



December, 2008

**Greater Mankato Convention & Visitors Bureau, LLC
Progress Report**

Overview

The Greater Mankato Convention & Visitors Bureau (CVB) has had a very productive year serving as a leader of the visitor economy. The CVB's efforts are focused on attracting overnight visitors for conventions, tournaments or general tourism in order to create an economic impact for the community.

The Cities of Mankato and North Mankato each levy a 3% lodging tax for the specific purpose of promoting Greater Mankato as a visitor destination. 95% of the lodging tax collected is then distributed to the CVB to fund convention & visitor related activities. The lodging tax revenue represents nearly the entire source of revenues for the CVB. Of that, 89% comes from the City of Mankato, while 11% comes from the City of North Mankato. The estimated year end revenue from lodging tax for 2008 is expected to have an increase of 7% over 2007.

**Approximations pending 2008 year end auditor's report to be released March 2009.*

Resource Allocation

Of the CVB's budget, it is allocated as follows:

Overhead - \$48,033.36, 12%

Personnel - \$178,450.75, 43%

Sales & Marketing - \$185,816.26, 45%

Looked at through the CVB's three lines of business, the dollars are directed in the following manner:

Conventions - \$68,033.93, 37%

Tournaments - \$92,431.66, 50%

Tourism - \$25,350.67, 14%

As a result of the CVB investment, the economic impact for 2008 increased by more than 10% to \$8,765,707. What that means is that for every dollar spent by the CVB the result was \$19.49 in economic impact to the Greater Mankato community.

CVB Activities

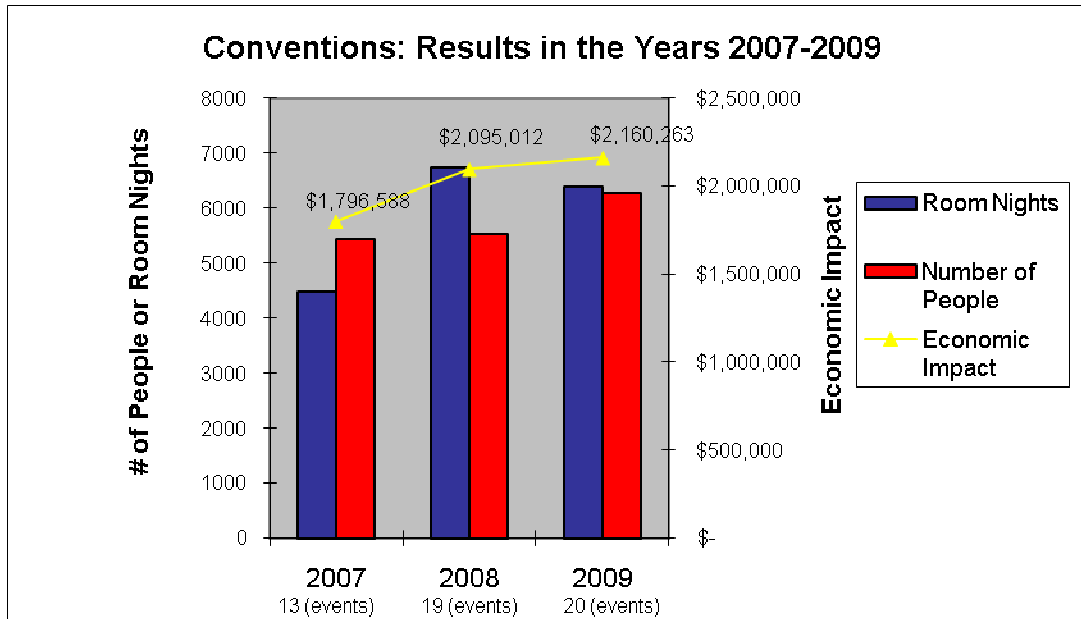
Conventions

The CVB provides a one stop shop for convention/conference planners. Staff provide a number of services from venue selection, securing hotel room blocks, finding entertainment, coordinating transportation between properties, down to compiling visitor information and name tags.

