

2020 CINCINNATI USA CVB ANNUAL REPORT



2020: RESET, RENEW, RECOVER

The pandemic of 2020 forced a hard reset of our entire tourism and hospitality industry, prompted a comprehensive renewal of our strategies to achieve our mission, and ignited our commitment to restore our visitor economy to where it could and should be, not where it was. This summary provides an overview 2020 and the work we've done to reset, restore and recover.

RESET

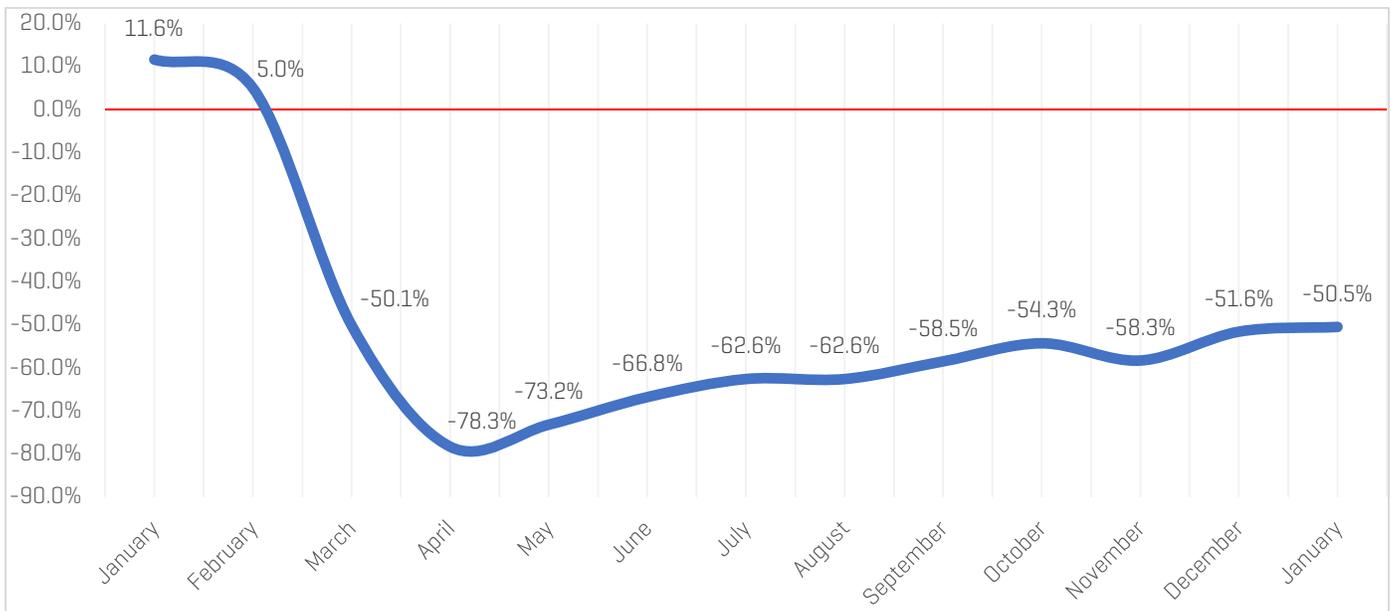
Entering 2020, our region's tourism industry was in a strong position. Visitors in 2019 were estimated to spend more than \$5 billion in our region, supporting 80,000 jobs and \$1.1 billion in tax revenue. Key indicators, including hotel occupancy, ADR and REVPAR were at their highest rates in Hamilton County.

Perhaps the most visible symbol of optimism occurred when the dilapidated **Millennium hotel was sold to the Port Authority** and closed at the end of 2019. This opened a new chapter for future headquarter hotel and convention district redevelopment.

Group business in 2020 was also set to be strong, and we anticipated hosting 215 meetings with 190,000 attendees, with an estimated direct economic sales impact of \$70 million for our community.

Yet, by mid-March the breaking pandemic completely stalled the visitor economy and recast everything business and leisure travelers took for granted. The impact has been devastating with conservative estimates suggesting room **night declines of nearly 80 percent** and visitors' economic impact dropping as much as 38 percent in 2020.

Hotel Revenue (RevPAR) in Hamilton County in 2020 versus 2019:



Group business booked by the CVB was forced to cancel due to travel and gatherings restrictions. 166 of 215 groups cancelled, a loss of 173,000 attendees and expected \$61 million in direct economic impact. The uncertainty of pandemic recovery had also led to eleven groups preemptively cancelling for 2021.

