



EXPERIENCE
MINNESOTA'S
ROCHESTER

REPORT TO THE COMMUNITY



OUR MISSION

Experience Rochester MN stimulates economic growth through visitor spending with aggressive sales, marketing, partnerships and destination development strategies while facilitating the best possible visitor experience.



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STATE OF THE INDUSTRY

Dear Community & Industry Stakeholders,

The Experience Rochester MN Board of Directors and staff are pleased to present our annual Report to the Community, which illustrates the vast dedication and extraordinary efforts of everyone who works to make Rochester an exceptional destination for visitors.

This year's report captures a particularly exciting period of change and growth both within Experience Rochester MN (formerly the Rochester Convention & Visitors Bureau) and throughout the community's hospitality industry. Recent major accomplishments and hospitality industry developments that are detailed within this report include: the creation and implementation of our community's new destination brand, "Minnesota's Rochester: America's City of Care and Innovation (p. 10);" increased opportunities and sales tied to the 2017 Mayo Civic Center expansion (p. 6); the expansion of air service at Rochester International Airport (p. 16); and a hotel building boom (p. 15). By the end of 2020, downtown

Rochester is expected to add 850 new hotel rooms, which will raise the downtown room count to more than 3,000 and the citywide room count to more than 7,000.

Experience Rochester MN has an important partnership with the City of Rochester as its official destination management organization, and we are the organizational focal point of Rochester's hospitality industry. Together with our partners, we are poised for the many growth opportunities before us. Our team starts with our dedicated staff and Board of Directors, and includes the award-winning Rochester MN Sports (formerly the Rochester Amateur Sports Commission), Mayo Clinic, the Rochester City Council, Mayo Civic Center, the Mayo Civic Center Commission, the Destination Medical Center leaders and staff, our inspired volunteers, and our hardworking industry colleagues. All these groups, along with many others, create the focus and desire to care for our 3.3 million annual overnight visitors who spent \$493 million in our community's hotels, restaurants, shops, and other establishments in 2017, and spent \$262 million in our

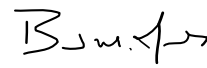
establishments between January and May of 2018.

Our goal is to contribute to the public good, provide meaningful and positive guest experiences through Rochester's devoted and caring people, and to position Rochester as a vibrant, world-class destination. It is only through collaboration that we can reach our true potential.

Thank you for your support and we look forward to serving you in the future.



Myron Salz
Chairman, Board of Directors



Brad M. Jones
Executive Director/CEO



The strategic direction of Experience Rochester MN.

BOARD OF DIRECTORS

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Kahler Hospitality Group

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Titan Development

DIRECTORS - Ex Officio

Ed Hruska
Rochester MN Sports

Steve Rymer
City of Rochester

Paul Widman
Rochester Park & Recreation Department



SALES OBJECTIVES

LODGING INDUSTRY GROWTH



Rochester added 123 new rooms to its hotel inventory in 2017, and 94 additional rooms were added at the new Home2 Suites in June of 2018. An 89-room Candlewood Suites will open in November, 2018, bringing the projected citywide room count at the end of 2018 to 6,013 at 56 lodging establishments.

Rochester's hotels hosted 1,237,800 overnight stays in 2017 and more than 3,340,000 overnight visitors. Between January and May of 2018, Rochester's hotels hosted 568,900 overnight stays and 1,536,030 overnight visitors.

The overall citywide average occupancy rate was 62.8% in 2017, and between January and May, 2018, it was 71.2%.

The Experience Rochester MN Sales Department is responsible for business development by prospecting, qualifying, and developing relationships that ultimately lead to booking meetings, conventions, and events that provide economic impact to Rochester and revenue to the hospitality industry. Experience Rochester MN's staff is responsible for fulfilling sales and marketing responsibilities for Mayo Civic Center. With the 2017 completion of an expansion of the Mayo Civic Center, much of 2017 and the first half of 2018 was

spent focusing on new business development. Some of the market segments that the sales team targets heavily for events at the expanded Mayo Civic Center include:

- Medical/Healthcare
- Technology
- Religion
- National Associations

CONTINUED ►



2017 HOTEL ROOMS SOLD

Up 3.7% in 2017 compared to 2016, and **up 11.8% in Jan-May 2018** compared to Jan-May 2017.



2017 AVERAGE DAILY ROOM RATE

Up 2.6% in 2017 compared to 2016, and **up 3.1% in Jan-May 2018** compared to Jan-May 2017. The average daily room rate at Rochester hotels in 2017 was \$110.86 and from Jan-May 2018 it was \$114.41.



2017 OVERALL LODGING REVENUE

Up 2.7% in 2017 compared to 2016, and **up 15.3% in Jan-May 2018** compared to Jan-May 2017.

SALES MADE IN JANUARY 2017 – JUNE 2018

During 2017, sales generated \$3.6 million in future Mayo Civic Center revenue, \$45 million in estimated economic impact to Rochester from Mayo Civic Center events, and an estimated \$58 million in overall economic impact for future conventions, meetings, sports and events citywide. From Jan-June 2018, sales generated an estimated \$1.9 million in future Mayo Civic Center revenue, \$13 million in estimated economic impact to Rochester from Mayo Civic Center events, and an estimated \$34 million in overall economic impact for future conventions, meetings, sports and events citywide.

*includes repeat and new business

FUTURE MAYO CIVIC CENTER NEW BUSINESS

Leads generated in January 2017 – June 2018 (18 month period):

- 61 leads
- 40,000 attendees
- \$23 million in economic impact

Future Mayo Civic Center new business confirmed bookings made in January 2017 – June 2018:

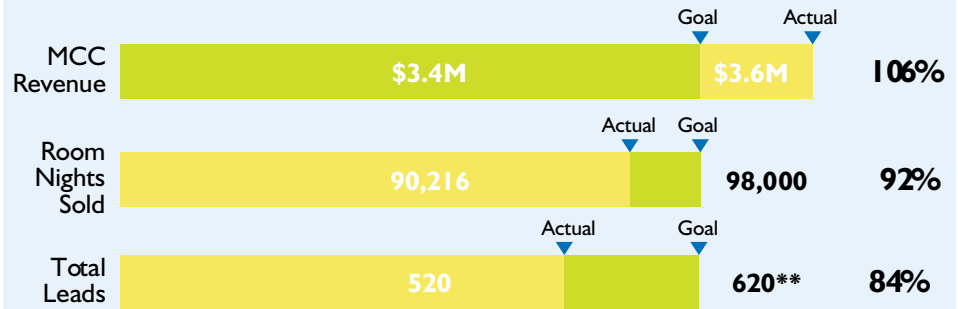
- 127 events
- 45,300 attendees
- \$12 million in economic impact

BUSINESS DEVELOPMENT EFFORTS

Experience Rochester hosted several site visits for groups of meeting and event planners in 2017 and 2018 in efforts to educate a broad range of prospective clients about the benefits of Rochester and Mayo Civic Center. These group visits included:

- **Customer Advisory Board.** Experience Rochester engaged DMOproz, a destination marketing consulting firm, to

2017 SALES: GOALS VS. ACTUAL



*There were 297 events at Mayo Civic Center in 2017, accounting for 297,575 attendees. There were 35,722 actual room nights associated with MCC events.

