

GSCCVB Mission, Objectives and Organization

Saint Charles was a tourism destination before Lewis and Clark purchased their last provisions here and started on their westward journey. Thus, the destination has a history of providing hospitality to travelers that precedes statehood. This legacy of welcoming visitors has continued down through ages.

Marketing tourism in Saint Charles gained momentum as a volunteer effort in the second half of the twentieth century when a tourism bureau was formed sometime after 1960. The Greater Saint Charles Convention and Visitors Bureau was established by state and city legislation and was enacted in the City Code of 1981. Amendments to the code have been made at various times since 1988, with the most recent amendments made March 29, 2005.

The current mission statement of the Greater Saint Charles Convention and Visitors Bureau is: "To develop and promote the hospitality industry in the Greater Saint Charles area, and to encourage economic growth by providing quality service to the visitor and convention delegate."

The Greater Saint Charles CVB is governed by city ordinances as a functioning part of city government and therefore does not have by-laws. The current city ordinance allows for an eleven (11) member tourism commission known as the Greater Saint Charles Convention and Visitors Commission. Except as otherwise noted, the commission members shall be appointed by the Mayor with the consent of the City Council.

The commission must be appointed to meet the following criteria: 1) President of the Saint Charles Chamber of Commerce; 2) one restaurant industry representative; 3) one South Main Historical District representative (recommended by the South Main Preservation Society); 4) one Historic Downtown representative; 5) one Frenchtown Historical District representative; 6) one cultural, educational or historic venues representative; 7) one gaming representative; 8) one city council member; 9) the mayor; 10) one lodging representative; 11) the city administrator; 12) one non-voting member to serve for life as Emeritus Chairperson. Members serve three year terms with the exception of the Chamber President, the mayor, the city administrator and the city council person, all of whom serve as long as they remain in those offices.

The chart on the following page outlines the current Convention and Visitors Commission members.

Performance Audit**2005 Saint Charles Convention and Visitors Commission**

	<u>Name</u>	<u>Term Exp</u>	<u>Representing</u>	<u>Occupation</u>
Chair	Terry Jones	4/2008	Restaurant	Wiliker's Restaurant
V.Chr.	Brian Hill	4/2006	North Main Rep.	Captivations
S/T	Charlise Floyd	4/2008	Cultural, Educational, Historic Representative	Lindenwood University
	Lisa Coleman	4/2006	Frenchtown Rep.	
	Bonnie Felton	4/2007	Gaming Representative	Ameristar Casino
	Timothy Sawyer	4/2007	South Main Rep.	
	James Vavek	4/2008	Lodging Representative	Hampton Inn
	Patricia M. York		Mayor	
	Rory Riddler		City Council Chair	
	Dr. Allan Williams		City Administrator	
	Scott Tate	4/2007	Chamber of Commerce	President
	Ray Harmon	Lifetime	Emeritus Chairperson	