RENEW

While travel nearly halted, resulting in a precipitous revenue drop for the CVB, we continued to look ahead. To protect a strong cash position and be more laser-focused and nimble through 2020 and into recovery, we halted discretionary spending and investments in partner organizations. We also completed a full reorganization, realigning all functions in three key areas:

Destination Attraction – Build business in all segments through unified, single reporting line sales, business intelligence and client services.

Destination Experience – Brand our region as a premier place to visit and meet.

Business Support– Deliver an efficient, supportive, and quality work experience for the CVB team and its partners. Enhance our industry leadership, including dedicating a senior executive to industry-wide equity, diversity and inclusion efforts.

To translate these actions into a more powerful position, we initiated critical steps to help ensure the CVB is being effectively positioned for success.

- **Took leadership.** CEO Julie Calvert chaired Governor DeWine’s Tourism Reopening Working Group, which developed a practical plan to safely return business and leisure travel to the state. The CVB also successfully petitioned Hamilton County to advance \$2 million in bed tax receipts to provide bridge funding and enable groundwork for a return to business.
- **Reinvented regional marketing.** For almost 15 years, the Regional Tourism Network had managed leisure campaigns funded by our CVB and meetNKY. The organizations had been working towards better integration, but the funding challenges of the pandemic forced a reevaluation of this model. The two CVBs reallocated the annual investment that had been made in the RTN into generating travel demand for recovery and created a strategic memorandum of understanding to deliver on our shared mission of boosting regional leisure tourism.
- **Secured Funding.** Hamilton County invested \$2 million in CARES Act funding for a “safe restart” marketing program in partnership with the Cincinnati USA Regional Chamber and the Cincinnati Experience, formerly known as Source Cincinnati.
- **Rebooked business.** We worked closely with hotel and convention center partners to reschedule group business and keep it from cancelling. We rebooked 18 meetings (more than 20,000 room nights), with several more in the confirmation process. Our safe meeting efforts also resulted in national news coverage of the International Aviation Forecast Summit held in October with our partners at the Cincinnati/Northern KY International Airport.

RECOVER

The resolve that has guided us through 2020 sets the stage to restore the economic benefit of the visitor economy. With effective vaccines now widely available, we are seeing a gradual return to more normal life, including increased trip planning.

Our 2021 strategic plan builds on the foundation laid this year to unlock travel inertia through a five-part combination of sales, marketing, equity, development and partnership initiatives. These pillars will work together to:

1. **Restore confidence** in the safety of regional travel through sales and marketing efforts fueled in part by the “Get Your Cincy On” campaign, highly targeted outreach to top prospect meeting categories, tourism efforts in collaboration with Northern Kentucky, and a continuation of initiatives to attract a disproportionate share in hosting diverse cultural events and meetings.

2. **Further ramp up our advocacy** on behalf of the travel and meetings industry and its employees. Few industries have been harder hit by the pandemic. Our continuing leadership in providing protections to the industry, while keeping inclusion and diversity efforts at the forefront, is more important than ever.
3. **Tighten our partnerships** recognizing that we cannot go alone and still achieve our mission. The strongly enhanced and deeply collaborative partnership with meetNKY is essential to our success moving forward. Our efforts will continue to align and engage all our stakeholders in a mutually supportive, goal-oriented manner envisioned through the lens of our new reality. This includes efforts to improve staff and supplier diversity and inclusion.
4. **Rebuild CVB staff** and capability while continuing to de-silo the organization. We will continue to carefully evaluate where and how to add capacity and capability to our team as well as designing for diversity.

FINANCIALS

The CVB’s main source of income, the hotel occupancy tax in Hamilton County, dropped 60 percent in 2020, as travel was halted by the pandemic. In response to the sharp decrease, the CVB was forced to drastically reduce all spending. Loans, gap funding and other investments were obtained to keep the organization viable for the upcoming recovery. Efforts included:

- A \$2 million advance in hotel lodging tax from Hamilton County
- An Economic Injury Disaster Loan of \$150,000
- A Small Business Administration Grant of \$10,000
- Hamilton County invested \$2 million in CARES Act funding for safe restart campaign, which will launch in 2021, in conjunction with the Regional Chamber and Cincinnati Experience
- In 2020, 501(c)6 organizations like the CVB were ineligible for the initial Paycheck Protection Program (PPP) loans. However, subsequent federal legislation rectified that nuance, and the CVB has applied.

Financial statements are available upon request.

PARTNERS

The CVB is proud to partner with organizations across the region to promote economic vitality:

