

Colorado Springs

Convention and Visitors Bureau

ANNUAL STAKEHOLDERS REPORT

2010



A MESSAGE FROM SUSAN EDMONDSON



What a year! 2010 was marked by a stronger than expected tourism season amid the challenges of the ongoing recession. The staff of the Convention & Visitors Bureau (CVB) embraced the challenge to do more with less, and the results were impressive. Having served as the Chair of the CVB Board of Directors for 2009 and 2010, I am immensely proud of how this organization operates efficiently and effectively over a wide spectrum of economic conditions.

The crowning achievement of the year came as the CVB earned accreditation status from Destination Marketing Association International, becoming one of only 126 organizations throughout the world to meet the rigorous standards set by the Destination Marketing Accreditation Program. This is a true testament to the professionalism of our staff, the ethical and strategic governance by our board and the leadership of our President & CEO.

There is much to be remembered and celebrated about 2010, but perhaps none more than the career of CVB President & CEO Terry Sullivan. From 1990 to 2010, Terry led the CVB through many accomplishments and challenges. The November retirement celebration held in his honor was a tribute to his vision for and contributions to the Colorado Springs tourism industry.

Terry's departure left the board with big shoes to fill. Through a rigorous and competitive national search, the board chose Doug Price as our new President & CEO. We are confident that Doug is the ideal person to boldly steer the CVB forward in an increasingly competitive marketplace. Doug brings with him more than two decades of experience in the hospitality industry coupled with an enthusiastic and heartfelt passion for this region.

More on each of these 2010 milestones is detailed within this report. You'll also find details about our financial performance, economic impact, marketing and public relations initiatives, group sales accomplishments, member programs and visitor services.

We thank our Mayor and City Council members, El Paso County Commissioners, Board of Directors, Board of Advisors, committee members, Visitor Information Center volunteers, business members and partners for their continued investment in the tourism industry. Rest assured that your CVB will continue to provide a strong return on investment for every dollar we are entrusted with to promote Colorado Springs and the Pikes Peak region.

Sincerely,
Susan Edmondson
CVB Board Chair, 2009-2010

THE VALUE AND POWER OF TOURISM

Tourism is a powerful economic generator for Colorado Springs and the Pikes Peak region. Few other investments can provide a return on investment that is as strong or as measurable as tourism promotion. When people make travel, meeting and event decisions, they have many choices. Competition is intense. Visitors are not guaranteed. When a destination is marketed consistently and effectively, the entire region experiences the economic benefits.

General Palmer had a grand vision for Colorado Springs - to create a world-class resort destination, where visitors could experience awe-inspiring natural beauty without sacrificing the finer things in life. While other Colorado Springs industries also thrive, tourism continues to be a vital and driving force in our economy.

	Colorado Springs / El Paso Co.	State of Colorado
Number of people employed in tourism industry	13,000	138,000
Total visitors per year	5.5 million	51.7 million
Total visitor spending	\$1.192 billion	\$13.4 billion
Tax savings per family	\$320	\$364
Annual promotional budget	\$3 million	\$15 million

Annual Economic Impact of Tourism Colorado Springs & the Pikes Peak Region

\$1,350,000,000

Date: December 31, 2010

Time: 11:59 PM

This counter demonstrates the value of tourism to the Pikes Peak region by tracking each dollar brought in by our out-of-town guests. The counter will debut on the VisitCOS.com website as well as local digital billboards in May 2011.

*The Economic Impact of Travel on Colorado: 1996-2009p, Dean Runyan Associates. Produced for the Colorado Tourism Office. June 2010.

YEAR IN REVIEW

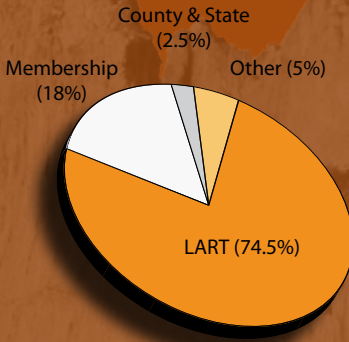
In 2010, the Pikes Peak region tourism industry generated over \$1.35 billion in travel-related expenditures and over \$48 million in local tax receipts. The CVB inspired or assisted many of these visitors, and our promotion of the region resulted in an estimated direct economic impact of more than \$187 million. Every dollar the CVB spent resulted in City and El Paso County tax collections of approximately \$3.

