

DUNWOODY COVENTION AND VISITOR BUREAU

Mission of the Convention & Visitor Bureau

The mission of the Dunwoody Convention & Visitor Bureau is to generate economic development for Dunwoody by effectively marketing the facilities of the community and the surrounding areas as a preferred business, convention and tourism destination. We are the visitor's and meeting professional's trusted partner – the heart, soul and energy of our destination. We drive economic success and enhance the quality of life in our community. By establishing a convention and visitor bureau founded on excellence, Dunwoody will become a better destination.

Tourism in Georgia

Tourism is the second largest industry in Georgia. Our rich history and landmarks make Georgia a wonderful destination for visitors and conventions. Stone Mountain is the top destination in Georgia. The central location of Dunwoody to Stone Mountain, the Aquarium, Six Flags, Shopping, civil war battle fields and our own venues make Dunwoody a very marketable destination. We offer five top quality hotels and one of the world's largest hotel chain (InterContinental Hotel Group) is headquartered in Dunwoody.

Economic Development

The Hotel/Motel tax represents the only source of funds received by the City of Dunwoody which can be directed to economic development in the community. By properly applying these funds, visitors can be brought to our hotels, restaurants and shops, facilities can be developed, visitors can be attracted to these facilities and new business opportunities will be created. We must insure that these funds are spent with our mission front and center.

Background

Senate Bill 82 (the "Charter") provides that the City of Dunwoody (the "City") has the authority to tax hotels and motels located within the municipality 5% of their revenues. Of this 5%, 3% shall go into the general funds of the City and 2% must be used to promote conventions, visitors and trade shows to the hotels. With the approval of the Georgia State Legislature, the tax may be increased to 8% with the additional 3% being applied to the convention and visitor bureau resulting in a 5% CVB portion. It should be pointed out that the City of Atlanta, Sandy

Springs and other nearby municipalities are collecting an 8% hotel/motel tax. The City Council shall determine the structure, operation, or management of the Dunwoody Convention and Visitor Bureau (the “Dunwoody CVB”) in accordance with the authority created by Section 1.05 of the Charter. The City Council, pursuant to Section 1.05 of the Charter has the authority to contract with private sector nonprofit organizations or other governmental organizations to promote tourism, conventions and trade shows.

Currently there are five high quality hotels located within the boundaries of the City of Dunwoody: two InterContinental Hotel Group Hotels (Crowne Plaza at Ravinia and Staybridge Suites), Marriott Hotel, Embassy Suites Hotel and the W Hotel. During 2008, these hotels had revenues of approximately \$46 million. Year to date revenues this year are down approximately 20% when compared to last year. Based on this trend, it is expected that the Dunwoody CVB will have income of approximately \$700,000 to operate with during 2009.

Heretofore, the Dunwoody based hotels have been active members of the DeKalb Convention and Visitor Bureau (“DCVB”). DCVB has provided substantial assistance and referrals to their members, especially during the summers, family reunions and weddings. The general managers of the Embassy Suites, Crowne Plaza and Marriott serve on the boards of the DCVB. These events are important as they bring Friday through Sunday visitors to the hotels, days when business travel is lower.

Organization Structure

Authority

A convention and visitor bureau may organize by forming an authority, wherein the municipality appoints the Board of Directors and recruit the Executive Director. Under this structure the operations are an integral part of the municipal government. This structure provides maximum oversight by the municipality and controls are placed on the budget in the same fashion as other parts of the government (public works, community development and finance and administration). In addition, the authority can issue bonds for facilities such as convention, visitor bureaus, park development and performing arts. Such facilities can serve as major attractions for visitors to the local hotels, restaurants and shops in the City. Funding strategies for such facilities will be covered later in this report. Grants may be available for an authority. The Mayor (and City Council) would name all the members of the Authority Board, approve the budget and have substantial oversight of the operations of the authority.

