Memorandum

DATE January 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Dallas Convention and Visitors Bureau Update

On Tuesday, January 21, 2014 you will be briefed on the Dallas Convention and Visitors Bureau Update. The briefing materials are attached for your review.

Please contact me with any questions.

Forest E. Turner
Assistant City Manager

[Attachment]

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Warren M.S. Emst, City Attorney
Daniel F. Solis, Administrative Judge
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O’Donnell, Interim Assistant City Manager
Frank Librio, Public Information Officer
Elsa Cantu, Assistant to the City Manager

"Dallas-Together, we do it better!"
PHILLIP J. JONES
President/CEO Dallas CVB

DAVE BROWN
American Airlines Center
Dallas CVB Chairman 2013-2014
Year-in-Review
CVB ROOM NIGHTS BOOKED

COMPARATIVE 2003-2013

FY 02-03  FY 03-04  FY 04-05  FY 05-06  FY 06-07  FY 07-08  FY 08-09  FY 09-10  FY 10-11  FY 11-12  FY 12-13

0  200000  400000  600000  800000  1000000  1200000  1400000  1600000

DALLAS CONVENTION & VISITORS BUREAU | Copyright 2013
CVB CITYWIDE MEETINGS BOOKED

COMPARATIVE 2003-2013
## PERFORMANCE COMPARISONS

(11-Month Hotel Performance Change from Prior Year Sorted by Occupancy)

<table>
<thead>
<tr>
<th>City</th>
<th>Supply</th>
<th>Demand</th>
<th>Occ.</th>
<th>ADR</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>0.6%</td>
<td>4.4%</td>
<td>3.8%</td>
<td>7.8%</td>
<td>12.5%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>-0.5%</td>
<td>2.9%</td>
<td>3.5%</td>
<td>9.8%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>-1.8%</td>
<td>1.1%</td>
<td>3.0%</td>
<td>4.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Orlando</td>
<td>0.4%</td>
<td>2.5%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>DC</td>
<td>0.3%</td>
<td>2.2%</td>
<td>1.9%</td>
<td>2.5%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Boston</td>
<td>1.3%</td>
<td>3.1%</td>
<td>1.7%</td>
<td>2.9%</td>
<td>6.1%</td>
</tr>
<tr>
<td>US</td>
<td>0.7%</td>
<td>2.1%</td>
<td>1.4%</td>
<td>3.8%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>0.4%</td>
<td>1.4%</td>
<td>1.0%</td>
<td>3.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>New York</td>
<td>2.4%</td>
<td>3.2%</td>
<td>0.8%</td>
<td>3.0%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Chicago</td>
<td>1.9%</td>
<td>1.3%</td>
<td>-0.6%</td>
<td>2.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>0.5%</td>
<td>-0.3%</td>
<td>-0.8%</td>
<td>6.8%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>
## TOP 5 AGAIN
(Destination Rankings by Room Night Bookings)

1. Las Vegas
2. San Francisco
3. Orlando
4. Chicago
5. **Dallas**
6. San Diego
7. Atlanta
8. Washington, DC
9. New Orleans
10. Anaheim
11. San Antonio
12. Indianapolis
13. Philadelphia
14. Denver
15. Houston
What visitors do in Dallas
MAJOR DALLAS ATTRACTIONS
SOME OF THE MOST VISITED LOCATIONS IN DALLAS

- AT&T Performing Arts Center
- American Airlines Center
- Dallas Arboretum and Botanical Gardens
- Dallas Museum of Art
- Dallas World Aquarium
- Dallas Zoo
- Fair Park

- Geo-Deck at Reunion Tower
- George W. Bush Presidential Center
- Klyde Warren Park
- Nasher Sculpture Center
- Perot Nature and Science Museum
- Sixth Floor Museum
BIG Things Happened IN BIG D

FISCAL YEAR 2012-2013
1,504,229
TOTAL ROOM NIGHTS BOOKED

31
CITYWIDE MEETINGS BOOKED
[largest number in our history]

$1.6 Billion
TOTAL ECONOMIC IMPACT

63.2%
OVERALL DALLAS METRO OCCUPANCY

REPRESENTS A 5% YEAR-OVER-YEAR INCREASE

61,367
Visitors assisted in the Tourist Information Center

184 Groups Serviced
55 Sports groups booked

USA Volleyball Girls’ Jr. Nat. Championships

191,600 Record attendance over eight days

Big 12 Women’s Basketball Championship

Dallas hosted the second largest attendance in the history of the Big 12 Women’s Basketball Championships in the first year of being split from the Men’s Championship in another city.
WELCOME

HOSTED
200 Regional and international TRADE CLIENTS

GENERATED
134,776 Leisure room-nights

10% INCREASE in international visitors
BIG THINGS HAPPEN HERE

$4.3 MILLION
Brand campaign

132 MILLION
Media Impressions
with .12% CTR

VisitDallas.com
VISITS INCREASED 62%
(INCLUDES MOBILE)
WEBSITE HAD 1.8M VISITORS

FANS GREW BY 54,349
UP 555%

FOLLOWERS INCREASED BY 92%
DALLAS CONVENTION & VISITORS BUREAU
1st Destination Management Organization in the Country
To create a Diversity and Inclusion Department

WOMEN’S INITIATIVE
High Tea with High Heels
300 attendees

NATIONAL GAY & LESBIAN
CHAMBER OF COMMERCE
Hosted 10th Annual Conference
600 attendees

Includes 87.4% diverse participants

MegaFest
Largest city event hosted to date
Record attendance
75,329
DESTINATION FOR FAMILY TRAVEL = DALLAS

- Perot Museum of Nature & Science
- Klyde Warren Park
- Bush Presidential Center
- Rory Meyers Children’s Adventure Garden

Exceeded 2M visitors to four major city attractions

In 2 decades $15B
New development

DALLAS
BIG THINGS HAPPEN HERE
VisitDallas.com/BIGyear
What that meant for the City of Dallas
VISITOR IMPACT IN DALLAS

22.6 Million Visitors Spent $3.7 Billion

Visitor Volume and Spending
City of Dallas

Visitor volume, mil (L)
Visitor spending, bils (R)

Sources: Longwoods International, STR, Tourism Economics
VISITOR IMPACT IN DALLAS

$6.2 Billion in Total Sales Revenue

Tourism Sales by Industry
City of Dallas, $ millions

- Lodging
- F&B
- Retail Trade
- FIRE
- Recreation
- Bus. Services
- Gas
- Other Transp
- Education
- Construction
- Manu.
- Comm.

F&B: Food and Beverage
FIRE: Finance, Insurance, Real Estate
Bus. Services: Business Services
Gas: Gasoline Stations
Other Transp: Other Transportation
Manu.: Manufacturing
Personal Serv.: Personal Services
Comm: Communication
VISITOR IMPACT IN DALLAS
50,000 Jobs Supported by Tourism

Tourism Employment by Industry

- **F&B**: Food and Beverage
- **FIRE**: Finance, Insurance, Real Estate
- **Bus. Services**: Business Services
- **Gas**: Gasoline Stations
- **Other Transp.**: Other Transportation
- **Personal Serv.**: Personal Services
- **Wholesale Tr.**: Wholesale Trade
- **Gov.**: Government

Induced
Indirect
Direct
VISITOR IMPACT IN DALLAS

Tourism Generated $724 Million in Taxes

Within the City, tourism-driven state and local tax proceeds of $365 million helped offset the average household tax burden by $805 per household.

<table>
<thead>
<tr>
<th></th>
<th>Federal</th>
<th>State</th>
<th>Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income</td>
<td>$114.2</td>
<td>Corporate</td>
<td>$0.2</td>
<td>$23.3</td>
</tr>
<tr>
<td>Corporate</td>
<td>$40.5</td>
<td>Sales</td>
<td>$84.4</td>
<td>$66.5</td>
</tr>
<tr>
<td>Indirect Business</td>
<td>$33.7</td>
<td>Lodging</td>
<td>$57.0</td>
<td>$95.0</td>
</tr>
<tr>
<td>Social Security</td>
<td>$170.9</td>
<td>Other Taxes and Fees</td>
<td>$35.4</td>
<td>$2.9</td>
</tr>
</tbody>
</table>
Customer Perceptions
CUSTOMERS

Reputation of Dallas Meeting Facilities – Historic Trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Good for Large Trade Shows</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Excellent Hotel Meeting Facilities</td>
<td>12</td>
<td>12</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Good for International Conventions</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>New/Expanded Convention Center</td>
<td>10</td>
<td>18</td>
<td>14</td>
<td>26</td>
</tr>
</tbody>
</table>
CUSTOMERS