By most accounts, the 2010 Pikes Peak region travel industry was healthier than in 2009 - and stronger than forecast by the City and the CVB. While average lodging prices continued to be suppressed, occupancy rates were stronger than expected. The year ended with a 5.1% increase in the Lodgers and Automobile Rental Tax (LART) collections against a forecast of no growth. Because of the City's financial challenges, the CVB received 50% of the projected LART collections in 2010 instead of the historic 67%. As in 2009, the CVB staff was required to reduce expenses and focus on high-return marketing activities - attending quality tradeshows, placing targeted print and online advertising in key markets and maintaining a strong web presence, positioning Colorado Springs as a value destination for leisure and business travel.

Our work, with the support of the City, El Paso County and our members, helped maintain tourism as the third-largest employer in the Pikes Peak region with over 15,400 people employed across El Paso, Teller and Fremont Counties. Tourism equals jobs and tax revenue; tourism *marketing* equals tourists.

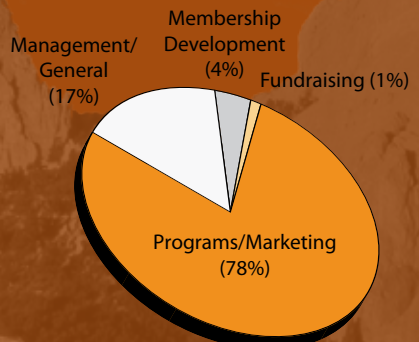
2010 Funding Sources

\$2,503,567



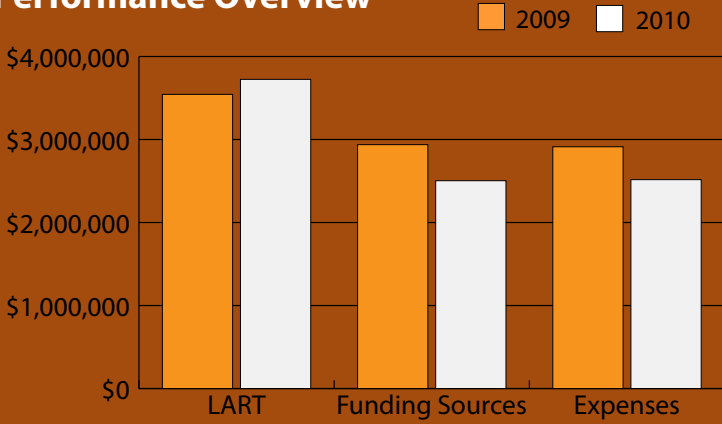
2010 Expenses

\$2,516,424

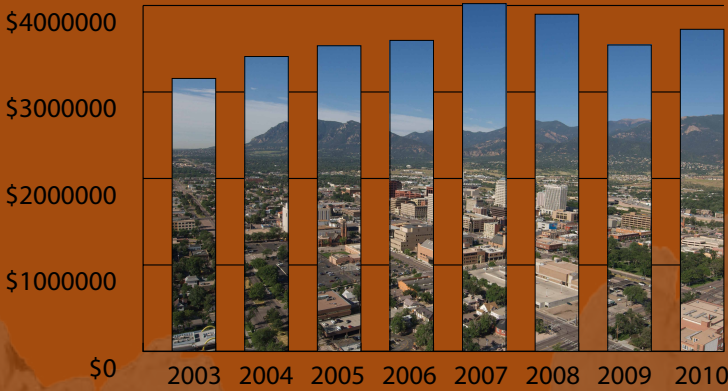


2010 PERFORMANCE MEASURES

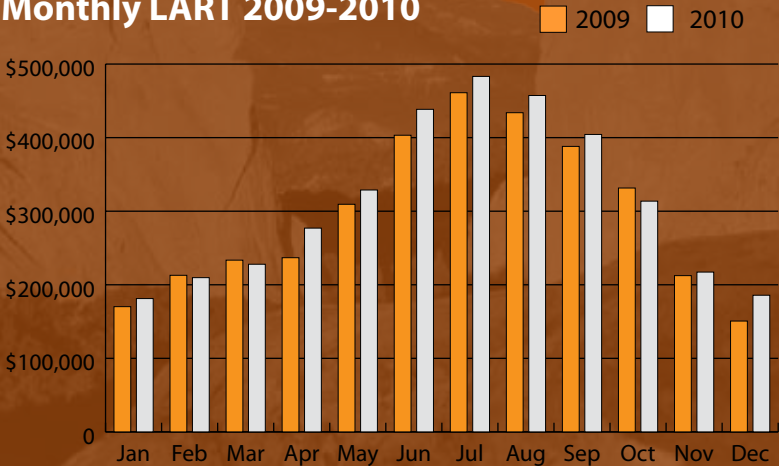
Performance Overview



Annual LART 2003-2010



Monthly LART 2009-2010



TRADITIONAL ADVERTISING

In 2010, the CVB placed print ads in regional, national and international publications through HHR Creative, MHC United and Efficient Media Solutions, all local marketing firms. Our ads are designed to support our brand and create awareness of Colorado Springs and the Pikes Peak region with the goal of inspiring target audiences to put Colorado Springs on their list of potential vacation, meeting or event destinations.

INTERNET MARKETING

The CVB continued its relationship with Internet Honey, also a local marketing firm. Collaboratively, we created and executed an integrated online strategy designed to communicate our branding and drive traffic to our website.

MOBILE & SOCIAL

The CVB's mobile site launched in May 2010 to provide additional member visibility and convenience for our visitors. The new site is integrated with PeakRadar.com (community events calendar) and connects to our social media sites including Facebook, Twitter and YouTube.

MARKETING BY THE NUMBERS

Internet User Sessions	384,123
Mobile Site User Sessions	7,613
Advertising Media Placements	\$538,140
Consumer Emails in Database	95,914

PUBLIC RELATIONS