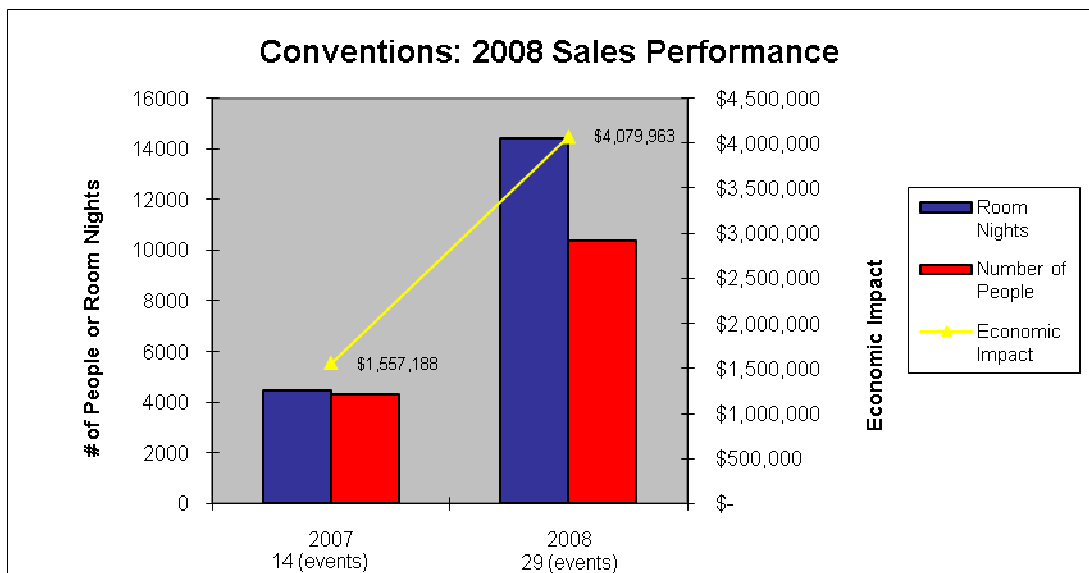
Conventions are typically booked out at least 12 months in advance. The measurables can be a little complex, as they can be broken down in many ways. For the purpose of this report the most straight forward deliverables will be addressed. The challenge with simply looking at the sales generated is that those numbers do not necessarily reflect the true productivity of the marketing and sales of the CVB. Even though a planner may contact our office inquiring about coming here for a meeting, which shows success on our marketing side, a sale is not guaranteed due to the inability to find the proper venue for their needs or when they need it.

The following chart illustrates the number of hotel room nights, number of people and the economic impact the community experienced or will experience by year end in 2007, 2008 and 2009 from the events that occurred in those respective years.

In 2008 you will see an increase of 17% in the economic impact generated by the 46% increase in booked events.



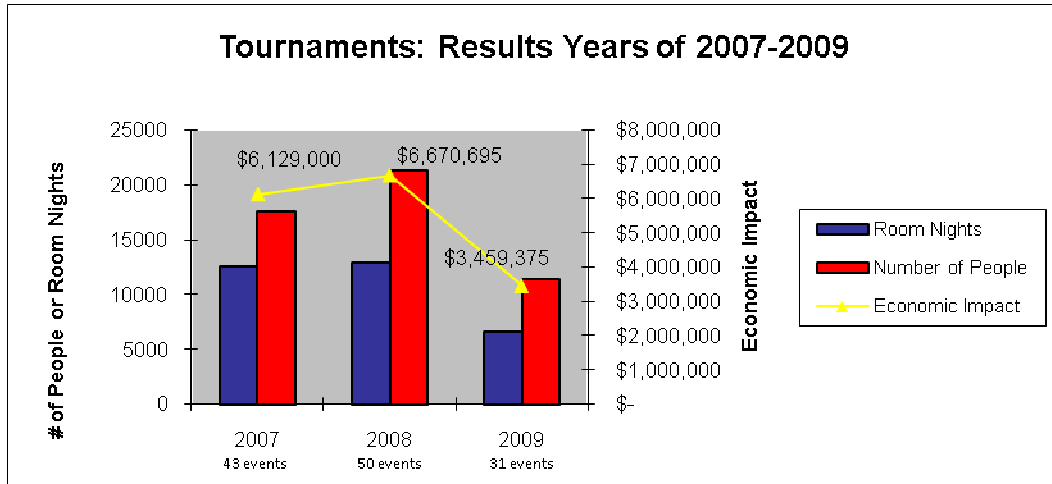
As mentioned earlier the convention sales often secure events that will occur during the next 3 years. An example of their success is the number of sales accomplished over the year regardless of when the event will take place. The next chart shows the sales performance of 2008 compared to the sales performance in 2007. In 2008, the sales staff secured 15 more events than the previous year, reflecting a 162% increase in economic impact.



