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**Tourism Announcement Comments**  
**Mayor Emily Larson**  
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The first year I was Mayor, I found our historical approach to tourism investment and public support to the industry lacking. Allocations of these public funds were determined through private meetings or direct request to the Mayor. Requests were then privately negotiated, compiled and presented to council for support. That's it. No discussion about budget impacts or expectations of visitor numbers. No buy-in about what it means to receive or be a part of a tourism industry. No assertion of how the city or our residents are a part of the tourism narrative.

Now, to be clear, it's nobody's fault that's how it worked. It's just how things were done. And I want to specifically thank my predecessor Don Ness who understood this cycle and invested time, capital and attention to start turning that "how it's always been done" tide by establishing the Tourism Tax Task Force and implementing best practices as a result. That was an incredibly heavy lift and put the city in a much stronger position.

To further advance the city's role as a partner in tourism and increase expectations for public accountability, starting my second year as Mayor, I worked to ensure that decision making about public funds would require public oversight by: instituting a public process to request, and report, tourism tax allocations; grounding allocations on data, budgets and proposed tourism impact; instituting a free Community Day as a requirement to receive these public funds, and; making accountability and transparency a part of the process.

The reasoning behind the approach was this: if we're going to invest public dollars into private organizations, we must understand and measure the public benefits which result. Spending public dollars should provide for public oversight. We cannot give that authority away or to private boards.

While we expect this to be the case in every other area of municipal spending, applying this to these tax allocations was a shock to the tourism system. But organizations and attractions stepped up, understood why it mattered and made their case. Attractions that hadn't counted visitors or tracked geography of paid visits started doing so; different sites and organizations began co-promoting each other. We even got to welcome new tourism entities and ideas across the city into the fold. Each organization saw that they were part of a bigger basket, and the City was much better able to tell a collective tourism story as a result.

I have three announcements today that relate to tourism and build on this core value that the City can be in a fully informed decision making position as it relates to this critical industry while also positioning our community to be competitive, inclusive and transparent in the allocation of these public funds.

The first announcement is that we are ready to welcome applications for 2022 tourism tax allocation. Last year took us all off course in a lot of ways that don't need detailing. We weren't able to make good on our promises and commitments for allocation. Now, however, we feel ready to open the possibility that this will change for 2022 because current tourism tax collection levels are nearing 2019 levels.

This is good news for a variety of reasons.

Our online application for 2022 tourism taxes will go live August 11 and remain live until September 8. We intend to bring a thoughtful, data-driven recommendation to council in October, so organizations have a sense of what to expect for financial footing as they near 2022. Information on how to access this application can be found on our website, and we will also send out a separate press release. A reminder to everyone that that tourism tax pie always looks bigger than it is - about half of it is spoken for with pre-committed bond repayment and legislative requirements, and additional dollars are committed to marketing and operating subsidies. We'll do the best we can with the resources we've got to work with and I'm happy to be in a confident position to co-invest in tourism entities again.

My second announcement is, building on this commitment to transparency and data-driven tourism decision making, later today there will be a resolution on the council agenda for Monday asking the council to proceed towards awarding marketing and tourism to promote the City of Duluth in 2022. This year, the City initiated a first ever public allocation process for up to \$2.2 million in promotion, marketing and convention sales. This was the final portion of tourism tax funds to be pulled into a public allocation process, and doing so aligns with the commitment I've already outlined today to be open, intentional and transparent in the award and allocation of public funds. Spending public dollars should include public oversight. We cannot give that authority away or to private boards.

After an extensive, months long process which included a wide open Request for Qualifications, a formal Request for Proposals and two rounds of interviews, the entity being recommended to provide marketing and promotion is Belmont Partners. It is clear that Belmont, and their collaborative partners at Lawrence & Schiller, are the right fit for right now, as we continue our economic recovery, and we are excited for the community to meet them in the coming weeks.

A Minnesota-based agency, Belmont Partners has a proven story-telling approach to tourism and hospitality rooted in data, a live dashboard of visitor interface, media reach and marketing accounting, extensive target audience research and tangible, specific outcomes. Previous and existing clients include South Dakota Tourism, Uptown Art Fair, Mall of America, Explore Minnesota and Public Art St. Paul. They are nationally known industry leaders in tourism marketing and promotion – their vision for Duluth is fresh, dynamic, strategic and deeply engaging.

I know this decision is new terrain for Duluth and I acknowledge this departure from the norm as being significant and something to pay attention to. For 85 years we have had a single entity that worked to meet the needs of marketing and promotion for the community. Choosing a new approach is not about what was lacking in the existing partnerships we had – it's about what's possible in elevating our brand, expanding our audiences, engaging new voices from throughout the community, leveraging our investments and using data to get us there. I am completely confident that Belmont can build the necessary relationships to be our trusted, creative and visionary promotional partner.

This morning I spoke with Visit Duluth about continuing to provide event and convention sales for the coming year. As they shared during the interview process, this is an area of strength for them and I hope they'll choose to continue to contract for these services.

I've requested of City Council President Van Nett a committee of the whole next Monday to provide an opportunity for further question and information sharing with council. The first part of the committee of the whole be a review of the information and process I'm sharing today and the second will be an opportunity for Council to hear from Belmont Partners to understand the value they will bring to expand our current market, increase local revenue, grow our economy and instill an expanded sense of place for new and existing visitors.

My final announcement today is to establish a Tourism, Arts and Culture position for the City of Duluth. This position will be fully paid for from Tourism Tax collections and will manage the relationships, outcomes and goals for tourism and the arts in the community. This decision, again, places the city squarely in the conversation of how public investment is used and leveraged across these critical sectors. This position will: run the annual tourism tax allocation requests and reporting

processes; serve as the point for all tourism, marketing and attractions; work with the City of Duluth Public Arts Commission and non-city arts entities to advance shared goals, and; increase and fully integrate the impact of our work across these areas.

As I shared earlier, a pending council resolution outlines everything that I've announced today. That resolution will go live about 4pm.

Finally, a few words about why this matters so much to me, and why we're moving more boldly into the tourism and hospitality space.

We should lead – for decades the City has not asserted our rightful place out of fear of disruption and discomfort. We had let go and assigned others to achieve in this area while keeping direct relationships with tourism and hospitality at arms-length. I'm excited to thread these pieces together.

We are a resilient city on a trajectory of growth, with strong neighborhood economic development corridors that deserve to be a part of tourism, too. Downtown and Canal Park are critical destinations with special things to do and enjoy. So are Lincoln Park, Lakeside, the mall and airport area and West Duluth. I'm energized by new ways we can support the vibrant visitor experience across our entire city, with closer relationships to our many vibrant economic sectors.

Visitors and residents need each other but there is a long standing gap between these two groups. We are not a tourist town. We're a city with world class destinations and attractions which contribute to residential quality of life, and which also has special meaning for people living outside of Duluth. We can reposition the story of this community in a way that brings these two groups closer together and also more clearly demonstrate the value a thriving tourism sector brings to our residents.

As a community we have endless possibilities for growth in the tourism and hospitality realm. I'm eager to amplify our successes and continue to shine bright as the best city to live, work, invest and play in the state of MN.