501(c)6 Non-profit

A convention and visitor bureau may also be organized by forming a 501(c) 6 non-profit organization which operates independently from the municipal government. Under this structure an independent board is formed as with any non-profit operation. This independent board will then select the managing director who will be responsible for managing the CVB. As an independent 501(c)6, members of the council or their designees may serve on the board but not hold a majority position on the board (i.e., on a nine member board the council may appoint no more than four members). The non-profit operates under a one year agreement with the City. The agreement will provide for the makeup of the board (number of members and where they come from (i.e., three from hotels, one from restaurants, one from business and four appointed by the mayor or council). The non-profit does not have the authority to issue bonds. As with the authority structure, grants may be available for a non-profit CVB. The Mayor (City Council) may name only 30% of the Board; however, in the agreement can establish where the Members of the Board are from (hotel, restaurants, PCID, etc.).

In our studies and hearings, we have found that cities in Georgia have taken both organizational approaches. Approximately 75% of the CVB's are organized as 501(c)6 non-profits and 25% use the authority structure. An authority is generally established if a municipality has any intention of developing any facilities which will enhance their ability to attract visitors. The authority provides maximum flexibility to the City. Although at this writing we have no definitive plans to construct any facilities, one of the first tasks the new CVB should undertake is to study the feasibility and impact that such a facility (facilities) may have on the economic growth of the community.

Hotel/Motel Tax Structure

A change in the Charter requires legislative action. After studying the needs of the community it may be determined that additional facilities are required for the City to effectively accomplish the mission of the CVB. To finance these additional facilities the hotel/motel tax may need to be increased from 5% to 8%. If legislation providing for an increase in hotel/motel taxes were successfully passed, the City would continue to receive 3% for general funds and the remaining 5% would be restricted for use by the CVB. Under normal economic times, the five hotels generate restricted tax revenues of approximately \$450,000 for each percent. A 5% restricted tax would generate \$2.25 million in revenue for the CVB operations. Once the normal economy has returned, it is likely that additional hotels will be constructed in Perimeter Center. If additional hotels are constructed, the total restricted tax could increase to substantially more than \$2.25 million.

The purpose of the paragraph is not to suggest that such a tax increase will or should occur, but that if an increase should be established, the funds available for development of facilities could be substantial (\$3 million or more). As stated earlier most neighboring cities assess a hotel/motel tax of 8%.

Oversight

One of the most important functions of cityhood is economic development and the CVB serves as an important aspect of this mission. Oversight is essential to insuring that the goals of this mission are fulfilled. In many cases when CVB oversight is lacking, the mission is not achieved. We have seen this in recent developments at the DCVB. As discussed above, the Authority provides more direct oversight which will insure that the funds are utilized to the maximum benefit of the community, facilities, business development and, of course, putting heads in beds.

Recommended Organization

Based on the aforementioned facts, it is our opinion that the Dunwoody CVB should be organized as an authority consisting of nine (9) board members as follows:

- 1.) Three members from the Dunwoody based hotels;
- 2.) One member from the PCID;
- 3.) One member from the City based restaurants;
- 4.) One member from the business community named by the Mayor; and,
- 5.) One member from each of the three districts of the City to be agreed upon by the Council members from the district.

This structure will provide all the stakeholders representation on the board. The term shall be for three years. The council has the option of reappointing members to the board (example: the general manager of the Marriott Hotel may be reappointed).

Collaboration

Collaboration is one of the eight core values of our City. In building an effective Dunwoody CVB we need to incorporate this value into the relationships inside and outside the community. Dunwoody is blessed to have longstanding organizations which have contributed greatly to building our community. Organizations such as the Dunwoody Homeowners Association, the Dunwoody Preservation Trust, the Dunwoody Woman's Club, the Dunwoody Nature Center, the Spruill Center for the Arts, the Marcus Jewish Community Center, the Dunwoody Stage

Door Players, Rotary and civic clubs. All of these organizations have been a vital part of our community for more than a decade.

More recently the Dunwoody Chamber of Commerce was established with the mission of attracting businesses to Dunwoody and helping these businesses prosper. The Churches and Synagogues have played an important part in the community, serving as community centers for families to not only worship, but to recreate. The schools in Dunwoody have distinguished themselves because of the parental involvement at each institution.