Public Relations plays a key role in leveraging our marketing dollars by positioning Colorado Springs and the Pikes Peak region as a premier vacation and meeting destination. The Public Relations team focused on generating positive media coverage locally, nationally and internationally through press releases, pitching travel stories, scheduling interviews, hosting media tours and sponsoring media missions. The CVB made extensive use of various social media platforms to further strengthen our brand, engage potential visitors, optimize search engine results and drive traffic to our website.

PR BY THE NUMBERS

Public Relations Media Equivalency	\$75,599,480
Press Packets / Media Kits Distributed	467
Facebook Fans	3,584
Twitter Followers	2,940

MEMBERSHIP, FILM & VISITOR SERVICES

MEMBERSHIP

CVB members are a vital component of our financial and marketing success, with more than 535 organizations in El Paso, Fremont and Teller Counties on the CVB membership roster in 2010. CVB members are offered a variety of ways to promote themselves to potential visitors and have access to educational and networking events throughout the year. Highlights of our 2010 schedule included the Summer Kick-Off Beach Party, the Women's Golf Scramble, a Membership Mixer at Cheyenne Mountain Zoo, the Summer Celebration Mini Golf Event at Adventure Golf and, of course, the Celebration of Terry Sullivan, held at the Cheyenne Mountain Resort.

MEMBERSHIP BY THE NUMBERS

Membership Dues Revenue	\$209,632
New Members	80
Total Members	535



COLORADO SPRINGS FILM COMMISSION

The Colorado Springs Film Commission is administered through the CVB and works closely with the Colorado State Film Commission. Its mission is to promote our region to the film industry and provide assistance with obtaining permits, lodging and services for film crews through the Film Commission liaison or FilmColoradoSprings.com.

VISITOR INFORMATION SERVICES

The staff and volunteers of the Visitor Information Center (VIC) welcome guests, visitors and locals with warm Colorado hospitality and helpful advice. They serve as ambassadors to Colorado Springs and the Pikes Peak region and strive to offer guests a quality visitor experience. Our helpful staff and 40 volunteers provide the public with options for lodging, dining, activities, attractions, shopping and services from among our membership base.

VISITOR SERVICES BY THE NUMBERS

Visitor Center Guests	27,736
Donated Volunteer Hours	3,740
Printed Visitor Guides Distributed	594,000
Electronic Visitor Guide Views	28,258

GROUP SALES

The CVB Sales Department staff is all about building relationships. A meeting planner they met in 2010 could bring a group of 500 in 2014; or they may book in six weeks. Maintaining close professional relationships for both short- and long-term booking windows is the key to our success in filling hotel rooms, meeting space and sport facilities.