Tournaments

Tournaments produce a much higher economic impact than conventions. The reason is because participants in tournaments are often followed by family, friends, and fans/spectators. In addition, the people who attend a tournament as a participant or spectator are out and about spending money in the community, rather than being confined to one facility where food and drink are already provided to them with little opportunity to engage in the community as a whole.

With the events that occurred this year the community will experience an 8% increase over 2007 in economic impact. In the chart below you will see that the 2009 numbers are projected to be lower than in 2008. Tournament sales are much different than convention sales. This is due to the fact that the tournament calendar is rarely filled out in full 1 year in advance. Most tournaments hosted by local groups are planned just months rather than years ahead of time. Looking at December 2007, 18 tournaments were planned for 2008. Compare that to 31 events already planned for 2009 in December 2008.

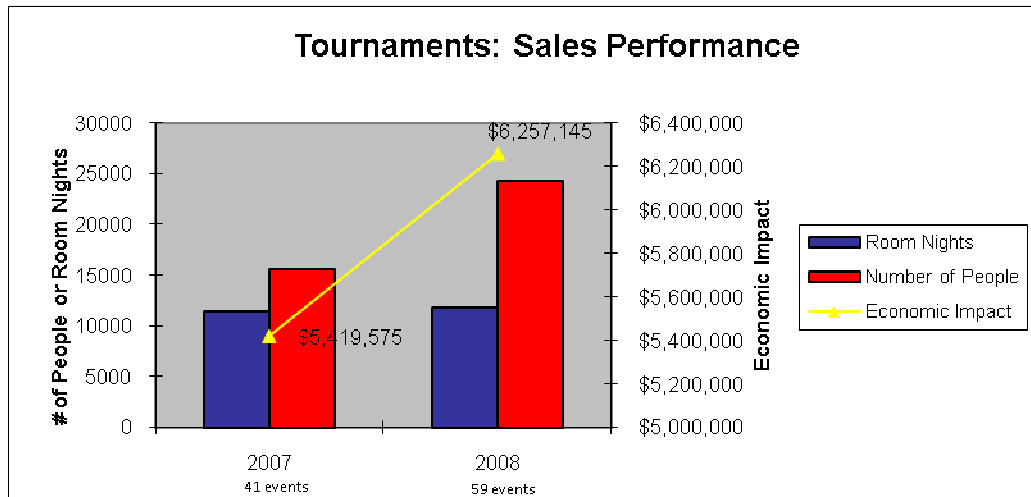


Another note about tournaments is that many of them are hosted by local athletic groups like Mankato Area Youth Baseball Association (MAYBA), Mankato Area Hockey Association (MAHA) or the MSU, Mankato basketball team for example. The CVB cares about ensuring that these groups have the ability to put on a successful event and bring in as many visitors as possible to either participate in or watch the event. For that reason, the CVB provides a number of services very similar to the services provided to meeting planners. Those services include site selection, securing hotel room blocks, providing grants for marketing or facility costs, etc. Without the CVB many of these organizations would not be able to host as many tournaments in a year. Therefore, the events that the CVB either provides services for or partners with to go beyond standard services are all included in the following charts.

Tournaments are also brought into town through direct sales by the CVB. For example, a CVB sales person followed a lead that they generated and got the North American Fastpitch Association (NAFA) World Series here in 2005. The tournament was held mostly at Caswell Park in North Mankato. Because the NAFA Tournament planners were so pleased with the Greater Mankato community, they returned in 2008 and are looking to come back again possibly in 2011. The CVB went above and beyond with this particular tournament by providing the \$26,000 bid fee and handling most of the event details before and during the event with the assistance of a local organizing committee. This tournament alone generated an estimated \$1.4 million in economic impact for the community.

Of the 50 tournaments hosted by Greater Mankato this year 16 (32%) were held in North Mankato with the remaining 34 (68%) being located in Mankato.

As with convention, 2008 has been a productive year in tournament sales. There was a 44% increase in the tournaments secured this year over 2007.



General Tourism

Tracking general tourism has always been a challenge to CVBs. The best method at this point has been tracking inquiries, how many guides have been sent out, and getting some feedback from local tourism related businesses. The chart below includes indicators of interest by potential visitors from November to November each year. The inquiries line represents the number of calls, emails or direct mail the CVB has received inquiring about attractions, a visitor guide, where to eat, etc. Visitor page hits are the number of hits our website has received. The calendar page and lodging page hits are also visits to the website. The challenge with the website is that many of these hits could be coming from locals who may be searching for local events that they are interested in or wedding facilities offered by local hotels. Fortunately, with progressively updated web analytics, these statistics can get much better as time goes on.

