

FY2015 and FY 2016 Oversight Questions

Destination DC

1. Please provide a list of the Destination DC's current board members and executive board. For each member, please provide the following:
 - Name;
 - Seat type;
 - Whether the member is a District Resident;
 - Whether the member is also a member of the executive board;
 - When the member's term started and expires; and
 - Attendance record for calendar year 2015 and 2016 to date.

(See Attachment #1)

2. Please provide a list of the board's meeting dates, times, and locations for FY 2015 and FY 2016.

(See Attachment #2)

3. Please provide a list of Destination DC members and signature partners. Please provide a copy of the Member events calendar for FY 2015 and FY 2016.

(See Attachment #3)

4. Please provide a list, and addresses of all offices you maintain.

901 7th Street, NW Washington DC 20001

5. Please provide an organizational chart and current Schedule A or its equivalent. Please provide name, title or position description, position status, and salary and benefit information for each employee. Please also include a complete, up-to-date organizational chart for each division within the agency (if applicable) and an explanation of the roles and responsibilities for each division and subdivision.
 - Please include a list of the employees (name and title) for each subdivision and the number of vacant positions.
 - Please provide a narrative explanation of any organizational changes made during the previous year.
 - Please provide a complete, up-to-date position listing for your agency, which includes the following information:
 - Title of position;
 - Name of employee or statement that the position is vacant, unfunded, or proposed;
 - Date employee began in position;

- Salary and fringe benefits, including the specific grade, series, and step of position; and
- Job status (continuing/term/temporary/contract).

Please list this information by program and activity

6. Please provide the following:

- A list of all employees who receive cellphones, personal digital assistants, or similar communications devices at agency expense;
- A list of all vehicles (year, make, model) owned, leased or otherwise used by the agency and to whom the vehicle is assigned. Please include lease amount (if applicable) and date the lease expires;
- A list of employee bonuses or special award pay granted in FY 2015 and FY 2016, to date;
- A list of travel expenses, arranged by employee; and
- A list of total overtime and workman's compensation payments paid in FY 2015 and FY 2016, to date.

(See Attachment #4)

7. Please provide budget information showing your agency's approved budget and actual spending, by division, for FY 2015 and FY 2016, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures.

(See Attachment #5)

8. How many of your employees are District residents?

(See Attachment #6)

9. Please provide a breakdown of tourist and group visits for 2014 and 2015 (if available), and projections for 2016. What measurements are used to track each? How do the numbers for 2014 and 2015 (if available) compare to the projections for these years?

Destination DC does not have a breakdown on the number of group vs. individual tourists, but can share some insight into business and leisure visitors. In 2014, the most recent year for which we have data, business visitors made up 43% of the District's total domestic visitation. Business and leisure visitation is calculated by D.K. Shifflet & Associates. They have a panel of more than 50,000 Americans, to whom they ask about their travel in the last three months (destination, reason, length, spending, etc.) in a quarterly survey. That data is then used to determine the number of visitors who come to DC each year, as well as the breakdown between business and leisure. DDC does not have projections on the breakdown of business vs. leisure visitors for 2015 or 2016 at this time, as those projections come in for total domestic visitors only. The last projection for domestic visitors for 2014 (received in August 2014) was 17.7 million. The actual

domestic visitation was 18.3 million in 2014, so 0.6 million more domestic visitors visited the District than the projection.

10. How many visitors did we see in 2014 and 2015 (if available)? How does this compare with other major metropolitan areas, such as New York? How many visitors are projected for 2016? How many should we see in our city each year?

