BATON ROUGE LA – LA TOURISM EDUCATIONAL & MARKETING SEMINAR – JANUARY 2025

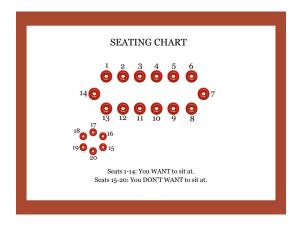


"At the Table" or "On the Menu" – Where would YOU rather be?
Baton Rouge, LA – January15, 2025

Maura Allen Gast, FCDME



THANK YOU FOR THE INVITATION TO BE WITH YOU TODAY IN BEAUTIFUL BATON ROUGE LOUISIANA – AND TO BE WITH SOME OF MY VERY FAVORITE PEOPLE. PLEASE KNOW HOW MUCH ALL OF YOU IN THIS GREAT STATE REMAIN IN OUR HEARTS AFTER THE HORRIFIC HAPPENINGS ON NEW YEAR'S DAY.



I KNOW THIS SEMINAR IS A LOT ABOUT "PREACHING TO THE CHOIR" – WE KNOW AS AN INDUSTRY THAT WHAT WE DO IS GOOD AND IT MATTERS. BUT I ALSO KNOW THAT CONVINCING OUR RESPECTIVE COMMUNITY STAKEHOLDERS OF THAT ISN'T ALWAYS AN EASY THING...



NO MATTER HOW MANY STATS OR WHAT KIND OF DATA WE THROW AT THEM...

STATS LIKE AN INDUSTRY THAT COLLECTIVELY REPRESENTS ONE OUT OF EVERY 9 JOBS IN THE UNITED STATES, AND AN INDUSTRY THAT IS AMONG THE COUNTRY'S LEADING INDUSTRIES.

LARGER THAN THE AUTO INDUSTRY, THIS COUNTRY'S NUMBER ONE EXPORT, AND WE REPRESENT ALMOST 3% OF OUR COUNTRY'S TOTAL GROSS DOMESTIC PRODUCT.

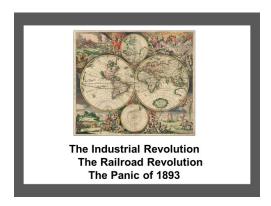
MY COMMENTS TODAY ARE GOING TO BE FRAMED IN A BIT OF OF AN HISTORIC CONTEXT BECAUSE "CONTEXT" IS IMPORTANT IN UNDERSTANDING HOW THE CVB — OR DMO - SIDE OF THE INDUSTRY CAME TO BE, IN THEN BETTER UNDERSTANDING THE ROLE WE PLAY BACK IN THE COMMUNITY.

AND THEN IN THINKING ABOUT COLLECTIVELY HOW THE COMMUNITY WITH US, AND US WITH THE COMMUNITY, WORK TOGETHER IN MOVING OUR DESTINATIONS FORWARD.

SO, WITH THE CONTEXT OF ALL OF THAT, I'D LIKE YOU TO COME WITH ME ON A BIT OF A MAGICAL HISTORY TOUR THAT WILL TAKE US THROUGH SOME OF OUR INDUSTRY'S PAST, AN UNDERSTANDING OF HOW THINGS CHANGED ALONG THE WAY, AND HOPEFULLY PROVIDE SOME FOOD FOR THOUGHT AS ALL OF US PLAN FOR THE FUTURE OF OUR DESTINATIONS.

THERE WERE REALLY THREE KEY FACTORS THAT LED TO OUR PROFESSION AS WE KNOW IT TODAY.

COUPLED WITH SOME AMAZING SIMILARITIES TO WHAT'S GOING ON IN OUR WORLD RIGHT NOW, THEY'RE WORTH PAYING ATTENTION TO.



ONE WAS THE INDUSTRIAL REVOLUTION AND THE GROWTH OF LARGE MANUFACTURING ORGANIZATIONS CAUSED BY THE MANY TECHNOLOGICAL INNOVATIONS OF THAT AGE.

THE SECOND WAS THE GROWTH OF THE RAILROAD, AND ULTIMATELY THE HIGHWAY SYSTEM HERE IN THE US.

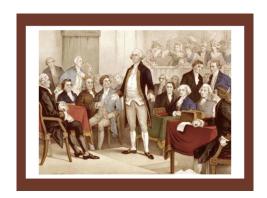
AND THE THIRD WAS THE PANIC OF 1893.



THE IDEA OF "ASSOCIATIONS" HAS HISTORICALLY BEEN AN AMERICAN CONCEPT

- THIS IDEA OF LIKE-MINDED PEOPLE WANTING TO GATHER TOGETHER IN
WHAT CAME TO BE KNOWN AS CONVENTIONS.

WHEN YOU THINK ABOUT IT, THERE HAVE BEEN MEETINGS AND CONVENTIONS OF SOME KIND TAKING PLACE SINCE RECORDED TIME. THINK ABOUT THIS COUNTRY'S BEGINNINGS – INCLUDING THE BOSTON TEA PARTY AND THE FIRST CONTINENTAL CONGRESS, AND EVERY POLITICAL GATHERING SINCE THEN.



BUT HERE IN THE U.S., THE IDEA REALLY CAME INTO ITS OWN. IT WASN'T JUST NATIONAL PARTIES GATHERING FOR POLITICAL CONVENTIONS EVERY FOUR YEARS TO NOMINATE PRESIDENTIAL CANDIDATES, BUT OTHER ORGANIZATIONS THAT WERE FINDING THE NEED TO BRING PEOPLE TOGETHER TO MEET AND DISCUSS IDEAS AND ISSUES OF COMMON INTEREST.

IN FACT, PRIOR TO THE CIVIL WAR, THERE IS RECORD OF THE WRITING PAPER MANUFACTURERS ASSOCIATION AND THE NATIONAL EDUCATION ASSOCIATION MEETING. THE AMERICAN MEDICAL ASSOCIATION WAS FORMED IN 1847 AND THE AMERICAN BAR ASSOCIATION HELD ITS FIRST MEETING IN 1878.



UNTIL THE LATE 1890S, HOWEVER, THE PEOPLE THAT MET IN ORGANIZED GATHERINGS WERE, FOR THE MOST PART, RELIGIOUS, ABOLITIONISTS, FORMER MILITARY, POLITICAL, SOCIAL AND EDUCATIONAL GROUPS, IN ADDITION TO AGRICULTURAL FAIR ATTENDEES.

MEETINGS IN THOSE DAYS WERE LIMITED IN SIZE BY THE LODGING AVAILABLE IN A PARTICULAR PLACE, SO THE LARGER MEETINGS TENDED TO BE HOUSED IN TENTS AND ATTRACTED PEOPLE THAT DIDN'T MIND THE CAMP OUT.

CIVIL WAR VETERANS, AND LAWYERS, DOCTORS OR POLITICAL GROUPS MET AT CHURCHES, EDUCATIONAL FACILITIES OR TOWN HALLS.

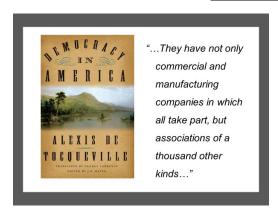


THE NUMBERS ATTENDING WERE RELATIVELY SMALL, THEIR NEED FOR A PLACE TO STAY LIMITED BY THE DURATION OF THE MEETING, THEIR WILLINGNESS TO TRAVEL LIMITED BY THE TIME IT TOOK TO GET ANYWHERE, THEIR ABILITY TO HEAR LIMITED BY THE NUMBER THAT COULD HEAR A SPEAKER'S VOICE WITHOUT ANY AMPLIFICATION TO BOOST IT.

THE REASONS FOR DIFFERENT TYPES OF PEOPLE TO MEET IN PERSON WERE RELATIVELY FEW. AND MUCH OF THE MEETINGS FOLLOWED THE AGRICULTURAL CYCLE. YOU COULDN'T THINK OF LEAVING HOME UNTIL THE CROPS WERE PLANTED, OR HARVESTED. THE NEED TO SEE SOMEONE OR SOMETHING WAS LIMITED BY TRAVEL TIME AND DISCRETIONARY TIME AND INCOME.



FOR US HERE IN THE UNITED STATES, THERE WERE MANY "UNIQUELY AMERICAN" REASONS FOR THE IDEA OF MEETING "IN CONVENTION." IN 1831, ALEXIS DE TOCQUEVILLE OBSERVED IN HIS BOOK <u>DEMOCRACY IN AMERICA</u>:



THE AMERICANS OF ALL AGES, ALL CONDITIONS, AND ALL DISPOSITIONS CONSTANTLY FORM ASSOCIATIONS. THEY HAVE NOT ONLY COMMERCIAL AND MANUFACTURING COMPANIES IN WHICH ALL TAKE PART BUT ASSOCIATIONS OF A THOUSAND OTHER KINDS – RELIGIOUS, MORAL, SERIOUS, FUTILE, RESTRICTED, ENORMOUS, OR DIMINUTIVE. THE AMERICANS MAKE ASSOCIATIONS TO GIVE ENTERTAINMENTS, TO FOUND ESTABLISHMENTS FOR EDUCATION, TO SEND MISSIONARIES TO THE ANTIPODES...

UNLIKE OUR EUROPEAN COUNTERPARTS AT THE TIME, AMERICANS WERE READY AND WILLING TO MEET AND SHARE THEIR KNOWLEDGE WITH EACH OTHER. ADDING TO THIS WILLINGNESS TO SHARE, WAS THE VAST AMOUNT OF KNOWLEDGE THERE WAS TO BE SHARED.



THINK ABOUT THE PACE OF CHANGE THAT MUST HAVE BEEN OCCURRING.
THINK ABOUT IT IN THE CONTEXT OF <u>THAT</u> TIME. THE INDUSTRIAL REVOLUTION
SPAWNED A <u>TREMENDOUS</u> GROWTH IN INFORMATION.

THE HUGE, VAST GEOGRAPHY OF THIS COUNTRY SAW THE GROWTH OF ITS RAILROADS HELP CREATE A MEETINGS AND CONVENTION BUSINESS. THE GROWTH OF THE RAILROAD MADE IT INCREASINGLY EASY FOR PEOPLE TO MEET PEOPLE THEY DIDN'T KNOW AND TO SEE THINGS THAT WERE NEVER SEEN BEFORE.

THE GROWTH OF CITIES, THE CREATION OF LARGER MANUFACTURING ORGANIZATIONS, AND THE PACE OF CHANGE ALL MADE IT DESIRABLE AND NECESSARY FOR PEOPLE TO GET TOGETHER. THERE WERE DISCUSSIONS TO BE HAD ABOUT NEW MANUFACTURING TECHNIQUES, NEW PRODUCTS TO BE SEEN, AND PROGRAMS ABOUT THE CHALLENGES OF ORGANIZING A LARGE NUMBER OF PEOPLE ALL OF WHOM NEEDED TO BE MANAGED TO DOING ONE HIGHLY SPECIALIZED TASK WELL.

AS THE RISE IN MANUFACTURING THAT RESULTED IN CREATING LARGE SCALE PRODUCTION AT SPECIFIC SITES, LED TO THE NEED TO CREATE A SALES FORCE TO MARKET THESE PRODUCTS.



MANUFACTURERS RECOGNIZED THEY NEEDED TO GET THEIR SALES PEOPLE, WHO WERE FLUNG ALL OVER THE COUNTRY, TOGETHER TO LEARN ABOUT THE NEW PRODUCTS BEING MANUFACTURED, AND ALL THE ORGANIZATIONAL RULES AND REGULATIONS THEY WORKED UNDER.

THE REVOLUTION WAS SPAWNING A NUMBER OF NEW PRODUCTS. THE PEOPLE WHO SOLD THEM NEEDED TO KNOW WHAT WAS COMING. AND THE GENERAL PUBLIC NEEDED TO KNOW THOSE NEW THINGS <u>EXISTED</u> IN ORDER TO WANT TO BUY THEM. AFTER ALL, TEMU & TIKTOK WEREN'T OPTIONS JUST YET.

CONVENTIONS AND MEETINGS WERE A <u>REVOLUTION</u> IN THE WAY INFORMATION COULD BE CREATED AND DISTRIBUTED. FROM THESE NEEDS FOR INFORMATION – AND THE NEED FOR DEVELOPING AND NURTURING RELATIONSHIPS – CAME THAT WHICH WE KNOW TODAY AS TRADE SHOWS, EXHIBITS AND INDUSTRIAL FAIRS, LIKE THE CHICAGO WORLD FAIR.

SINCE PEOPLE COULDN'T GO TO ALL THE DIFFERENT COMPANIES TO SEE AND TALK ABOUT WHAT NEW THINGS WERE BEING DEVELOPED, TRADE SHOWS AND FAIRS WERE CREATED TO BRING THESE TO THE MASSES.



AT THE TIME OF THE CHICAGO FIRE IN 1871, FEWER THAN 75 TRAINS LEFT THAT CITY EVERY DAY. BY 1885, THAT NUMBER HAD GROWN TO 178 DAILY DEPARTURES, ALONG WITH THE ADDITION OF OVER 500 MILES OF STREET RAILWAY TRACKS.

RAILROADS WERE NOT ONLY MOVING GOODS AND PRODUCTS QUICKLY ACROSS THIS VAST CONTINENT, BUT THEY COULD ALSO NOW MOVE PEOPLE. LOTS OF THEM. BEFORE THE RAILROADS, IT WAS DIFFICULT FOR PEOPLE TO MEET IN PERSON. NOW, IT WAS EASY.

WHAT USED TO TAKE DAYS AND WEEKS ON HORSEBACK OR CARRIAGE ON DUSTY ROADS, COULD NOW BE ACCOMPLISHED VIA RAIL, ALLOWING PEOPLE TO CATCH A TRAIN AND – TRAVEL LESS THAN A DAY TO MEET WITH OTHERS.



IT'S NO ACCIDENT THAT THE EARLIEST CONVENTION CITIES WERE THOSE IN THE MIDWEST. BY 1879, ST. LOUIS HAD BECOME THE 3RD LARGEST CITY IN THE US, SURPASSED ONLY BY NEW YORK AND PHILADELPHIA. ST. LOUIS BUILT THE FIRST RAILROAD BRIDGE ACROSS THE MISSISSIPPI IN 1874.

IN THE MIDWEST, PEOPLE FROM THE MAJOR POPULATION CENTERS OF THE COUNTRY COULD MEET IN LOCATIONS THAT MADE IT POSSIBLE FOR THE MOST PEOPLE TO REACH THE CONVENTION WITHIN A REASONABLE TIME FRAME.

NOW – ON TO 1893, AND THE SHAPE OF THIS COUNTRY AT THIS TIME.

WE WERE IN THE THROES OF A DEPRESSION, WHILE NOT ONE THAT REACHED THE DEPTHS OF THE ONE THAT ULTIMATELY SHOOK US IN 1929, OR THE ONE THAT MOST RECENTLY ENDED...



THIS COUNTRY WAS STRUGGLING. WE WERE STILL RECOVERING FROM THE HANGOVER THAT WAS THE CIVIL WAR, WHICH HAD ENDED JUST 40 YEARS BEFORE. A LONG TIME BY TODAY'S PACE PERHAPS, BUT IN AN ERA WHEN TIME AS WE SEE IT PASS TODAY, WAS CONSIDERABLY DIFFERENT.

OUR MEANS OF COMMUNICATING WAS LIMITED TO NEWSPAPERS, OTHER TRADITIONAL PUBLICATIONS, GOOD OLD-FASHIONED MAIL. AND IT HAD BEEN A VERY DIFFICULT CENTURY - PANICS IN 1819 AND AGAIN IN 1837, THEN THE CIVIL WAR. AND NOW THE PANIC OF 1893.

LIKE MOST MAJOR FINANCIAL DOWNTURNS, THE DEPRESSION OF THE 1890s WAS PRECEDED BY A SERIES OF SHOCKS THAT UNDERMINED PUBLIC CONFIDENCE AND WEAKENED THE ECONOMY.



IN THE LAST DAYS OF PRESIDENT <u>HARRISON</u>'S ADMINISTRATION, THE READING RAILROAD WENT INTO RECEIVERSHIP. THAT COLLAPSE WAS SOON MAGNIFIED BY THE FAILURES OF HUNDREDS OF BANKS AND BUSINESSES DEPENDENT UPON THE READING AND OTHER RAILROADS.

THE STOCK MARKET REACTED WITH A DRAMATIC PLUNGE.



FEARING FURTHER COLLAPSE, EUROPEAN INVESTORS PULLED THEIR FUNDS FROM THE UNITED STATES, BUT DEPRESSION SOON GRIPPED THE OTHER SIDE OF THE ATLANTIC AS WELL.

THE PANIC OF 1893 WAS SEVERE, WITH A RUN ON CURRENCY, AND BANKS CLOSING, AND BUSINESSES AND MANUFACTURERS NOT BEING ABLE TO OPEN BECAUSE THEY DIDN'T HAVE THE CASH TO PAY WORKERS OR BUY MATERIALS.

LIKE EVERY GOOD PANIC, THERE WERE PRECIPITOUS DECLINES IN THE STOCK MARKET, WALL STREET BROKERAGE HOUSES FAILED, AS DID 158 NATIONAL BANKS, MOSTLY IN THE SOUTH AND WEST.



THE FINANCIAL CRISIS WAS PRECIPITATED BY AN UNEXPECTED EVENT, WHEN BARING BROTHERS, A FINANCIAL HOUSE IN LONDON, DEFAULTED ON 21 MILLION ENGLISH POUNDS OF DEBT WHICH HAD BEEN COLLATERALIZED BY ITS HEAVY INVESTMENT IN ARGENTINA.

TO COVER THE DEFAULT, THE BANK OF ENGLAND BORROWED FROM THE BANK OF FRANCE, WHICH BORROWED FROM THE BANK OF IMPERIAL RUSSIA, AND IN NOVEMBER OF 1890 THERE WERE NUMEROUS BANK FAILURES AND RUN ON CURRENCY IN EUROPE.

ANY OF THIS SOUNDING FAMILIAR?



IN THE 100+ YEARS THAT HAVE PASSED SINCE THEN, A MULTITUDE OF CAUSES HAVE BEEN SAID TO HAVE CONTRIBUTED TO THE "GENERAL DISTURBANCE" IN THE MARKETS THAT OCCURRED IN 1893.



BUT TO MANY, THE PRIMARY CAUSES WERE DUE TO OVERTRADING, UNHEALTHFUL EXPANSION, <u>INVESTMENTS</u> IN SPECULATIVE SECURITIES AND IN VARIOUS FORMS OF CORPORATE ENTERPRISES AND DEVELOPMENT IN NEW AND UNTRIED FIELDS, AND IN UNDUE EXPANSION OF CREDITS BY THE BANKS.

NOW TO DETROIT, MICHIGAN IN THIS ERA.



REMEMBER THAT WE WEREN'T QUITE AN ECONOMY OF <u>ANY</u> KIND IN THIS COUNTRY JUST YET IN THE LATE 1800S.

THE REALITY IS – WE HAD BARELY GOT OUR FEET UNDER US AND WERE STILL LEARNING TO WALK FOLLOWING THE AMERICAN REVOLUTION, WHEN WE FOUND OURSELVES IN A CIVIL WAR.

OUR COUNTRY'S ECONOMY TO THIS POINT HAD BEEN BASED AS MUCH ON THE ECONOMIES OF WAR AS IT WAS ON AGRICULTURE, BUT ALL THAT WAS CHANGING. THE INDUSTRIAL ERA HAD BEGUN.

THE IMPACT OF THIS DEPRESSION ON EVERY CITY WAS CONSIDERABLE. AND AS CIVIC LEADERS EVERYWHERE WORKED TO STABILIZE THEIR CITIES, MANY THOUGHT SELLING THEIR CITIES THROUGH CONVENTIONS WAS A SOLUTION. THEIR LOGIC WAS SIMPLE.

IN THE TRUEST SPIRIT OF BOOSTERISM, AND LONG BEFORE JIM COLLINS AND HIS "BUILT TO LAST" OFFERED ITS CONCEPT OF A B-HAG – A BIG HAIRY AUDACIOUS GOAL - THEY FELT THAT IF ONLY PEOPLE COULD COME AND SEE HOW WONDERFUL THEIR CITY WAS...



...THOSE PEOPLE WOULD SEE THE ADVANTAGE OF LOCATING THEIR FIRMS AND COMPANIES THERE, THUS STABILIZING THOSE COMMUNITIES' REVENUES AND CREATING JOBS.

IT'S A THEORY THAT HAS STOOD THE TEST OF TIME PRETTY DARN WELL. DEVELOPMENT COUNSELLORS INTERNATIONAL, A NOTED ECONOMIC DEVELOPMENT FIRM, NOTED IN ITS BI-ENNIAL SURVEY OF CORPORATE DECISION-MAKERS THAT ONE OF THEIR KEY LEADING SOURCES OF INFLUENCE WHEN IT COMES TO DECISION-MAKING FOR CORPORATE EXPANSIONS OR RELOCATIONS REMAINS THEIR BUSINESS TRAVEL EXPERIENCE. IT'S BEEN NEAR THE TOP EVER SINCE THE SURVEY BEGAN MORE THAN 30 YEARS AGO, BY THE WAY.

IN FEBRUARY 1896, THE *DETROIT JOURNAL* NOTED THE ATTRACTIVENESS OF THE BUSINESS OF CONVENTIONS IN PROMOTING A CITY. THE ARTICLE NOT ONLY POINTED OUT THE <u>OBVIOUS</u> VALUE OF THIS BUSINESS TO DETROIT BY THE <u>CASH</u> EXPENDITURES THE ATTENDEES WOULD BRING, BUT SUGGESTED THAT LOCAL BUSINESSES SHOULD BAND TOGETHER TO ORGANIZE A FORMAL AND STRATEGIC PROMOTION OF DETROIT AS A DESIRABLE CONVENTION DESTINATION IN A FOCUSED EFFORT TO GET MORE OF THIS BUSINESS.



THE ARTICLE STATED:

DURING THE PAST FEW YEARS, DETROIT HAS BUILT UP A NAME AS A CONVENTION CITY, DELEGATES COMING FROM HUNDREDS OF MILES, MANUFACTURERS HOLDING THEIR YEARLY CONSULTATIONS AROUND OUR HOTELS, AND ALL WITHOUT ANY EFFORT ON THE PART OF THE CITIZENS, OR ANY SPECIAL ATTENTION PAID TO THEM AFTER THEY GOT HERE. THEY HAVE SIMPLY COME TO DETROIT BECAUSE THEY WANTED TO...

THE DETROIT JOURNAL

- During the past few years, Detroit has built up a name as a convention city, delegates coming from hundreds of miles, manufacturers holding their yearly consultations around our hotels, and all without any effort on the part of the citizens, or any special attention paid to them after they got here. They have simply come to Detroit because they <u>yearted</u> for.
- Can Detroit, by making an effort, this year secure the holding of 200 or 300
 of these national conventions during the year of \$77. It will mean the
 bringing here of thousands and thousands of men from every city in the
 union...and they will expend millions of dollars with the merchants and the
 people of the City of the Straits.

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'97? IT WILL MEAN THE BRINGING HERE OF THOUSANDS AND
THOUSANDS OF MEN FROM EVERY CITY IN THE UNION...

...AND THEY WILL EXPEND MILLIONS OF DOLLARS WITH THE MERCHANTS AND THE PEOPLE OF THE CITY OF THE STRAITS.

TWO WEEKS LATER, THE DETROIT CONVENTION AND BUSINESSMEN'S LEAGUE WAS FOUNDED, COMPRISED OF <u>CIVIC LEADERS</u>, HOTELIERS, RAILROAD AGENTS AND <u>OTHERS INTERESTED</u> IN THIS IDEA, WITH A MISSION OF "HUSTLING FOR ALL THESE CONVENTIONS."



THEY ELECTED THAT NEWSPAPER WRITER AS THEIR CONVENTION SECRETARY, AND HE TRAVELED OVER 17,000 MILES IN THAT FIRST YEAR ON THE JOB, PROMOTING "THE PRETTIEST CITY IN THIS COUNTRY" AND ITS INHABITANTS AS PEOPLE WHO "VIE WITH ONE ANOTHER TO ENTERTAIN THE STRANGER WITHIN ITS GATES."

ANOTHER DETROIT JOURNAL ARTICLE THAT YEAR NOTED:

WHEN YOU HEAR OF ANY CONCERN THAT THINKS OF MOVING, START
OUT TO DO JUST ONE THING — GET THEM TO VISIT DETROIT. IN THAT
WAY, DETROIT CAN GET PLENTY OF GOOD FACTORIES...MAKE 'EM COME,
EVEN IF YOU HAVE TO GO AFTER THEM.

BEFORE DETROIT CREATED THIS FIRST FORMAL ORGANIZATION, THERE HAD

BEEN A GROWING NUMBER OF CITIES THAT SENT SALESMEN ON THE ROAD TO PROMOTE THEIR DESTINATIONS.

MUCH OF THE CONVENTION ACTIVITY THAT WAS OCCURRING WAS THE RESULT OF LOCAL MEMBERS OF VARIOUS NATIONAL ORGANIZATIONS SEEKING TO BRING THEIR NATIONAL CONVENTIONS TO THEIR HOMETOWNS IN A "BOOSTERISM" SPIRIT, BUT THEY RECOGNIZED THERE WERE ECONOMIC BENEFITS AS WELL.

HOTELIERS, RAIL AGENTS, RETAILERS AND OTHERS WERE JOINING THE CIVIC SALESMEN AS THEY BEGAN TO RECOGNIZE THAT ATTRACTING VISITORS TO THEIR CITIES HAD A NUMBER OF VERY REAL ECONOMIC ADVANTAGES.



TO THOSE CIVIC LEADERS, THE IDEA OF BRINGING IN PEOPLE TO SEE THE GREATNESS OF THEIR CITY WAS AS SMART FOR ECONOMIC RECOVERY AS IT WAS FOR DEVELOPMENT STRATEGY. IN AN EARLY MEETING OF THE ASSOCIATION OF CONVENTION SECRETARIES, IT WAS REPORTED:

IT WAS A CONVENTION HELD IN DETROIT, BY THE WAY, WHICH WAS DIRECTLY RESPONSIBLE FOR THE BEGINNING OF THE GREAT AUTOMOBILE INDUSTRY THERE.

THE PACKARDS, WHO WERE LOCATED IN IOWA, ATTENDED A
CONVENTION IN THE MICHIGAN CITY AND WERE SO FAVORABLY
IMPRESSED THAT THEY MOVED THEIR FACTORY THERE.

IN 1916, FRED BUTLER, THE EXECUTIVE SECRETARY OF THE JAMESTOWN NEW YORK BOARD OF COMMERCE WROTE:

CONVENTIONS HAVE A TWO-FOLD VALUE. FIRST, THERE IS THE MONEY
THEY LEAVE IN A CITY TO ENTER THE CHANNELS OF TRADE. THE SECOND
IS THE ADVERTISING VALUE TO THE CITY.

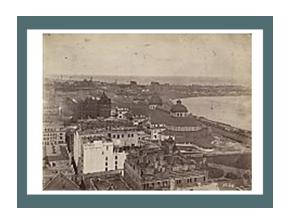
AS CITIES BEGAN TO COMPETE MORE AND MORE FOR THESE MEETINGS, THE PRODUCT DEVELOPMENT SIDE OF THE EQUATION HAD TO DO MORE TO COMPETE AS WELL. AS RAIL LINES EXPANDED, HIGHWAYS WERE DEVELOPED, AND CARS BECAME MORE AVAILABLE. PEOPLE COULD NOW RELATIVELY EASILY GET TO MANY PLACES.



AN EARLY SURVEY OF CINCINNATI LEADERS SUPPORTED THE CREATION OF INDUSTRIAL EXPOSITIONS TO SHOWCASE THEIR CITY, WITH BOOSTERS

ALONGSIDE HOTELIERS, RETAILERS AND RAILROAD AGENTS CHAMPIONING THE CAUSE.

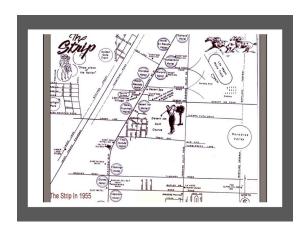
CHICAGO LAID THE GROUNDWORK FOR THE EXHIBITIONS INDUSTRY IN THE MIDWEST WHEN IT BUILT THE INTERSTATE INDUSTRIAL EXPOSITION BUILDING IN THE 1870S.



SAID TO BE THE NATION'S FIRST PERMANENT EXHIBIT HALL, IT CELEBRATED CHICAGO'S RESURRECTION AFTER THE FIRE OF 1871 AND SERVED AS CONVENTION CENTER, EXHIBITION HALL, AND OPERA HOUSE UNTIL THE 1890S, WHEN IT WAS REPLACED WITH THE ART INSTITUTE, THEN ALSO USED FOR MEETINGS DURING THE "WORLD'S COLUMBIAN EXPOSITION."

CONVENTION CENTERS WOULD PROVIDE A PLACE AND REASON FOR THESE NON-PEAK SEASON VISITORS TO COME, THE BED TAX A MECHANISM GOVERNMENT COULD USE TO ASSURE EVERYONE IN A DESTINATION WOULD HELP PAY FOR THE MARKETING AND FACILITIES THAT WOULD DRAW THEM TO THE DESTINATION.

CONVENTION CENTERS COULD ALSO PROVIDE EMPLOYMENT FOR THE PEOPLE THAT NEEDED CONSTRUCTION JOBS, AND PROVIDE AN ONGOING SOURCE OF EMPLOYMENT AFTER THE CONSTRUCTION WAS FINISHED.



IN 1955, CIVIC LEADERS IN LAS VEGAS WERE TRYING TO MAP OUT A PLAN TO KEEP THE "GROWTH GROWING" FROM A WORLD WAR II BOOM, THAT HAD SEEN MILITARY MEMBERS FROM ALL OVER COME TO LAS VEGAS FOR GUNNERY SCHOOL, AND THAT HAD SEEN HENDERSON BOOM AS A PRODUCER OF WARTIME METALS, INCLUDING MAGNESIUM. THEY KNEW THEY HAD TO BUILD SOMETHING NEW – AND IT WAS DECIDED THAT A CONVENTION CENTER WAS THE TICKET.

WHEN CHALLENGED WITH HOW TO PAY FOR IT, THE STILL VERY NEW CONCEPT OF A DEDICATED TAX ON HOTEL ROOMS WAS IDENTIFIED AS THE REVENUE SOURCE. THEIR PRIORITIES WERE TO BUILD A WORLD CLASS CONVENTION FACILITY THAT WOULD RAISE OCCUPANCY RATES MIDWEEK AND DURING THE

SLOW TOURISM MONTHS, THAT WOULD MARKET THE AREA AND THAT WOULD PROVIDE RECREATIONAL OPPORTUNITIES FOR RESIDENTS.

FOR MANY COMMUNITIES, THE IDEA OF A CONVENTION CENTER AS ANCHOR OF A REDEVELOPMENT OF AN INNER CITY WAS CRITICAL TO ATTRACTING HOTELS, RESTAURANTS AND OTHER SUPPORT INDUSTRY DEVELOPMENT TO REPLACE A DECAYING AREA.



URBAN RENEWAL AND COMMUNITY DEVELOPMENT ALSO CAME THROUGH NEW INFRASTRUCTURE. IF YOU'VE BEEN TO BALTIMORE'S INNER HARBOR, LONDON'S CANARY WHARF OR OKLAHOMA CITY'S BRICKTOWN, YOU KNOW EXACTLY WHAT I MEAN. NONE OF THAT COULD HAVE HAPPENED WITHOUT THE CONTRIBUTIONS OF TOURISM.

ECONOMIC DEVELOPMENT FUNDAMENTALS TALK ABOUT THE ROLE OF GOVERNMENT IN THE FRAMEWORK OF "BUT FOR."



AND "BUT FOR" THE INVOLVEMENT OF THE GOVERNMENT – STATE AND LOCAL – MUCH OF THE THINGS THAT DEFINE DESTINATION PRODUCT DEVELOPMENT JUST DON'T HAPPEN. THE NUMBERS NEVER WORK ON CONVENTION CENTERS – WHICH IS WHY THE PRIVATE SECTOR DOESN'T BUILD THEM. BUT THEY'RE MORE THAN HAPPY TO SETTLE DOWN IN THE SAME NEIGHBORHOOD. DITTO FOR STADIUMS, ARENAS, MUSEUMS AND ARTS CENTERS.

AND "BUT FOR" THE INVOLVEMENT OF ALL OF YOU IN THIS ROOM – VISITORS DON'T HAPPEN.

VISITORS HAVE CHOICES. THEY DON'T DECIDE TO GO TO A PLACE THEY'VE NEVER HEARD OF. EVEN BUSINESS TRAVELERS HAVE CHOICES, BECAUSE THEIR CEOS HAD CHOICES AND THUS MADE DECISIONS ABOUT BUSINESS LOCATIONS.

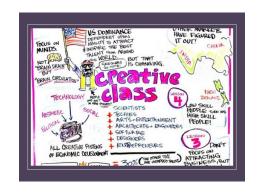
AND ALL OF THESE VISITOR TYPES MATTER.



IN THE EARLY TO MID 90S, THE CITY OF PITTSBURGH WAS FACING A SIGNIFICANT DILEMMA. THIS CITY'S MANY GREAT UNIVERSITIES WERE ALL FILLED WITH LOTS OF TALENTED KIDS – INCLUDING LOTS OF LOCALS.

MOST OF WHOM GOT THE HECK OUT OF DODGE THE MOMENT THEY GRADUATED. AND THEN A LOT OF THE KEY EMPLOYERS IN THE COMMUNITY FOLLOWED SUIT.

THIS SITUATION WASN'T UNIQUE TO PITTSBURGH, BUT THAT'S WHERE THE "AH-HA" MOMENT CAME OUT OF CARNEGIE MELLON UNIVERSITY, AND A GUY NAMED RICHARD FLORIDA, THE ORIGINATOR OF THE "CREATIVE CLASS" CONCEPT. WHICH IS ALL ABOUT CITIES OF THE FUTURE, THE NEEDS OF THE WORKFORCE OF THE FUTURE AND WHAT WILL DEFINE THEIR SUCCESS.



ONE OF THE CORE TENETS OF THE CREATIVE CLASS, IS THAT IT'S ABOUT THIS CURRENT GENERATION OF YOUNG FOLKS, THE TYPES OF JOBS THAT HAVE EMERGED OVER THIS GENERATION, AND HOW THESE THINGS WERE COMBINING TO LITERALLY AND FIGURATIVELY TRANSFORM WORK, LEISURE, COMMUNITY AND EVERY DAY LIFE. THERE WERE FUNDAMENTAL SHIFTS HAPPENING ALL AROUND US, BUT IT WAS HARD TO DEFINE THEM.

AND WHEN 9/11 HAPPENED, SOME THINGS BECAME CRYSTAL CLEAR. THERE WERE DYNAMICS THAT CHANGED FOR ALL OF US OVERNIGHT – VERY TANGIBLE THINGS LIKE AIRPORT SECURITY AND A FAR GREATER AND MORE HEIGHTENED AWARENESS OF TERRORISM ON OUR OWN SOIL.

AND THEN COVID – AND THIS WHOLE "WORK FROM ANYWHERE" THING TOOK ITS HOLD IN REDEFINING THE KINDS OF PLACES PEOPLE WANT TO BE.

FOR MANY PEOPLE, BUT PARTICULARLY TO THIS "CREATIVE CLASS" THERE CAME A REALIZATION THAT THEY HAD BEEN LIVING IN A WORLD OF THEIR OWN PRIORITIES, THEIR OWN CONCERNS, WITH LITTLE REGARD FOR OTHERS OR FOR BROAD SOCIAL ISSUES. "WE THE PEOPLE" HAD BECOME COMPLACENT, AIMLESS, AND AS FLORIDA STATED, "DISCONTENT AT HAVING BECOME SO."

IN FLORIDA'S FINDINGS, HE IDENTIFIED WHAT HAD BECOME THE MOST DOMINANT CLASS IN AMERICA – A CLASS WHOSE MEMBERS WERE AT THE POWER CENTERS OF INDUSTRY, MEDIA, GOVERNMENT, THE ARTS, POP CULTURE –

BUT NONE OF IT REALLY BEHAVING AS A <u>KNOWN</u> FORCE, A COLLECTIVE HE DEFINED AS THE CREATIVE CLASS, AND THAT CREATIVE CLASS IS YOUR FUTURE AND MINE.

THAT CLASS - AND COVID - HAVE RESHAPED OUR COMMUNITIES AND OUR WORLDS. THEY VOTE WITH THEIR CHECKBOOKS, BUT THEY DO IT VIA THEIR PASSPORTS, TOO.



IT'S HOW STARBUCKS AS THE "THIRD PLACE" CAME TO BE – A PLACE WHOSE ECONOMIC BASIS IS BAD-TASTING BURNT COFFEE THAT YOU MAKE BETTER BY MAKING IT TASTE LIKE ANYTHING ELSE, ALL OF WHICH YOU THEN PAY EXTRA FOR.

THE U.S. HAS BEEN RIGHT THERE, SHIFTING AWAY FROM MANUFACTURING AND SERVICES AS THE BACKBONE OF OUR ECONOMIES AND MOVING TOWARD HIGHER-VALUE-ADDED CREATIVE SECTORS – SCIENTISTS, ARTISTS, SOFTWARE DEVELOPERS, RESEARCHERS – HIGHLY COVETED TARGET SECTORS BY YOUR ECONOMIC DEVELOPMENT FOLKS.

BUT UNLIKE RETAINING THE MANUFACTURING INDUSTRIES – WHO COULD, IN ESSENCE THEN, FORCE THE RETENTION OF THEIR WORKFORCE – THIS IS DIFFERENT.

CREATIVITY DOESN'T GET PASSED DOWN FROM GENERATION TO GENERATION, IT IS IN A CONSTANT STATE OF EVOLUTION, AND IT LIVES ON A CONSTANTLY CHANGING PLAYING FIELD.

RICHARD FLORIDA, WITH ALL HIS RESEARCH ON CONSUMERS AND CHANGING BEHAVIORS AND CHANGING SOCIAL MORÉS, FOUND IN ORDER TO SUSTAIN THE CREATIVE CLASS – WE HAD TO CHANGE HOW WE LOOKED AT INSTITUTIONAL INVESTMENTS.



HISTORICALLY, GOVERNMENT AND MOST LARGE FIRMS TENDED TO MAKE LARGE SCALE INVESTMENTS IN PHYSICAL CAPITAL – FACTORIES, ROADS, WATER SYSTEMS, AIRPORTS, SCHOOLS. THESE WOULD LOGICALLY RESULT IN INCREASED WORKER EFFICIENCY, THUS GREATER INVESTMENT RETURNS.

BUT THIS CREATIVE CLASS NEEDS AND WANTS MORE.

COMMUNITIES THAT INVEST IN RESOURCES THAT WILL EXPAND MINDS AND IDEAS – SOME OF WHICH MAY BE PHYSICAL ASSETS, INCLUDING ADULT LEARNING ENVIRONMENTS LIKE CONVENTION CENTERS OR ARTISAN VILLAGES, NEIGHBORHOODS WITH NEW TYPES OF HOMES – INCLUDING FOR RENT – WILL BE IN THE DRIVER'S SEAT. BUILD THE PLACES THE CREATIVE CLASS WANTS TO HANG IN, AND THE COMPANIES THAT WANT TO HIRE THEM HAVE TO COME LOOKING.

City	Permits 2012	Permits 2011	Permits 2010	Change in Permits 2010-2012	% Multifamily in 2012
Boston, MA	1,776	785	351	Up 405%	98
Washington, DC	3,823	4,612	739	Up 390%	93
San Francisco, CA	3,317	1,818	779	Up 325%	99
Raleigh, NC	5,010	2,307	1,250	Up 300%	82
Durham, NC	2,593	1,243	1,168	Up 122%	67
San Jose, CA	3,498	1,045	2,422	Up 44%	95
Charlottesville, VA1	331	672	631	Down 48%	0
Manhattan, NY	2,320	2,535	704	Up 229%	100
Ann Arbor, MI	14	309	141	Down 90%	14
Minneapolis-St. Paul, MN	4,072	691	900	Up 352%	97
Total	26,754	16,017	9,085	Up 194%	88

THE WORKFORCE OF THE FUTURE IS SOMETHING WE HAVE TO THINK ABOUT. UNLIKE THE GOOD-OLD-DAYS, THE GENERATIONS BEHIND US ARE MAKING DIFFERENT CHOICES WHEN IT COMES TO CAREER PATHS. THEY'RE NOT DOING WHAT WE DID – WE WENT WHERE THE JOBS WERE, OFTEN MOVING ABOUT FREQUENTLY BECAUSE OF THOSE.

BUT THESE NEXT GENERATIONS ARE GOING WHERE THEY WANT TO LIVE FIRST, AND THEN FINDING THE JOBS THEY CAN DO IN THOSE PLACES, IN ORDER TO ASSURE THE QUALITY OF LIFE THEY WANT – WHICH FOR THEM IS ABOUT "THE PLACE." THE COMPANIES THAT WANT THESE KIDS WILL FIND A WAY TO BE IN THE COMMUNITIES WHERE THE CREATIVE CLASS IS LIVING. AND WORKING FROM "ANYWHERE."

WHICH MAKES IT ABOUT US AND OUR VISITORS. BECAUSE "BUT FOR" <u>US</u> AND THE VISITORS WE MAKE POSSIBLE, THOSE QUALITY OF LIFE THINGS THAT MAKE "THE PLACE," CAN'T BE SUSTAINED. THE THINGS THAT OUR VISITORS WANT ARE THE SAME THINGS THAT CREATIVE CLASS WANTS, AND OUR RESIDENTS WANT.



"BUT FOR" THOSE VISITORS – THEIR OUTPUT REPRESENTS TWO THINGS OUR COMMUNITIES SIMPLY CAN'T LIVE WITHOUT AND CAN'T PROVIDE ON OUR OWN – IMMEDIATE CASH SPENDING AND UNBIASED WORD OF MOUTH ABOUT THEIR EXPERIENCE. AND THAT'S WHAT GETS US TO THE OPM – OTHER PEOPLE'S MONEY. THE SAME LIGHT THAT WENT OFF FOR THE FOLKS IN DETROIT WAY BACK WHEN.

AS DESTINATION MARKETERS AND PROMOTERS, WE'VE ALWAYS SERVED THE VISITOR DIRECTLY THROUGH A SIMULTANEOUS COMBINATION OF THREE THINGS: INFORMING, EDUCATING & ADVISING; MARKETING & SELLING; AND DELIVERING SERVICES.

IT IS, AFTER ALL, WHAT WE <u>ALL</u> DO, REGARDLESS OF WHAT ROLE WE PLAY IN THE VISITOR FOOD CHAIN.

AND I'M NOT SUGGESTING WE STOP DOING THOSE.

BUT LET'S FACE IT, FOLKS. FOR THE MOST PART, WE'RE A BROKER IN THESE CONVERSATIONS. WE HAVE NO CONTROL OF INVENTORY NOR PRICING.

WE CAN DO OUR VERY BEST TO BRING THE RIGHT KIND OF LEADS AT THE RIGHT TIME AND HOPE THAT THEY WILL FIT THE RIGHT WINDOW FOR OUR HOTELS AND THE RIGHT WINDOW FOR THE CUSTOMER.

WE'RE A CONSIGNMENT STORE, THE *BIG LOTS* OF THE INVENTORY OUR HOTELS AND ATTRACTIONS DON'T WANT, AND CAN'T SELL OTHERWISE.



SO THE CVB GETS THE LEFTOVERS, WHICH IS FINE. IT'S WHY <u>OUR</u> BIGGER PICTURE <u>ALWAYS</u> HAS TO BE ABOUT THE DESTINATION, THE COMMUNITIES WE SERVE.

BUT I DO THINK WE'RE SO MUCH MORE THAN THAT.

WE ARE A KEY PARTNER WITH OUR COMMUNITY'S BIGGER PICTURE MASTER-PLANNING EFFORTS, SO THAT VISITORS (AND ULTIMATELY THE MONEY THEY SPEND IN OUR COMMUNITIES) ARE CAPITALIZED ON AS INTEGRAL TO THE COMMUNITY'S OVERALL PRIORITIES.



AND THIS MEANS THAT OUR "VISITOR GOGGLES" HAVE ALWAYS GOT TO BE BIFOCALS. AND THAT THEY ALWAYS HAVE TO BE ON.

"DEVELOPMENT" – FOR ALL THE RIGHT REASONS – DOESN'T HAVE TO BE A BAD WORD. DEVELOPMENT WITH THE VISITOR'S NEEDS AT ITS CORE – WHICH OFTEN MIRROR MANY OF THE COMMUNITY NEEDS – NOW, THAT'S POWERFUL STUFF!

WHO DOESN'T WANT MORE RESTAURANTS, MORE DISTINCTIVE SHOPS, BETTER NEIGHBORHOODS, WALKABLE STREETS?

AS YOUR COMMUNITIES TALK ABOUT PROJECTS LARGE AND SMALL, CITY-LED OR PRIVATE SECTOR-LED, PUT THE NEEDS OF THE CREATIVE CLASS AND YOUR VISITORS INTO THE DISCUSSION.

WHEN THE CONVERSATION LEADS TO GREEN SPACES OR PUBLIC SAFETY OR TRANSIT-ORIENTED DEVELOPMENT, BE THERE AND PUT ON THOSE BIFOCAL GOGGLES. THINK VISITORS, THINK CREATIVES.

WHEN THERE IS A DISCUSSION ABOUT CORRIDORS AND ACCESSIBILITY AND AIRPORT IMPROVEMENTS AND BIKE PATHS - THINK VISITORS, THINK CREATIVES. WHEN THERE ARE DISCUSSIONS ABOUT DEVELOPMENT STANDARDS AND SIGNAGE ORDINANCES - THINK VISITORS, THINK CREATIVES.



WE HAVE TO BE ABLE TO THINK ABOUT MORE THAN HOTEL ROOM NIGHTS FROM A LEADERSHIP PERSPECTIVE IF WE ARE GOING TO BE ABLE TO HARNESS THE <u>HUMAN</u> CAPITAL THAT IS OUR FUTURES. WE HAVE TO TAKE THAT LEAP AND BE WILLING TO PLAY OUR PART IN DEFINING NOT JUST OUR ROLES AND OUR MESSAGING, BUT OUR PLACES.



OUR RESPONSIBILITIES HAVE OUR TEAMS JUGGLING A SERVANT'S HEART, IN A ROLE THAT IS A BLEND OF A SALES AND MARKETING ORGANIZATION WITH A TRADE ORGANIZATION, LAYERED WITH A LEVEL OF ALTRUISM AND CIVIC RESPONSIBILITY.

AND IN THAT, WE AREN'T EASILY ABLE TO OCCUPY A VISIBLE PLACE IN THE COMMUNITY, BECAUSE SO MUCH OF WHAT WE DO HAPPENS OUTSIDE OUR CITY LIMITS. AND SO MUCH OF WHAT WE NEED IN ORDER TO INFLUENCE MORE VISITORS??? WELL, THAT LIES IN OTHER PEOPLE'S HANDS.

I'M GUESSING THERE'S AT LEAST A FEW FOLKS IN OUR RESPECTIVE COMMUNITIES THAT DON'T ACTUALLY SPEND THEIR WAKING MOMENTS THINKING MUCH ABOUT ROOM NIGHTS AND HOTEL OCCUPANCY TAXES.

AND YET – WHAT DO WE SPEND SO MUCH OF OUR TIME TALKING ABOUT???

I AM CONVINCED THAT THE CHANGING DEMANDS OF THE HOTEL INDUSTRY RESULTED IN CHANGING PRIORITIES FOR US. WHICH I THINK ULTIMATELY LED TO A DECLINE IN OUR COLLECTIVE AWARENESS AND STATURE IN OUR COMMUNITIES, NOT JUST OF THE DESTINATION ORGANIZATION, BUT THE INDUSTRY.



ONCE UPON A TIME, HOTEL GENERAL MANAGERS HAD TIME DEDICATED IN THEIR ROUTINES TO SPEND AWAY FROM BRAND PAPERWORK AND DATA AND FLASHES AND STAR REPORTS.

THOSE SAME GM'S WERE EXPECTED TO BE MEMBERS OF THE ROTARY CLUB, OR SERVE ON THE ZOO BOARD OR MUSEUM BOARD, OR WHATEVER THE CIVIC "HIGHEST OF HIGHS" WERE.

CLEARLY THAT WAS BEFORE THE DAYS OF "ASSET MANAGERS" AND "YIELD MANAGEMENT."

WHEN THE WORLD OF THE HOTELIER CHANGED, THE WORLD OF THE CVB CHANGED. HOTELIERS HAD GREATER DEMANDS TO THEIR OWN BOTTOM LINES, AND THUS THE WE HAD GREATER DEMANDS TO SHIFT TO A ROOM NIGHT BOTTOM LINE. BECAUSE OUR BOTTOM LINES HAD BECOME ALMOST SINGULARLY TIED TO THEIRS.

AND WE BOTH DISAPPEARED FROM THE CIVIC RADAR.

AS AN INDUSTRY, WE LOST OUR SEAT AT THE TABLE, AND SO COMMUNITY LEADERS STOPPED SEEING ANYONE WITH A COMMON FRAME OF REFERENCE. WHEN WE DID COME TO LUNCH, WE TALKED ABOUT ADR AND REVPAR, AND STOPPED TALKING ABOUT THE COMMUNITY WE HAD IN COMMON, AND WHAT WE WANTED FOR ITS SUCCESS.

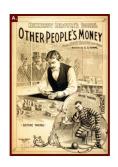


THERE'S A SERIES OF QUESTIONS FACING ALL OF US, ALL OF WHICH CAN HELP US TAKE OUR COMMUNITIES TO WHERE THEY WANT TO BE.

- WHO IS OUR COMMUNITY TODAY? WHAT ARE WE KNOWN AS?
- WHO DO OUR CIVIC LEADERS WANT OUR COMMUNITY TO BE?
- WHAT'S STANDING IN THE WAY?
- DO WE WANT TO BE THE THERMOMETER OR THE THERMOSTAT?

TODAY'S ECONOMIC LANDSCAPE REQUIRES FOCUS, COMMITMENT AND ATTENTION FROM <u>EVERY</u> ELEMENT OF THE COMMUNITY, NOT JUST THE INDUSTRY, IF YOU EXPECT TO PROTECT, MAINTAIN AND GROW MARKET SHARE. AND THAT INCLUDES THE DEVELOPMENT PERSPECTIVE.

WE NEED OUR VISITOR GOGGLES ON EVERYWHERE AND FOR EVERY CONVERSATION.



THE COMPETITION FOR VISITOR DOLLARS IS EVERYWHERE.

BRINGING TRAVELERS TO OUR COMMUNITIES REMAINS AN IDEAL WAY TO COMBAT DOWNTURNS. AND USING "OPM" – OTHER PEOPLE'S MONEY – TO SUSTAIN RESIDENT COFFERS AND BUILD OUR COMMUNITIES MAKES SENSE.

I HAD THE CHANCE TO GAVE THE CORE OF THIS SPEECH TO OUR HERITAGE SOCIETY A WHILE BACK, A GROUP WHO BENEFITS FROM A SMALL PORTION OF THE HOTEL OCCUPANCY TAX.

I REMINDED THEM THAT ALLOCATIONS FOR HISTORIC PRESERVATION AND MUSEUMS FROM THE HOTEL TAX HAVE FUNDED THREE MUSEUMS TO DATE, WHILE ALSO MAINTAINING THE CITY'S OWN HISTORIC ARCHIVES.



WITHOUT THOSE VISITOR BACKS IN IRVING, THERE ALSO WOULD BE NO IRVING ARTS CENTER, AND THUS NO AFFORDABLE HOME FOR THE CITY'S 12 RESIDENT ARTS GROUPS, AND THUS LIKELY A LOT LESS COMMUNITY ARTS.

AND JUST TO MAINTAIN THE SAME QUALITY OF LIFE STANDARDS EVERYONE IN OUR COMMUNITY ENJOYS – THE CALIBER OF SERVICES RESIDENTS GET FROM CODE ENFORCEMENT, POLICE AND FIRE, STREETS AND WATER, ANIMAL SERVICES AND WASTE MANAGEMENT. IN ORDER TO MAINTAIN ALL OF THOSE AT THEIR CURRENT LEVEL – IF YOU ELIMINATE THE GENERAL TAXES CONTRIBUTED BY VISITORS THROUGH THEIR SPENDING – EVERY HOUSEHOLD IN IRVING WOULD NEED TO PAY AN ADDITIONAL \$776 A YEAR IN TAXES TO KEEP THINGS EVEN.

I DON'T KNOW ANYONE ELSE'S STATS HERE, OR <u>YOUR</u> COMMUNITY DYNAMICS.

BUT I'M BETTING THAT IF YOU ASKED YOUR RESIDENTS IF THEY'D BE WILLING

TO PAY MORE A YEAR IN PROPERTY TAXES BUT RECEIVE ABSOLUTELY NO

INCREASE IN SERVICES, THEY'RE LIKELY NOT GOING TO BE REAL OPEN TO THAT.

WHEN VISITORS COME TO OUR COMMUNITY, OUR HIGHEST AND GREATEST PURPOSE, OUR CALLING, IS TO PICK THEIR POCKETS IN THE MOST CHARITABLE AND FRIENDLY OF WAYS.



OPTIONS FOR RESTAURANTS AND SHOPPING AND PICTURE-TAKING AND LODGING AND SOUVENIRS AND EXPERIENCES THAT LAST A LIFETIME, ALL RESULT IN SPENDING AND MORE SPENDING. AND WE GET ALL THOSE SAME DOLLARS IN TAXES THAT YOU AND I PAY WHEN WE DO THE SAME THINGS AT HOME – BUT WE DON'T HAVE TO SCHOOL THEIR KIDS, THEY HOPEFULLY NEVER HAVE NEED FOR OUR JAILS OR HOSPITALS, AND SOMEONE ELSE IS ALREADY PAYING FOR THE WATER BILL AND POTHOLE REPAIR.

WHAT VISITORS DO FOR ALL OF OUR COMMUNITIES IS DELIVER A CASH-TO-THE-COMMUNITY, IMMEDIATE RETURN ON INVESTMENT. THE DIRECT RESULT OF WHEN WE TAKE OUR SHOW ON THE ROAD IN ORDER TO BRING MORE TRAVELERS TO TOWN.



Ain't no reason to Come Back

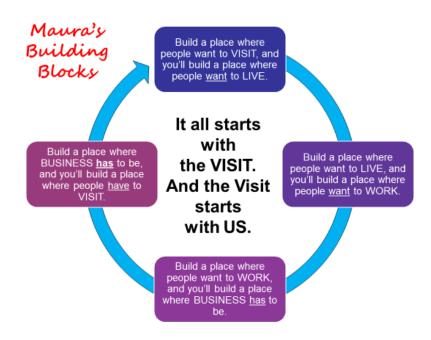
BUT IF THEY'VE BEEN HERE, DONE THAT AND BOUGHT THE T-SHIRT, AND THERE'S NOTHING ELSE FOR THEM TO DO, THEY'RE NOT COMING BACK. THEY WILL GO WHERE THE EXPERIENCE IS NEW AND DIFFERENT THE NEXT TIME.

I HAVE A MANTRA I HAVE DISTILLED FROM WHAT I SEE AS THE OPPORTUNITY
WE HAVE IN EVERYTHING WE ALL DO TO BUILD AND SUSTAIN OUR
COMMUNITIES BY BUILDING AND SUSTAINING OUR VISITOR REVENUES.

WE WANT TO BE A PLACE WHERE PEOPLE <u>WANT</u> TO LIVE, <u>WANT</u> TO WORK AND <u>WANT</u> TO PLAY. THAT "LIVE WORK PLAY" THING SOUNDS TRITE ON ITS OWN – BUT ADD THE <u>"WANT TO"</u> AS AN OBLIGATION OF EVERYONE IN THIS ROOM AND AN EXPECTATION TO WHAT WE'RE TRYING TO DO BIG PICTURE – AND THE WEIGHT IS ON OUR SHOULDERS TO DELIVER.

THE STRENGTH AND THE STABILITY OF THIS FUTURE FOR ALL OF US LIES IN OUR ABILITY TO MAKE THE MOST OF THOSE VISITORS. AND I BELIEVE DETROIT WAS RIGHT. THERE'S NO ONE BETTER EQUIPPED TO DO THAT THAN US.

THIS IS OUR TABLE. THE TABLE <u>WE</u> BUILT, THE TABLE <u>WE</u> SET. PULL UP YOUR CHAIR.



- BUILD A PLACE PEOPLE WANT TO VISIT, AND YOU'LL BUILD A PLACE WHERE PEOPLE WANT TO LIVE.
- BUILD A PLACE WHERE PEOPLE WANT TO LIVE, AND YOU'LL BUILD A PLACE WHERE PEOPLE WANT TO WORK.
- BUILD A PLACE WHERE PEOPLE WANT TO WORK, AND YOU'LL BUILD A PLACE WHERE BUSINESS HAS TO BE.
- BUILD A PLACE WHERE BUSINESS HAS TO BE, AND YOU'LL BUILD A PLACE WHERE PEOPLE HAVE TO VISIT.
- IT ALL <u>STARTS</u> WITH THE VISIT. AND THE VISIT STARTS WITH <u>US</u>.

LADIES AND GENTLEMEN, THANK YOU FOR INVITING ME TO HERE TODAY.