The City has several major events each year which attract thousands of participants. These include the 4th of July Parade (the largest in Georgia), Lemonade Days (which attracted 30,000 in 2008) and Light Up Dunwoody (which had record attendance in 2008). In the future we anticipate developing a Farm Life Museum at the Donaldson-Chesnut Farm and a Center for Performing Arts at the Brook Run Park. A fifty thousand square foot addition is under development at the Spruill Center for the Arts. The Soap Box Derby will be held in Dunwoody this year and this is expected to grow to become a major attraction to the community. These venues are expected to attract thousands of visitors from the schools of metropolitan Atlanta as well as general visitors from throughout Georgia. The Dunwoody CVB will collaborate with all of these organizations, leveraging the resources of Dunwoody to attract visitors to our hotels. In so doing we will create a win-win for the City, our community organizations as well as the hospitality industry in Dunwoody.

The Dunwoody CVB will also collaborate with neighboring communities to leverage our financial resources. Areas where collaboration is possible include working with the City of Sandy Springs to jointly advertise our hotels, which are mostly located in the PCID (the exception being the Crowne Plaza Hotel located at Powers Ferry Landing).

Another example will be collaborating with the DeKalb Convention and Visitor Bureau (the "DCVB") to bridge the transition during the startup phase of our Dunwoody CVB Authority. During 2008, the DCVB provided 42,000 leads to the five Dunwoody hotels. These leads resulted in 7,500 visitors to these hotels. Most of the visitors were involved in family reunions and weddings. The DCVB has done a good job of developing this market due to the proximity of Stone Mountain within the County. To bridge the transition during the startup process, it is recommended that the Dunwoody CVB establish a relationship with DCVB, wherein DCVB provides Dunwoody hotels with leads. The Dunwoody CVB will compensate DCVB on a per lead basis for the period of time during the transition period which is expected to be nine months or less. Although family reunions will continue to play an important role in creating Dunwoody hotel visitors, it is anticipated that going forward richer markets will be created by fully

developing the business market, including special events and meeting markets as well as creating new Dunwoody venues. One such venue being considered is attracting the Cirque du Soleil to Perimeter Center.

Being centrally located, visitors to Dunwoody have access to all venues of downtown Atlanta within fifteen minutes by car or MARTA, which has two stations which are easily accessed from the Perimeter Center. Stone Mountain is a short twenty minutes away and Lake Lanier and Six Flags are within thirty minutes.

The Dunwoody CVB will also collaborate with the Atlanta Convention and Visitors Bureau (ACVB) and other regional bureaus. During the transition period, the Dunwoody CVB will develop the branding, collateral material, website, marketing campaign and visitor guides under the direction of the Executive Director.

Executive Director Position

The Executive Director shall be responsible for the planning, developing and implementing the convention and visitor (tourism) activities within the guidelines outlined by the Charter for the City of Dunwoody. The Executive Director and staffing could be hired as an independent contractor in the same fashion as the Public Works Director/organization, the Community Development Organization and the Finance and Accounting Organization. During the first twelve months, the Executive Director shall be responsible for undertaking a facilities needs study which will establish those facilities (if any) which are required by the City of Dunwoody to meet the mission of the organization. These duties of the Executive Director include, but are not limited to the following activities:

- Day to day operations of the Dunwoody CVB ;
- Creating and maintaining systems that hold statistical data related to visitor inquiries and responses from specific advertising, promotion and other types of medias or events;
- Coordination and development of all promotion and advertising campaigns in support of the tourism program;
- Direction of individual and group tours in any identified customer areas;
- Planning, organizing and execution of the tourism program as agreed and prescribed by customers and the Board of Directors;
- Planning, creating and executing specific campaigns in support of tourism;

- Developing creative media in support of tourism campaigns;
- Developing, maintaining and execution of budget systems, reports using established software of systems;
- Organizing, presenting monthly, quarterly, annual briefings, reports, budgets and surveys;
- Create requests for proposals for acquiring services;
- Oversee donations;
- Coordinate volunteers for activities and actions in support of tourism;
- Create strategic communication for the City Council, the Board of Directors and other interested parties in support of tourism;
- Create and execute necessary public notices and meetings; and,
- Secure and protect assets owned or operated by the tourism office.