Washington, DC welcomed 20.2 million visitors (domestic and overseas) for 2014. Comparisons are difficult to make for total visitation, as cities define visitors differently (some count overnight only, some include day visitors; some include only the city, others include the county; some include domestic only, some do or do not include Canada; some use external vendors to determine their number, others use a combination of different sources and calculate it internally). Destination DC counts day and overnight visitors to the District of Columbia only (without including commuters to work or school). Below are the visitation counts that each jurisdiction released for 2014:

1. Orlando, FL: 62 million
2. New York, NY: 56.4 million
3. Chicago, IL: 50.2 million
4. Atlanta, GA: 48 million
5. Anaheim/Orange Count, CA: 46 million
6. Los Angeles, CA: 44.2 million
7. Las Vegas, NV: 41.1 million
8. Greater Philadelphia, PA: 39.7 million
9. San Diego County, CA: 33.1 million
10. Dallas- Ft. Worth, TX: 25 million
11. Washington, DC: 20.2 million
12. Seattle, WA: 19.2 million
13. San Francisco, CA: 18.0 million
14. Boston, MA: 16.3 million
15. Houston, TX: 14.8 million
16. Greater Miami and the Beaches, FL: 14.6 million
17. Portland, OR: 8.6 million
18. Hawaii: 8.3 million
19. St. Petersburg/Clearwater, FL: 5.9 million

11. Please provide a copy of your 2016 Marketing Plan and marketing outlook presentation. (See Attachment #7) What's new for 2016?

Destination DC will be updating the creative for the DC Cool campaign with new brand guidelines, imagery and a redesigned washington.org. The new look DC Cool campaign will launch in summer 2016 campaign. Otherwise, DDC will continue to focus on the things that

make the city “DC Cool.” DDC and its website redevelopment agency, MMGY Global, have been hard at work on the redesign of washington.org. After executing an extensive discovery process, including departmental interviews, MMGY returned to DDC to begin a comprehensive wire-framing phase to address all of the requirements outlined in the initial RFP. Most recently, DDC has begun reviewing and approving design comps for the newly imagined website. DDC is also initiating the start of the content migration process that includes the production and commission of new content. Overall the project is running very smoothly with the anticipated launch unchanged.

12. Please provide a copy of your FY 2016 Goals presentation, and/including a copy of the FY 2016 goals. How is DDC performing compared to FY 2016 goals? How did DDC perform for FY 2015 compared to goals?

(See Attachment #8)

13. Please provide a copy of the most recent annual ROI study by Destination Analysts. Please comment on any highlights or changes/updates.

(See Attachment #9)

Destination Analysts conducted Destination DC’s ROI Study again in FY2015, using the same methodology as in past years. This methodology uses an online survey, and includes only the visitor spending and associated local taxes of those who visited the District and were influenced to visit as a result of seeing DDC’s ads. Anyone who had already decided to come to the city before seeing the ads or who came for other reasons are excluded from the calculation. Only spending that occurred in the District is included in the return on investment numbers. The \$4 million in additional allocation received from the council was spent on the spring and summer campaigns, and produced \$138.1 million in visitor spending, translating to \$10.6 million in local taxes. Overall, for every \$1 spent on the campaign, \$34.52 was generated in the city in visitor spending, and \$2.65 came back to the city in local taxes on that visitor spending (up from \$2.54 in FY2014). Advertising recall was up to 32.5% in FY2015 (up from 30.8% in FY2014). The study covered New York City, Boston, Philadelphia, Richmond, VA and Chicago (which was a new market for FY2015).

14. Please describe your Customer Advisory Board – who facilitates meetings? How often are meetings held, or how is feedback provided or received and acted upon? What feedback have you received from your Customer Advisory Board with regards to challenges in booking business in the District? What changes have you made in FY 2015 or FY 2016, to date based on this feedback?

Our Customer Advisory Board exists for the International market and meets annually to gain insight and offer constructive feedback on the city’s position as an international meetings destination.

Objectives:

- Advise on content, messaging and effective delivery of the Washington, DC image internationally
- Increase knowledge on market trends and industry data
- Gain recommendations on current strategies including top target segments, geographical markets and strategic partnerships
- Introductions to customers, influencers and decision makers
- Be effective liaisons with international organizations that have business potential
- Grow Washington, DC's share of successful international congress bids

The Advisory board identified our largest challenge as the perception, education and communication of Washington DC as an international destination.

