



MACVB

Resources

Table of Contents:

Tourism & Economic Impact Template..... 3

FAQ's..... 7

Tourism & Economic Impact Template



TOURISM and ECONOMIC IMPACT - *Template*

Purpose of this document

To provide members of MACVB a template to demonstrate the economic impact of tourism and destination marketing to your stakeholders (Board of Directors, City, County, stakeholders, etc.). Information contained in this document is recommendations and should be tailored to your individual community, destination and organizational needs.

TITLE

Tourism, Jobs and Economic Impact for *(Your Community)*

The *(community)* Hospitality Industry and The Economy

Why Tourism Is Important

What Happens When Visitors Come to Town

Tourism = Employment and Economic Vitality

WHY IS TOURISM IMPORTANT

MINNESOTA STATE TOURISM GENERATES

\$x million/billion a year, of \$xx million per day in tourism related economic impact.

X full and part-time jobs of xx% of Minnesota's private sector employment.

\$ million/billion in salaries and wages that are largely spent in the community.

\$x million or x% of all state sales tax revenues.

***(METRO/SOUTHERN/NORTHERN TOURISM)* GENERATES**

\$x million/billion a year

\$x million in sales taxes

X full and part-time jobs

(X) COUNTY TOURISM GENERATES

X million/billion a year in
\$x million in sales taxes
X full and part-time jobs

WHY TOURISM IS IMPORTANT FOR YOUR COMMUNITY

COMMUNITY ECONOMIC STATISTICS

In (*year*), there was an average of over (*number*) **employees** in the industries of Arts, Entertainment, Recreation, Accommodations and Food Service. Their total wages added up to over (**\$dollars**).

(*Community's*) (*number*) of properties employee over (*number*) people.

TRAVELER SPENDING BY SECTOR

Thought: create a pie chart or graph to show figures

Thought: what other categories are important for your stakeholders, region?

Transportation XX%

Lodging XX%

Food XX%

Recreation XX%

Shopping XX%

VISITOR SPENDING

XX% spent on lodging

XX% spent throughout the community

(COMMUNITY) TOURISM GENERATES

(*Community*) lodging tax (3%): \$xxx,xxx

City/County for Administrative Services (5%): \$xx,xxx

(*DMO*) portion to Market and Promote the Destination: \$xxx,xxx

\$xxx,xxx in lodging tax receipts equals

\$xx.x million in lodging revenues equals

\$xx.x million/billion in visitor spending throughout the community

IMPACT OF STATE TOURISM ADVERTISING

X.X million Minnesota trips

\$XXX.X million in traveler spending

\$XXX.X million in direct state and local taxes

\$XX to \$X traveler spending return on advertising investment

\$X to \$X state and local tax return on advertising investment

* Use the *Explore Minnesota Tourism & Minnesota's Economy* sheet for this data

YOUR ORGANIZATIONAL INFORMATION

HISTORY OF YOUR ORGANIZATION

Year your organization was formed

How your organization is funded

INCLUDE A LIST OF YOUR BOARD OF DIRECTORS

Name, Company, Title (Chairperson, Vice Chairperson, Treasurer, etc.)

INCLUDE A LIST OF STAFF

Name, Title, How Long They've Been with Organization and/or in the Industry

OTHER IDEAS TO INCLUDE and/or CONSIDER

- Share Google Analytics and/or Social Media Outcomes
 - Where people are coming from within Minnesota
 - Where people are coming from out-of-state
 - Website demographics (gender, age)
- Include imagery of your community/destination
- Use graphs and charts to show figures
- Use resources such as Explore Minnesota Tourism, Minnesota Department of Revenue, [Minnesota Department of Employment and Economic Development](#), [Destination Marketing Association International](#), [U.S. Travel Association](#), [University of Minnesota Tourism Center](#) to gather data

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS (FAQ'S)

If you have a question, it may have been asked by your peers. Tune in to this page for FAQ's and come back as we update with new questions frequently.

Question:

Who can be included in the lodging tax: we understand hotels and lodging facilities where people stay less than 30 days in a month are taxed, but we do have a City campground – can they be included in the lodging tax?

Answer:

The city can include the municipal campground by ordinance if they wish to do so. Lodging properties broadly are included, such as hotels, motels and resorts.

Question:

We hear from others in the CVB world that businesses can be a “member” of the CVB – how does that work?

Answer:

Having members is optional but many communities find it beneficial to have restaurants, retailers, attractions and other interested parties engaged. You may want to have dues for these members or provide a member discount on advertising in a local guide if you decide to create one.

Question: We are looking at having just the City be involved, not the County – we only have 1 other hotel with 10 rooms available but do have several county campgrounds that could be taxed if we look at a county CVB – we need to understand the differences and what we can “count” on for dollars.

Answer:

The state law allows the option of either a city or county effort – your call.

Question: Where do we find the guidelines of what the dollars can and cannot be used for ie: can we collect the dollars starting in November of 20XX and begin our office in January of 20XX. Are there guidelines for calendar year or fiscal year – how does this get started.

Answer:

I am not aware of any rules on when your fiscal year can run but most communities use the fiscal period followed by the city. City finance directors are a great help on issues such as when the budget cycle should run and when you can collect the tax prior to launching your marketing effort. The only formal guidance on what investments can be made is the language in the statute. Our advice is to be focused and use a very narrow definition of marketing. Challenges in the past have happened when cities tried to be creative and use CVB funds for fireworks, band uniforms, holiday decorations or painting the picnic shelter. Focus!

Question:

Have you heard of a community increasing their lodging tax? What would be the process to do that?

Answer:

The statute is very clear on the maximum amount:

469.190 LOCAL LODGING TAX.

§

Subdivision 1. Authorization.

Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at the annual town meeting, or at a special town meeting, **impose a tax of up to three percent** on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Question:

New Ulm is the host of a state amateur baseball tournament in 2020 that is stated to draw over 20,000 people to our community in 3 weekends!

As the majority of these people will be VISITORS to our community, we are looking at creating a website specifically for the tournament – combining the details of the tournament from our baseball association and the power of our www.newulm.com website. Is this an appropriate use of lodging tax?

Answer:

A special website to promote amateur baseball as it is an event that brings tourists to the area should be an appropriate use of funds. In a nutshell, the marketing and promoting of tourism in a community and this definitely could be argued that it drives tourism, awareness, etc. I think the answer would be different if this was a website for local amateur baseball without the major event. Here is the state statute for your reference. <https://www.revisor.mn.gov/statutes/?id=469.190>