GROUP SALES BY THE NUMBERS

Convention Room Nights Booked	118,489
Sports & Special Events Room Nights Booked	87,688
Tourism Room Nights Booked	9,975
International Room Nights Booked	5,894
Number of Groups Serviced	440
Number of Trade Shows Attended	34
Number of Trade Show Contacts Made	1,443
Revenue Generated by Groups Booked	\$92,397,821

CONVENTION SALES & SERVICING

The Convention Sales & Servicing staff works closely with meeting planners to showcase venues and service companies that meet their needs for meetings, off-site activities, ground transportation and other requests. Ultimately, the CVB staff's mission is to guide and support meeting planners so that attendees have a successful and memorable experience.

SPORTS & SPECIAL EVENTS

Colorado Springs is uniquely positioned to attract national attention as a destination that values sporting activities. Colorado Springs is the "Proud Home of the United States Olympic Committee" and the only city in the country with rights to use the powerful Olympic brand in its marketing and promotional efforts.



DOMESTIC TOURISM

The Domestic Tourism staff assists motorcoach and student travel companies that bring groups to the Pikes Peak region. This assistance includes writing and reviewing itineraries, handling logistics questions and meeting with them at annual conventions. This department also provides assistance to families and groups planning reunions and weddings.

INTERNATIONAL TOURISM

The International Tourism staff works to influence and educate international tour operators and domestic travel wholesalers about the Pikes Peak region. This department also works with the Colorado Tourism Office to conduct familiarization tours throughout the region, concentrating on key markets such as Germany, the United Kingdom, France and Japan.

ACCREDITATION & CELEBRATION

CVB ACCREDITATION

The Colorado Springs CVB has been awarded an accreditation from the Destination Marketing Accreditation Program (DMAP), a program developed by Destination Marketing Association International (DMAI). In earning accreditation, destination marketing organizations (DMOs) communicate to their community and potential visitors that the DMO has attained a significant measure of excellence in a wide variety of topics including governance, finance, management, human resources, technology, visitor services, group services, sales, marketing, communications, membership, brand management, destination development, research/market intelligence, innovation and stakeholder relationships.



A CELEBRATION OF "MR. TOURISM"

Terry Sullivan, appropriately nicknamed "Mr. Tourism", announced in July 2010 that he would be stepping down as President & CEO of the Colorado Springs CVB at the end of the year after more than 20 years of promoting the Pikes Peak region. Terry was acknowledged by many to be tourism's biggest advocate and cheerleader. Terry's tourism promotion career was marked by many victories and challenges from the development of the Colorado Springs World Arena and the Colorado Springs Airport terminal to the after-effects of September 11, 2001, the Hayman fire in 2002 and the economic crisis of 2008-2009 where business travel was perceived by many to be an unnecessary luxury.



Terry was also a strong state advocate, helping to reinstate Colorado's tourism hotline and create the Colorado Tourism Office (CTO) after the promotion budget was eliminated in 1993. He worked tirelessly for over a decade, leading statewide organizations such as Colorado Association of Destination Marketing Organizations (CADMO) and Tourism Industry Action Committee (TIAC) to have tourism funding brought back to a record high in 2008-2009. Terry is still active in the community as well as enjoying Colorado's finest skiing and fly fishing locations.

2010 BOARD OF DIRECTORS

OFFICERS

Chair - Susan Edmondson, Executive Director, Bee Vradenburg Foundation
Vice-Chair - John Washko, Vice President, Sales & Marketing, The Broadmoor
Treasurer - Martin Wood, COO, University of Colorado at Colorado Springs
Secretary - Dorian Ciolek, General Manager, Comfort Inn South

HOTELS & LODGING

Allen Paty, General Manager, Antlers Hilton
Jim Breeden, General Manager, Colorado Springs Marriott

GENERAL BUSINESS

David Harris, President and General Manager, Ghost Town Museum
Luke Travins, President, Concept Restaurants

