



**Item:** Tourism Business Improvement District (TBID) 2015/2016 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 2015/2016 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 2015/2016 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 2015/2016 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 promote tourism, conventions, trade shows and travel to the City of Great Falls by utilizing and directing the assessment dollars collected through the TBID assessment.

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 2015/2016 of approximately \$420,000 in assessments dollars.

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:**        2015/2016 Work Plan  
                                         2015/2016 Budget

July 7, 2015

Dear Honorable Mayor and City Commissioners,

The Great Falls Tourism Business Improvement District is honored to present the Fiscal Year 2016 marketing plan and budget.

The GF TBID continues to provide stable, dedicated funding for tourism promotion without new taxes or government spending. Since 2008 the GF TBID has been creating jobs, growing the Great Falls economy and generating contributions to local revenue.

The GF TBID is providing both stability and new opportunity during a time of uncertainty.

You will see in the following marketing plan that the GF TBID will endeavor to maintain their value as an established revenue source for local tourism promotion.

The security of a solid TBID foundation:

- ✓ Strengthens our community
- ✓ Fosters relationships
- ✓ Promotes creative collaboration
- ✓ Reinforces our local civic fabric
- ✓ Provides positive economic impact

The GF TBID looks forward to continued upward momentum by providing steadiness, strength and new opportunity in our travel and tourism economy for years to come.

Sincerely,

Scott Shull, Chair

Karen S. Venetz, Administrative & Marketing Director



**Great Falls  
Tourism Business Improvement District**

**FY-16  
July 1, 2015 – June 30, 2016**

**Presented to the City of Great Falls July 7, 2015**



## **Great Falls Tourism Business Improvement District Board of Directors**

- Chair; Scott Shull – Owner/General Manager Days Inn Great Falls
- Vice-Chair; Malissa Hollan – General Manager LaQuinta Inn and Suites
- Secretary/ Treasurer; David Buckingham - General Manager Crystal Inn & Suites
- Director; Becky Amaral Miller – General Manager Staybridge Suites
- Director; Sandra Johnson Thares – Owner/ General Manager O’Haire Motor Inn
- Director; Scott Arensmeyer – Regional Manager TownHouse Inn
- Director; Laurie Price-Manning – Owner/General Manager Hilton Garden Inn
  
- 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.

### *A newly formed partnership is in town:*

In July 2014 the Great Falls Area Chamber of Commerce (GFACof C), Great Falls Convention and Visitor Bureau (CVB) and the Great Falls Tourism Business Improvement District (TBID) met to discuss forming a Great Falls Tourism Alliance. The Alliance has met for one year formulating the partnership. A Memorandum of Agreement forming the Great Falls Tourism Alliance is in process and soon to be signed by all three organizations. The CVB and TBID will move into offices below the GFACof C. The Alliance will begin with two full time employees; an Executive Director of Tourism, and a Sales and Marketing Director as well as a part-time administrative person.

The newly developed partnership will work to accomplish a number of goals;

- 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
- Financial partnerships; partnering to combine funds to accomplish certain tourism objectives. This will allow Great Falls 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)
- The partnership may involve leveraging 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.***

The Great Falls Tourism Alliance leverages the effectiveness and efficiencies of all three organizations to grow our visitor population in both leisure travel and event/convention events.



## Fiscal Year 2015 Accomplishments

- ✓ Western Art Week; Second year of a comprehensive collection of information regarding this signature event
  - Refined the already developed 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, both in brochure and electronic form, where visitors could view information about the different shows, locations, artists, events and times.
- Collaborated with area shows and museums to create a community-wide celebration of Western Art Week
- ✓ TBID collections increased
  - FY-15 = \$419,260 increased to FY-16 = \$423,438
  - Total increase in assessments since 2011
    - FY-11 (first full year of collection) = \$355,707 increasing to FY-16 = \$423,438
- ✓ Annual Audit
  - Received another excellent audit review
- ✓ Continued forward movement of a potential new/expanded indoor multipurpose center in Great Falls
- ✓ Great Falls International Airport success through tourism partnerships working as one voice
  - Lower fuel prices appear to be taking hold in the airline industry and most carriers are talking about growth
  - United affirmed their interest in GTF applying for a SCASD grant to begin summer flights to Chicago in 2016
- ✓ Attended the Calgary Woman's Show in October 2014
  - Collected email addresses and conducted a survey on newly purchased iPads
  - Distributed 450 Great Falls Visitor Guides and other Great Falls promotional material
- ✓ Attended the Calgary Travel and Adventure show
  - Distributed 750 Great Falls Visitor Guides
  - Performed data collection
- ✓ Awarded grants to local community event/sport planners to assist in increasing attendance at an existing event or for a new event
- ✓ Partnered with the Great Falls CVB, Great Falls International Airport and Central Montana travel region on promotional advertising
- ✓ Purchased Smith Travel Report

## 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 2014. These travelers spent at least one night in Great Falls; is based on a sample size of 256 surveys, which equates to 8.3% of all nonresident visitors to Montana or a total of 898,730 people.)

