



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services

DATE: January 19, 2012

SUBJECT: Supplemental Memorandum on Additional Staffing for Tourism Promotion Tasks and Associated Budget Amendment

Introduction and Background

A memorandum regarding the provision of additional staffing for tourism promotion tasks was presented to the Committee of the Whole on December 12, 2011. At that meeting, the Committee of the Whole asked to keep the item in Committee pending provision of additional information on the specific management approach for tourism marketing and promotion. In response, this memorandum provides more information on a comprehensive management plan related to additional tourism marketing and promotion efforts.

In the memorandum presented on December 12, staff presented a plan for the City of Urbana/Community Development Services Department to take on some of the functions that were previously undertaken by the Champaign County Convention and Visitors Bureau. In reviewing these functions, staff and the Mayor have been evaluating the staffing and resources necessary to conduct additional tourism marketing and promotion activities.

Some level of additional staffing is desirable if the City plans to effectively expand its efforts in tourism marketing and promotion. While current staff is engaged in many of these activities, these efforts are primarily related to specific programs such as Market at the Square and the Public Arts Program, rather than being focused on tourist attraction for the whole community. Because staff is currently engaged in these and similar activities, a realignment and repositioning of current staff efforts coupled with a modest adjustment of proposed new staffing will allow the City to successfully take on an expanded role related to tourism market and promotion.

Additional assistance on these tasks has also been requested from the Urbana Business Association (UBA) as part of the City's annual agreement for promotion and marketing services with the UBA approved on December 19, 2011. The UBA has now hired Cynthia Johnson as their new Executive Director. Cynthia formerly worked for the Champaign County Chamber of Commerce, Sage Technologies, PersonalCare, and has a degree in marketing. The organization is also staffed by a marketing/events director and a marketing/events assistant. The City of Urbana has sought support from the UBA for visitor and tourism promotion tasks to be

conducted in conjunction with City staff. The UBA has eagerly taken on this new focus and looks forward to working with City staff on execution.

Discussion

Urbana staff would perform and coordinate with the UBA some of the following marketing and promotion tasks:

Brochure and Publication Development: Each year, Community Development staff prepare publications to welcome students and new residents to the City. This year, the City direct mailed the brochure entitled “Living in Urbana” to new residents, and staff are hand delivering “Welcome to Urbana” to hotels and destinations throughout the city. New brochures need to be developed and/or existing ones distributed to promote Urbana’s many fine restaurants, the downtown arts district and the Joseph W. Royer Arts and Architectural District. These brochures should be placed in Urbana hotels and in some selected Champaign hotels.

Working with a committee and a consultant, the City recently completed a specialty brochure and podcast entitled “In Lincoln’s Shadow, A Walking Tour of Historic Urbana, Illinois.” This document will be of special interest to visitors and should be made available at local hotels. Another excellent model for brochure development is the Pygmalion Festival guidebook, which includes fun reviews of local restaurants and venues. City staff could work with partners at UBA and event promoters to produce and distribute a similar guidebook.

Social Media: Another critical way to reach visitors and customers is the use of social media. Our Farmer’s Market and Public Arts Program are examples of the dynamic use of this media, with regular facebook postings, tweets, web presence, webcast interviews, and a blogspot. Both UBA and the City’s public arts program make use of electronic newsletters with wide distribution. We can employ these same techniques to other venues and events in the City. In addition, use of smart phone apps for visitors is on the rise and can be employed through hosts such as Yelp and UBA. The City of Evanston has recently developed a smartphone app for its downtown merchants and restaurants and is happy to share this model with us.

Business District Promotion: Community Development and the Urbana Business Association (which receives \$95,000 in city funding annually), can coordinate efforts to develop a unified marketing strategy for our downtown, Philo Road Business District and the Krannert Center District. The annual agreement for promotion and marketing services between the City of Urbana and the UBA incorporated activities related to tourism marketing and promotion. The City is also currently working with UBA’s new executive director, Cynthia Johnson, to make sure that tourism promotion is a key part of that job. For example, requests for information from potential visitors could be directed to the UBA.

Krannert Promotion: While the University of Illinois spends considerable amounts of money promoting events at the Krannert Center for the Performing Arts, the City can also promote this venue that attracts more than 300,000 visitors annually. For example, the city should seek to draw those visitors to Urbana restaurants and hotels after a performance. City staff can work with the Krannert Center District and the University to dedicate efforts in this area.

City Website: The city can better develop the “visitors” section of the city website, www.urbanaininois.us to promote tourist attractions, city festivals, local hotels and restaurants. Links to the websites of local businesses should be included. The city might also want to consider developing a new Urbana tourism website, and developing other social media to promote Urbana tourist spots.

Convention/Meeting Promotion: City and UBA staff can work together to service the conventions and meetings that frequent our local hotels and meeting venues. We can provide information about local venues and events and help to make visitors feel welcome. Urbana can work regularly with our hotels and motels to ensure that these services are provided.

Sister City Coordination: Urbana already has a Sister City relationship with Malawi, Africa, and we are committed to developing a Sister City relationship with a city in China. Community Development can lead, coordinate, administer and leverage Urbana’s Sister City relationships to advance economic development and tourism and promote goodwill.

Urbana Public Television: UPTV is a currently a resource to the community for production and broadcast of materials. With coordination, UPTV could also be a resource for production and broadcast of tourism related materials, including coverage of events, venues, and other items of interest.

Staffing

As discussed in the memo presented on December 12, 2011, two staffing changes and assistance from the UBA would position the City to expand marketing and promotion activities. One change would be to increase the Public Arts Coordinator position from three-quarters time to full-time. This would allow the Public Arts Coordinator, who has expressed a desire to work full-time, to increase efforts related to marketing and cultural events promotion as well as arts programming at the Market at the Square. Under this scenario, the additional funding necessary to increase the position to full-time (estimated at \$14,120 annually) would be split between the Market at the Square (\$7,060 annually) and the General Fund (\$7,060 annually). As there are approximately five months left in FY 11-12, the total fiscal impact of this change in FY 11-12 is \$5,884 (\$2,942 to the General Fund and \$2,942 to the Market at the Square).

The other proposed staffing change would be to hire a part-time (without benefits) Community Marketing Associate for up to 25 hours per week to help expand the City’s marketing and promotion activities. The skills necessary for this position will include a marketing background, professional use of social media, graphic design, the ability to write promotional pieces (including press releases), and other general marketing and promotion skills. As this position would be engaging in both TIF and non-TIF activities, the funding for this position (approximately \$23,200 annually) is proposed to be split between the General Fund (\$11,600 annually) and TIF (\$11,600 annually). Again, because there are approximately five months left in FY 11-12, the total fiscal impact of this change in FY 11-12 is \$9,668 (\$4,834 to the General Fund and \$4,834 to the TIF).

Management Approach

The two proposed staffing changes detailed here coupled with increased assistance from the UBA will allow for the Economic Development Division to take on a focused, team approach to tourism promotion and marketing efforts for the City of Urbana under the direction of the Economic Development Manager. One of the current key functions of the Economic Development Division is our business retention program and attendance at networking events. These efforts involve meeting with and forming relationships with businesses and organizations throughout the community. This key function of economic development has allowed staff to lay the foundation for the relationships necessary to promote and market the community. For example, while the Public Arts Coordinator has relationships with the CU Folk and Roots Festival, the Pygmalion Music Festival, the Krannert Center for the Performing Arts and others, the proposed change would allow for more time to foster those relationships related to tourism marketing and promotion. Likewise, the Economic Development Division and Community Development Services staff have relationships with hotels and event venues such as Alice Campbell Alumni Center, the Spurlock Museum, the Krannert Center for the Performing Arts, the Holiday Inn Hotel and Conference Center, Eastland Suites Hotel and Conference Center, 88 Broadway, the Urbana Park District, the Urbana School District, and others. The new Community Marketing Associate would work under the supervision of the Economic Development Manager and with the guidance and support of the Economic Development Specialist/Market at the Square Director and the Public Arts Coordinator to help build on and foster those relationships related to tourism marketing and promotion.

Another important part of an expanded tourism marketing and promotion effort are the actual marketing and promotional materials. These range from print materials to an internet and social networking presence. As has been mentioned above, the Economic Development Division and the Community Development Services Department regularly produce print materials, both internally and with the assistance of marketing consultants and graphic designers. It is expected that the Economic Development Specialist/Market at the Square Director and the Public Arts Coordinator will continue to design and produce attractive print materials, and the Community Marketing Associate will also be available to design and produce materials. In addition, the Community Marketing Associate will distribute marketing and promotional materials to hotels, businesses, and venues throughout the community.