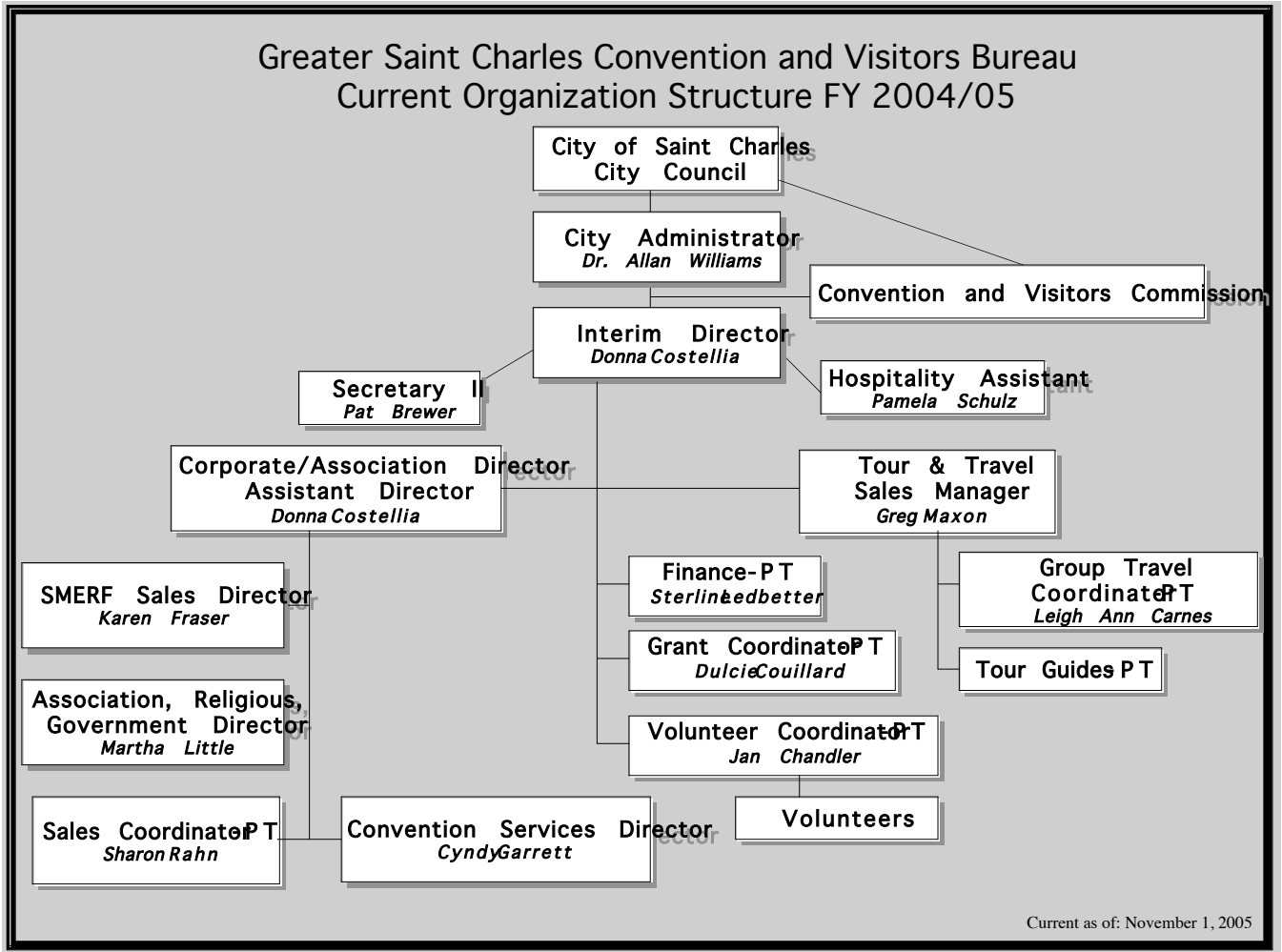
RTM recommends that all tourism boards have a majority of members directly employed in the local travel industry. Those whose livelihoods are dependent upon the health of an industry can be expected to ensure good stewardship. Also, RTM recommends having several business community leaders on the board to ensure strong business practices are followed and to ensure that the work of the CVB is an asset to the entire community. Here we see a committee of eleven voting members with one non-voting Emeritus Chairperson. The Chairperson as the eleventh seat only votes to break a tie. As a rule, RTM recommends that one-fourth of a tourism board come from lodging, one-fourth from attractions, one-fourth from restaurants/retail, and one-fourth from the civic/business leadership of the destination jurisdiction.

Greater Saint Charles Area ~~Convention and Visitor Bureau~~ Convention and Visitors Bureau Staff

Donna Costellia	Interim Director	December, 1984
Sterline Ledbetter	Finance	January, 2000
Pat Brewer	Secretary	December, 1997
Pamela Schulz	Hospitality Assistant	June, 1994
Cyndy Garrett	Convention Services	February, 2005
Martha Little	Convention Sales	August, 1992
Greg Maxon	Group Travel	September, 1999
Karen Fraser	Convention Sales	April, 2002
Dulcie Couillard – PT	Grant Coordinator	April, 2005
Jan Chandler – PT	Volunteer Coordinator	July, 1990
Sharon Rahn – PT	Sales Coordinator	August, 2005
Leigh Ann Carnes – PT	Group Travel Coordinator	June, 2002

