

**City of Sandy Springs, Georgia
Hospitality Board Minutes**

**Regular Meeting
Thursday, September 26, 2024
8:00 A.M.**

Meeting Room A (City Hall) 3rd Floor

Member(s) Present: Mayor Rusty Paul, Chairman
Pam Rosenthal, Secretary/Treasurer
Eugene Jordan, Board Member
John Visconti, Board Member
Ann Delmas, Board Member
Amanda Singer, Board Member

Staff Present: Jennifer Cruce, Executive Director-Visit Sandy Springs
Samantha Marks, Director of Marketing & Communications-Visit Sandy Springs
Mitchel Gunn, Content & Communications Manager-Visit Sandy Springs
Cynthia Adams, Office Manager-Visit Sandy Springs

Others Present: Chris Cavanaugh, Magellan Strategy Solutions

The meeting was called to order at 8:00 A.M. by Mayor Paul.

Mayor Paul asked for a motion to approve the September 26, 2024 Hospitality Board meeting agenda. A motion to approve the agenda was made by Ms. Delmas and seconded by Mr. Jordan. The meeting agenda was unanimously approved by board members present.

Mayor Paul asked for a motion to approve the August 22, 2024 Hospitality Board minutes. A motion to approve the minutes was made by Ms. Delmas and seconded by Mr. Jordan. The meeting minutes were unanimously approved by board members present.

I. Finance

Jennifer Cruce

Financial Highlights reports for July and August 2024 were included in the board packets. Cruce noted that Toni Carlisle, who was unable to be present, had asked her to convey that she would be bringing a budget amendment to the next meeting related to a rent increase for the DMO and for the loan voted on at the last board meeting on August 22, 2024. The rent increase is due to the DMO moving to larger space in the building they currently occupy to have space to expand.

II. Chris Cavanaugh of Magellan Strategy Group

Presentation of key research findings to kick off strategic plan

Chris Cavanaugh presented to the board the findings of the 2023-2024 Research Study to kick off the upcoming strategic plan. He explained that Gray Research Solutions' (GRS) destination research assessment's scope of work included a destination immersion with the goal to gather understanding of Sandy Springs from a visitor perspective and generate support for research from tourism partners; a lodging study with the goal to assess available lodging product and determine Sandy Springs overnight visitor market mix; a destination perception study with the goal to capture perceptions of Sandy Springs among visitors and non-visitors; a meeting planner study with the goal to understand the needs of meeting planners and what would make Sandy Springs a more competitive meetings destination; and an overnight visitor profile study with the goal to develop the fullest possible profile of Sandy Springs' visitors through visitor intercept interviews in market. Chris pointed out that in the assessment, 75% of hotels in Sandy Springs are more than 20 years old, a majority of hotels are limited service, and that there are only two actual full-service properties. He also said that Sandy Springs sold more rooms in 2023 than pre-Covid, however since more rooms were built and supply outpaced demand, overall occupancy (demand/supply) was lower in 2023 than pre-Covid (demand). Post-Covid, Sandy Springs has sold fewer weekday room nights and more weekend room nights because leisure travel has increased while business travel has decreased. Top overall market segmentation of accommodations visitors reported by hotel managers was made up of business 31%, leisure 29%, groups 27% and sports 7%. He explained that hotels generally classify their rooms sold into those booked as part of a room block (group) and those booked individually (transient). In 2023, about one third of rooms were sold to groups and about two thirds were sold to transient travelers. The overnight market mix has changed drastically in the past 6 years. Before COVID, nearly 60% of rooms were booked by business travelers. Now, business demand for hotel rooms in Sandy Springs is about equal to that of leisure and group. Overall, hotels' top priority for future marketing efforts are corporate groups. Corporate groups are often looking for meeting space, food/beverage, and sleeping rooms under one roof for attendee convenience and easy contracting. He also stated that only one hotel in Sandy Springs meets that requirement currently (Westin)*. Next group marketing priorities are seen as: conferences/meetings, team sports events and SMERF groups. He also explained the differences in priorities: Family reunions and association groups are prioritized more by Upper Upscale hotels than other classes, SMERF groups are prioritized more by Upscale hotels, and Film/entertainment cast/crew groups and team sports events are prioritized more by Upper Midscale hotels.

To the question "how familiar are you with the following destinations," of the 1,661 respondents 49% were "not at all familiar" with Sandy Springs and were not included in the final sample. Atlanta was seen as the destination with the highest appeal, followed by Alpharetta. Sandy Springs was considered equally as appealing as Cobb County and Dunwoody. All areas were considered less appealing by Atlantans and more appealing by Orlandoans. Millennials also found all areas more appealing. Most respondents had visited Atlanta recently (86%). More said they had visited Sandy Springs and the Perimeter (76%, 78%) recently than Dunwoody (68%). He said that this could be due to the association of the Dunwoody area as "Perimeter" as respondents sometimes found it difficult to differentiate Sandy Springs from other Perimeter areas. When they could, they talked about the following themes: affluence and ambience, proximity to Atlanta, dining, and friendly/welcoming atmosphere. The top association for Sandy Springs was great place for families. The second-tier associations for Sandy Springs were outdoor recreation, great place to stay to explore Atlanta, dining/culinary, and green/trees.