Background of Executive Director Candidates

- Knowledge and application of the principles and practices of the tourism industry;
- Knowledge and application of budget and accounting tracking practices;
- Knowledge and application in the design, production and execution of marketing programs;
- Knowledge of Georgia Laws relating to the use of Hotel/Motel tax dollars;
- Knowledge and application of strategic planning processes;
- Knowledge and application of communication processes;
- Knowledge and ability to communicate with respect, clearly and concisely orally and in writing;
- Knowledge and ability to create and deliver professional presentations to a multitude of groups and individuals;
- Ability to exercise good judgment;
- Ability to work independently and with all members of the board;
- Ability to find, train and properly utilize volunteers;
- Ability to utilize standard practice computer systems;
- Ability to maintain a web site;
- Ability to establish and maintain relationships with other tourism related programs, people and services; and,
- Ability to plan, program and assist in the execution of events.

Challenges Facing the Dunwoody CVB

The funds used to operate the Dunwoody CVB are provided by special allocated tax dollars. These funds are reported and collected for a special use and programs must execute within the guidelines provided by the Charter. Additionally, the primary customer for the use of these funds is the City of Dunwoody. Special care must be taken to ensure relationships with City stakeholders are honored and executed in a way that creates the utmost professional attitude. The quality of our work cannot be challenged and must honor the spirit of the customer served. The customer drives the direction of services produced by this office. Additionally, relationships with other government officials, local hotel/motels, local business owners must be established, maintained and provide critical input to drive decision making. Working with other CVBs, city organizations, non-profits and tourism related industries is paramount to success.

Conclusion

We recommend that the Dunwoody City Council approve the ordinance to establish the Dunwoody Convention and Visitor Bureau Authority. We believe the Authority will provide the City Council the necessary oversight to insure that the funds received are spent in accordance with their intended purpose. Furthermore, we believe the Authority will provide the City of Dunwoody the utmost operation and financial flexibility to further the mission of the Dunwoody CVB. We should be mindful that the Convention and Visitor Bureau represents the only vehicle the City of Dunwoody has at this time to provide for economic development. It is imperative that we take full advantage of this opportunity!

Final Comments

The by-laws of the Dunwoody CVB can be fashioned around the House Bill 1115 which established the CVB for the Garden City Area (outside Savannah) in 2005. This bill is attached hereto as Attachment 1.

ATTACHMENT 1

04 HB 1115/AP

House Bill 1115 (AS PASSED HOUSE AND SENATE)

A BILL TO BE ENTITLED AN ACT

To create the Garden City Area Convention and Visitors Bureau Authority as a public body corporate and politic, a political subdivision of the state, and a public corporation to have the responsibility of promotion of tourism, trade, and conventions for Garden City, Georgia; to provide for its creation and organization; to provide for the membership of the authority and the terms of office and compensation of the members thereof; to provide for meetings; to provide for legislative findings and declaration of purpose; to provide for general powers; to provide for rules and regulations; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be cited as the "Garden City Area Convention and Visitors Bureau Authority Act."

SECTION 2.

(a) The Garden City Area Convention and Visitors Bureau Authority shall consist of 11 members, nine of which shall be regular members and two of which shall be ex officio members. All 11 members of the authority shall be at least 18 years of age and residents of the City of Garden City or owners or employees of businesses within the city. At least four of the nine regular members shall be either an owner, operator, or manager of a hotel, motel, or restaurant in the city. The mayor and each city councilperson shall appoint one regular member of the authority and there will always be one regular authority member representing the mayor and each of the seven council posts. The members of the authority who represent a city councilperson or the mayor shall serve of the time served by the councilperson or mayor who appointed them,

with a new appointment to be made when there is a new mayor or city councilperson. In addition, the mayor and city council shall make a joint appointment of one regular member for a one-year term, who shall not be an owner, operator, or manager of a hotel, motel, or restaurant. Said joint appointee shall initially serve from the time of his or her appointment until January 1, 2005. Thereafter, said joint appointee shall serve for a two-year term. Appointments of the members representing a city councilperson or the mayor shall be made within 45 days of the date on which the councilperson or mayor takes office and the joint appointment of the mayor and city council shall be made within 45 days of the first meeting of the mayor and city council in January of each year.

