



2023 Key Results Budget 2024

Duluth City Council

November 13, 2023

6 Contract Deliverables

1. Perform convention sales
2. Manage operations and perform functions of Visitor Center
3. Solicit and recruit convention and group sales
4. Solicit and recruit sporting events and tournaments
5. Increase the visibility of conventions, events
6. Coordinate on event and convention publicity

2023: Year-end Forecast

Perform Convention Sales:

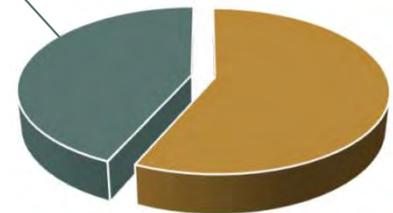
EVENTS OCCURRED IN 2023:

- ◆ Conventions/Meetings/Sports: 89
 - ◆ *86 Total in 2022*
- ◆ Rooms Actualized: ~26,500 *Year End projection*
 - ◆ *23,400 (as of 10/31) | +30% vs. 2022*
- ◆ Total Year Economic Impact: *\$4,400,000+ (rooms only)*

- ◆ Leads Sent / RFP: 150 *(and counting)*
 - ◆ *128 Total in 2022*

43% at
the DECC

2023 DEFINITE - Event
Venue



**CONTRACTED
IN
2023**

Perform Convention Sales:

FUTURE EVENTS CONTRACTED THIS YEAR:

- ◆ Conventions/Meetings/Sports: **97** YTD 10/31
 - ◆ *95 Total in 2022, Year End projection at **111***
- ◆ 37% are new events
- ◆ 40% for 2023, 52% for 2024, 6% for 2025
- ◆ Rooms Forecasted: 22,100+
- ◆ Economic Impact: \$3,900,000 (rooms only)

2024 Contracted Events: 50

- ◆ Forecasted Rooms: 16,700, E.I.: ~\$3,000,000

Visitor Center



New 2024 location: inside Grandmas' Restaurant, 100% managed by Visit Duluth

➤ **YTD Results (10/31):**

- **17,544 visitors, vs. 12,443 in 2022**
- **+30% visitors vs. last year (with 1 month closure)**
- **October 2023: ~1,700 visitors, corresponding to the entire 2019!**

Sales, One-Stop-Shop:

- **In August 2023, we started selling Duluth branded merchandise and tickets of attractions:**

➤ **YTD Results (10/31):**

- **# 59 tickets sold for \$1,032**
- **#148 items sold for \$1,851.75**

Solicit and recruit convention, group and sport sales

Attended 6 Trade Shows in 2023:

2,000+ planners met
400+ one-on-one meetings

- ◆ **Sport:** Connect (April), Sports ETA (May)
- ◆ **Conventions:** SGMP (June), ASAE (August), Connect Marketplace (August), Speaker Showcase (December)
- ◆ Association North: NFuse, CEO retreat, Winter celebration

Participated in Industry and Association events:

- ◆ Minnesota Sport Alliance
- ◆ MPI (Meeting Professional International, MN chapter)
- ◆ Explore Minnesota
- ◆ Hospitality Minnesota
- ◆ MACVB (Minnesota Association CVB)

INCREASE VISIBILITY

Attended or Hosted Events:

Local: 60+ Including:

- ◆ Quarterly Industry Update
- ◆ Marketing and Listening sessions, luncheons
- ◆ Director of Sales (Hotels) meetings, GM of Hotels
- ◆ Tourism Advisory Board meeting, Economic Development Coalition
- ◆ Chamber of Commerce, Canal Park Business Association
- ◆ Duluth Attractions Coalition, Workforce Development

State: 15 Including:

- ◆ Duluth & St. Louis County at the Capitol Days
- ◆ Industry Associations (Hospitality MN, MPI, etc.)
- ◆ CVB's and Explore Minnesota
- ◆ Minnesota Sports Alliance

New Location of the Visitor Center!