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The GSCCVB Interim Director reports to the City Administrator and the Convention and Visitors Commission and is responsible for the day-to-day operations of the GSCCVB. Reporting to the Interim Director is a staff of seven full time employees and four part-time employees. Four new positions are budgeted in 2006 in an effort to boost direct sales now that the new convention center is open. In addition, there is a volunteer group that provides support to all functions of the GSCCVB. The following flow chart illustrates the organizational structure of the GSCCVB.



Office and Visitor Center Facilities

The Greater Saint Charles Convention and Visitors Bureau is housed in a stand alone building located at the corner of Main Street and Capitol Street. The GSCCVB owns the building which is built in a colonial architectural style with two full floors and a hip roof with dormer windows. The brick structure provides 2200 square feet of office space and the lobby area provides 200 square feet and the AV Room is another 200 square feet of visitor center space. The facility is not adequate in size to serve as office space and a visitor center and the crowded conditions were obvious to our team when we toured them in July. In August all sales positions, with the exception of leisure and motor coach, were moved to the new Convention Center freeing up space in the main office. The ground level of the main office building is accessed from a Riverside Drive parking lot and the second floor is accessed at the Main Street level. Public rest rooms are provided on the lower level of the building and in a historic structure just behind the building. A total of 9 on-site parking spaces are located directly behind the building for visitors as well as, 2 bus parking and 2 handicapped spaces.

Current Market Positioning for the Greater Saint Charles Area CVB

The GSCCVB is currently using the positioning and branding statements, "Come and Relive the Early American Spirit". The website is www.historicstcharles.com.

Previous promotional materials and public relations efforts

In auditing the past efforts of the GSCCVB, RTM reviewed brochures, advertising, press releases, and media coverage. Our recommendations for improvements are a part of this report.

Lodging Inventory

The City of Saint Charles currently has twenty-six (26) lodging properties collecting lodging and sales taxes. The twenty-six properties have a total of 1,975 rooms with the vast majority of chain affiliated properties located in close proximity to Interstate 70 and the Bed and Breakfast Inns located in close proximity to the historic district. Seventeen (17) of the lodging properties are franchised through national chains and represent 1,945 rooms which equates to 98% of the total room inventory. Nine (9) of the lodging properties are Bed and Breakfast Inns or small motels totaling 30 rooms which represents 2% of the total room inventory. There are 3 lodging properties outside of the Saint Charles city limits that volunteer to collect the lodging tax and contribute the funds to the City of Saint Charles to increase the travel and tourism marketing efforts.

Two properties, the Embassy Suites and the Country Inn and Suites recently opened. New lodging properties typically attract significant attention and will likely take business from the existing properties as travelers seek out the newest rooms. This competition typically forces older properties to upgrade their amenities and enhance their properties or face possible business decline and perhaps down flagging to a lower rated brand. Overall, the lodging inventory in Saint Charles is fairly modern with 46% of the inventory having been built since 1996. 561 rooms (28%) were built prior to 1985.

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It should be noted that the trend in lodging is to build upscale, interior corridor, limited service properties with approximately seventy rooms. Services such as high speed internet are expected by travelers today, in addition to amenities such as plush mattresses and upscale bath accessories. This trend is driven by traveler demand for more amenities in a small, secure, convenient facility. Saint Charles is similar to most communities as it must face challenges in driving occupancy to a percentage of older properties that may not meet the demands of many travelers today. Fortunately, there is typically a customer segment for every niche and it requires awareness of potential markets and strategies to succeed at filling all room types in a market.

GSCCVB Funding

The GSCCVB is funded through what the City of Saint Charles refers to as “tourism taxes” which is a combination of the meals and lodging taxes. These taxes are not specifically tracked annually. The meals tax is not tracked in terms of local and visitor spending. It is estimated by city officials that approximately 80% of the current funding to GSCCVB is derived from meals tax funds and 20% from lodging tax funds. It is clearly acknowledged that meals tax far exceeds lodging tax as funding sources for the GSCCVB. The meals tax is 8.45%. All local taxes are assigned to the general fund of the City of Saint Charles. The City of Saint Charles determines the funding levels for the GSCCVB.

