



Fayetteville A&P Commission
PO Box 4157
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TO: Fayetteville A & P Commissioners

FROM: Marilyn Heifner, Executive Director

RE: Management Proposal from Fayetteville Chamber of Commerce

I strongly believe that the Fayetteville Advertising and Promotion Commission is in better shape than it has ever been before. We have received accreditation from DMAI (Destination Management Association International), making us one of 2 accredited organizations in the state and one of only 180 nationally. This accreditation requires DMOs to evaluate and define not only their policies and procedures, but also determine their guiding principles and solidify their importance to their communities in all areas. The accreditation includes compliance across 16 disciplines, composed of 53 mandatory standards and is globally recognized as the highest achievement in destination excellence.

Within the last two years, the Commission has examined our procedures and we have made changes to make us more effective. The CVB, Clinton House Museum and Town Center staff is top notch and excels in every area. The budget is stable and the bonds for the regional park and Walton Arts Center have just been sold thus insuring improvements to our attractions. Our accounting has passed the audits and merged as a component unit into the City budget flawlessly.

In 2013, the CVB worked with and tracked completed events and meetings which totaled \$20,241,684 in economic impact. Year to date figures for the same are \$33,419,570. This does not include Bikes, Blues and BBQ or Lights of the Ozarks events.

In 2013, the staff booked future events and meetings which have an economic impact of \$29,768,248. Thus far in 2014, figures for booked events are \$31,353,026.

I highlight our current state and our recent accomplishments because I feel that it is important to acknowledge that with so much success in our efforts, it seems an inappropriate time to consider a significant change as to how our staff and efforts are managed. I do not believe it is in the best interest of the A & P Commission to enter into a management contract with the Fayetteville Chamber of Commerce.

Reasons for this belief include:

- 1) Our accreditation exceeds the ranking of the Chamber for like organizations.

- 2) The result in economic development dollars produced by our staff far exceeds the efforts the Chamber is currently producing.
- 3) We have a stable staff and excellent benefits offered to employees. We have 13 staff members with 6 who have been here 5 years or more. The staff has expressed that they do not wish to be Chamber employees.
- 4) Our budget exceeds that of the Chamber. The Chamber budget is \$1,077,298 and our budget exceeds \$3,100,000. To be managed by them might be considered subsidizing the Chamber operations, which is against state law.
- 5) Our financials follow the GFO (governmental financial standards). This is a much more complicated system to integrate into the city budget than merely doing financials for a small business like the Chamber.
- 6) We do not have to, nor should we, strive to be more like Rogers or Springdale. As tourist promotion organizations, they are where we were 20 years ago. Springdale has one tourism employee and collects approximately \$300,000 a year. Rogers has 3 tourism employees and collected \$680,903.98. Instead, we should strive to be like Austin, Charlotte, Kansas City, and Denver. Let's set the bar high and seek to reach those goals.

Destination Marketing Organizations (DMOs aka A & Ps, CVBs, etc.) and Economic Development Organizations (EDOs aka Chambers of Commerce) are different animals. The 2013 market for DMOs was 1,600,000,000 person trips in the U. S. The market for EDOs was only 5,786 locations in U. S.

The source of funding is different – DMOs have a regular stream of tax revenues. EDOs depend on a mix of public and private sources (including governmental budget appropriations and fund raising efforts).

However, the goals of both organizations overlap in job creation, economic well-being of the community, and developing a better quality of life for citizens.

I would offer as an alternative to being managed by the Chamber – 5 practical ways for us to work together.

- 1) Brand building – I suggest that the Chamber and the A & P Commission develop a brand that will be used by both to market Fayetteville. We're both in the business of marketing Fayetteville. Though the decisions we aim to influence are different, the brand could strengthen our image and we could speak with one voice.
- 2) Communication – sharing ideas. The President and Executive Director could meet monthly to discuss ideas, concerns, etc.
- 3) Collaboration on development of new attractions, new hotels, new restaurants – work together to pursue hotel, restaurant, and attraction investments which benefit the community. The A & P and the Chamber both have data which could be useful to potential new businesses. Traveler attractions are the same reasons a CEO chooses a place to put his business.

- 4) Raising the quality of life for residents – the America in Bloom program evaluation offered suggestions which both entities could work on to improve the quality of life for local citizens. I would suggest that those suggestions be studied to see which ones could be implemented by both organizations working together.
- 5) Manage a mix of separate and combined special events, media interviews, and influencer meetings. Identify and pursue ideas that align with our targeted audiences.