Using data from the following sources: GRS Lodging Manager Survey for Market Mix, GRS Visitor Profile Study (overnight visitors) for average travel parties (Adults + Children) and average rooms booked per party, Zartico for percentage of daytrip/overnight and average visitor spending, and Smith Travel Research for demand (rooms sold), GRS was able to estimate that the total number of Sandy Springs visitors between Aug 1, 2023 and July 31, 2024 was 3,040,219.

Cavanaugh reported on the self-reported behavior of 691 recent visitors to Sandy Springs. Of the business travelers, most were from FL, NC, and TX, had 1.6 rooms on average, 3.5-night stays, rated the appeal of attractions lower, were more likely men, were more likely to travel on weekdays, without kids, and spent around \$507 on most recent trip. Of the leisure travelers, most were from GA, SC, and AL, had 1.4 rooms on average, 2.6-night stays, rated the appeal of attractions, service, dining, and lodging quality higher, and were more likely Millennial, more likely using MARTA, more likely traveling on weekends, with about half traveling with children, and spent around \$135 on most recent trip. Of the group travelers, most were from GA, FL, NC, and OH, had 1.9 rooms on average, 2.9-night stays, rated shopping higher, and were more likely women, 4 in 10 travel with kids, and spent \$240 on most recent trip. Of the sports travelers, most were from NC, GA, and SC, had 2.6 rooms on average, 4.1-night stays, rated lodging quality and value lower, were more likely to be Gen X, with 8 in 10 traveling with kids, and spent about \$605 on most recent trip. More than 2 in 3 intercepted visitors knew that they were within the boundaries of Sandy Springs at the time of their interview. That drops to 1 in 2 for Gen Z. About half of online survey visitor respondents said they were familiar with Sandy Springs borders before seeing the map. Overall, approximately 2/3 of visitors were aware of boundaries. "Bleisure" Travelers (intercepts only) were asked "would they consider coming early or staying over an extra day and if yes, why?" The response was that they feel as if there is more of the city to explore / it has leisure aspects to offer and is a great place to stay to explore Atlanta with partner and/or kids. The alternate question was "If no, why not?" And the response was that they viewed the area as more of a business only location or had "been there, done that".

In a survey of regular leisure travelers to ask about the primary purpose of the most recent visits to Sandy Springs, visitors stated that they came to visit relatives, an attraction or historic site, or for a meeting or convention. Only about 6% of respondents reported traveling to Sandy Springs for business on their most recent trip. Visitors indicated that they went to 3 points of interest s on average during their visit. According to a cluster analysis, those that visited Perimeter Mall and those that visited Lenox/Phipps had minimal overlap. About 26% of the sample went to Perimeter Mall and a different 25% went to Lenox/Phipps Mall. About 20% of the sample went to Georgia Aquarium and an array of other destinations and less likely to go to either mall, but more likely to go to World of Coca-Cola, Truist Park/The Battery, Chattahoochee River NRA, and Centennial Olympic Park. Visitors participated in 2-3 activities during their most recent visit. According to a cluster analysis: 21% of those who visited went shopping at a mall and visited an attraction. Another 19% visited an attraction and were more likely to go boutique/local shopping. Seventeen percent only ate at a local restaurant. The destination ratings for Sandy Springs were within the range of 3.8 and 4.7, broken down as follows: lodging quality 4.37, lodging value 4.40, dining choices 4.55, shopping selection 4.62, appeal of attraction/things to do 4.37, ease of finding POIs 4.43, ease of finding visitor information 4.30, level of service/employee training 4.39, overall appeal of Sandy Springs 4.08, and overall experience 4.39. Cavanaugh explained that the Net Promoter Score (NPS) is a metric used to measure customer satisfaction and loyalty. To the question "How likely is it that you would recommend visiting Sandy Springs to a friend, relative or colleague"? The NPS rating for Sandy Springs (from ratings between needs improvement to excellent) was 38, fell within the category of

"great". With regard to the variations in Sandy Springs NPS rating: business travelers are least likely to recommend visiting Sandy Springs (-18.2). Leisure and pass-through visitors are much more likely (+80-81). Atlantans are more likely to be detractors, while visitors from Savannah are more likely to be promoters. Recent visitors are much more likely to recommend visiting Sandy Springs than lapsed visitors.