**259 new leads & 261 repeat leads.

SNAPSHOT OF NEW BUSINESS

Generated from January 2017 – June 2018

New, rather than repeat, business attributable in part or full to the new convention center venues

Group	Attendees	Estimated Economic Impact
2017 USA Wrestling U23 World Trials	800	\$160,000
2018 Medical Technology Enterprise Consortium Annual Meeting	250	\$156,000
2018 Minnesota Community Education Association Fall Conference	900	\$86,000
2018 Upper Midwest Invasive Species Conference	900	\$376,500
2018 Women & Spirituality Conference	750	\$62,000
2018 World Congress of Bronchology	550	\$745,000
2018 Minnesota Veterinary Medical Association Annual Meeting	700	\$545,000
2018 Minnesota Recreation & Park Association Annual Conference	300	\$259,000
2018 West Coast Dance Explosion	300	\$95,000
CUREPSP Conference – Unlocking the Secrets of Brain Disease	100	\$19,000
2018 HCI Group – Mayo Clinic EPIC Go Live Orientation	1,300	\$1.8 million
2019 American Society of Parasitologists Annual Meeting	300	\$1.3 million
Celebrity Dance Competition	2,000	\$714,000

facilitate a Customer Advisory Board consisting of 11 national, regional and local event planners representing a variety of market segments in September, 2017. Event planners were guided by Experience Rochester staff on tours of the city, Mayo Civic Center, and Mayo Clinic. DMOproz consultants facilitated discussions related to industry trends, safety and security, technology, and more in an effort to elicit actionable suggestions from event planning professionals.

- **HelmBriscoe North Central Regional Meeting.** Experience Rochester's sales team hosted 25 HelmsBriscoe third-party meeting planners from MN, WI, and IA in February, 2018. The planners toured Mayo Civic Center and sampled cuisine from the center's signature caterers, visited various hospitality businesses, and enjoyed a Historic Rochester Trolley Tour. The planners also toured Mayo Clinic and learned about the many resources and tours available to convention attendees. Feedback was positive, with planners impressed with the quality and layout of the convention center as well as how much more "walkable" our city was than they expected.
- **Health Professions Network Spring Conference.** Experience Rochester's sales team hosted 28 medical meeting planners representing 20 different organizations to learn about their meetings and what it would take for Rochester to be selected as a meetings site. The 28 medical meeting planners, who came from all over North America, toured Mayo Clinic, the Mayo Clinic Healthy Living Program, the Wellness Lab, and more. They learned directly from Mayo Clinic representatives about how Mayo Clinic can provide resources for medical conventions and meetings, including tours, speakers, and more. The medical meetings planners also experienced what it would be like to hold a meeting at Mayo Civic Center and to stay at a downtown hotel. This conference helped the Experience Rochester

sales team to identify what is most important to medical meeting planners and how to capture future business with these and other medical organizations.

Upcoming: From Sept. 10-12, 2018, the Connect Medical Customer Advisory Board will convene in Rochester.

TRADE SHOWS

Our Experience Rochester sales team also showcased our caring, innovative city and the newly-expanded and modernized Mayo Civic Center at several national and local trade shows, including Destinations Showcase International, American Society of Association Executives, Connect Marketplace, IMEX America, the Religious Conference Management Association's eMERGE, Association of Medical Society Executives, HelmsBriscoe, Chicagoland Holiday Showcase, Associations North, the Wedding Extravaganza, Unveiled, and more.

LOST BUSINESS ANALYSIS

Experience Rochester developed a comprehensive evaluation of lost business in 2017 for lost conventions, meetings, and sports events. The Lost Business Report detailed why the sales team lost or failed to capture proposed business. Analyzing lost business provides critical insights and trends into our sales process and how we manage client relationships for optimal success. According to an analysis of 168 lost business leads in 2017 (which represent just under 68,000 lost hotel room nights, an estimated lost \$41 million in economic impact, and a lost \$3.3 million in Mayo Civic Center revenue), major reasons for lost business of high-value events in 2017 were:

- **Committee/Board decision** – Based on the awareness that this is a major cause of lost business, our sales staff is charged with clearly understanding the source of the decisions and the process by which convention/meeting site decisions will be made by potential client organizations, and leveraging this knowledge with a new marketing strategy to more consciously influence potential decision makers.
- **Seeks more central Minnesota location** – Rochester occasionally loses business to more centrally located cities. We are developing strategies to counteract this objection, including including making efforts to persuade Minnesota state associations to evolve their events to include sister associations in neighboring states (Wisconsin and Iowa), which would position us with a competitive advantage.
- **Transportation and parking issues** – In national markets, Rochester's perceived transportation accessibility (how easy or difficult it is to get to our city) has drastically improved in recent years but does continue to be an objection. With state and regional groups, a perceived lack of parking availability has also been a challenge recently. Rochester International Airport continues to expand and diversify air service, and our sales team works to position Rochester as a destination conveniently served by RST as well as Minneapolis-St. Paul International Airport.
- **Seeks more of a destination city** – We have been working to improve Rochester's overall destination appeal, but in reality, our competitor destinations are typically far ahead of us in providing the exciting visitor attractions and entertainment amenities that enhance a city's overall image and attract attendees. We are hopeful that our future development plans in Rochester will include careful attention to this need to develop general interest attractions and entertainment offerings.

ECONOMIC IMPACT



U.S.

1 of 9 jobs depends on tourism

15.6M jobs supported by the travel industry

\$1.036B traveler spending

\$2.4T economic impact generated by travelers

Each household would pay **\$1,300 more in taxes** without the tax revenue generated by travel & tourism.