	<b>2013</b>	<b>2014</b>
1 <sup>st</sup> time visitors to Great Falls	19% @ 156,193	21% @ 188,733
Repeat visitors to Great Falls	66% @ 542,566	68% @ 611,136

Primary reason for trip:

Vacation/recreation/ pleasure	39% @ 320,607	38% @ 341,517
Business/ convention/meeting	13% @ 106,869	20% @ 179,746

Montana Entry points:

Sweetgrass	15% @ 123,310	12% @ 107,848
Great Falls Airport	13% @ 106,869	17% @ 152,784

Top Geographic markets:

- Alberta, Canada, Washington, Wyoming, Colorado and California

Direct Flight Markets:

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

Demographics:

Travel Group Type:

Couples	51% @ 419,255	49% @ 440,378
Travel by self	19% @ 156,193	28% @ 251,644
Families	19% @ 156,193	17% @ 152,784

Age Group Represented:

35-44	11% @ 90,428	14% @ 125,822
45-54	20% @ 164,414	24% @ 215,695
55-64	42% @ 345,269	40% @ 399,492
65 -74	36% @ 295,945	29% @ 323,543

Top Information sources used for planning trip:

	<b>2013</b>	<b>2014</b>
Used no sources	25% @ 205,517	33% @ 296,581

Search Engine (i.e. Google)	24% @ 197,296	39% @ 350,504
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#### Information sources used during trip

Map apps	36% @ 256,000	44% @ 395,441
Mobile apps	23% @ 189,076	28% @ 251,644
Visitor Information staff	30% @ 246,620	22% @ 197,721
Front line staff	32% @ 263,062	26% @ 233,670

#### Top sites visited on trips

Glacier National Park	52% @ 427,476	56% @ 503,289
Yellowstone National Park	48% @ 394,593	37% @ 332,530
Lewis & Clark Interpretative Center	30% @ 246,621	25% @ 224,683
C. M. Russell Museum	21% @ 172,634	20% @ 179,746

#### Top activities

Scenic Driving	69% @ 567,228	61% @ 548,225
Recreational shopping	42% @ 345,268	38% @ 377,467
Visiting other historical sites	32% @ 263,062	25% @ 224,682
Day Hiking	30% @ 246,621	27% @ 242,657
Wildlife watching	29% @ 238,400	22% @ 197,721
Nature Photography	29% @ 238,400	29% @ 260,632
Visiting Lewis & Clark Sites	28% @ 230,179	21% @ 188,733

## 2012 – 2013 Estimated Nonresident Expenditures for Cascade County

### 2012-2013 Nonresident Traveler Expenditures & Economic Contribution in Cascade County (in 2013 \$s)

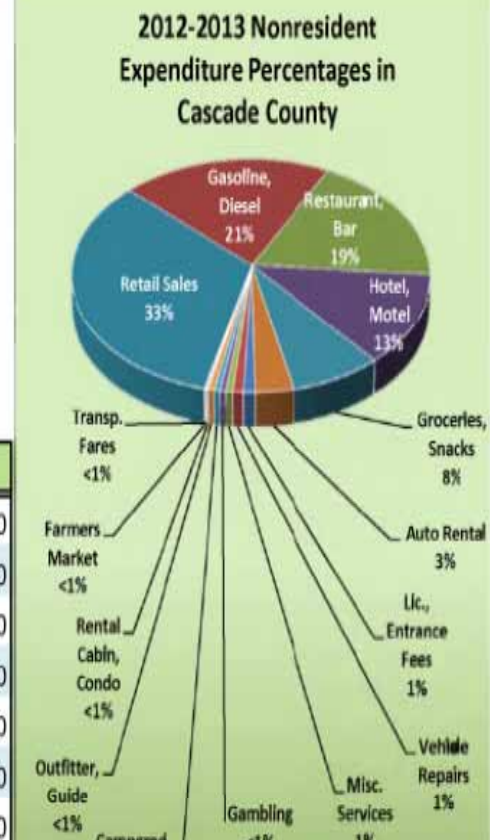
by Kara Grau, M.S.