For the meeting planners' insights, the overall perceptions from them includes their perceptions of Sandy Springs. How meeting planners think of Sandy Springs: They recognize its location in Perimeter, but confused about borders, they are only aware of the Westin, they think there is lack of other full-service hotels for corporate groups, that it is safe, that it's a residential area with a quiet, suburban feel, has great restaurants/food scene, and they're not sure what is there to do for attendees and the Performing Arts Center. Their perceptions of competitive destinations are Dunwoody (Borders regularly confused with Sandy Springs, mall and traffic). Buckhead (No longer the draw it used to be and unsafe), The Battery (walkable areas and entertaining for attendees). Brookhaven (more upscale residential area). Their perceptions of Sandy Springs' strengths are: It's considered a quieter, more suburban alternative to busy (or unsafe) locations in Atlanta. Its location is centralized and easily accessible. It is easy to get to by car and by MARTA for those flying in, has excellent restaurants such as The Select, Baraonda, Casi Cielo, Rumi's Kitchen. It has a helpful, kind, and proactive visitor's bureau that is generous with bespoke recommendations. City Springs is a world class arts venue that is accessible, and there are events on the Green. Their perceptions of Sandy Springs' weaknesses are limited full-service properties, walkable areas and things to do. Only the Westin was considered by professional and corporate planners: professional meeting planners generally make commission on contracts with sleeping rooms. For separate meeting space and catering, groups would be on their own without the help of a planner. Transportation and getting around is challenging. There is a lack of walkable areas (except around Westin) and MARTA stops are too far away – still requires a transportation solution to get to their destination. Targeting Conferences/Meetings means planners look for areas that can meet as many of their needs as possible with relative ease, full-service hotels with meeting and catering under one roof and under one contract. Some site selectors earn commission only on sleeping rooms. If everything is under one contract, planners handle everything. If the space is separate, the client handles it on their own. Restaurants that work well with groups and/or hotels are valued. Knowledge of the area helps planners' site suggestions and decisions are influenced by their personal knowledge of the area. Planners suggested that FAM tours that illustrate group experiences, and events put on for planners, will help keep Sandy Springs top of mind. Transportation is important because attendees need reliable and consistent transportation to get to meetings and post-meeting areas. Shuttles are only helpful if they are either very reliable or constant. Walkability is something valued by multi-day conferences, especially because ride-hailing is extremely expensive. Planner Recommendations: Focus on outreach – get in front of meeting planners in ways such as putting together a video on why to choose Sandy Springs for site selection firms like HelmsBriscoe and Conference Direct and invite planners to experience Sandy Springs in a FAM tour or event planned just for them. Illustrate possibilities with example itineraries and packages and create targeted experiences for various group type, laying out combinations of lodging, event spaces, group-friendly restaurants, and things to do (with transportation, A/V, and food/beverage solutions). They also suggested that the DMO partner with neighbors to offer experiences missing in Sandy Springs that might help fill need gaps. Consider offering perks such as destination incentives for meetings, hotel incentives, bridal party incentives, and a percentage off food and beverage or A/V at a hotel, or deals/concessions on packages. Chris stated to the board that after this visit he would be contacting them to set up individual meeting either by phone or virtual with each of them to get any feedback based on their experiences and

ideas. Chris stated that he would ultimately come back and do a presentation of the strategic plan recommendation to the board.

III. Sandy Springs Hospitality & Tourism Reports

Jennifer Cruce

Marketing and Public Relations

Samantha Marks

Marketing and Public Relations reports for July and August 2024 were included in the board packets.

Social Media

Samantha Marks

Social Media reports for July and August 2024 were included in the board packets.

Sales

Myriam Hysa

Sales reports for July and August 2024 were included in the board packets.

Smith Travel Report

Jennifer Cruce

Smith Travel Report reports for July and August 2024 were included in the board packets.

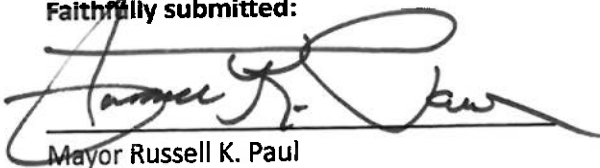
IV. Discussion

Due to insufficient time, there was no discussion.

Mayor Paul asked for a Motion to adjourn the Board Meeting. Mr. Mahaffey made the motion to adjourn the meeting, and the motion was seconded by Mrs. Rosenthal. The motion was passed unanimously. Mayor Paul adjourned the Board Meeting at 9:21 A.M.

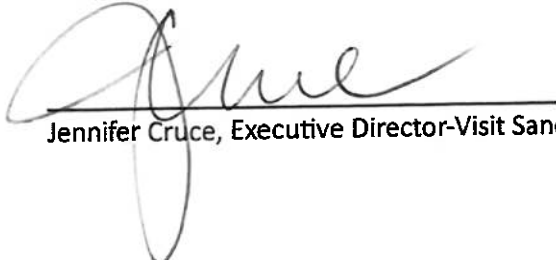
Next Meeting: December 5, 2024

Faithfully submitted:



Mayor Russell K. Paul

ATTEST:



Jennifer Cruce, Executive Director-Visit Sandy Springs