Source: ustravel.org



MINNESOTA

265K full- and part-time jobs

\$15B gross tourism sales

3.3M Minnesota trips

\$5.4B wages of workers employed by hospitality industry

Source: ExploreMinnesota.com



ROCHESTER, MN

2nd largest industry is travel/hospitality/tourism

14,800 full-time hospitality/tourism jobs

3.34M annual overnight visitors

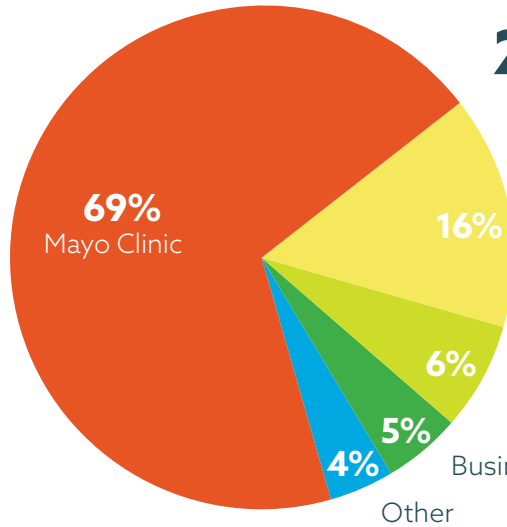
\$493M visitor spending

\$1.2B overall economic impact of visitors



TOURISM IS THE FRONT DOOR OF THE ECONOMY.

The first jobs of most workers in the U.S.— and Rochester—are in hospitality or are service related.



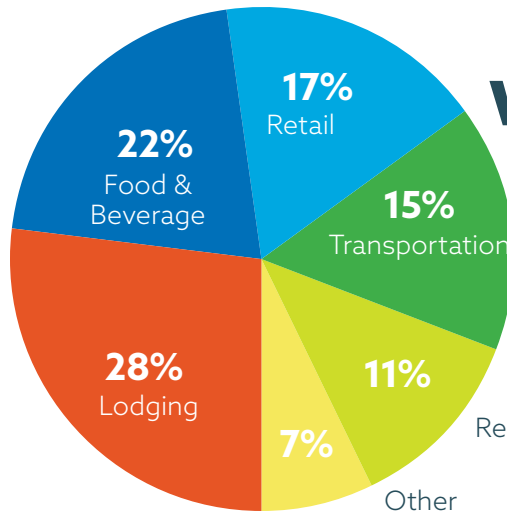
2017 ROCHESTER VISITORS

Conventions/Meetings/Sports

Leisure

Business/Corporate

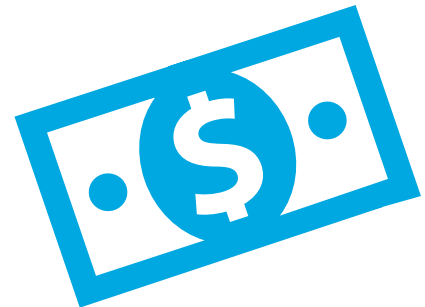
Other



WHERE TOURISM DOLLARS GO

Recreation

Other



MARKETING EFFORTS

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MINNESOTA'S ROCHESTER
Destination Marketing Partnership

The mission of MINNESOTA'S ROCHESTER DESTINATION MARKETING PARTNERSHIP is to benefit the city's economy and contribute to quality of life for the community and by attracting and serving local, regional, national and international meetings and conventions, entertainment, social and sports events, and tourism visitation. Additionally, the partnership will work with Rochester's hospitality industry to develop and support exceptional experiences for all types of visitors.

To be an industry-leading Destination Marketing/Management Organization, recognized for achieving and sustaining excellence in destination brand strategy, sales and marketing, tourism development and visitor experiences, and total contribution to Rochester's economy and quality of life.

VALUES

- Care.
- Innovation.
- Dedication.
- Competence.
- Dependability.
- Professionalism.
- Education.
- Hospitality.
- User Focused.

STRATEGY #2
TELL THE STORY OF POSITIVE BENEFITS

IMPACTS/BENEFITS — A GREAT STORY TO BE TOLD

...tions, sports and tourism of all types are Minnesota's Rochester. More than 14,400 hospitality sector our city's second largest overall economic activity of \$535 million and million contribution in taxes, the hospitality a powerful economic engine that adds to days.

...sation Medical Center in the U.S. medical with the Mayo Clinic continue to be an overall activity, accounting for at least 70% of, of course, that 30% of Rochester visitors variety of other reasons.

...Rochester's hospitality and tourism business us as a destination. In fact, meetings, orts events at our downtown multiuse re than \$78 million in economic activity. associated with the myriad of sports y tops more than \$25 million.

...ember and quality of destination ies improve Rochester's appeal as for day trips, overnight or weekend s.

...pects that benefit our community are e sharing the information in various ine conduct of business, interviews ential stakeholders in our city revealed me to tell this important story. As a but important strategy that we are try of positive economic benefits.

...this strategy and what has been his will now be elevated to a n supported by specific tactics ill be developed to be engaging, sive. Importantly, Rochester e story through video clips and

...ples of the benefits of our robust entions, events and sports sector. sistent, integrated story of how strengthen an important part of y and strategic brand messaging.

MINNESOTA'S ROCHESTER: AMERICA'S CITY OF CARE AND INNOVATION

It's an exciting and rewarding time at Experience Rochester MN, with a fresh new destination brand developed in 2017 and rolled out in early 2018! Key things to know about the new brand platform include:

- **Broad scope.** The new brand platform is much more than a logo or a name. It includes multiple components that work together to guide all areas of our organization. In destination marketing, a brand platform defines a city's identity – it forms the foundation for decisions about how to position and differentiate Rochester, and guides our community's efforts to appeal to and attract visitors, residents and workforce.
- **Three collaborators.** The branding project was a team effort. In addition to the establishment of

Rochester's new overall destination brand, this project also established complimentary individual identities (including new logos and/or names) for three organizations that partnered on this endeavor: Experience Rochester MN, Mayo Civic Center, and Rochester MN Sports (formerly the Rochester Amateur Sports Commission).