A total of 14.406% lodging tax is collected on all overnight lodging in the City of Saint Charles with portions of the money going to state, county and city governments. The State of Missouri collects a tax of 7.45%, Saint Charles County collects a tax of 5% and the City of Saint Charles collects a tax of 1.956%. The GSCCVB receives no direct tax funding from the state or county lodging tax revenues.

The overall lodging tax rate of 14.406% is comparable to national averages and RTM's experience in working with other destination marketing organizations. Experience has shown that visitors rarely complain about lodging taxes that are 13% or less. Once lodging taxes exceed 13% travelers start expressing frustration and lodging occupancy can be negatively affected. Saint Charles is at the upper end of the scale and should not consider any additional taxes to be levied upon lodging.

RTM recommends that the meals, lodging, and sales taxes be outlined more specifically and tracked on an annual basis. Further, regarding meals taxes, it should be estimated what percentage is paid by visitors and what percentage is paid by local residents. For instance, it would be safe to claim that at least 30% of the meals tax is paid by visitors. Establishing these benchmarks and tracking the taxes will allow the City of Saint Charles to more accurately determine the appropriate amount of funding for the GSCCVB. Those taxes that can be traced to visitor spending should be reinvested in marketing of tourism.

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The GSCCVB receives income from sources other than the tourism tax as is demonstrated in the chart below.

GSCCVB Actual/Budgeted Income

Income Category	2003 Actual	2004 Actual	2005 Budget
Tourism Tax	\$1,565,939	\$1,604,540	\$1,660,000
Penalties	\$12,505	\$11,176	\$11,500
Contribution (Voluntary Hotel Tax)	\$51,245	\$50,316	\$53,000
Tours	\$3,817	\$4,008	\$3,800
Membership	\$0	\$9,575	\$9,812
Grants-Destination Advertising	\$7,9281	\$135,000	\$135,000
Grants-Convention Marketing	\$60,000	\$60,000	\$60,000
Total Income	\$1,772,787	\$1,874,615	\$1,933,112

(Source: St Charles CVB)

Comparable Tourism Marketing Funding

A comparison of Missouri cities by number of lodging rooms and the size of the marketing budget for the community reveals that Saint Charles ranks 5th among tourism marketing budgets statewide.

<u>CITY</u>	<u>Population</u>	<u>#of Hotel Rooms</u>	<u>Size of Staff</u>	<u>Budget</u>
Saint Louis	2.6 million	34,000	Marketing 63 Convention Ctr. 87	\$13,000,000
Kansas City	1.8 million	24,000	43	\$8,100,000
Springfield-City	151,580	5,600	22	\$2,803,000
Branson-City	6,050	17,000	33 Welcome staff 5	\$2,500,000
Saint Charles	68,000	1,900	12	\$2,179,950
Columbia-City	87,000	3,126	7	\$1,600,000
St. Joseph	73,990	1,203	8	\$1,000,000
Joplin	44,300	2,000+	6	\$850,000
Jefferson City	40,000	1,300	5	\$650,000
Hannibal	17,757	860	6	\$330,000
Branson-County	33,271	22,000	~	~

(Data collected from other CVBs by Saint Charles CVB staff)

Performance Audit

Revenues Compared to State and National Industry Growth

It is important that the GSCCVB look at five-year trends in tourism taxes, occupancy growth, and lodging inventory and compare these to state, regional and national statistics. The average annual growth rate for total tourism revenues nationwide, between 1991 and 2001, is 4.32%. In addition, the Travel Industry Association of America (TIA) reports that total travel expenditures in the United States decreased 6.72% from 2000 to 2001, the first decrease in over a decade. That trend has now returned to typical growth levels of approximately 3% annually.

Greater Saint Charles CVB Expenditure Analysis

The following table shows the three major areas of the GSCCVB budget as a percentage of its total budget. The table also reflects the contributions made to local festivals.

