

20 20 ANNUAL REPORT MEETING THE MOMENT









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MESSAGE FROM THE PRESIDENT



AS THE COVID-19 PANDEMIC roared through 2020, our organization experienced a year unlike any other in its 40-year history. But amid our struggles to learn and adapt, there were rays of hope and inspiration. At Destination Ann Arbor, our talented team rose to meet this historic challenge head on. With reduced staff, limited budget and fewer resources, we quickly pivoted to focus on helping our communities in Washtenaw County respond to the pandemic, from working with the Washtenaw County Health Department to find hotel rooms for frontline healthcare workers and first responders, to advocating for federal and state grants

for our small businesses, to sharing information to keep residents and visitors safe.

The deadly COVID-19 pandemic has had devastating economic consequences worldwide, and the travel and tourism industry we serve in was hit especially hard. The economic impact has been nine times worse than that of 9/11; here in Michigan, over 2,000 restaurants have permanently closed and Destination Ann Arbor's revenues are down over 65%.

Economic recovery will require a well-thought-out, comprehensive approach. To that end, Destination Ann Arbor engaged MMGY NextFactor to develop a Strategic Recovery Plan from mid-2020 through 2021 to help us rebuild our economy in Washtenaw County and put us on a path to prosperity. We met with dozens of local business owners, civic leaders, elected officials and other stakeholders to hear about both challenges and opportunities. We learned about critical issues that require collective action to ensure the survival of local businesses and preserve the vibrancy of communities throughout the county. This will be essential not only for drawing future visitors, but also for attracting new businesses and talent. I'd like to thank the 2020 Chair of our Board, Brenda Stumbo, and our entire Board of Directors for their leadership overseeing the recovery plan and advancing our diversity, equity and inclusion initiatives.

We know the immediate future will continue to be challenging. I'm impressed every day by the talents of our tremendous team and the devotion of our Board of Directors to making a positive difference in a difficult time. And I'm inspired by the resiliency and adaptability of

our businesses, communities and organizations as they work together to navigate this new path. Your support and collaboration truly makes a difference. Please know that we are thinking of you, and we are constantly looking for new ways to advocate for you and support you during this time. May 2021 be a healthier and brighter year for us all.

REGARDS,

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President and CEO

OUR MISSION: TO PROMOTE SUSTAINABLE TOURISM TO ELEVATE ECONOMIC VITALITY AND QUALITY OF LIFE. **OUR VISION:** TO BE THE LEADING FORCE IN PROMOTING THE ANN ARBOR REGION AS A VIBRANT DESTINATION THAT INSPIRES PEOPLE TO THINK AND DREAM BIGGER.

MESSAGE FROM THE 2020 CHAIR OF THE BOARD



DESTINATION ANN ARBOR'S MISSION to inspire people to visit Washtenaw County is more important than ever before. Visitor spending is the fastest way to inject money into the local economy, and when the pandemic abates and the pent-up demand for travel can at last be met, we will be ready, with a renewed, heartfelt commitment to provide the best welcome possible to our visitors.

The travel industry has spurred economic recovery before. We saw it after 9/11 and again following the 2008 financial crisis. Spending by visitors to our communities creates jobs, generates revenue for local businesses, and generates tax revenue for government services to improve the quality of life for residents. And with our Strategic Recovery Plan we have not only hope, but also a road map, for a brighter future.

2020 brought more focus and much-needed attention to the nation's history of systemic racism and inequality. Outrage within our communities and across our country at the shocking manner of George Floyd's death inspired Black Lives Matter marches, community conversations, and some progress in obtaining equality, equity and justice for all people. Within Destination Ann Arbor and our community, we will continue our diversity, equity and inclusion work to advocate for an environment in which everyone is welcome, there is equitable access for all, and everyone's voice and perspective can be heard, respected and valued. I'm particularly proud of our partnership with the National Association of African Americans in Human Resources and the lifetime license we secured for the film Walking While Black: L.O.V.E. is the Answer. We look forward to creating additional partnerships to support this very important work.

Serving as the Chair of the Board of Directors in 2020 and working alongside Mary Kerr was an honor and a privilege. And I would like to extend a warm welcome to Laurel Champion as the 2021 Chair of the Board; I look forward to the valuable contributions she will make through her leadership.

Travel introduces people to new places, new ideas and new experiences, and it can bring people together and break down barriers. At Destination Ann Arbor, we appreciate the role we play in enhancing the experience of those who travel to our communities by supporting the businesses and organizations that serve them. We are deeply dedicated to this amazing community and will continue to support, promote and advocate on behalf of the travel and tourism industry. REGARDS.

Jenda & Strembe

Brenda Stumbo Chair of the Board of Directors

ASSESSING IMPACT: A HARD HIT TO THE TRAVEL INDUSTRY

The travel industry has been hit disproportionally hard by the impact of COVID-19. The economic losses to the U.S. travel industry are nine times worse than those experienced after 9/11, according to the U.S. Travel Association. Some predict it will take five years for the travel industry to fully recover from pandemicrelated losses.

The travel, tourism and hospitality industry is estimated to have lost **eight million jobs**, and roughly **51%** of its workers – twice the national average – were unemployed during the height of the pandemic.

Washtenaw County businesses in the hospitality, hotel, restaurant and service sector earned **42% less revenue** in 2020 than in 2019, while entertainment, events and sports sector businesses earned **35% less**, according to Entry Point's "COVID-19 Business Impact Report – February 2021." Many businesses permanently closed either directly or indirectly as a result of the pandemic, including WSG Gallery, Jim Toy Community Center, Standard Bistro, Mikette, and Arbor Brewing in Ann Arbor; Red Brick Kitchen and Artistica in Dexter; Pineapple House in Saline; Tinkertech and Ollie Food + Spirits in Ypsilanti; and so many others.

BUT NOTHING'S GOING TO KEEP US DOWN!

We've been inspired by the innovation and ingenuity many organizations demonstrated as they reinvented their businesses. Here are a few examples:

ANN ARBOR DISTILLING COMPANY AND UGLY DOG DISTILLERY in Chelsea made and distributed free hand sanitizer.

AKERALLE TECHNOLOGIES in Saline pivoted from selling sports mouthguards to making face shields for medical workers.

YPSIGLOW reimagined how they connect with audiences by incorporating social distancing at in-person events, livestreaming events and offering virtual activities.

STREET CLOSURES in communities across Washtenaw County allowed outdoor dining and shopping to expand, helping businesses and providing for safe social distancing.

And cheers to the many businesses that braved the pandemic economy to open in Washtenaw County in 2020, including Perfumes and Gifts by Shalimar, Malofta Vintage, The Grateful Crow, Bellflower Restaurant and many more!



Goodbye for Now

Amld the COVID-19 crisis, we will be closing our doors until further notice for the safety of the public and our employees. To our loyal customers, thank you for your understanding and patients through this difficult time. We apologize for taking our time in deciding to make this decision, but ultimately knew it was the correct thing to do. Stay safe Ann Arbort ilFlattentheCurve

9X Worse economic impact on US travel industry than **9/11** 51% Unemployment in the US travel

in the US travel industry, **double** the national average

66% Reduction in Destination Ann Arbor budget

(down **\$4M**)

2,000 Restaurants in Michigan permanently closed

\$15M

Economic loss to Washtenaw County from canceled business meetings, sports groups, etc. **33%** Reduction in Destination Ann Arbor staff

Q: WHAT DOES A DESTINATION MARKETING ORGANIZATION DO WHEN THERE IS NO TRAVEL? A: PIVOT!

HERE ARE SOME OF THE NEW WAYS WE CONTINUE TO FULFILL OUR MISSION:

Serve as a conduit of information from local, county and state officials and keep our stakeholders informed as implications of the pandemic evolve.	Work with state legislators on behalf of our local hospitality industry to advocate for assistance and relief for businesses impacted by this crisis.	Focus on retaining existing convention, group and sports business and encourage them to change arrival dates rather than cancel.	Encourage everyone to adhere to the requirements and recommendations of local and state officials, the CDC and their healthcare providers.
Encourage our residents and visitors alike to support and patronize our Ann Arbor- area businesses.	Help the media and the public understand how residents and visitors can help to minimize the adverse effects the pandemic is having on our small businesses and hospitality community.	Work with industry professionals to market our destination while being cognizant of changing conditions.	Maintain Destination Ann Arbor's financial viability by seeking grants, creating pro bono marketing partnerships and implementing programming cuts and other cost-cutting measures.





Here's What You Can Now Do in The Ann Arbor Area

4/Pestitation Ann Alton virus, 19, 2000 Wohlgan's Governo Forebane Whitteen has moved the entire state into Phase 4 of the PN Safe Start Flan and announced that "Michigandors are no langer required to stay home: "The Ann Arbor area has begun the process of respening and beginning to welcane skiftsrs back into the community. The





ROAD MAP FOR A BRIGHTER FUTURE

In the summer of 2020, Destination Ann Arbor engaged with leading consulting firm NextFactor, which is owned by MMGY, the world's largest integrated marketing communications agency in the travel and hospitality industry, to develop a strategic recovery plan to rebuild the local economy. The **Strategic Recovery Plan** identifies strategies from mid-2020 through 2021 to rebuild consumer confidence and inspire residents and visitors alike to spend dollars at hotels and restaurants and in the local economy. Dozens of local businesses, civic leaders, elected officials and other stakeholders were interviewed about their challenges and to identify possible opportunities during the pandemic.

The plan provides guidelines for an urgent and unified response to the farreaching impact of COVID-19 on the Washtenaw County visitor economy and reexamines Destination Ann Arbor's long-term goals. The plan also outlines **22 tangible actions** anchored to the original Destination Ann Arbor 2020-2022 Strategic Plan and Washtenaw 2030 Destination Master Plan, which have been revised and sharpened for the changing environment.

Our success will be dependent on all interested parties aligning their efforts to optimize our region's recovery and avoid working at cross-purposes. By working together, we can achieve our vision for Washtenaw County to flourish in a culture of innovation and knowledge that unleashes immersive creative experiences in active, diverse communities.



DIVERSITY, EQUITY & INCLUSION

It's a journey, not just a destination. Diversity in our communities fuels our enthusiasm of our Mission. Our commitment to inclusion across race, gender, age, religion, identity and experience moves us forward every day. Destination Ann Arbor will continue to strive for these to be more than just words:

- LEADERSHIP COMMITMENT AND ACCOUNTABILITY in setting goals for diversity in staffing and board and committee recruitment
- STRATEGIC GOAL-SETTING in our operational, sales and marketing plans including website and social media branding
- EDUCATIONAL, COMMUNICATION AND MENTORING OPPORTUNITIES for staff
- COMMUNITY ENGAGEMENT: philanthropy, external board representation, diverse-owned businesses, external employee resource groups

REFOCUSED SALES AND MARKETING

Adapt strategies to align with market opportunities with an expanded focus on local audiences.

EXPANDED COMMUNITY PARTNERSHIPS

Engage a diverse set of stakeholders to collaborate on recovery efforts.

OUR STRATEGIC GOALS

PRESERVED DESTINATION EXPERIENCE

Maintain the community vibrancy which makes the region an attractive destination.

ORGANIZATIONAL SUSTAINABILITY

Ensure financial sustainability and refocus roles to deliver greatest impact.

BOOKINGS DIP BUT OUR RESOLVE AND RESPONSIVENESS SOAR

The Destination Ann Arbor sales team pivoted during the pandemic to provide support to our community in many ways. We worked with the Washtenaw County Health Department, the Med Inn, Michigan Medicine and FEMA to fulfill various requests to area hotels, such as accommodating first responders and healthcare workers or guests on self-quarantine. The sales team also worked with the Washtenaw County Intermediate School District to solicit donations from hotels for personal hygiene necessities.

During this time, the Destination Ann Arbor sales team spared no effort in the quest to book conferences, group meetings and events to take place in Washtenaw County. The **171 leads** we generated in 2020 represented a potential economic impact of **\$21.8 million**, which was 20% below our goal. From these leads, Ann Arbor area hotels booked **23,406 room nights** from 28 different groups for an estimated economic impact of **\$5.6 million**. This was about 52% below our goal for definite room nights.

Many conferences and meetings were canceled due to the pandemic, including the long-standing union training groups during the summer. The canceled October 15, 2020, Presidential Debate at University of Michigan had been expected to fill 9,000 room nights. Those losses, as well as the cancellation of many dozens of other group meetings, resulted in a **loss of over \$15 million** to the Washtenaw County economy.



POSSIBILITIES ON THE HORIZON

All three of our city-wide **UNION TRAINING GROUPS** – the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, the Electrical Training Alliance-NTI, and the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers – have expressed their intention to host their annual training sessions for summer 2022.

The **INTERNATIONAL WATER ASSOCIATION** intends to host their 2022 annual meeting in Washtenaw County with 2,670 room nights, for a projected impact of \$644,000.

The **GREAT LAKES SHRINERS ASSOCIATION** has signed contracts with two local hotels to host their annual event in 2022 with just under 900 rooms, for an estimated economic impact of \$218,000 to Washtenaw County.

WASHTENAW COUNTY HOTELS IN 2020





↓60.2% Revenue was down

OUR SPORTING ATTITUDE

The Ann Arbor area attracts both sports enthusiasts and participants alike. Thanks to its easy accessibility, range of facilities available and variety of dining and entertainment options, the Ann Arbor area is a favorite of sporting event organizers. Destination Ann Arbor formed the **Ann Arbor Sports Commission** in 2016 to attract amateur sporting events to the Ann Arbor region by assisting organizers every step of the way. The commission is committed to ensuring safe sporting events during the pandemic.



FOR THE WIN IN 2020

We brought our A-game to supporting sports in 2020:

- COLLABORATED WITH PURE MICHIGAN SPORTS to continue the sales message that "Michigan is Open for Business" to all of our regional and national partners
- SHIFTED FROM IN-PERSON TO VIRTUAL sales calls with National Governing Bodies
- ADDED PLAYEASY AND HUDDLEUP + SCOUT
 website memberships to help us market
 to all the event rights holders across
 the country
- FORMED A NEW PARTNERSHIP WITH EMU to better-utilize their facilities for local programming and rental opportunities
- DEVELOPED SEVERAL NEW COMMUNITY EVENTS
- WORKED ON A NEW PLAN WITH EMU AND YPSILANTI TOWNSHIP to better-utilize ball fields during the spring-through-fall season
- SECURED A \$50,000 GRANT to host NAIA Cheer and Dance National Championships
- CONTINUED TO HOST EVENTS through summer and fall of 2020 (baseball and hockey)
- PARTNERED WITH UNDERGROUND PRINTING to launch an online fundraiser for local sports organizations with 100% of net proceeds designated to local clubs





SPORTS COMMISSIONERS GUIDE AND SUPPORT THE SPORTS COMMISSION

Members of this advisory board of local stakeholders and community advocates were selected with a primary focus on promoting amateur and youth sports in Washtenaw County.

RISHI NARAYAN – Owner, Underground Printing; Co-owner, AFC Ann Arbor; Chair of Sports Commissioners

WARDE MANUEL - Donald R. Shepherd Director of Athletics, University of Michigan

SCOTT WETHERBEE – VP/Director of Athletics, Eastern Michigan University

RONNIE PETERSON - State Representative, 54th House District of Michigan (Ypsilanti area)

SCOTT DERUE – Dean, Michigan Ross School of Business

HOWDY HOLMES – President/CEO, Chelsea Milling Company; former driver, CART Championship Car series

DEBBIE TIRICO – Community Advocate

ERIC HELBER - VP/Director of Business Development, Bank of Ann Arbor

BILL MARTIN – Owner, First Martin Corporation; Director of Athletics Emeritus, University of Michigan

GREGORY DILL – Washtenaw County Administrator

WE'RE LOOKING FORWARD TO ...

NAIA CHEER AND DANCE NATIONAL CHAMPIONSHIPS

432 athletes + 1,500 spectators over two days NAIA WOMEN'S GOLF NATIONAL CHAMPIONSHIPS 175 golfers + 100-200 spectators over four days

TRI-STATE SYNCHRONIZED SKATING CHAMPIONSHIPS WITH ANN ARBOR FIGURE SKATING CLUB 1,000 spectators

A NEW MARKETING MISSION

Throughout most of 2020, when people couldn't travel as much as they would have liked because of the pandemic, Destination Ann Arbor inspired them to remember the joy of traveling and the happy anticipation of planning. As always, we have been constantly promoting things to do and see in Chelsea, Dexter, Saline, Manchester, Milan, Ypsilanti and Ann Arbor. The marketing team pivoted to focus on ways that residents and visitors can support businesses and ensure the vibrancy of communities in Washtenaw County. We operated with limited staff and resources and cut paid marketing programs wherever possible, all while developing new ways to fulfill our mission.



SO MUCH TO ENJOY ...

#ALWAYSA2 INITIATIVE was launched to inspire hope and foster unity during the early stages of the pandemic; over 200 organizations and people use the hashtag.

SHOW YOUR LOVE A2 INITIATIVE was launched in partnership with four business districts to encourage residents to shop local.

"UNDER THE RADAR: MICHIGAN" VIDEOS on social media channels, highlighting how local businesses and area attractions are innovating during the pandemic, featured Bivouac and the University of Michigan Museum of Natural History in Ann Arbor and Go! Ice Cream in Ypsilanti; an Under the Radar episode featuring Akervall Technologies in Saline was broadcast to 2.5 million households across Michigan, the Midwest and Canada.

NEWSLETTERS AND BLOG POSTS inspired residents with information on how to support local businesses, as well as ways to experience our destination through virtual tours, livestreaming, etc. Sample stories included "What to Expect When Shopping Safely in Ypsilanti," "8 Places to Buy a Face Mask in Downtown Ann Arbor," and "Virtual Experiences All Over Ann Arbor."

... AND ENJOYING IT SAFELY

PURE MICHIGAN PLEDGE – We encouraged our hospitality partners, restaurants, hotels, shops and attractions to join Destination Ann Arbor in taking the state's Pure Michigan Pledge to help keep our communities and visitors safe from COVID-19.

COVID-19 RESOURCE WEB PAGE ON OUR WEBSITE has information on the most current health and travel restrictions.

COVID-19 BUSINESS TOOLKIT ON OUR WEBSITE AND WEEKLY EMAIL BLASTS to 2,000 stakeholders share webinars, grant opportunities, relief resources and other information.

STAY SAFE INITIATIVE FOR HOTELS ON OUR WEBSITE - These listings of cleaning protocols and safety steps taken to keep guests and staff safe have improved consumer confidence among locals and visitors alike as they consider a staycation or vacation at area hotels – an important factor in rebuilding our economy.



10 Ways to Support Small Businesses



MARKETING THE ANN ARBOR AREA EXPERIENCE

GRATEFUL FOR THE RECOGNITION

AnnArbor.org won multiple industry awards in 2020, including being selected from among **4,000 entries** around the world for a Gold Award in the Tourism Category at the 16th annual Davey Awards administered by the Academy of Interactive and Visual Arts.

GOLD DAVEY AWARD FOR A TOURISM WEBSITE PLATINUM AVA AWARD SILVER W3 AWARD COMMUNICATOR AWARD OF EXCELLENCE HERMES AWARD - HONORABLE MENTION



30,000 monthly website users on AnnArbor.org and YpsiReal.org

127,000

followers of Ypsi Real and Destination Ann Arbor accounts on five social media channels

1,000

community events, livestreaming festivals and virtual events featured on our Events Calendar, including Chelsea Chocolate Extravaganza, Dexter Ice Fest, Milan Deck the Trees, Saline Jingle Fest and Ypsilanti Community Schools' Black History Celebration

54

blog posts by Ypsi Real and Destination Ann Arbor

100,000+ subscribers to multiple newsletters

1,300+

website listings of restaurants, retail businesses, museums, art galleries, performance venues, hotels, parks, trails and more It's Takeout Tuesday: Why not try a meal from these Ann Arbor-area restaurants?



PRESS CLIPPINGS

Sample media coverage facilitated by Destination Ann Arbor:

WEMU: "As Tourism Declines Due To COVID-19, Destination Ann Arbor Says Locals Can Help Boost The Economy"

CONCENTRATE MEDIA: COVID-19 Washtenaw County resource guide web page

CLICK ON DETROIT: "An unexpected art destination: Ypsilanti"

MLIVE: "It's Takeout Tuesday: Why not try a meal from these Ann Arbor-area restaurants?"

CLICK ON DETROIT: "'We need help.' Ann Arbor business owners sound alarm as winter approaches"

WALL STREET JOURNAL: "Without a Michigan College Football Season, Ann Arbor Feels the Loss"

SUPPORTING **AND CELEBRATING** THE ARTS

Throughout 2020, while many area festivals were canceled, others were livestreamed or reimagined as virtual events or in other innovative ways to maintain social distancing and mitigate the spread of COVID-19. Destination Ann Arbor used their marketing communications channels to continue to support and celebrate our rich artistic and creative community. We provided marketing support to cultural organizations and attractions, including developing website listings, blog posts and newsletter articles.

Destination Ann Arbor staff have served on the boards and committees of many local arts organizations in current and prior years, including the Ann Arbor Art Fair, Ann Arbor Summer Festival, Ann Arbor Film Festival, Creative Washtenaw (formerly known as The Arts Alliance) and Riverside Arts Center.

A CREATIVE RESPONSE

We were inspired to see how festivals like the Ann Arbor Film Festival, Paint Dexter Plein Air Festival, Ann Arbor Pride, Ypsi Pride and many others adapted their programming to allow the community to connect in new and creative ways, such as drive-in concerts, digital offerings, virtual experiences, livestreaming on Facebook or YouTube, or implementing outdoor social distancing measures.

Area attractions also pivoted:

THE UNIVERSITY OF MICHIGAN MUSEUM OF NATURAL HISTORY in Ann Arbor offered virtual tours, livestreaming of science emonstrations and podcasts from iniversity of Michigan researchers.	RIVERFOLK MUSIC AND ARTS in Manchester livestreamed virtual performances and gave donors beautiful handmade mask as a thank you.
NCORE MUSICAL THEATER COMPANY in Dexter hosted social-distanced utdoor performances and a virtual holiday show.	RIVERSIDE ARTS CENTER in Ypsilanti promoted their downlo able FLY Creativity Toolkit to enga their audiences with creative an artistic activities they can do at ho

oadqe ome or while socially distancing





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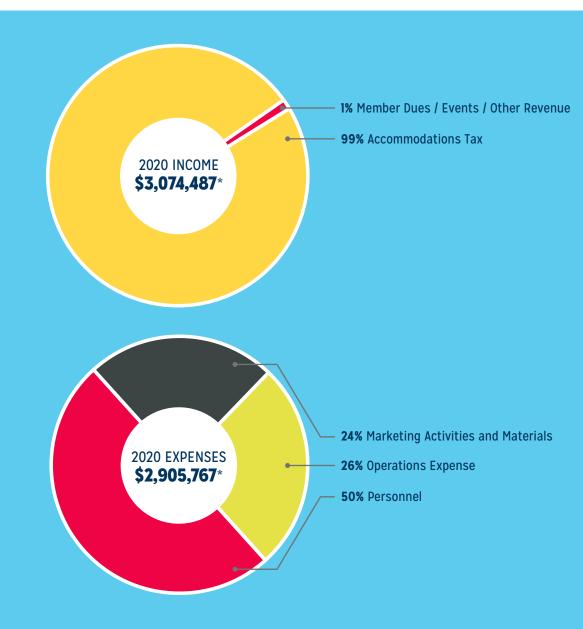
Leisa Thompson Photography

FINANCIALS AT A GLANCE

Destination Ann Arbor successfully maneuvered these unprecedented times and maintained operations throughout 2020. The impact of the pandemic resulted in a decline of Destination Ann Arbor's budget by **\$4 million**, down 66% from 2019. Staff was able to make adjustments to circumvent this huge impact with the help of the Finance Committee and Board of Directors oversight.

These charts provide a financial overview of Destination Ann Arbor's operations. Destination Ann Arbor's revenues are generated through the Washtenaw County accommodations tax, as well as member dues and advertising. As a 501(c)(6) not-for-profit organization, Destination Ann Arbor utilizes revenues to offset expenses associated with marketing activities, operations and personnel.





* Numbers are unaudited at the time of the report.

NOTE 1: Any gain realized from 2020 is anticipated to be used in furtherance of Destination Ann Arbor's mission.

NOTE 2: Due to the unprecedented times, the percentages realized for marketing and activities are much lower than for any other year. Typically, the percent spent on marketing activities is 50% to 55%, operations 10% to 13%, and personnel 32% to 35%.

2020 BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Brenda Stumbo, Chair Elected - Ypsilanti Township

Laurel Champion, Vice Chair Laurel Champion Consulting, LLC

Michael Weber, Secretary Weber's Boutique Hotel

Tom Colis, Treasurer Miller Canfield Joseph Sefcovic, At-Large Ann Arbor Marriott Ypsilanti at Eagle Crest

Barry LaRue, At-Large Riverside Arts Center

Mike Allemang, At-Large White Mountains Services, LLC

Sean Duval, Past Chair Golden Limousine International

Mary Kerr, President and CEO

BOARD MEMBERS

Brenda McKinney Elected - Superior Township

Frances McMullan City of Ypsilanti

April King AGC Automotive Americas R&D

Leigh Greden Eastern Michigan University

Eric C. Williams Puffer Reds

Linda French Sidetrack Bar & Grill

Maura Thomson Ann Arbor DDA

Daniel Fine The Kensington Hotel Michael Rein University of Michigan

Tom Murray Conor O'Neill's

Michael Martin First Martin Corporation

Paul Cousins Dexter Community Leader

Eric Helber Bank of Ann Arbor

Marie Klopf Ann Arbor Art Center