- **Robust research.** Extensive research (both qualitative and quantitative) and discovery was conducted by multiple professional services firms (spearheaded by branding agency FUSEIDEAS) and the findings were used to develop the new brand. Input was gathered from thousands of visitors, clients, promoters, sports contacts, and community leaders and community members. Online surveys, in-person interviews and focus groups, and creative testing were just some of the research methods.
- **Our city's essence.** Our new



AMERICA'S CITY OF CARE & INNOVATION

destination identity can be summarized with our positioning statement and tagline "Minnesota's Rochester: America's City of Care and Innovation." The foundation for this new platform is that Rochester

Convention and Visitors Bureau, Rochester Amateur Sports Commission and the Mayo Civic Center moved forward with the continuing evolution of the way we work together to attract meetings, conventions, sports and other events, and visitors of all kinds to our city. Having already consolidated our sales forces, the next step was to examine our brand identities and brand strategies. In 2016, the Rochester Convention and Visitors Bureau, Rochester Amateur Sports Commission and the Mayo Civic Center took a big step forward in the way we work together to attract meetings, conventions, sports and other events, as well as visitors of all kinds, to our city. Having already consolidated our sales forces, the next step was to examine our brand identities and brand strategies. Now, in 2017, we are giving this brand-focused partnership a name:

DESTINATION PARTNERSHIP

Coinciding with this advancement, we have examined each of our individual organizational brand identities, and after working through a robust process of brand discovery, research, creative concept exploration and testing, contemporary names were recommended to more accurately reflect each organization's core mission:

- EXPERIENCE ROCHESTER MN
- ROCHESTER MN SPORTS
- ROCHESTER MN CONVENTION AND EVENT CENTER

Analysis of the destination brand than we have ever had before. And with that greater understanding as our foundation, we are embracing important new strategies, starting with:

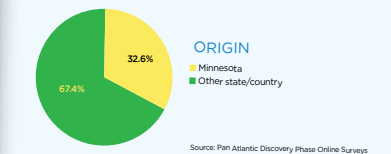
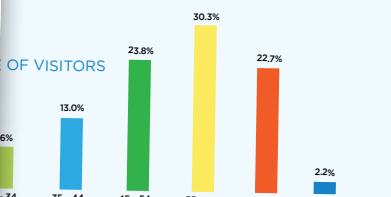
STRATEGY #1

ROCHESTER

Creative testing revealed that the unexpected order of the place names, "Minnesota's Rochester" instead of the usual "Rochester, Minnesota" caused people to take notice, and many commented that it seemed like a bit of an expression of pride. With that, this simple strategy will address a challenge that has confused visitors for years.

PROFILING OF VISITORS AND INQUIRIES*

COLLEGE OR POST-GRADUATE 64.9% INCOME ABOVE \$75K



STRATEGY #5 AGGRESSIVELY SHOWCASE MAYO CIVIC CENTER TO SELECTED PLANNERS

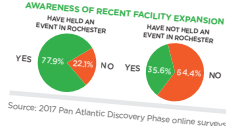
...er is ready for the big time. ... completion of the expansion ... enter, the multiuse facility now ... grand ballroom in Minnesota ... and room to serve dinner to ... 24 new meeting rooms. The ... center has been elevated to ...

...ion expansion, new state-of-the-art and gorgeous: MAYO CIVIC CENTER ... di-visual and connectivity have ... nsive new dathering spaces ... overlook the downtown ... of the Zumbro River.

... Tactics should include a major push for site visits, and the development and use of 360-degree virtual reality tours that can be done at shows and deskside. The power of VR is that it is new technology with a high curiosity factor among those who have not yet experienced it.

...y using VR to showcase include Los Angeles, ... ey and St. Petersburg.

... content with the virtual tour ... actual footage of the



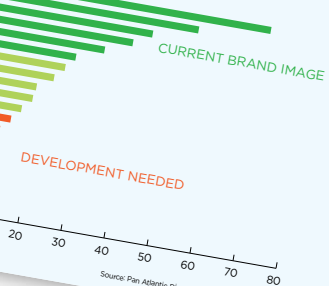
Source: 2017 Pan-Atlantic Discovery Phase online surveys

STRENGTHS & WEAKNESSES



ROCHESTER MET OR EXCEEDED EXPECTATIONS 96.7%

HOW ROCHESTER IS PERCEIVED



Destination Marketing Plan

provides world-class medical and technological advances in a friendly, welcoming community. This brand describes the authentic truths of our community. A successful brand is not created or made up, but based on essential realities that are known among its audiences.

- **Not New York.** Identifying our city as "Minnesota's Rochester" was a key recommendation after research confirmed that outside of the Upper Midwest region, people—including event planners and other critical target audiences—tend to think of Rochester, New York when "Rochester" is mentioned.
- **New names.** When the new brand was launched, our organization's former name, Rochester Convention & Visitors Bureau, was replaced with "Experience Rochester MN." The Rochester Amateur Sports Commission was renamed Rochester MN Sports. A recommendation to rename the

Mayo Civic Center the "Rochester MN Convention and Event Center" (to eliminate some peoples' confusion about the center being on the Mayo Clinic campus, and to more accurately reflect the type of activities that take place there) was rejected by the Rochester City Council.

- **Implementation.** A comprehensive new Strategic Marketing Plan is guiding the implementation of the new brand platform for the three participating organizations. Key strategies include:

1. Use "Minnesota's Rochester" instead of the usual "Rochester, Minnesota" to eliminate place-name confusion with Rochester, NY and to cause people to take notice.
2. Tell the story of positive economic benefits/impacts of meetings, conventions & sports tourism on our community.

3. Develop and use visitor and meeting planner personas.
4. Pursue new types of meetings and conventions relevant to Rochester's own story.
5. Aggressively showcase Mayo Civic Center to selected planners.
6. Spotlight the experience, competence, and dedication of staff.
7. Leverage major events to maximize awareness of economic impact of tourism.
8. Develop bold plans to address weaknesses in the destination.
9. Focus on new feature content for web, social media, emails, and other marketing communications.
10. Adopt and apply a more formalized brand strategy.

CONTINUED ►

NEW BLOG





Experience Rochester launched a new blog in 2017 that provides visitors and prospective visitors with an upbeat snapshot of what makes Rochester great, and can also be used as a resource by hospitality industry professionals when suggesting things to do and places to go in Rochester to guests. Some of the blog posts are acquired through newly-established content agreements between Experience Rochester and two local partner organizations: Rochester Magazine and Rochester MN Moms Blog.

WEBSITE REBUILD & SEO EFFORTS

In spring of 2018, Experience Rochester's website was redesigned and re-launched. Experience Rochester partnered with internet marketing firm Simpleview to design a new Experience Rochester website that complements Rochester's new destination brand, allows for better display across all devices used to view it, and provides more advanced capabilities. Experience Rochester also invested in Search Engine Optimization services through Simpleview in order to better identify common search terms related to traveling to Rochester, and to ultimately direct more traffic to our website.

THREE MONTHLY E-NEWSLETTERS LAUNCHED

Three monthly e-newsletters were launched in 2017 and the first half of 2018. A hospitality partner e-newsletter is sent to local hospitality industry contacts and contains information to help hospitality professionals best serve visitors and stay up-to-date on hospitality industry developments. A sales e-newsletter is sent to approximately 2,000 clients,

				
Year	Facebook Followers	Twitter Followers	Instagram Followers	Pinterest Followers
2014	12,247	3,320	272	0
2015	13,289	4,382	710	288
2016	14,214	5,293	1,310	316
2017	14,342	6,107	2,930	332

Experience Rochester also had 148 subscribers to its YouTube channel in 2017. Experience Rochester partners with local firm AB-PHOTOGRAPHY.US for Facebook and Instagram content.

prospective clients, and other sales contacts, and provides a snapshot of what makes Rochester, MN a premier destination for meetings and conventions.

A consumer e-newsletter is sent to approximately 4,300 travelers or prospective travelers who have expressed an interest in visiting Rochester, and encourages exploration of Rochester's scenic beauty, relaxing pace, revitalized downtown, and stylish dining, nightlife, and shopping.

PROSPECT GENERATION EFFORTS

The marketing and sales teams have collaborated on several effective prospect generation efforts on behalf of Mayo Civic Center. A current partnership with R&G Business Development Solutions has generated dozens of actionable leads being pursued by the sales team. Another coordinated business generation effort, with the American Association of Medical Society Executives, engages a partnership with Mayo Clinic and includes trade show attendance, 1,300 medical society contacts, three e-blasts, and an event sponsorship. A Meetings Net package targeted medical, religious, and national association market segments through e-newsletters

and a webinar sponsorship, and an Integrated Marketing Media prospect generation campaign included additional sales staff support for qualifying, e-postcards, a printed 8-page meeting planner, and more. A full-page ad and enhanced online presence in The Knot (wedding online and print publication) also directed leads to the Mayo Civic Center sales team. In 2018, an effort to increase entertainment at the center began with hiring Venue Coalition which promotes MCC as a venue to promoters. A promotional partnership was also initiated with a major meetings market media outlet, Connect Media, to promote Rochester to its database of planners and host a medical meetings advisory group in Rochester.

VISITOR GUIDE STUDY & NEW PUBLISHER

A survey and analysis of users of Experience Rochester's visitor guide was conducted in 2017 by Destination Analysts, and findings will assist us in making the contents of the visitor guide more valuable to visitors. Top level findings include:

1. The top content sought in the guide was dining (by 62.7% of guide requestors), attractions (61.4%), accommodations (55.9%) and maps (51.2%).

2. Guide requestors who ended up visiting Rochester spent an average of 4.6 days and 3.9 nights in the city. Mean travel party was comprised of 2.2 people, and average daily spending was \$299.04.

3. Of guide requestors who ended up visiting Rochester, 57% found the ads in the guide helpful or very helpful. 59% of guide requestors reviewed the ads before arrival and 35% of requestors reviewed the ads while on their trip in Rochester.

Experience Rochester MN also selected Twin Cities-based Greenspring Media as our new partner in publishing the annual visitor guide. Greenspring Media and several other organizations responded to an RFP for this project, and Greenspring was selected because of its extensive experience in similar projects and its ability to offer additional distribution of the guide in the Twin Cities area. Greenspring publishes many custom publications and visitor guides. Through the partnership, Greenspring will distribute the Experience Rochester visitor guide to readers of Minnesota Monthly magazine, one of its premier publications.

VIRTUAL 360 DEGREE TOURS OF MCC

Virtual 360 degree tours of the Mayo Civic Center in Small Market Meetings magazine, Exhibitor magazine online, Connect Association's magazine, and the Professional Convention Management Association's newsletter. Experience Rochester and Mayo Civic Center were particularly honored to be featured in Successful Meetings magazine as a top-five destination for medical meetings and conventions, along with Cleveland, Los Angeles, Boston, and Raleigh, North Carolina.

LODGING GUIDE & MAPS

Two of the most valuable, highly-distributed items that Experience Rochester creates are our Lodging Guide and our Maps. The Lodging Guide has an annual distribution of 120,000 by Mayo Clinic and 4,000

by our office. The guide is produced quarterly on behalf of Mayo Clinic to be sent with patient appointment guides. In addition, Experience Rochester produces more than 120,000 large format tear-off maps annually. The maps are distributed to popular visitor destinations and businesses such as hotels. The maps are a tool used by hospitality industry employees when assisting guests with wayfinding.

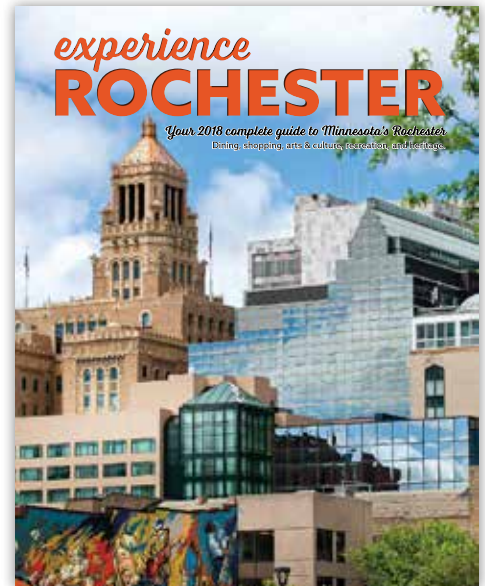
MEDIA COVERAGE

Experience Rochester's efforts to promote Rochester as a leisure travel destination and the Upper Midwest's premier location for conventions and meetings resulted in positive media coverage in 2017 and the first half of 2018. We earned 5.4 million media impressions in 2017. Notable media coverage included being featured as Minnesota's best "budget destination" in a feature in Budget Travel online and having Pescara restaurant featured in an article on "the most romantic restaurants in every state" in Readers Digest online. Experience Rochester also worked with the Rochester Downtown Alliance to schedule on-air interviews about SocialICE on WCCO's mid-morning show with Jason DeRusha.

Trade publication coverage included articles about the expanded Mayo Civic Center in Small Market Meetings magazine, Exhibitor magazine online, Connect Association's magazine, and the Professional Convention Management Association's newsletter. Experience Rochester and Mayo Civic Center were particularly honored to be featured in Successful Meetings magazine as a top-five destination for medical meetings and conventions, along with Cleveland, Los Angeles, Boston, and Raleigh, North Carolina.



Excerpt from sales proposal



Annual visitor guide



8-page meeting planning guide

DESTINATION DEVELOPMENT



Experience Rochester MN will formulate, recommend, and support destination development strategies to ensure Rochester continues to gain tourism market shares. Destination development strategies are designed to generate overnight visitors, increase visitor spending, and drive exposure to new markets for medical visitors, meetings and conventions visitors, sports visitors, and leisure visitors, thereby providing economic impact to local businesses and the community.

Experience Rochester's 2018 - 2019 Destination Development priorities include:

- Develop visitor attractions, entertainment, and things to do
- Plan for the continued growth of air service at Rochester International Airport
- Further investigate a Mayo Civic Center Arena redevelopment plan
- Continued redevelopment of Graham Park
- Address downtown hotel group room block gaps
- Redevelop the Rochester riverfront
- Support the Destination Medical Center development plan
- Develop and redevelop the city's sports tournament venues
- Address growing transportation and parking needs for visitors
- Support plans to develop Rochester's hospitality industry workforce needs

WHAT IS A DESTINATION ORGANIZATION?

A destination organization like Experience Rochester MN is responsible for **promoting a community as an attractive travel destination** and enhancing its public image as a dynamic place to live and work. Through the impact of travel, a destination organization **strengthens the economic positions and provides opportunities** for the people in their community.



- Strengthen our destination brand by expanding efforts and new product offerings in medical, health, and wellness tourism

NEW HOTELS ON THE HORIZON

Rochester is transforming into an even more exceptional destination for visitors as several new hotels are anticipated to open in the next few years. An 89-room Candlewood Suites is expected to open on South Broadway in November, 2018. By the end of 2020, Rochester's downtown is expected to add 850 new hotel rooms, which will raise the downtown room count to over 3,000 and the citywide room count to over 7,000. Some future hotel projects include:

- Hilton Downtown Rochester. The 264-room Hilton Downtown Rochester is a new 20-story upscale hotel currently under construction at the southeast corner of South Broadway and East Center Street. It is anticipated to open in spring, 2019, and will feature two grand ballrooms, a conference center, five-star dining, a full-service luxury spa, outdoor terrace and underground parking, and retail shops. This is one of the first projects under the city of Rochester's Destination Medical Center (DMC) initiative.
- Riverfront hotel project. A new 180-room, four-star riverfront hotel is part of the Bloom Development Group's \$300 million Bloom Riverfront Towers development plan. This one million square foot development will be located across the Zumbro River from the Olmsted County Government Center (from Second St. SE to Fourth St.) and includes hospitality and shopping, complemented with contemporary restaurants and nightlife. The plan also includes a parking garage, 130 condominiums, and a 215-unit senior community. The plan received a conditional use permit from the Rochester City Council on March 19, 2018 and final plans still need to be presented to the Council for approval.
- A Civic on First hotel project. Construction is expected to begin in summer of 2018 on a unique, extended stay 260-room hotel project with 284 parking spaces



and retail components. The 12-story hotel will be located on the previous site of the American Legion at First Ave. NW and Civic Center Drive and is expected to open in June, 2019.

- A new Hotel Indigo in the current location of the downtown Holiday Inn on South Broadway. The 173-room Holiday Inn was recently purchased and the new owners plan an extensive renovation of the establishment into a modern, high-end boutique hotel. Renovations are expected to begin in late summer, 2018 and be complete by early 2019.
- A new hotel and mixed-use development to replace the Days Inn on the northeast corner of West Center St. and First Ave. NW. This project is in initial stages of discussion. Tentative plans call for a 16-story mixed-use building that includes a 200-room hotel, 120 apartments, 317 parking stalls and

8,000 to 10,000 square feet of retail and restaurant space. No formal applications for this project have been submitted to the city.

- A new 2nd Street Hotel across from Mayo Clinic's Saint Marys campus. Located about a mile from the heart of downtown Rochester, this new, extended-stay 150-room hotel is planned to open in 2020 on the site where Virgil's Auto Body is currently located.

EXPANDED AIR SERVICE AT RST & MAYO CLINIC'S 'FLY LOCAL' POLICY

Rochester International Airport expanded its air service options in May, 2017 and again in July, 2018. In May, 2017, the airport announced the addition of five new daily flights (to Atlanta, Chicago, and Minneapolis), for a total of 13 daily flights starting the summer of 2017. This was an increase of 65% more flights

originating out of Rochester. Also, in October, 2018, Elite Airways will begin operating nonstop flights to two new destinations from RST: Phoenix, Arizona and St. Augustine, Florida. In addition to the expanded air service, in 2017 Mayo Clinic announced that most of its employees are now required to fly out of RST. Experience Rochester MN encourages other businesses to "Fly Local" as well; this has a profound impact on the vibrancy of our airport and air service expansion.

NEW HOSPITALITY DEGREE

Rochester Community and Technical College began enrolling students in a Business Management – Hospitality program in October, 2017. This program is a 2-year Associate of Applied Science (AAS) degree program. This new program offers opportunities to advance the skills of our local hospitality workforce. This is

an important step toward preparing and developing our hospitality workforce for the future.

RE-DEVELOPMENT OF GRAHAM PARK

In June, 2018, the Olmsted County Board approved a Master Plan for Graham Park. The \$54 million master plan calls for \$41.5 million in capital improvements over the next 10 years and the addition of an 83,000 square foot Expo Center. This plan will profoundly improve Graham Park and provide a tremendous, worthwhile investment into our growing South Broadway corridor. Experience Rochester MN has advocated for the re-development of Graham Park for several years and is pleased that this plan is moving forward.

DESTINATION MEDICAL CENTER

Destination Medical Center (DMC) is the largest public-private economic initiative in Minnesota and the catalyst for growth in Rochester. DMC is creating and positioning Rochester as a global destination for health and wellness. Experience Rochester is an important stakeholder and supporter of the current priorities of the DMC Development Plan. Many of the significant Visitor Experience initiatives that Experience Rochester is leading involve strong collaboration with DMC, including: the Experience Accreditation hospitality-industry accreditation program, the MyRochesterExperience.com visitor survey, and the Certified Tourism Ambassador program.

KEY PARTNERSHIPS

Brand USA & Explore Minnesota Tourism

In 2017, Experience Rochester worked with BrandUSA and Explore Minnesota Tourism to showcase



RDA Staff promote SocialICE on WCCO

Rochester in a "Destination-at-a-Glance Road Trip" Minnesota video package which is being shared with large national and international audiences. BrandUSA, a nonprofit corporation created as a result of the Travel Promotion Act, is dedicated to marketing the United States as a premier travel destination and works to incrementally grow international visitation to the U.S., increasing America's share of the global travel market. Experience Rochester is also active in many efforts spearheaded by the State of Minnesota marketing arm, Explore Minnesota Tourism, whose mission is to promote tourism within the state and the region.

Rochester Downtown Alliance

A vibrant downtown is imperative to creating destination appeal. Experience Rochester works closely with the Rochester Downtown Alliance to promote the businesses and events that take place near the city center.

Hospitality First

A joint committee of the Rochester Chamber of Commerce and Experience Rochester, Hospitality First consists of hospitality industry leaders throughout the Rochester area whose goal is to increase awareness of the economic impact of the industry, provide education for current and future industry professionals, and advocate for initiatives that support the industry.

Experience Rochester provides staff leadership for Hospitality First.

Arts/Culture

Experience Rochester offers free office and meeting space and staff resources to the Greater Rochester Arts and Cultural Trust and Rochesterfest. Brad Jones, Experience Rochester's executive director, serves as chair of the Arts and Cultural Trust. The goals of these organizations are to celebrate Rochester, and to promote and advocate for the arts and humanities.

Lending Local Support

Experience Rochester supports local events that foster a vibrant, dynamic environment in Rochester. Experience Rochester lends a hand through sponsorship, in-kind support, marketing, and volunteerism to increase the number and quality of activities available to visitors during their stay and to promote the vitality of the city.

Industry Involvement

Experience Rochester and Rochester Sports staff hold leadership roles or are members of more than 20 national and local industry-related associations, groups, councils, commissions, and boards.

ROCHESTER SPORTS



Rochester MN Sports (formerly the Rochester Amateur Sports Commission) has been administering events in Rochester since 1991. They provide leadership, guidance, and expertise in attracting and administering sporting events for the Rochester, MN area. Sports is our city's most successful group market segment, with Rochester Sports leading the way.

SPORTS DRIVE ROCHESTER'S ECONOMY

Rochester Sports attracts and administers a range of sporting events that are a boon to local businesses. Here are some examples of the impact of some sports events:

Soccer Events

- Approximately \$1.14M in economic impact to the city in 2017

Minnesota Youth Soccer Association's Summer & Fall State Soccer Tournaments

- 3,400 athletes and 7,000 fans
- Will be held in Rochester for next three years

Rochester Thunder Soccer Tournament

- 1,900 athletes and 3,900 fans
- Held annually in June

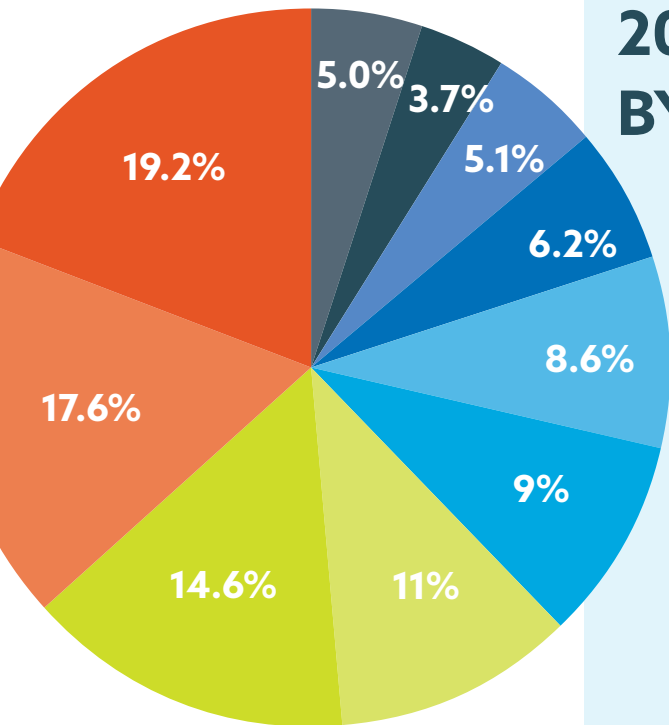
National Volleyball Center / Youth Volleyball Tournaments

- Approximately \$2.88M in economic impact to the city annually

- Host to state, regional, and national volleyball tournaments
- 10 annual youth volleyball events on various weekend: 8,050 athletes and 20,250 fans
- NJCAA National Volleyball Championship (8 teams) was held here in 2017 and the same event will be held here and expanded to 12 teams in 2018

Youth Baseball Events

- \$2.13M in estimated economic impact in 2017
- Rochester Youth Baseball Association hosts three major annual events: 2,550 athletes and 6,500 fans
- Rochester Sports runs the annual Rundown and Firecracker baseball



2017 HOTEL USAGE BY SPORTS ATTENDEES*

- Basketball
- Wrestling
- Volleyball
- Baseball
- Swimming
- Hockey
- Softball
- Soccer
- Cheer/Dance
- Other



*Based on 34,861 rooms reported

events and partners with statewide baseball organizations to host state championships: 1,800 athletes and 5,200 fans

National Events & Other Notable Events Held in Rochester

- USA Baseball U-18 National team Exhibition - 2017
- USA Softball Northern National 16A Fastpitch Tournament - 2017
- MN USA Wrestling USA State Folkstyle Tournament - 2018
- MN USA Wrestling MN State Freestyle & Greco Championships - 2018
- NCAA Women's Division III National Basketball Championship - 2018
- USA Softball Northern National 14A Fastpitch Tournament - 2018
- USA Wrestling Junior World Team Trials - 2018
- Just For Kix Nationals - 2018

BY THE NUMBERS



5
full-time staff members



102
events in 2017



34,861
hotel room nights



\$24.9M
estimated economic impact

VISITOR EXPERIENCE



ROCHESTER
EXPERIENCE
ACCREDITATION



**Certified
Tourism
Ambassador
Program**

trains people
how to provide
exceptional
customer
service



**Experience
Dedicated
Destination**
measures
visitor
experience



**Service
Remark
Portal**

collects
positive &
negative
feedback

Visitor Experience plays a key role in the success of Experience Rochester MN efforts by:

- Assisting visitors with free information on food/lodging, arts/culture, tours, recreation, and more.
- Serving conventions in the city by providing information, brochures, and staffing.
- Providing and updating a calendar of events on the Experience Rochester website.
- Boosting the local economy by directing visitors to local businesses.
- Part-time staff at the Visitor Information Center in the Peace Plaza.
- Administering tools to measure and monitor the overall Rochester experience.

HOSPITALITY INDUSTRY ACCREDITATION PROGRAM

Experience Rochester partners with Destination Medical Center and Mayo Clinic on a major effort to enhance visitor experiences. The Experience

Accreditation program is a first-of-its-kind hospitality initiative in the state of Minnesota. Businesses earning accreditation have met standards developed by leaders from local hospitality businesses and organizations related to customer service, staff development and guest satisfaction.

As a benefit of Experience Accreditation, businesses receive increased exposure through Experience Rochester's marketing materials. Additionally, employees of accredited businesses are invited to attend training sessions. In 2017, trainings included presentations on cultural competency and empathic communication.

VISITOR SURVEY

Third-year results of the MyRochesterExperience.com visitor survey were presented to hospitality industry partners in June, 2018. Survey results show that major strengths of our destination are:

- Our friendly, helpful people and welcoming environment
- Our 'image clarity,' in which an increased number of visitors agreed

with the statement 'I know what this place is about'

- High satisfaction levels with basic destination assets like safety and cleanliness.

Areas identified as most in need of improvement are related to 'ease of getting around' and the need for better way-finding (assistance with directions) and signage.

The MyRochesterExperience.com visitor survey was launched three years ago to help Experience Rochester and the hospitality industry prioritize initiatives and allocate resources to improve the experiences of the more than 3.3 million annual overnight visitors to Rochester. The third-year survey was completed by 3,323 visitors, 57% of whom lived 180 miles or more from Rochester, between April, 2017 and March, 2018. The survey, which takes one minute to complete, randomly selects five questions from a pool of 110 questions for each survey respondent. The survey measures visitors' satisfaction with all aspects of their experiences in Rochester.



To request the full 21-page report on results from the MyRochesterExperience.com survey's third year, please email info@minnesotasrochester.com or call 507-288-4331.

TOUCHSCREEN KIOSKS

Five self-service interactive touchscreen kiosks continue to be valuable to visitors who use them for way-finding purposes and to get area information about things to do and places to go. The kiosks are located at the DoubleTree Hotel, Marriott Hotel subway, Shops at University Square, and Rochester International Airport. In 2017 a minimally used wall-mounted kiosk was transferred to a floor-mounted location within the Mayo Civic Center to improve usability. A new software provider, Omniex, was recently contracted to revise the user-interface of the kiosks in 2018. The kiosks received 35,216 total clicks in 2017 with the most



popular content being dining, things to do, and the downtown map.

CERTIFIED TOURISM AMBASSADOR PROGRAM

More than 1,600 hospitality industry workers in Rochester have been trained as Certified Tourism Ambassadors (CTAs), with 125 completing the program in 2017. The CTA program, a nationwide certification program for volunteers, front-line hospitality workers, and anyone involved in serving visitors, was launched in Rochester in March, 2011. Accredited and licensed through the Tourism Ambassador Institute™, the CTA™ program goes well beyond basic customer-service training. It is a lasting program that will mobilize Rochester's front line toward the goal of turning every visitor encounter into a positive experience.

CTA Promotional Video: Experience Rochester worked with Knowble

Media to create a promotional video for the CTA program. The video includes footage of a CTA tour and CTA classroom session, as well as testimonials from CTAs and hospitality employers.

2017 CTA Events: To expose CTAs to the wonderful activities and things to do in Rochester, Experience Rochester hosted numerous CTA events in 2017. Events included: Minnesota Children's Museum-Rochester, wine and cheese tasting at People's Food Coop, Bleu Duck Kitchen, Prairie Walls Climbing Gym, Haunted Trolley Tour, coffee tasting at Café Steam, and an educational presentation at RCTC.

ROCHESTER COMMUNITY HOSTS

The Rochester Community Hosts program places volunteer hosts in the pedestrian subways and skyways Mondays through Fridays. The hosts wear bright green vests with the Rochester Community Host logo, so they are easily recognized. They answer questions, provide directional assistance, and inform and encourage visitors to get out and experience Rochester.

Community Host Appreciation Events: To show our thanks to our dedicated Community Host volunteers who serve our visitors daily, Experience Rochester plans quarterly appreciation events. These events give our volunteers an opportunity to network with one another as well as highlight local businesses. 2017 event locations included: Rochester Civic Theatre, Pescara, Plummer House, Pasquale's Pizzeria, Twigs and 125 Live.

FINANCIALS



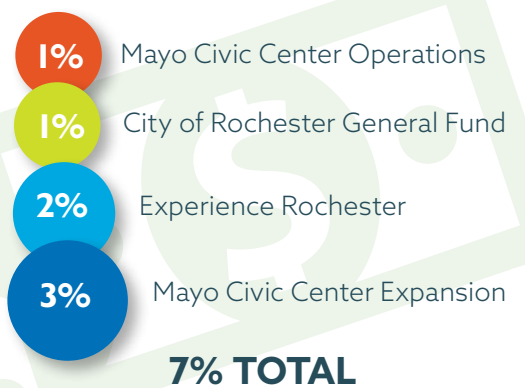
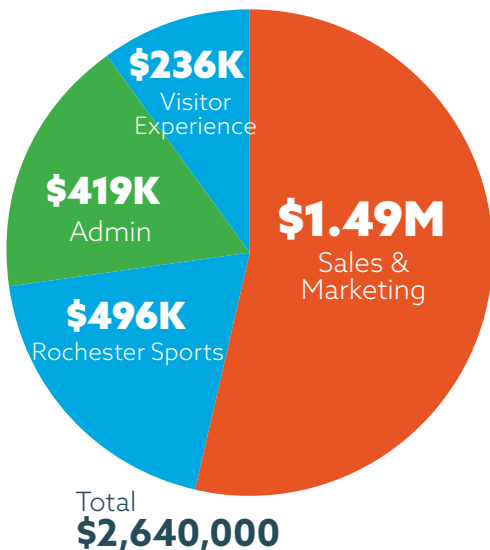
Experience Rochester MN is a not-for-profit organization that brings together local businesses and stakeholders that rely on tourism and hospitality. Begun as a committee of the Rochester Area Chamber of Commerce, Experience Rochester MN (originally named the Rochester Convention & Visitors Bureau) became its own entity in 1989.

Funding for Experience Rochester MN is generated through a lodging tax collected from visitors to the city. The current lodging tax is 7%, 2% of which funds 100% of Experience Rochester's efforts and operations. No local taxes or property taxes are used.

LODGING TAX REVENUE

Funding for most destination marketing organizations, including Experience Rochester MN, comes from a local lodging tax that is collected from visitors staying in local hotels. Below is an illustration detailing how the Rochester lodging tax is distributed.

2018 EXPERIENCE ROCHESTER BUDGET



EXPERIENCE ROCHESTER & ROCHESTER SPORTS STAFF

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SUPPORT ROCHESTER!

If you work with a business, organization, or event that you wish to bring to Rochester, please let us know. Community members can serve as wonderful ambassadors for the city, helping us build positive relationships and encouraging more people to get to know our great city. Rochester is well-equipped to host local, regional, and national events, and it would be our honor and pleasure to welcome your group to our city. We appreciate your support!

Contact: Matt Esau, Director of Mayo Civic Center Sales
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TELL US ABOUT YOUR ROCHESTER EXPERIENCE.

Take our 1-minute survey at myrochesterexperience.com.

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