

# DESTINATION MANAGEMENT, INC.

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May 9, 2008

Casey Liebst  
Budget Manager  
City of Lawrence  
PO Box 708  
Lawrence, Kansas 66044

Dear Casey,  
Destination Management, Inc. (DMI) projects city collections of transient guest tax revenue in 2009 to be \$846,300. This represents a 3.77% increase over 2008 projections calculated by an average percent of increase of actual collections over three years from 2004-2007.

DMI is governed by a board with representation from the City, County, Chamber of Commerce, Freedom's Frontier National Heritage Area and a Mayor's appointee from the Convention & Visitors Bureau (CVB) Advisory Board. By contract agreement with the City of Lawrence, DMI manages the transient guest tax revenue allocated. The CVB budget is guided by a 13 member LCVB Advisory Board appointed by the Mayor. Funding comes from the 5% hotel room tax. We understand that the city cannot distribute more than it collects through this tax.

While revenues from the transient tax the first quarter in 2008 are on the rise; the CVB staff has cut back on advertising, direct mail and other marketing efforts in 2008 due to budget constraints and is seeing a downturn in numbers such as website users. This may result in a downturn in transient tax collections in 2009 since the advertising effectiveness study done in early 2007 showed a 1:59 return on dollars coming back to the community as a result of advertising placed.

In addition, we are still not realizing our potential for convention business due to the lack of a high-quality convention facility. Developments in the surrounding area continue to make it more challenging to compete for the visitor business.

DMI is working toward contracts for management with Freedom's Frontier National Heritage Area as well as the Douglas County Commission. A budget specific to DMI reflecting these potential contracts is in development and will be based on actual time and materials used during this transition year to manage the expectations of these contracts.

In the meantime, as always, the CVB staff makes every effort to responsibly manage tax funds in the context of a well-thought-out market plan with benchmarking and research to measure effectiveness. Overall direct spending by visitors to Lawrence in 2007 is conservatively calculated at over \$49.1 million resulting in approximately \$982,486 in local sales tax. Increased competition for the visitor dollar reinforces our belief that we must continue to invest in marketing our community to the maximum level possible.

Sincerely,  
Judy Billings  
President & CEO

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City Budget Proposal 2009**

**REVENUES**

Interest Income	\$600.00	*It has been proven over the years that good hotel manage-
Transient Guest Tax	\$684,300.00	ment makes a positive difference in overnight business.
Merchandise	\$1,000.00	The new Oread Inn will provide space for new types of
Web Site advertising	-	meetings; however, we're still experiencing an uphill battle
Online Booking	\$6,000.00	because of past management at our conference property.
<b>TOTAL REVENUES</b>	<b>\$691,900.00</b>	We expect this to improve but some meeting planners say

they will not return until there is a new conference facility.  
\*The sports & leisure market is where we're making the most impact at the moment.  
\*Visitor Guide does not appear in this budget as ad sales are expected to cover expenses.  
\*Our intent is to sell website advertising; however, we will need to redesign the site before this can be done.

**EXPENSES**

**Operating Expenses**

Staff Salaries	\$280,600.00	
Temporary Services	\$500.00	
Retirement costs	\$27,500.00	
Group Health Insurance	\$27,000.00	*Staff salary increases are figured at 3%.
Group Life/Disability	\$7,000.00	This includes 5 staff members.
Payroll & Unemployment taxes	\$28,000.00	Staff is our greatest asset in promoting Lawrence and
Rent & Utilities	\$0.00	Douglas County. We currently have a very efficient and
Janitorial & Maintenance	\$800.00	talented staff.
Telephone/Internet	\$8,000.00	
Postage/mail service fees	\$500.00	
Supplies	\$4,500.00	
Equipment lease	\$4,000.00	
Equipment maintenance	\$600.00	
Technology purchase	\$1,200.00	*We have a need for LCD projector and laptop.
Technology maintenance	\$1,000.00	
Auto leases & expense	\$12,000.00	
Insurance	\$2,500.00	
Accounting and legal	\$21,600.00	
Property taxes	\$240.00	
Mgmtment & professional development	\$5,000.00	
Memberships & Subscriptions	\$3,000.00	
Community Relations	\$1,000.00	
<b>Total CVB Operating Expenses</b>	<b>\$436,540.00</b>	

