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City of Duluth Communications Office

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SUBJECT: Mayor Larson lays the path for the future of tourism

BY: Kate Van Daele, Public Information Officer

Mayor Larson lays the path for the future of tourism

[Duluth, MN] Today at a press conference, Mayor Emily Larson made three tourism announcements setting a new course for the outcomes and impacts that tourism taxes will have on Duluth.

Tourism Tax Application is opening tomorrow, August 10

The City of Duluth will be opening the process for tourism tax allocations. The online application will open on August 10 and close on September 8.

The application process was implemented five years ago as a way to improve transparency on how allocations are made; this formalized process has improved the City's ability to better understand the need for tourism dollars while allowing organizations the opportunity to apply for funding and requiring past recipients to report back on that funding's impact. Before implementing the application process, there was no formal process requiring financials, impact, or organizational plan to show how the funds would be used or the impact that the funds would have on the Duluth community.

Tourism taxes generally support over 20 Duluth attractions each year. As a part of being funded, recipients have been asked to participate in Community Days designated for Duluthians to enjoy funded attractions for free or at a reduced cost.

Funding recommendations are expected to be presented to City Council for a vote in October.

Tourism Marketing Services Contracts

Since tourism taxes were established by State Statute and City Ordinance, three percent of the Hotel/Motel tax, the first five percent, goes to the General Operating Fund. Of that balance, 35% goes to advertising and publicity. The other 65% goes to pay off the Duluth Entertainment Convention Center debt.

For 85 years, the City has worked with one entity to promote and support Duluth as a tourist and convention destination. In following with City protocols to bid out services, City Administration chose to issue a Request for Qualifications in May of this year for tourism marketing services and convention sales. The request brought in 28 applications. Of those, five were from Duluth, 15 were throughout Minnesota, and eight were from outside Minnesota.

Of the 28 applicants, nine were selected for a first-round interview. Six then moved into a final interview which included a request for proposal, of which one chose to take themselves out of the running. City staff, Mayor Larson and – representing City Council leadership – Council Vice President Arik Forsman were a part of the qualification and proposal reviews and interview processes.

"After extensive consideration, it feels clear that Bellmont Partners and their collaborative partners at Lawrence &Schiller are the right fit for right now. We are excited for the community to meet them in the coming weeks," Mayor Larson said. "This community is proud of tourism and events and our place in the state and the nation's heart - Bellmont Partners is the right choice to grow, to elevate our brand, to expand audiences, and to represent our whole community."

"Helping Duluth elevate its place in the travel industry is a dream assignment for Bellmont Partners and our partner Lawrence &Schiller," said Shelli Lissick, partner at Bellmont Partners. "As longtime visitors to Duluth, we're thrilled about the prospect of putting our years of tourism experience to work for the city. We look forward to presenting our capabilities and vision to the City Council."

City Administration will be submitting a resolution to City Council recommending Bellmont Partners to provide advertising and promotional services promoting the City of Duluth as a visitor, tourist, and convention destination. Mayor Larson has requested a Committee of the Whole meeting before the August 16 Council meeting where she will talk through the process and representatives from Bellmont Partners will be on hand to answer questions.

Bellmont Partners is a full-service public relations and communications agency with deep expertise in Minnesota tourism. The firm is Minnesota-based and has a proven story-telling approach to tourism and hospitality rooted in data-driven marketing. Bellmont Partners and its partner Lawrence &Schiller are two of the most experienced tourism agencies in the region, with past and current clients including Explore Minnesota Tourism, the South Dakota Department of Tourism, and dozens of

communities, destinations, and events.

Mayor Larson is also recommending that Visit Duluth provide convention coordination and visitor center operations.

"This morning, I talked to Visit Duluth about continuing to provide event and convention sales for the coming year," Mayor Larson said. "As they shared during the interview process, this is an area of strength for them and I hope that they will choose to continue contracting with the City and our community for those services."

The two contracts, if approved, would be for a total of \$2.2 million. The advertising and promotional services contract would be for \$1.8 million, and the convention coordination and visitor center operations contract would be \$400,000. Services would be performed for 2022, with options to be continued in 2023 and 2024.

"As a community, we have endless possibilities for growth in the tourism and hospitality realm," Mayor Larson said. "I'm eager to amplify our successes and continue to shine bright as the best city to live, work, invest, and play in the state of Minnesota."

Creating a Tourism, Arts, and Culture Position

The City of Duluth will be creating a Tourism, Arts, and Culture position. This position will be paid for out of Tourism Tax collections and manage relationships, outcomes, and goals for tourism and arts in Duluth. This position places the City squarely in the conversation of how public investment is used and leveraged across these critical sectors.

This person will coordinate the annual tourism tax allocation requests and reporting processes; serve as the point person for all tourism, marketing, and attractions; work with the City of Duluth Public Arts Commission and non-city arts entities to advance shared goals, and; increase and fully integrate the impact of our work across these areas.

It is expected that this position will be posted for application in the coming months.

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