Percentage of Total CVB Budget/Actual

Budget Category	2005	%	2004	%	2003	%
Salaries & Benefits	\$829,361	37.6%	\$695,755	36.5%	\$611,028	33.5%
Operating Expenses	\$263,215	11.9%	\$202,760	10.6%	\$237,728	13.0%
Marketing & Outreach	\$940,095	42.6%	\$898,506	47.2%	\$900,431	49.3%
Festival Contribution	\$172,000	7.8%	\$108,100	5.7%	\$75,400	4.1%
TOTAL BUDGET	\$2,204,671	100%	\$1,905,121	100%	\$1,824,587	100%

A review of the three basic budget categories for the GSCCVB (Salaries & Benefits, Office Expenses and Outreach) reveals that the CVB is spending the money it receives appropriately as a percentage of the whole budget. These figures are within the standards set by the IACVB (International Association of Convention and Visitors Bureaus (IACVB)). According to IACVB, salaries and benefits should fall within a 25-40% range. Marketing and outreach should be approximately 40-50% and operating expenses should be in the 10% -15% range.

The IACVB makes no recommendations for funding to other entities such as festivals. RTM recommends that all tourism marketing funds be allocated to the GSCCVB and that the CVB make the decision for any funding to entities such as festivals and events in order to ensure that all tourism marketing funds achieve their greatest potential return to the community.

Inquiry Records and Statistics

The primary purpose of a destination marketing organization (DMO) is to advertise the destination to generate inquiries that are “fulfilled” by mailing a package of visitor information. This effort is intended to generate increased visitation to the destination, which creates economic impact as a result. One method of measuring the impact of the DMO’s advertising efforts is to look at the number of inquiries that are generated each year. The true test of the success of the DMO’s marketing efforts comes from research that determines the number of inquiries that are “converted” to actual visits, thus, creating economic impact. In the following chart, an annual total number of inquiries and visits to the visitor center and CVB website are provided. The data reflects national trends where internet related travel planning activity is increasing and traditional phone inquiries are slowing.

GSCCVB Inquiry Tracking

	2002	2003	2004
Visitor Counts thru CVB	53,972	55,310	50,988
Estimated Visitors to Area	539,720	553,100	509,880
Telephone Inquiries at CVB	40,441	36,093	39,365
Website Sessions	208,600	227,959	237,709
Website Hits	4,096,609	4,674,981	5,181,228

The number of inquiries indicated here is good for a destination the size of Saint Charles. The statistics compare favorably with similar destinations. However, RTM does recommend that inquiries be tracked more specifically and those recommendations for tracking of inquiries are included in this report.

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Attendance at Saint Charles Area Attractions

The following attractions reported their attendance statistics to the Greater Saint Charles CVB. It is interesting to note that attendance at the Saint Louis Gateway Arch is declining and the First State Capitol is relatively flat while the Lewis and Clark Boathouse (new facility) and Ameristar are increasing.

Attendance to attractions all across the U.S. is dropping significantly. The shift in visitation patterns by different generational groups has been identified as the cause for some of this change. Simply put, Baby Boomers and Gen X behave very differently from the Silent Generation and the War Generation.

National trends show that Baby Boomers and GenX prefer unstructured leisure time, being entertained, shopping, dining and gaming. Thus the statistics for the decline in attendance to the Gateway Arch and flat attendance to the First State Capitol is easily understood as is the increase in gaming. The only anomaly is the Lewis and Clark Boathouse where the new facility may account for the increase, as well as the significant focus on Lewis and Clark heritage in the past few years.

