

August 16, 2021

Duluth City Councilors,

As the Visit Duluth Board Executive Committee, we want to take the opportunity to share with you ahead of tonight's crucial meeting further information and a request. We are passionate about growing and expanding tourism in Duluth and that passion is at the heart of this letter.

One thing we have all learned from this very challenging process is that many of these conversations should have happened a long time ago. As an Executive Committee we have met with the City and asked for feedback multiple times, most recently on January 19, 2021, and did not receive the feedback we are now hearing. We appreciated hearing Mayor Larson's concerns that she shared at the City Council Agenda Session last Thursday. It is that open feedback that we have been pursuing to ensure alignment between Visit Duluth and city administration.

We are a nimble organization that welcomes feedback and is willing to evolve. For example, in the past few months the board has made the change to eliminate the "pay-to-play" model that is being attributed to our organization. Specifically, in June the Board discussed changing our bylaws so that all future board seats would be open to everyone, regardless of Visit Duluth partnership status. This bylaw change was then approved by the full board in July.

In addition, Visit Duluth started quarterly roundtable discussions with multiple segments of the tourism industry in April of this year. This was the result of feedback and conversations with our local tourism community, sought out by our outreach committee.

We are committed to evolving to be the best possible Destination Marketing Organization (DMO) partner. As an organization, we don't want to simply use the growing tourism tax numbers, hotel occupancy, and average daily rate (ADR) as measurements of our continued success. We desired more data and metrics to allow us to be agile in our marketing efforts based on the trends we are seeing with recovery during COVID-19. As articulated in our RFQ/RFP proposals, we have invested in new reporting technology that gives us a comprehensive dashboard of real time data to use. We welcome the opportunity to showcase this industry-leading dashboard to you.

To ensure continued transparency in our marketing strategy, we annually present to city administration and the full council. This year's marketing plan was presented on February 22, 2021. Our refocused 2021 marketing plan outlines specific measurable key performance indicators (KPIs) and marketing tactics that allow us to be agile and responsive to changing traveler trends. This plan is designed to ensure even in a year of recovery and constantly changing travel behaviors, we can remain good stewards of public dollars.

As you are aware, we have not provided the City an answer regarding the proposed contract award. The City's request for proposal (RFP) included ten scopes of work. Visit Duluth

submitted for all ten scopes to keep the continuity as the City's DMO. However, we identified gaps in services that we are currently providing that were not addressed in the ten scopes of the RFP. These services include the very important work of the visitor experience. While Visit Duluth mentioned this key component in our overall RFP, we did not give it a specific budget and line item as it was not requested in the RFP.

While we are open to the idea of re-envisioning the Visit Duluth organization, we do need time to develop a business model and proposed budget for this new scope of work. We need to answer critical logistical questions that surround the potential changes, including any required revisions to our articles of incorporation, possibly transitioning from a 501c6 to a 501c3, and a complete restructuring of the organization. We also want to ensure we can build the industry voice into our structure, as it is a vital element our City cannot afford to lose.

Over our 86-year history of being Duluth's DMO, Visit Duluth has demonstrated organizational agility by working in partnership with dozens of administrations and their unique visions for our destination. For 35 of those years, Visit Duluth partnered with a local advertising agency on the important work of marketing our home. It was at the request of the previous administration that our organization pivoted to grow the internal team to bring all marketing functions in-house to maximize the use of public dollars for marketing. While this is Visit Duluth's current model, our history proves we are open to exploring alternative options together.

Councilors, we respectfully ask you to not move forward with the current contract proposal, which would effectively eliminate the relationship model that is a Destination Marketing Organization. Building relationships within a community is a key part of DMO work. It takes people working within that destination to cultivate those relationships. Moving to a strict vendor model creates a gap between the visitor, the voice of neighborhoods, and the destination.

We respectfully ask for the opportunity to work together to create a model that preserves the vital work that only a DMO can do and addresses the City's concerns.

Respectfully,

Visit Duluth Executive Committee  
Brianna Vander Heyden - Chair  
Jessica Stauber - Vice Chair  
Jay Walker - Finance Chair  
Lindsay Kern - Governance Chair  
Jason Vincent - Marketing Chair