#### 2012-2013 (2-year avg.) Nonresident Traveler Expenditures in Cascade County



**Table 1 - Total Nonresident Spending in Cascade County<sup>\*,0</sup>**

Retail Sales	\$82,640,000	Vehicle Repairs	\$2,130,000
Gasoline, Diesel	\$51,160,000	Misc. Services	\$1,380,000
Restaurant, Bar	\$46,230,000	Gambling	\$1,190,000
Hotel, Motel	\$31,190,000	Campground, RV Park	\$1,160,000
Groceries, Snacks	\$19,130,000	Outfitter, Guide	\$1,160,000
Auto Rental	\$7,900,000	Rental Cabin, Condo	\$370,000
Lic., Entrance Fees	\$2,420,000	Farmers Market	\$350,000



## 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 adoptors. 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.” Additionally, 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-16 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 and the new tourism staff. There may be new items added or altered and detours that lead us on our new tourism adventure.

## Strategic Component: Electronic marketing/ technology

- ✓ Website enhancements or total remake
  - Completely redevelop website to create a responsive / interactive website
    - 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
  - 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 2014 visitors spending one night in Great Falls; 56% visited Glacier National Park, 37% visited Yellowstone National Park, 25% visited the Lewis and Clark Interpretative Center and 20% visited the C. M. Russell Museum.

Other items include:

- ✓ Creating a "service standard" with tourism partnerships to more cohesively work as one tourism source/voice.
- ✓ Continue to develop and support the Visitor Information Center Partnership
- ✓ Attend travel and trade shows, i.e.
  - The Calgary Travel & Adventure Show; March 2015

- Calgary Women's Show; October 2014
- Attend Tourism Training Conferences
- ✓ 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-17 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.
- ✓ 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, and Great Falls Public Schools.

### **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
- ✓ Purchase 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**

- ✓ Continue on action plan to move forward in building a multipurpose center in Great Falls
- ✓ Market and promote a proposed multipurpose area in Cascade County
- ✓ Research financial support of the new center
- ✓ Follow the next step list provided by the consultants and strategic planning firms
- ✓ 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 Superhost training each year
  - Work to build this program as an “Ambassador Program.” Work to include more frontline staff of several different type organizations to 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 Confero 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 in new tournaments and to retain tournaments
- ✓ 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

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

- ✓ The Executive Director will lead up to a 4-person team of Destination Management Professionals while managing over a half a million dollar budget to bring visitors to Great Falls to fill hotel room nights. The Director must bring a passion for their community and for their staff that promotes a team approach to reaching annual goals while overseeing all sales, marketing and service functions relating to leisure and group activities that drive greater visitor spending to Great Falls. The Executive Director manages the public funds from state lodging tax and the city assessment from the Tourism Business Improvement District (TBID).
- ✓ The Sales and Marketing Director is responsible for effectively selling Great Falls; Montana’s “Genuine Montana” as a convention, meeting, and leisure tourism destination, consistent with the mission, annual goals and objectives as established in the Great Falls Convention and Visitors Bureau and Tourism Business Improvement District Marketing Plan(s). The Consistent Goal: Visitor Growth for Great Falls, Montana
- ✓ 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

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<b>GREAT FALLS TOURISM BUSINESS IMPROVEMENT DISTRICT</b>					
<b>BUDGET FOR FISCAL YEAR 2015-2016 (FY-16) July 1, 2015 - June 30, 2016</b>					
	<b>Budgeted</b>	<b>Spent</b>	<b>FY-16 set asides</b>	<b>Balance</b>	
<b>REVENUES</b>					
Assessments	\$420,000.00				
Interest Income	\$0.00				
Miscellaneous					
<b>Total Revenues</b>	<b>\$420,000.00</b>				
<b>COMPONENT</b>					
Electronic Marketing	\$12,000.00		\$0.00	\$12,000.00	
Leisure Marketing	\$50,000.00		\$20,000.00	\$30,000.00	
Meeting, Convention / Event Sales	\$55,000.00		\$8,000.00	\$47,000.00	
Opportunity Marketing & Community Enhancement	\$73,000.00		\$5,000.00	\$68,000.00	
Sports Sales & Tournament Retention	\$80,000.00		\$17,000.00	\$63,000.00	
TBID Administration & Support	\$150,000.00		\$110,000.00	\$40,000.00	
Delinquent Assessments	\$0.00		\$0.00	\$0.00	
<b>Total Expenditures</b>	<b>\$420,000.00</b>		<b>\$160,000.00</b>	<b>\$260,000.00</b>	