

A Review of the Jackson Convention and Visitors Bureau (JCVB)

CONCLUSION: PEER identified opportunities to improve JCVB's operations, including: (a) more timely mayoral appointments to the JCVB Board of Directors; (b) annually reevaluating JCVB expenditures/programs (e.g., signature events) to determine if funding could better be reallocated; (c) reducing deficit spending; and (d) increased utilization of JCVB's strategic plan and marketing plan. Also, PEER could not determine through JCVB's performance metrics how it utilizes data collected to steer operations in order to meet its objectives. Additionally, tourism-related stakeholders and consultant Destination Services identified opportunities for the JCVB to improve its operations.

Background:

House Bill 1637, 2018 Regular Session, authorized PEER to conduct "a review of the [Jackson Convention and Visitor's Bureau (a.k.a. Visit Jackson)], which shall include, but not be limited to, accounting practices, office operations, administration, staffing, resource utilization and other best practices of facility management."

H.B. 1637 also provides that the PEER Committee may contract with a private contractor to conduct a portion of the review of the Jackson Convention and Visitors Bureau. PEER selected Destination Services, which offered the lowest cost, through a competitive process.

The Jackson Convention and Visitors Bureau is Jackson's official destination marketing organization, responsible for attracting, promoting, and facilitating tourism to and within the Jackson market with the goal of causing a positive economic impact. It is authorized by H.B. 1637, which also provided for its funding through the levying of a 1% sales tax on hotels/motels and restaurants.

The JCVB functions to generate major economic impact for the city through programs that identify, attract, and service conventions and meetings, trade shows, group tours, and consumer travelers, while having an impact on the quality of life of local citizens.

The JCVB is governed by a nine-member board of directors, and as of April 2018, employed 18 full-time individuals and four part-time staff. The JCVB operates multiple programs in Marketing, Sales and Services, Funding Support, and Signature Events. Programs and services of the JCVB range from purchasing and placing promotional advertising to providing financial support in the form of grants or sponsorships to various tourism stakeholders (Jackson restaurants, hotels, attractions, local government, etc.).

Board Appointments

Appointments to the JCVB Board of Directors have not been timely. As of September 30, 2018, there are three board members who continue to serve on the board beyond their respective initial appointment terms through carryover authority in statute. Furthermore, one board member continues to serve on the JCVB Board of Directors after H.B. 1637 abolished the position effective April 12, 2018.

Recommendation:

The Mayor of the City of Jackson should immediately comply with the provisions of H.B. 1637 (2018 Regular Session) by making appointments to these positions, which should have occurred by July 12, 2018. In addition, the JCVB CEO should advise the JCVB Board Chair that the member whose position was eliminated by H.B. 1637 should no longer actively participate as a board member by attending meetings and casting votes.

Regarding all future board appointments, including those for which past appointees are lawfully holding over, the JCVB CEO should advise the Mayor and applicable nominating associations regarding pending board vacancies to ensure that board positions are filled in a timely manner.

Operations of the JCVB

Planning - Although the JCVB develops an overall strategic plan and a marketing plan, PEER determined that most of the JCVB's goals and objectives did not include specific measurable and timely performance measures by which to assess the JCVB's performance in implementing the plans. Neither plan included a clear path to implement the defined strategies and objectives (e.g., a plan for allocation of resources).

Performance Measurement - The JCVB collects performance data and measures, but PEER could not determine how it utilizes these metrics to steer JCVB operations and meet objectives. Furthermore, outdated or inconsistent measures impede determination of whether the JCVB is utilizing its resources in the most efficient and effective manner. For example, the formula to calculate estimated economic impact has not been re-evaluated in 20-plus years.

As of September 30, 2018, the Mayor had not made the following appointments to comply with House Bill 1637:

- the attractions representative;
- the Capital City Convention Center Commission representative;
- both hotel/motel representatives; and
- both restaurant representatives.



Recommendations:

- The JCVB should re-evaluate its organizational structure and its allocation of resources.
- The JCVB should develop goals, with defined performance measures and a plan for allocation of resources, to include in its strategic plan and marketing plan.
- The JCVB should re-assess its sales strategy, including seeking stronger partnerships with the Jackson Convention Complex, the Mississippi State Fairgrounds, and other tourism-related stakeholders.
- The JCVB should formally reach out to and seek feedback from its stakeholders, at both the board level and staff level.
- The JCVB should take the lead in working with stakeholders to develop a comprehensive tourism plan for the Jackson area.



JCVB Revenues and Expenditures

The JCVB predominantly derives its funding from tourism taxes on restaurant and hotel sales. Tourism tax revenues increased from \$3.1 million in FY 2012 to more than \$3.5 million in FY 2015 but have since plateaued at approximately \$3.5 million per year through FY 2017.

Over the period FY 2012 through FY 2017, JCVB expenditures increased \$1.3 million, from \$2.8 million to \$4.1 million. Since FY 2013, the JCVB fund balance (reserve fund) has decreased by \$783,413. The decrease is due in part to increased expenditures for personnel, sponsorships, and a now-defunct music festival. As of fiscal year-end September 30, 2017, the JCVB had a fund balance of approximately \$1.8 million.

Stakeholder Assessment of Tourism in Jackson and JCVB Operations

PEER interviewed 29 of Jackson's tourism-related stakeholders. Stakeholders identified six opportunities for improvement that the JCVB should consider to enhance its effectiveness:

1. As Jackson's destination marketing and tourism entity, lead development of a comprehensive tourism plan for Jackson.
2. Partner with stakeholders to develop collaborative marketing campaigns to promote Jackson as a destination and to promote particular aspects of the Jackson tourism industry.
3. Re-assess how it tracks its performance. This includes developing programmatic performance measures that will aid the JCVB in assessing its own performance and communicating such to stakeholders.
4. Develop and maintain an active line of two-way communication with stakeholders.
5. Develop strategies to support and enhance existing events. In contrast, the JCVB should not devote significant resources to developing its own events in-house.
6. Consider revising its funding support process.

Destination Services Recommendations

The JCVB should:

1. Re-assess its organizational structure, particularly the amount of time each employee devotes to administrative tasks (3.2 hours per employee per day).
2. Eliminate deficit spending, particularly if utilized to fund grants and sponsorships.
3. Retain outside assistance and utilize stakeholder input to re-write its strategic plan
4. Develop a Destination Vision Plan with input from JCVB staff and stakeholders.
5. Update/report estimated economic impact and return on investment calculations using industry standards.
6. Re-train sales staff to improve data issues due to missing or inaccurate data.
7. Increase sales focus on Jackson Convention Complex and higher spend markets.
8. Increase advertising expenditures to accelerate the City With Soul campaign and develop experiential products that reflect the campaign.
9. Consider becoming either a dues-based membership bureau or purchasing housing software that would allow the bureau to secure a fee from the hotels where the 1% tax is not collected.
10. Explore expanding the JCVB service area to include Hinds County.



DESTINATION SERVICES

The Mississippi Legislature should consider creating a convention complex oversight committee to develop a marketing plan to increase the use of the convention center.