Attraction	2000	2001	2002	2003	2004
First State Capitol	44,711	52,569	56,849	52,127	51,092
Lewis and Clark Boathouse	24,327	24,433	24,839	32,484	61,739
Foundry Art Centre					30,205
Ameristar Casino	0	5,744,173	8,132,182	10,104,756	10,801,151
Gateway Arch	4,004,642	3,987,392	3,685,461	2,983,733	3,006,756
Harrah's Casino	4,682,534	6,019,813	5,363,022	4,546,618	4,853,166
Mt. Pleasant Winery	68,000	60,000	60,000	62,000	62,000
MO Wing Commemorative AF	1,000	1,000	1,000	1,000	1,000

Summary of Missouri Tourism Economic Impact Developed by the University of Missouri for FY04

- Σ **FY04 direct expenditures were up 12.3%:** Direct expenditures (on-site expenditures by domestic and international visitors plus airport-related expenditures) by travelers to Missouri were a record \$8.3 billion during FY04, up 12.3% from \$7.4 billion in FY03.
- Σ **FY04 visitation was up 10.7%:** During FY04 (July 2003 – June 2004), a record 20.6 million households visited Missouri, up from 18.6 million during FY03, a 10.7% increase.
- Σ **The primary trip purpose** for visitors to Missouri in FY04 were:
 - Visit Friends or Relatives (44%)
 - Entertainment/Sightseeing (17%)
- Σ **76.5% of Missouri’s visitors arrive by automobile** as their primary mode of transportation. Only 11% identified airline use as their primary mode of transportation.
- Σ **Most popular activities:** Visitors who came to Missouri during FY04 participated in numerous activities, including:
 - Shopping (26%)
 - Attend social/family event (23%)
 - Outdoor (8%)
 - Historical places, sites, museums (6.7%)
 - Theme/amusement parks (6.3%)
- Σ **Approximately 65% of all travel parties traveling in Missouri are from out of state** and 35% from in-state.
- Σ **Most out-of-state visitors come from neighboring states:** Texas continues to send more visitors to Missouri than any other non-neighboring state (5.2% of all visitors to Missouri during FY04).
- Σ **Most visited destinations in Missouri:**
 - St. Louis (40%)
 - Kansas City (22%)
 - The Ozark Mountain vacation region (16%)

Summary of TIA's TravelScope Research for Missouri July 2002 – June 2003**∑ Point of origin (approximately the same rank order from FY95 to FY03):**

- Missouri (54.1%)
- Kansas (23.7%)
- Arkansas (14.2%)

(Variable rank order from FY95 to FY03):

- Iowa (12.8%)
- Illinois (11.1%)
- Nebraska (9.6%)

∑ Top reported activities (approximately the same rank order from FY95 to FY03):

- Shopping
- Outdoor (hunt, fish, hike, bike, camp)
- Theme/amusement park
- Attend social/family event
- Historical places, sites, museums
- Cultural events/festivals
- Attend sports event
- Nightlife/dancing
- National/state park
- Gambling
- City/urban sightseeing

∑ Percentage of visitors by season for FY03:

- Summer (34%)
- Spring (24%)
- Fall (23%)
- Winter (19%)

Greater Saint Charles Area Travel Related Economic Impact

An analysis of the FY03 economic impact of travel and tourism in Saint Charles County shows the financial impact that visitors leave in the community. The figures below show the amount of tax revenue that is generated by visitors to the area, thus relieving residents of some of the tax burden of maintaining the local infrastructure.

The 2003 economic impact of travel and tourism in Saint Charles County, MO is as follows: (the figures below are based on fiscal year 2003, the most recent figures that are available).

\$362,087,880	Tourism Related Taxable Sales Revenues (FY03) in Saint Charles County (Data Source: TIA, Travelscope)
\$26,504,832	State and Local Sales Taxes generated from the 7.32% sales tax collected on the above total tourism related sales (\$362,087,880) in Saint Charles County.
14,447	Total number of jobs attributed to travel in Saint Charles County (Data Source: TIA, Travelscope)
311,521	2003 Population of Saint Charles County, Estimate based on 2000 Census and 2004 Census estimate.(Source: US Census Bureau)
61,253	2003 Population of the City of Saint Charles , Census Bureau Estimate (Source: US Census Bureau)
101,663	Households in Greater Saint Charles Area (single & multi-family) (Source: US Census Bureau, 2000 Census)
\$260.71	Tax relief per Saint Charles County household from sales taxes paid by travelers to Saint Charles County