$31,500.00	
TBID Administration & Support	\$150,000.00		\$66,300.00	\$83,700.00	
Delinquent Assessments	\$36,400.00			\$36,400.00	
<b>Total Expenditures</b>	<b>\$456,400.00</b>		<b>\$135,300.00</b>	<b>\$321,100.00</b>	
*committed funds					