**Visitor Center Operating Expenses**

Staff Salary	\$37,900.00	The CVB operates the Visitor Information Center in the
Retirement costs	\$3,600.00	Union Pacific Depot with 1.5 paid staff and 45+ volunteers
Payroll taxes	\$2,800.00	providing 21,000 volunteer hours of help. The center is
Group Health Insurance	\$5,500.00	open to the public 7 days/58 hours a week. We also
Supplies	\$200.00	assist parks & Rec staff by providing assistance with
Telephone/Internet	\$750.00	groups using the facility.
Merchandise	\$500.00	
Volunteer hospitality & training	\$1,000.00	
Miscellaneous administrative fees	\$250.00	
<b>Total Visitor Center Operating Expense</b>	<b>\$52,500.00</b>	

**TOTAL OPERATING                    \$489,040.00**

**MARKETING PROGRAM EXPENSES**

PR/Legislative		*It continues to be important to work with our
TIAK Membership	\$1,800.00	state lobbying organization, the Travel Industry
Misc. PR/Legislative	\$1,200.00	Association of Kansas. This program expense
<b>Total Program Expense</b>	<b>\$3,000.00</b>	has not changed significantly in a number of years.

**Convention Sales & Services**

Assn. Memberships	\$750.00	*Convention sales is the program where we have
Travel & Trade Shows	\$1,500.00	the most influence with the customer.
Direct Mail	\$0.00	*In 2009 we are obligated to provide bus transportation around
Printing/website development	\$0.00	the community for American College Theatre Assn bringing
Bid promotion	\$4,000.00	delegates from around the country and occupying nearly
Telephone	\$0.00	3,000 hotel rooms in January. This will cost \$8000-\$10,000.
Advertising	\$800.00	
Conference hospitality	\$10,000.00	

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**Total Program Expense      \$17,050.00**

**International & Group Tour Promotion**

Travel/Trade Shows	\$4,500.00	*The Kansas State Travel Office continues to place more emphasis on international promotion in target markets.
Direct Mail	\$900.00	
Telephone	\$0.00	
Hospitality	\$500.00	
State advertising co-ops	\$1,500.00	*We work cooperatively with the state office to host familiarization tours and to provide services when hosting a group tour. We are generating increased business for this market during the holidays.
<b>Total program Expense</b>	<b>\$7,400.00</b>	

**Public Relations/Leisure travel marketing**

<b>Advertising</b>		
Broadcast	\$20,000	Our advertising efforts are focused on driving potential visitors to our website which has slowed due to budget cuts in advertising in '08.
Online	\$10,000	
Magazine	\$63,660	
I-70 brochure distribution	\$ 6,000	We continue to develop a database of potential visitors that allows us to target "e-messages" and direct mail campaigns. We also continue to research demographics of potential visitors with the same demographic of those already visiting.
Design	\$5,000	
Directory	\$ 750	
<b>Total advertising</b>	<b>\$105,410.00</b>	
Direct Mail postcard & VG	\$17,900.00	
Business Reply Mail	\$500.00	
Special Project/Event Promotion	\$10,000.00	*We promote many local events such as Civil War on the Western Frontier by printing brochures & advertising.
Fulfillment of requests for VG	\$8,000.00	
Printing/promotional materials	\$8,000.00	
Memberships/meetings	\$2,000.00	
Media Relations	\$5,500.00	
Website & database	\$7,500.00	*Our website is our strongest promotional tool and needs constant updates to keep it fresh.
Photography	\$3,000.00	
Heritage Area	\$0.00	
Market Research	\$0.00	
<b>Total program expense</b>	<b>\$167,810.00</b>	

**Film**

AFCI membership	\$0.00	
Film Festival Development	\$0.00	*Forces affecting the decline of on-location film production are beyond our control. Local production is growing.
Hospitality	\$500.00	We will continue to assist productions that choose us as a location but are not actively promoting this market.
<b>Total program expense</b>	<b>\$500.00</b>	

**Sports Marketing**

Travel/Trade Shows	\$0.00	
Bid Promo/Hospitality	\$2,800.00	*We are having success working with local sport organizations to bring new events to Lawrence. There continues to be great potential in hosting amateur sport events.
Advertising	\$0.00	
Assn. Memberships	\$300.00	
Direct Mail	\$1,500.00	*The Lawrence Sports Corporation is advised by a self-appointed advisory board and is staffed by the Lawrence CVB. It's focus is to develop new amateur sports events such as the National Collegiate Cycling Championships first held in 2005 and now the Ironman competition with a multi-year commitment. We hope this will become an annual event.
Misc. Expense	\$500.00	
Event Management	\$2,000.00	
<b>Total program expense</b>	<b>\$7,100.00</b>	
<b>TOTAL MARKETING</b>	<b>\$202,860.00</b>	