Related to tourism marketing and promotion, the internet and social media have become increasingly important. As has been mentioned above, the Economic Development Specialist/Market at the Square Director and the Public Arts Coordinator have done an excellent job maintaining their respective portions of the City's website and maintaining a social networking presence related to their programs. Existing staff will assist the Community Marketing Associate with building an internet and social media presence related to expanded tourism marketing and promotion efforts.

The City of Urbana, the Community Development Services Department, and the Economic Development Division have been successful in securing grants for various efforts. Under the direction of the Economic Development Manager, and with the support of existing City staff, the Community Marketing Associate will explore grant opportunities to support expanded marketing and promotion efforts.

Finally, City staff have, and will continue to work with the UBA. The annual agreement with UBA that was approved in December 2011 included a section that outlined activities related to tourism marketing and promotion. Such activities may include, but are not limited to, production and distribution of marketing materials, promoting Urbana through the use of the internet and social media, researching new and innovative methods of marketing and promotion, coordinating with hotel/motel properties, working with event venues, and coordinating with special event promoters. The UBA has been exploring the possibility of developing a smartphone app related to assisting visitors and residents with tourism related events, businesses, and venues. Additionally, representatives of the Urbana Park District and the Urbana School District will be joining the UBA board in January. This should allow for a more coordinated effort to market and promote the many benefits to living, working, and playing in Urbana.

While it is unrealistic to expect approximately one full-time equivalent of additional City staffing and a renewed focus for UBA to replace tourism marketing and promotion services that might be conducted for all of Champaign County, an expanded City program would have a more specific geographic focus and would have access to the resources, support, and infrastructure available through the City of Urbana. In addition, an expanded City tourism marketing and promotion program would be more responsive and accountable to Urbana's citizens, businesses, Mayor, and City Council. If approved, these changes can be revisited next year and expanded or adjusted as warranted.

Fiscal Impact

Additional funding will be necessary to accommodate the proposed staffing changes. In order to increase the Public Arts Coordinator position from three-quarters time to full-time, increased funding of approximately **\$14,120** annually will be necessary. It is proposed that \$7,060 from the General Fund and \$7,060 from the Market at the Square will fund the \$14,120 annually. As there are approximately five months left in the fiscal year, the total impact for FY 11-12 is **\$5,884**, with \$2,942 from the General Fund and \$2,942 from the Market at the Square.

The Community Marketing Associate would be a temporary, 25 hour per week position. Because this position would not include health insurance benefits, it is estimated that a \$15.00 per hour wage would result in an annual cost of approximately **\$23,200**. With this position engaging in both TIF and non-TIF activities, it is proposed that the \$23,200 be funded 50% (\$11,600 annually) by the General Fund and 50% (\$11,600 annually) by TIF. Again, as there are approximately five months left in the fiscal year, the total impact for FY 11-12 is **\$9,668**, with \$4,834 from the General Fund and \$4,834 from TIF.

While working with the UBA to focus on new activities resulted in a modified annual agreement, it did not change the level of funding available through the agreement. UBA funding for this fiscal year was approved as part of the FY 11-12 budget process.

These proposed changes result in approximately \$18,660 in impact to the General Fund annually (\$7,776 for FY 11-12), \$11,600 to TIF annually (\$4,834 for FY 11-12), and \$7,060 to the Market at the Square annually (\$2,942 for FY 11-12), for a total fiscal impact to the City of **\$37,320** annually (**\$15,552 for FY 11-12**). A budget amendment regarding the above funding is attached.

Options

1. Approve the attached budget amendment.
2. Approve the attached budget amendment with changes.
3. Deny the attached budget amendment.

Recommendation

Staff recommends that City Council approve the attached budget amendment.

Prepared by:

Tom Carrino, Economic Development Manager

Attachments: Budget Amendment Ordinance

ORDINANCE No. 2011-12-135

**AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE
(TOURISM PROMOTION)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2011, and ending June 30, 2012, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND: General Fund, C.D., Tourism Promotion Program

ADD EXPENSE: Personnel Services \$15,552

ADD REV: Transfer from Farmer's Market \$2,942

Transfer from TIF \$4,834

REDUCE: Fund Balance \$7,776

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor