

# Convention and Visitors Bureau Organizational Structures

July 16, 2024  
Christine Taylor, Assistant City Manager

The logo for Discover Denton TX is displayed in a white box. It features the word "DISCOVER" in a bold, sans-serif font above a horizontal line, with "DENTON TX" in the same font below the line. The "TX" is slightly smaller and positioned to the right of "DENTON".

**DISCOVER**  
**DENTON TX**

**Objective:** This presentation will discuss the three primary organizational structure options for the City of Denton's growing Convention and Visitors Bureau (Discover Denton).

**Background:** In 2024, Hotel representation requested the City evaluate the three primary organizational structures used for Convention and Visitor Bureaus. Increased hotel stays along with creation of the Tourism Public Improvement District will significantly increase the CVB's budget and the City, Chamber, and the Hotel representatives want to best position the City's tourism efforts to accommodate anticipated future growth.

## Project Team:

A team was created composed of representatives from the City, Chamber, and Hotels.

City	Chamber	Hotel Representatives
Christine Taylor, Assistant City Manager	Erin Carter, Chamber President	Emily Wright, General Manager of the Homewood Suites & TPID Board Chair
Jesse Kent, Assistant to the City Manager	April Stokes, Chamber Board Chair	Jay Darsie, General Manager of the Hilton Garden Inn & Board Chair of the CVB Advisory Board
	Seth Morgan, Chamber Board Chair Elect	Jeff Pritts, General Manager of the Embassy Suites and Convention Center

The team met bi-weekly April through July.

## Project Key Considerations

Staffing, organizational efficiency, governance, funding, flexibility, stakeholder engagement, mission and vision alignment, community impact, performance metrics, data, and trends.

By considering these factors, the overall goal is to have a structure in place to support sustainable growth and maximizes the positive impact of tourism on the community.

## CVB Background

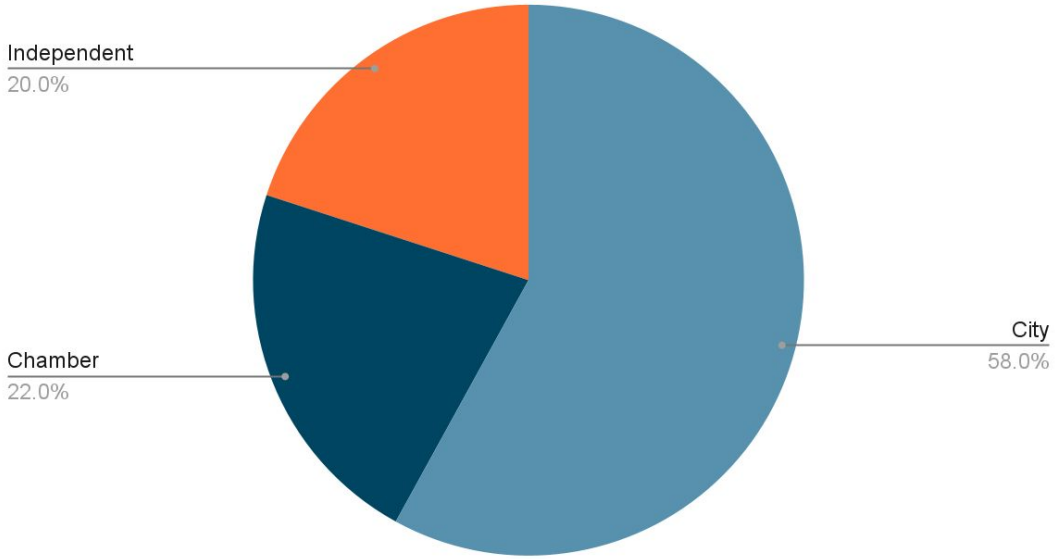
Prior to the 1970s and 1980s, tourism promotion and development generally was the responsibility of a municipality's chamber. The vast majority of CVBs as a division of the chamber or economic development were often in small communities that had limited financial resources. As travel increased, communities grew, and room taxes were levied, CVBs began to have significantly higher budgets and no longer needed the additional financial support. In the mid-1990s, growing CVBs with financial resources began to split from the parent organizations.

Presently, there are three primary structures of a CVB, also more recently known as a Destination Marketing/Management Organization (DMO), including:

- Independent Organization
- City Division
- Chamber of Commerce Division

# CVB Structures

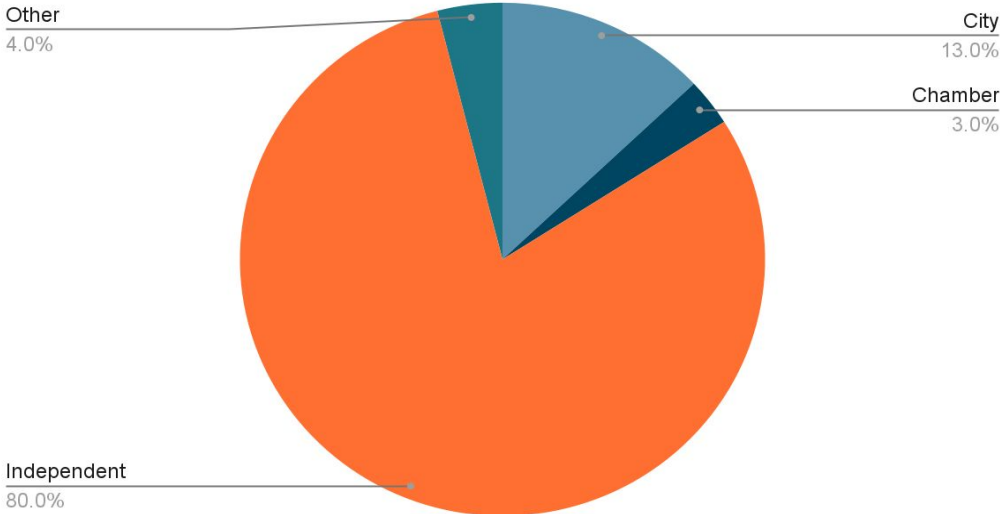
## CVB Structures in Texas



In 2023, the Texas Association of Convention & Visitor Bureaus completed a survey of its members to determine the breakdown of CVB structures within the state. The following is a breakdown of these member structures, which represents approximately 90 Texas destinations. The majority are currently structured under the city.

# CVB Structures

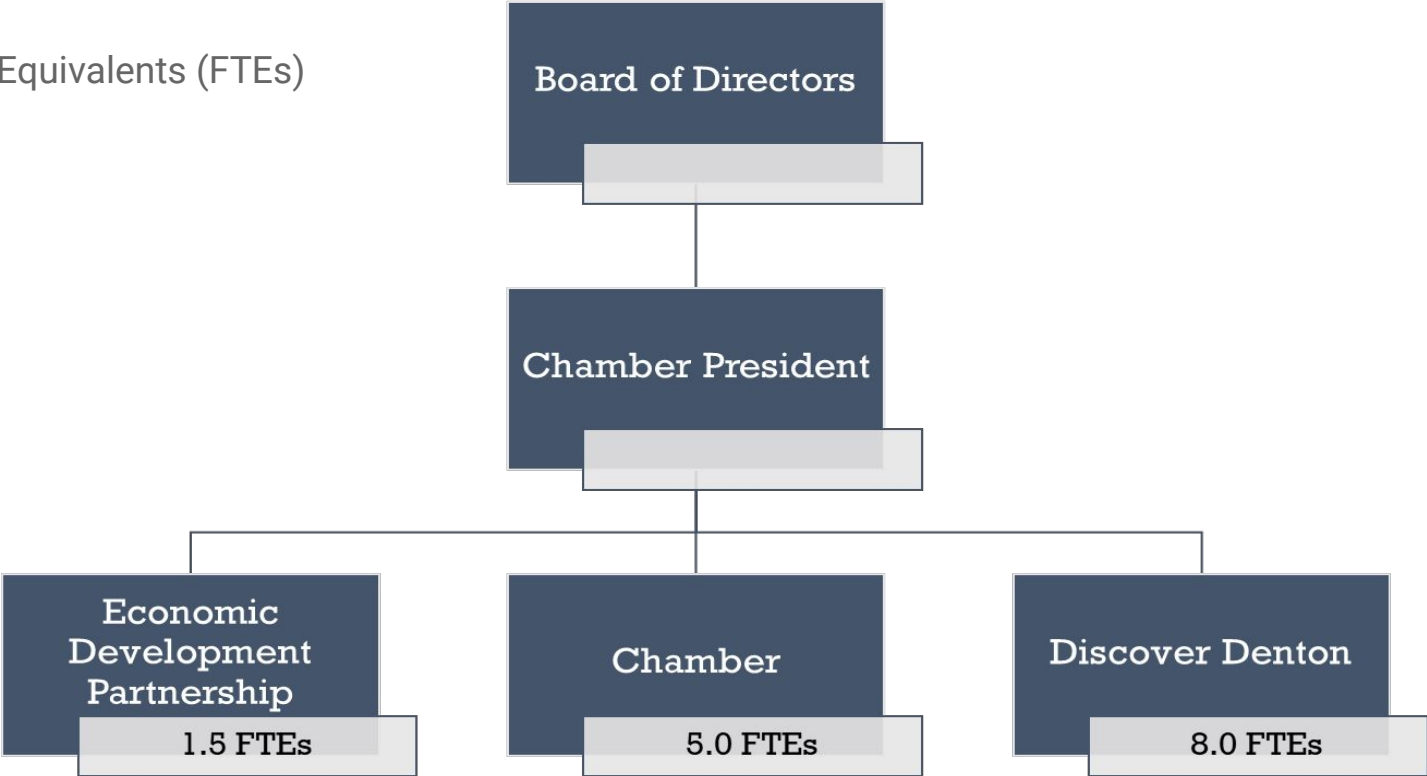
CVB Structures in the United States



In 2023, Destinations International completed a survey of its members to determine the breakdown of CVB structures around the U.S. Nationwide, a much higher percentage of CVBs are set up as independent organizations compared to Texas.

# Current Structure

Total of 14.5 Full Time Equivalents (FTEs)





## Existing Structure

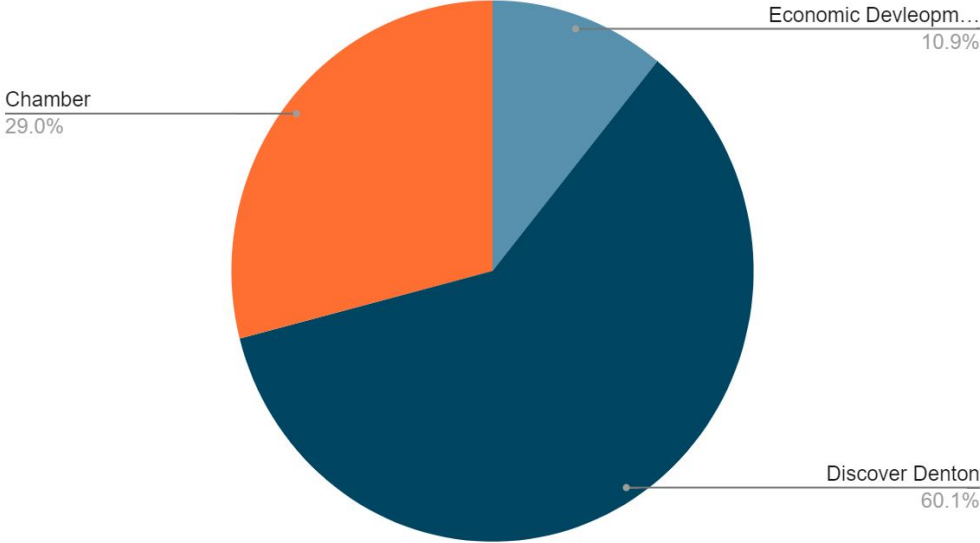
Discover Denton is currently a line of business under the Chamber of Commerce. The Chamber is a 501 (c) (6) organization funded through a mix of memberships, programs and events, City funding, and Hotel Occupancy Tax funds.

The **mission** of the Chamber is to advocate, educate, and collaborate for the economic prosperity of the City of Denton.

The **purpose statement** of Discover Denton is to market and promote Denton in order to generate demand for the destination creating a positive economic impact for the community.

# Current Budget

Estimated Annual Revenue



Economic Development Partnership	\$300,000
Discover Denton	\$1,600,000
<u>Chamber</u>	<u>\$800,000</u>
<b>Total</b>	<b>\$2,700,000</b>

# Key Considerations: City Structure

**Staffing:** Texas Municipal Retirement System with a City Match, Health Benefits, Paid Time Off (Holidays, Vacation and Sick Leave)

**Efficiencies:** Engagement and additional support from other City departments, economies of scale specifically with purchasing.

**Governance:** CVB Board (Advisory), City Council (Executive), funding included in the annual audit, Strategy Office focused on data and performance metrics

**Funding:** Increased control of public funds, potential increase to personnel budget

**Flexibility:** Less flexible, procurement is often more structured

**Mission and Vision:** Not a singular mission, Council priority for Economic Development and Tourism

**Data/Trends:** Most common in mid-size Texas cities, with a population of more than 150,000 and less than or equal to 300,000

**Considerations:** The City's Ethics Policy, Inability to offer incentive-based compensation i.e. commissions

# Key Considerations: Chamber Structure

**Staffing:** 401K with a Chamber Match, Health Benefits, Paid Time Off (Holidays, Vacation and Sick Leave), flexible schedules including seasonal half days

**Efficiencies:** Engagement and additional support (administrative) from Chamber, Collaboration with the Business Community

**Governance:** CVB Board (Advisory), Chamber Board (Executive)

**Funding:** No impact, existing model

**Flexibility:** More Flexible

**Mission and Vision:** Not a singular mission, Chamber mission focused on economic prosperity with a local business focus (permanent)

**Data/Trends:** Most common in smaller to midsize Texas cities, populations equal to or less than 150,000

**Considerations:** Ability to offer incentive based compensation i.e. commissions

## Key Considerations: Independent DMO Structure

**Staffing:** Unknown at this time, but assume similar benefits to Chamber including: 401K with match, paid time off (holiday, vacation, sick), flexible schedules

**Efficiencies:** Able to adapt and shift quickly to changes in industry needs, faster decision making (singular board)

**Governance:** CVB Board (Executive)

**Funding:** Increase to administrative expenses since there would not be shared administrative resources

**Flexibility:** More Flexible

**Mission and Vision:** Singular mission, focused on tourism for people who visit but leave (non-residents)

**Data/Trends:** Most common in large Texas cities, population equal to or greater than 300,000

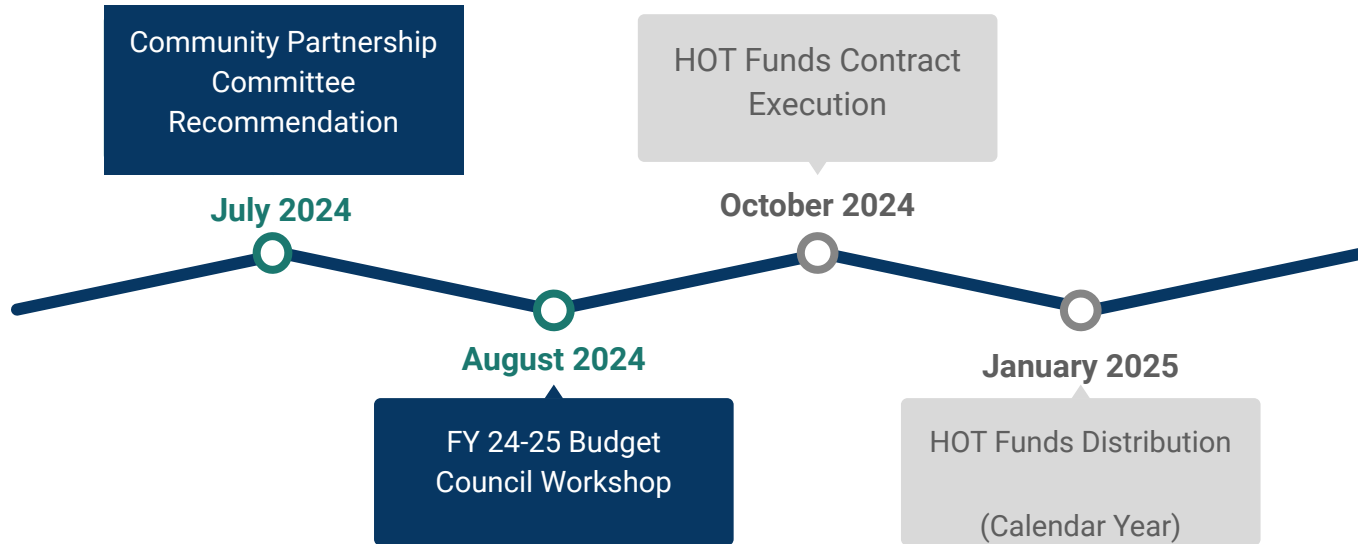
**Considerations:** Ability to offer incentive based compensation i.e. commissions

## Recommendations from the Project Team

Review the Makeup & Roles for Chamber and CVB Board

- Increased Hotel Representation, such as, but not limited to: Entertainment, Transportation, etc.
- Explore Creative Compensation - ensure ability to connect compensation with actualized sales
  - Develop a CVB Strategic Plan
- Research what additional Key Performance Indicators could be introduced and tracked to compliment a strategic plan
- Strengthen Communication and Collaboration
- Explore set percentage or allocation to the CVB from HOT Funds

# FY 24-25 HOT Funds Budget & Contract Timeline



# Questions & Discussion

## Members of the Project Team available for questions

City	Chamber	Hotel Representatives
Christine Taylor, Assistant City Manager	Erin Carter, Chamber President	Emily Wright, General Manager of the Homewood Suites & TPID Board Chair
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## Direction

- Keep Existing Structure
- Explore Moving the CVB under the City or to an Independent DMO - Budget Process
- Pause - Bring back at a future date for consideration