**Total Operating Expenses      \$489,040.00**

**Total Marketing Program Expenses      \$202,860.00**

**TOTAL EXPENSES      \$691,900.00**



FALL IN LAWRENCE  
IS THE PERFECT TIME TO PLAY

# hide & seek



*football fun, art all around, awesome autumn, toe tappin'*

## **Enjoy Fall in Lawrence with these and other events.**

### **8th Annual Lawrence Indian Art Show • Sept. 8 - Oct. 8, 2006**

Juried competition featuring two and three dimensional artwork by contemporary Native American artists from across the United States.

#### **Admission Charge**

M- S: 9am - 5pm/Sun. 1 - 5pm  
Lawrence Arts Center  
940 New Hampshire, Lawrence, KS  
More Info: 785.843.2787

### **Lawrence ArtsFest 2006 • Oct. 1 - 31, 2006**

Highlighting Lawrence's creative talents and community spirit during America's National Arts and Humanities Month. Featuring a month-long smorgasbord of artistic delights that will ooze out of

every concert hall, art gallery, studio, arts class and microphone.

#### **No Admission Charge**

Times: TBA  
Location: Through Lawrence

### **Annual Kaw Valley Farm Tour • Oct. 7-8, 2006**

Discover specialized nurseries, unique artisans, Christmas tree farms, pumpkin patches, herbs and flowers and special activities for the family!

#### **Admission: \$10/car**

Times: 10am - 6pm  
Location: Farms in the Kaw Valley, Lawrence, KS  
More Info: [www.visitlawrence.com](http://www.visitlawrence.com)

### **Classical Savion • November 10, 2006**

The Tony Award-winning choreographer of *Bring in 'Da Noise, Bring in 'Da Funk* brings on the classics as he tap dances to the rhythms of Bach and Vivaldi, mixed with Jazz, in Classical Savion.

#### **Admission: \$48/\$39**

Time: 7:30pm  
Location: The Lied Center of Kansas, 1600 Stewart Dr.



**Get more info & book your accomodations at [visitlawrence.com](http://visitlawrence.com)**

734 Vermont, Suite 101 • Lawrence, KS 66044

**LAWRENCE • KS**

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*Lawrence*  
spring into spring



*showy scenery, scrumptious shopping, sunny smiles, speedy sports*

## ***Enjoy Springtime in Lawrence with these and other events.***

### **USA Cycling Collegiate Road Nationals • May 12, 2006 - May 14, 2006**

Collegiate Road Nationals is a three day event where 400 collegiate cyclists representing 100 Universities from across country compete for the national championship. **Detailed info:** go to [www.kucycling.com](http://www.kucycling.com) (click on Nationals) or call (785) 865-4490.

#### **No Admission Charge**

**Team Time Trial** • May 12 • 27th & Wakarusa (Start 8:30 AM)

**Road Race** • May 13 at Lake Perry, KS (Start 8:00 AM)

**The Criterium** • May 14 • 9th & Mass. (Start 7:00 AM)

### **Haskell Indian Nations University Pow-Wow • May 12, 2006 / 7:00 PM**

Native American Pow-Wow featuring graduating students participating in colorful ceremonies, many attired in traditional dress.

#### **Admission Charge**

Haskell Indian Nations University  
23rd & Barker, Lawrence, KS  
More Info: (785) 749-8404

### **Day out with Thomas & Friends • June 2 & June 11, 2006**

Day Out with Thomas the Train is an exciting way for kids and grown-ups to enter the world of Thomas & Friends. Kids can ride on board a train lead by Thomas and have their picture taken with Sir Topham Hatt! [midland-ry.org](http://midland-ry.org)

#### **Admission Charge**

Fri. 8:00 AM - 4:30 PM  
Sat. & Sun. 8:00 AM - 6:00 PM  
Midland Railway  
1515 W. High St., Baldwin City, KS  
More Info: (866) 468-7630

### **Wakarusa Music Festival • June 8, 2006 - June 11, 2006**

The Wakarusa Music Festival features an eclectic variety of music from multiple genres. The festival includes three stages of virtually non-stop action and non musical activities. For more information including tickets visit [www.wakarusa.com](http://www.wakarusa.com)



**Get more info & book your accommodations at [visitlawrence.com](http://visitlawrence.com)**

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