(b) The three city council members serving a four-year term commencing January 1, 2004, shall each appoint a member of the authority who shall be an owner, operator, or manager of a hotel, motel, or restaurant. The four city council members serving two-year terms commencing January 1, 2004, and four-year terms thereafter shall each appoint a regular member of the commission who is not an owner, operator, or manager of a hotel, motel, or restaurant. The mayor shall appoint a regular member who is an owner, operator, or manager of a hotel, motel, or restaurant. The joint appointment of the mayor and city council shall not be an owner, operator, or manager of a hotel, motel, or restaurant.

(c) In addition to the nine regular members, there shall be two ex officio members of the authority. These members shall be the executive director of the Garden City Convention and Visitors Bureau Authority, if any, and the City Administrator for the City of Garden City. Ex officio members shall not be entitled to vote, but otherwise shall have all powers and responsibilities of a regular authority member.

(d) Any member can be removed by a two-thirds' vote of the mayor and entire city council, with the mayor having the right to vote on the question of removal.

(e) All the members of the authority shall serve without compensation; provided, however, the city council may reimburse authority members for reasonable expenses incurred in connection with their service as authority members.

(f) All members of the authority, except the ex officio members, shall be nominated by a private sector, nonprofit organization.

SECTION 3.

The authority shall elect a chairperson, vice chairperson, and secretary-treasurer from its membership. Officers shall be elected on a calendar year basis but may be reelected for succeeding terms. The chairperson shall be entitled to vote on all issues.

SECTION 4.

The authority shall have the power to employ an executive director as may be necessary in the operation of the authority's activities, to whom in turn shall be

delegated the authority and responsibility necessary to administer properly the business of the authority and its agencies created in this Act or at a later date, within policies set by the authority and subject to its review. The executive director shall have full charge of the offices and all of the employees and shall have the authority to recommend to the authority the hiring and termination of the employees. The authority shall have the authority to establish salaries and compensation for said executive director and all of its employees.

SECTION 5.

- (a) The authority shall meet at such times as may be necessary to transact the business coming before it. Meetings of the authority shall be open to the public in accordance with the laws of this state. Written minutes of all meetings shall be kept and, within ten days of every meeting, a copy of the minutes shall be furnished to the mayor and city council. Meetings shall be conducted in accordance with Robert's Rules of Order.
- (b) At least five regular members of the authority shall constitute a quorum for the transaction of any business, including election of officers. The majority of the votes cast shall determine all questions and elections.

SECTION 6.

- (a) The duties of the authority shall be to:
- (1) Promote tourism, trade, and conventions for the City of Garden City;
 - (2) Study, investigate, and develop plans for improving tourism in the City of Garden City and the area and doing such things as tend to bring visitors and conventions into the city;
 - (3) Advise and recommend plans to the city council and departments of the city for the development of tourism in the city; and
 - (4) Otherwise promote public interest in the general improvement of tourism in the city.
- (b) Nothing in this Act shall be construed to abridge or change the powers and duties of other authorities, departments, boards, and like agencies of the city.

SECTION 7.

- (a) The authority shall have all powers necessary or convenient to carry out and effectuate the purpose and provisions of this Act, including, but without limiting the generality of the foregoing, the power:
- (1) To sue and be sued in contract and in tort and to complain and defend in all courts;
 - (2) To adopt and alter a corporate seal;
 - (3) To acquire in its own name real property or rights and easements therein and franchises and personal property necessary or convenient for its corporate purposes by purchase on such terms and conditions and in such manner as it may deem proper or

by gift, grant, lease, or otherwise; to insure the same against any and all risks as such insurance may, from time to time, be available; and to use such property, rent or lease the same to or from others, make contracts with respect to the use thereof, or sell, lease, or otherwise dispose of any such property in any manner it deems to the best advantage of the authority and the purposes thereof. Title to any such property of the authority shall be held by the authority exclusively for the benefit of the public;