TRANSPORTATION

John Faulkner, Aviation Assistant Director, Colorado Springs Airport

2010 BOARD OF ADVISORS

Chair - Tim Haas, Co-owner, Garden of the Gods Trading Post
Lisa M. Bigelow, Manager, City of Colorado Springs, Economic Dev. Division
Brent Botts, U.S. Forest Service, Pike National Forest
Sallie Clark, El Paso County Commissioner; Owner, Holden House
Terry Darby, Senior Vice President, Academy Bank
Jackie Duff, General Manager, Embassy Suites Hotel
Cindy Hooton, Owner, Stargazers Theatre; Owner, Timber Lodge
Eddie Lee, Chief, Community Relations, United States Air Force Academy
Lisa Martinez, Business Contract Administrator, El Paso Co. Emergency Services
Mike Nemeth, Colorado Restaurant Association, Pikes Peak Chapter
William Nowland, Attorney-at-Law
Elena E. Nunez, Economic Development Manager, City of Colorado Springs
Tom Osborne, President & CEO, Colorado Springs Sports Corporation
Sharon Siedler, Director of Sales & Marketing, Renaissance Hotel
Cherie VanWinkle-Meyer, General Manager, Hampton Inn & Suites I-25 South
Aaron Winter, Director of Sales, Flying W Ranch
David York, General Manager, Crowne Plaza Hotel

2010 COLORADO SPRINGS CVB LEADERSHIP

Terry Sullivan - President & CEO
Jim Cassidy - Chief Financial Officer
Pam Sherfesee - Vice President of Sales
Amy Long - Vice President of Marketing & Membership
Kathy Reak - Director of Convention Sales
Christy Long - Director of Visitor Services

2011 OUTLOOK - MESSAGE FROM DOUG PRICE



2011 promises to be an exciting year for the CVB as well as the City, region and state. In my short time as a resident, I'm so impressed by the people I've met and things I've learned. I've discovered how much people enjoy living here and how they share their enthusiasm with our visitors. Elected officials, hotel general managers, small business owners and residents have eagerly shared their stories about this very special place we call home. We are a region known for our scenic beauty and amazing outdoor recreation, but that would be minimized without the people on the front line who deliver on the promises we make.

The CVB has ambitious goals. We have embarked on our three-year strategic plan that will be our foundation for future marketing plans. We continue to focus on vacationers, corporations, associations, sporting events and tour groups to ensure we are maximizing our potential as a top destination. We will also analyze and enhance our membership programs and benefits in preparation for a category and dues restructure in 2012.

An exciting project is the CVB's participation in the Mayor's Branding Task Force, a city-wide group of stakeholders that is working with a consultant to identify and articulate the unique personality of this city and region. The resulting brand platform will provide direction and focus for our advertising, promotion and sales initiatives.

A top priority for 2011 and beyond is communicating the value of the CVB to our members and the value of the tourism industry to our community through demonstrated return on investment (ROI). In May, we will run three digital billboards throughout the city that will display, in real time, the annual dollar value of tourism to our region.

Despite challenges, our future is promising - especially if we think big and commit to working in unison. Soon we'll have our first "strong" mayor. City Council has new faces that come with fresh perspectives, and the experienced El Paso County Commissioners provide an important element of continuity. At the state level, the Colorado Tourism Office (CTO) has secured \$14.6 million to communicate the Colorado brand and keep our state top of mind for year-round travel. The CTO is led by long-time tourism advocate, Sen. Al White, who was appointed to be the Director of Tourism by Governor Hickenlooper.

Around the world, the number-one reason people travel is to visit friends and family. My hat is off to all industry staff and volunteers who work each day to make our visitors feel like friends and family. It is this tradition of hospitality that keeps General Palmer's vision intact and truly elevates us in the eyes of our guests. It is a privilege and an honor to be a member of the community.

Doug Price, CAE, IOM
President & CEO, Colorado Springs CVB

CVB PUBLICATIONS & WEBSITES

The CVB publishes a variety of traditional and new media publications to reinforce our brand, inspire travel and provide information to those planning vacations, meetings and events in our region.



Official Visitor Guide

625,000 printed in 2011

Available in Electronic Version

The “what to do, where to stay” resource for tourists, meeting planners and residents.



Meeting Planner Guide

2,000 printed in 2010

Available in Electronic Version

An essential lodging and venue space guide for meeting planners.

Dining & Shopping Guide

15,000 printed in 2010

A user-friendly pocket guide for meeting attendees and visitors.

VisitCOS.com

The one-stop resource for up-to-date information about member organizations, travel deals and local activities. Mobile version available at m.VisitCOS.com.



Coming Soon: Mobile Apps for iPhone, iPad, Blackberry and Android

Colorado Springs

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