COORDINATE

Coordinate Event and Convention Publicity

- ◆ Trade Show: Booth design
- ◆ Website and Newsletter
- ◆ Social Media posts: New LinkedIn 2024 campaign
- ◆ Web advertisement (\$30,000 from agencies)
- ◆ First Ship
- ◆ Visitor Center
- ◆ Digital Assets Management: pictures/videos
- ◆ Visitor Guides: *50% more prints in 2024*

Budget 2024

VISIT DULUTH	Budget 2023	2023 Forecast	BUDGET 2024	Notes
Revenues				
Tourism Tax	650,000	650,000	650,000	
Grant Income			15,000	Recovery program from ExMN
Miscellaneous		5,401	5,000	From co-ops and sponsors at Trade shows
Interests		909	10,000	CD deposits (TBD): 5.26% APY for \$300K for 10 months
Merchandise	1,000	1,462	3,000	
Visitor Center Rent	13,200			
Expenses				
Mktg-Print, Newspaper			10,000	in Media in 2023
Mktg-Online Media	20,000	20,995	20,000	10K more, as 10K print moved to correct expense
Guide-Printing	20,000	10,820	15,000	50% more guides printed
COGS			2,100	Costs of goods for the merchandise
Visitor Center Expenses	18,000	20,271	9,600	Mktg/Ops costs
IDSS	12,000	9,774	12,000	
Postage	5,000	3,765	6,000	
Research	3,000	1,500	3,000	
Business Development		19,500	20,000	TBD for 2024
Convention National Sales	30,000	30,438	45,000	Two additional trade shows
Convention Promotion		1,238		
Conv Memberships/Subscriptions	2,500	2,829	3,000	
Convention Sites		218		
Convention Incentives	28,000	12,000	20,000	
Convention State Sales	4,000	16,164	5,000	Less events in MN
Sports National Sales	9,500	15,021	15,000	Two additional shows
Sports State Sales	3,000	1,487	4,000	
Sports Memberships/Subscriptions	3,000	2,500	3,000	
Sports Incentives/Bid Fees	30,000	19,400	20,000	
VISD Salaries - Administration	303,180	311,225	374,099	5% increase, and Full year at VC
Payroll Taxes - Administration	21,480	27,922	30,000	
Employee Benefits - Admin.	17,400	15,102	19,200	
Rent Expense	19,980	21,052	20,979	
Office Supplies & Expense	4,800	4,751	4,000	
Computer Expenses	13,740	21,445	18,000	
Accounting & Legal	57,700	58,082	57,700	
Memberships/Subscriptions	9,000	8,333	8,000	
Staff Development	6,000	3,688	5,000	
Parking Expense	2,400	3,170	2,880	
Copier Lease	1,632	3,567	1,800	
Insurance	8,201	7,375	8,201	
Community Relations	2,500	2,615	2,000	
Travel & Meetings	4,000	3,880	15,000	Increase meetings and monthly sale trips with clients
Amortization Expense	2,153	0	2,153	
Depreciation Expense	1,896	1,904	1,896	
Bank Service Charges	60	0	240	
Revenue	664,200	657,772	683,000	
- Expenses	(664,121)	(682,031)	(783,847)	
Net Income	79	(24,259)	(100,847)	

Budget Highlights:

- ◆ Focus on solicit, recruit meetings and sports
 - ◆ 4 additional trade shows
- ◆ Increase Digital Strategy
- ◆ Targeted Sales Missions
- ◆ Visitor Center investment

Watchlist:

How to position ourselves for growth

Positioning for Growth:

1. Occupancy % down, sustained by ADR

DULUTH	OCCUPANCY											
	2022			2023								
	%	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
This Year	67.1	46.4	49.3	42.1	44.4	51.3	50.1	54.3	70.1	77.3	76.4	76.4
Last Year	68.0	46.5	52.4	38.4	45.3	51.8	50.3	57.4	73.9	78.0	79.2	77.4
Change %	-1.3%	-0.1%	-6.0%	9.5%	-2.1%	-1.0%	-0.3%	-5.5%	-5.1%	-0.9%	-3.5%	-1.3%

2. How to growth:

- Can we double what we do?
- • Capacity of Staff – Tracking Hours
- Competition from other State/Nation destinations
- How to ‘Solicit and recruit convention, group sales, and sporting events?’

3. Visitor Center deliverables

- Measured growth results and visibility
- Opportunity for additional revenues



Thank you for your time and attention

Q&A