After our Inaugural International Client Advisory Board meeting in March, 2015 we have adapted the following strategies/tactics based on their feedback:

- Defined market penetration
- Global partnerships to expand reach
- Sponsorship of International Association of Professional Congress Organizers for added exposure
- Direct market strategy for incentive market
- Participation in tradeshow where we were not previously present

15. Please provide a copy of your budget for recent office renovations, and the source of funding in your Fiscal Year budget for the renovations. How long have you been located in this office space? Additionally, please provide a date and description for any and all previous office renovations while in this office space, if applicable.

DDC occupied the current location since late 2003 and will occupy another 12 years starting March 2015 until March 2027. There were no previous office renovations since DDC office occupied the current office space. Approximately \$65,000 exceeding the tenant improvement dollars provided by the landlord has been budgeted under a special project account in the Finance & Administration department.

(See Attachment #10)

16. Please provide a copy of Destination DC's production report for the 2015 Cherry Blossom Festival. What is the budget for Destination DC Cherry Blossom Festival marketing efforts for 2016?

NCBF Bookings on NCBF.org

Date Range: Booked Jan 1 -April 30

Room Nights

Year	January	February	March	April (1-30)	TOTAL
2015	39	77	179	47	342
2014	48	111	207	106	472
2013	88	122	402	156	768

- Destination DC spend: \$400,000 on advertising for our spring campaign from March 1-April 30, 2015. This campaign includes promoting the National Cherry Blossom Festival special hotel packages.
- In FY2016, a total of \$428,000 will be spent on advertising for the spring campaign which runs beginning in late February through April. The advertising will be seen in a range of top digital sites and print publications (Ex. *Arrive*, *Southern Living*, *Boston*, *New York* and *Philadelphia* magazines, *New Yorker.com*, *NYMag.com*, *NYTimes.com*, *Passport.com* and *PhillyMag.com*.) In addition, there will be a consumer event in New York, DC's largest visitor market, to encourage visitation to the city this spring.
- We track all hotel packages that are made from www.Nationalcherryblossomfestival.org and Washington.org/spring
- The marketing dollars only reflect the advertising buys and do not reflect the Destination DC resources used to promote the National Cherry Blossom Festival through: Media and consumer events/Facebook posts/Twitter posts and other forms of social media partnerships

17. Please provide the following information for all contracts entered into by Destination DC during FY 2015 and FY 2016, to date:

- Name of Vendor;
- Indicate whether the vendor is a Certified Business Enterprise;
- Indicate whether the vendor is a District-based business;
- Purpose of the contract, including consulting purposes;

- Agency employee responsible for monitoring the contract;
- Contract term;
- Contract cost, including budgeted amount and actual spent;
- Funding source; and
- Whether the contract was competitively bid

(See Attachment #11)

18. Please provide an update on your contract with Events DC (renewed February 2014). Please describe any and all activities conducted pursuant to this contract in 2015 and 2016, to date. Please provide a list and copies of all reports, plans presentations or analysis DDC has provided as a part of the contract for 2015 and 2016 Please provide a copy of approved budgets for 2015 and 2016. Please provide a copy of an addendums or updates to the 2014 contract.

(See Attachment #12)

19. Please describe any pending litigation.

There is no pending litigation.

20. Please list and describe any ongoing investigations, audits, or reports on your agency or any employee of your agency; or any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed during FY 2015 or FY 2016, to date.