(4) To exercise any one or more of the powers, rights, and privileges conferred by this Act either alone or jointly or in common with one or more other parties, whether public or private. In any such exercise of such powers, rights, and privileges jointly or in common with respect to the construction, operation, and maintenance of projects, the authority may own an undivided interest in such projects with any other parties, whether public or private. The authority may enter into agreements with respect to any project with the other parties participating therein, and any such agreement may contain such terms, conditions, and provisions consistent with this Act as the parties thereto may deem to be in their best interest;

(5) To make and exercise contracts, agreements, and other instruments necessary or convenient to exercise the powers of the authority or to further the public purpose for which the authority is created;

(6) To borrow money to further or carry out its public purpose and to execute notes, other obligations, leases, loan agreements, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, and such other agreements or instruments as may be necessary or desirable in the judgment of the authority to evidence and to provide security for such borrowing;

(7) To make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other source, whether public or private, for loans, grants, guarantee, or other financial assistance in furtherance of the authority's public purposes and to accept and use the same upon such terms and conditions as are prescribed by such federal, state, county, or municipal government or agency or other source;

(8) To enter into agreements with the federal government, state government, or any agency thereof to use the facilities or services of the federal government, state government, or any agency thereof in order to further or carry out the public purposes of the authority;

(9) Subject to proper appropriation to the authority, to receive and use the proceeds of any tax levied by a political subdivision or taxing district of the state to pay the cost of any project or for any other purpose for which the authority may use its own funds pursuant to this Act;

(10) To accept donations and appropriations of money, services, products, property, and facilities for expenditure and use by the authority for the accomplishment of its

purpose;

(11) To adopt bylaws governing the conduct of business by the authority, the election and duties of officers of the authority, and other matters which the authority determines to include in its bylaws;

(12) To invest any accumulation of its funds in any manner that public funds of the state or its political subdivisions may be invested; and

(13) To do any and all things necessary or proper for the accomplishment of the objectives of this Act and to exercise any power usually possessed by private corporations performing similar functions which is not in conflict with the public purpose of the authority or the Constitution and laws of this state.

(b) The powers enumerated in each paragraph of subsection (a) of this section are cumulative of and in addition to those powers enumerated in the other paragraphs of subsection (a) of this section and elsewhere in this Act and no such power limits or restricts any other power of the authority.

SECTION 8.

The properties of the authority, both real and personal, are declared to be public properties used for the benefit and welfare of the people of the City of Garden City, and not for purposes of private or corporate benefit and income, and such properties, to the extent of the authority's ownership therein, the authority, all income and obligations of the authority, and all transfers of such property shall be exempt from all taxes and special assessments of the state or any city, county, or other political subdivision thereof. The authority shall have all of the exemptions and exclusions from taxes that are now granted to cities and counties for the operation of properties or facilities similar to properties and facilities to be owned or operated, or both, by the authority.

SECTION 9.

Neither the members of the authority nor any person executing notes or obligations on behalf of the authority shall be personally liable thereon by reason of said execution.

SECTION 10.

The authority shall submit an annual budget to the mayor and city council of the City of Garden City which, upon approval by the city council, may in the discretion of the city council be funded from the revenue received by the city from the hotel-motel tax, provided the authority complies with any provisions relative to the expenditure of said revenue contained in Article 3 of Chapter 13 of Title 48 of the O.C.G.A. as now or hereafter in effect and any other criteria deemed proper by the mayor and city council.

SECTION 11.

The mayor and city council of the City of Garden City shall be authorized, by and through a committee of their own number or by any person they may select, to inspect at their pleasure the state and condition of the authority and the property thereto belonging and also all books and accounts pertaining to the affairs of the authority and the authority shall give and furnish them any reasonable facility and assistance in making such inspections.

SECTION 12.

The Garden City Area Convention and Visitors Bureau Authority shall not have the power or authority to bind the City of Garden City by any contract, agreement, financial obligation, or indebtedness or otherwise. No contract, agreement, financial obligation, or indebtedness incurred by the authority shall ever be a claim or charge against the city.

SECTION 13.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 14.

All laws and parts of laws in conflict with this Act are repealed.