Ranked as Having Built or Expanded Their Convention Center

Las Vegas
New Orleans
Chicago
Nashville
Indianapolis
Denver
Los Angeles
Orlando
Phoenix
Anaheim
Atlanta
Austin
Philadelphia
San Diego
San Jose
Washington, DC
Charlotte
Boston
San Antonio
Vancouver
Competitive Standings
COMPETITION
Current and Recent Projects

- Austin, TX – two new 1,000 room hotels.
- Chicago, IL – new 1,661 hotel rooms.
- Houston, TX – new 1,000 room hotel.
- Indianapolis, IN – recent 1,005 room hotel.
- Los Angeles, CA – recent 1,001 hotel rooms.
- Nashville, TN – new 800 room hotel.
- Orlando, FL – recent 2,150 hotel rooms.
- San Diego, CA – recent 1,190 room hotel.
- Washington, DC – new 1,167 room hotel.
Comparison of Prime Exhibit Space – Competitive and Comparable Facilities

- Chicago, IL: 2,588,500
- Orlando, FL: 2,055,100
- Las Vegas, NV: 1,940,600
- Atlanta, GA: 1,366,000
- New Orleans, LA: 966,300
- Houston, TX: 862,000
- Anaheim, CA: 813,600
- San Diego, CA (1): 755,700
- Dallas, TX: 726,600
- Phoenix, AZ: 581,400
- Denver, CO: 579,000
- San Francisco, CA: 538,700
- Boston, MA: 516,000
- San Antonio, TX (1): 515,000
- St. Louis, MO: 503,000
- Nashville, TN: 353,100
- Austin, TX: 246,100

Average = 935,700
Median = 726,600

Includes space that is either planned or currently under construction.

Source: Facility floor plans and management, 2013

Centers in San Diego, Boston, Anaheim, San Antonio, Las Vegas, Denver and Austin are being considered for expansion projects.

The 726,600 square feet of exhibit space provided at the DCC ranks at the mid-point of the major market competitive and comparable convention centers analyzed as part of this analysis.
Comparison of Meeting Space – Competitive and Comparable Facilities

(1) Includes space that is either planned or currently under construction.

Source: Facility floor plans and management, 2013

Average = 175,500
Median = 160,000

The available meeting space at the DCC ranks towards the bottom of the comparable/competitive facility set reviewed.

Our survey research has continually demonstrated that event planners rank the availability of meeting space as a top variable when evaluating and selecting an event destination.

The low DCC ranking represents a competitive disadvantage.
Ballroom Space

- Chicago, IL: 203,500
- San Diego, CA (1): 161,700
- Phoenix, AZ: 118,300
- San Francisco, CA: 99,000
- New Orleans, LA: 96,700
- San Antonio, TX (1): 90,100
- Denver, CO: 82,200
- Nashville, TN: 75,400
- Austin, TX: 66,700
- Dallas, TX: 65,100
- Orlando, FL: 62,200
- Atlanta, GA: 58,700
- Anaheim, CA: 38,100
- Boston, MA: 37,600
- Houston, TX: 31,600
- St. Louis, MO: 28,400

Average = 82,200
Median = 71,100
### COMPETITION

**Hotel Rooms Within ½ Mile of Center**

<table>
<thead>
<tr>
<th>City</th>
<th>Number of Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco, CA</td>
<td>18,925</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>16,631</td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>10,803</td>
</tr>
<tr>
<td>Anaheim, CA</td>
<td>10,544</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>9,354</td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>8,614</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>8,317</td>
</tr>
<tr>
<td>San Diego, CA (1)</td>
<td>7,760</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>6,594</td>
</tr>
<tr>
<td>Austin, TX (2)</td>
<td>5,617</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>4,625</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>3,776</td>
</tr>
<tr>
<td>Houston, TX (1)</td>
<td>3,251</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>1,844</td>
</tr>
<tr>
<td>Boston, MA (1)</td>
<td>1,690</td>
</tr>
<tr>
<td>Chicago, IL (1)</td>
<td>1,089</td>
</tr>
</tbody>
</table>

- Average = 7,500
- Median = 7,200

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**Developing or planning additional headquarter hotel inventory.**

**Includes planned headquarter hotel inventory.**

**Source:** CSL International, 2013

- Event planners focus very closely on the availability and proximity of hotel rooms in selecting a destination. The recent opening of the 1,001-room Omni has improved the competitive position of the Dallas market.
- Even so, the available rooms within one-half mile of the DCC ranks fairly low, and significantly below the median room count.
- Careful consideration will have to be given to the available room inventory when evaluating the potential for adding conventions and tradeshows to the market.
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