(See Attachment #13)

21. What challenges does Destination DC face?

- US Visa entry restrictions
- Lucrative bid proposals from competing countries
- Continuous Education of International groups
- Inbound direct air flights
- Compliance and corporate travel approval
- Strength of US Dollar
- Competition from other first tier cities
- Having a budget that is disadvantageous at competing against other first tier cities
- More convention centers diluting the marketplace in 2nd and 3rd tier cities (i.e. Cleveland Medical Mart)
- Meeting planners are conservative in blocking hotels and delayed signing of contracts
- Hotels not participating in citywide blocks
- Expanding convention Centers
- New Inventory/Hotels in competitive markets

- In house Bookings standing in the way of citywide successes
- Hotel community too selective in citywide evaluation
- Education still needed for planners on how a CVB CSM can assist them
- Customers traveling with third party companies and not using our services
- Attendees booking outside room blocks
- Meeting planners, specifically government use less established staffing companies due to military or government benefits
- Meeting planners waiting until the last minute to schedule staffing needs
- Customer extranet usage education
- Competitive registration landscape
- Contract cycles for annual's in DC are standing in the way of housing capturing share

22. What are the financial benefits (ROI, etc.) to DC for any advertising promotions on social media or otherwise by Destination DC for events, attractions or locations not within the District of Columbia? Aside from membership fees, what revenue does Destination DC receive from any entity outside of the District of Columbia border (please provide descriptions and amounts)?

Destination DC's advertising for the Spring and Summer (using the city's additional allocation each year) is measured using the ROI study that Destination Analysts conducts. In the past, visitors who came to the city and were influenced to visit by the ads are asked about their spending outside of the District as well, allowing us to measure the impact of our advertising on the surrounding areas. In 2014 (the most recent year for which this data is available), the District alone received \$98 million in visitor spending from those influenced by the ads. As a comparison, the surrounding counties outside of the District received \$22 million (so 18% of all of the spending by these visitors in DC and the surrounding areas.

The M&C team makes every effort to highlight the District itself using funds from entities within the District. The M&C team hosted opportunities for partners to share the cost of advertising with Destination DC throughout FY15, and all of the partners who participated were in the District.

Destination DC does not generally execute paid social promotions on behalf of our membership. In some instances members participating in a Destination DC promotion such as a contest are included in paid promotion. For example, a hotel member providing the accommodations portion of prize package may be promoted alongside the overall promotion of the contest. Additionally, while the social media team makes an effort to promote sites and events within the District where possible for our Tweets/posts, there are certain times DDC has promoted things on social outside of the District. These have included pictures of the 9/11 Pentagon Memorial on Sept. 11, tickets to the Quicken Loans National, a DC metro area golf tournament, Loudoun County wine country and deals for members like Strathmore.

- Metropolitan Washington Airport Authority - \$150,000 per agreement
- aRes (based on online sales) - \$27,000 per sales volume
- Miles (advertising agency) - \$135,000 per agreement
- American Express - \$100,000 per agreement
- Big Bus Tours - \$75,0000 per agreement
- Madame Tussauds (parent company Merlin Entertainment) - \$25,000 per agreement

23. Please provide an update on the IPW conference in 2017.

- IPW funding has been approved by DC Government at \$3.5 million. The dollars are to be matched to release the funds.
- Destination DC currently has \$2.0 million verbally committed: Virginia Tourism/Maryland Tourism/Metropolitan Washington Airports Authority/BrandUSA
- Destination DC is in the process of executing IPW 2016 initiatives to include:
 - Key VIP/Government officials
 - Advance marketing promotions to build enthusiasm for 2017
- Planning and execution strategies are underway to fulfill all requirements of the city to host IPW 2017.

24. What can the city do to help prepare for any upcoming conferences or marketing efforts?

- Offer letters of support for potential bids
- Video invitations for potential bids
- Offer welcome letters to the delegates of upcoming meetings & conventions
- Meet with customers to help secure bids and give firsthand account of cities interest and opportunities.
- Keep Destination DC Informed on initiatives surrounding our 4 greatest market segments...Technology, Medical, Education and Biotech/Pharmaceutical.
- Support the Franchise Tax Abatement for Digestive Disease Week

25. Please list any awards or accolades you have received or been nominated for in the past year.

None.