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Dear Customers & Stakeholders,

I am pleased to share Visit Tucson’s 2017-18 Annual Report and 2018-19 Marketing Plan, which highlights our business strategies, recent results and tourism’s economic impact on our community. The successes outlined here can be traced to increased investments in tourism promotion secured over the past six years. Thank you for your continued votes of confidence in our programs and initiatives.

For the second consecutive fiscal year, metro Tucson enjoyed nearly double-digit percentage increases in Revenue Per Available Room (RevPAR), a vital metric for hotels. Tucson’s RevPAR increased 8.9% over last fiscal year, which was up 9.6% over the previous year. Not only did we lead our competitive set of 15 western U.S. cities, but the increase was evenly balanced between increases in rate and occupancy. Such sustained growth was made possible through support and commitment from our government stakeholders and 455 partner businesses.

We continue to place a high value on community engagement. Our leadership and staff contribute to many civic and professional organizations outside the hospitality industry, including those involving regional economic development and quality-of-life issues. Visit Tucson participates in the seven-member Tucson Business Alliance; serves on the Pima Association of Government’s economic vitality advisory committee and infrastructure committee; and assists Sun Corridor, Inc. in its efforts to retain, expand and relocate companies. A full list of the 44 boards and committees on which Visit Tucson staff serves is on page 34.
This year, Visit Tucson will spearhead a 10-Year Tourism Master Plan. The plan will incorporate opinions from stakeholders, government funders, community and business leaders, and visitors to develop a road map for the future of tourism here. It will consider issues such as product development and events as well as topics not traditionally considered part of tourism, such as infrastructure needs and community support.

To create the master plan, we will work with Resonance Consultancy, an international leader in city and place building that has conducted more than 100 research, strategy and branding projects in cities like Portland, Vancouver and Cleveland and in more than 70 countries worldwide. Resonance conducts “World’s Best Cities” surveys using proprietary research to analyze millions of online reviews to rate cities according to place, product, programming, people, prosperity and promotion – research that also will be incorporated into Metro Tucson’s master plan.

I encourage you to read our Annual Report and Marketing Plan to learn about our top accomplishments from last year and our key priorities for this year. As always, we welcome your input and look forward to partnering with you to increase travel and tourism to Tucson and Southern Arizona.

Best Regards,

Brent DeRaad
President & CEO
2018–19 Board Executive Committee

Chair
Russell Bond, General Manager
JW Marriott Tucson Starr Pass Resort & Spa

Vice Chair
Craig Ivanyi, Executive Director
Arizona-Sonora Desert Museum

Secretary
John Hinderaker, Judge
Pima County Superior Court

Treasurer
Nancy Kluge, President
Reid Park Zoological Society

Member at Large
Amber Harkin, General Manager
Hilton Tucson East

Member at Large
Thomas “TJ” Morgan, President & CEO
Gray Line Tours

Immediate Past Chair
Richard Bratt, CPA
Shareholder, COO
BeachFleischman PC

2018–19 Board of Directors

General Business
Carol Blomstrand, CEO
Trumpet Social Media

Dan Cavanagh, Consultant
Lloyd Construction

John Denker, Senior Director of Marketing
University of Arizona

Glenn Grabski, General Manager
Tucson Convention Center

Steve Rosenberg, Owner & Publisher
BizTucson Magazine

Hospitality/Visitor Services
Ghee Alexander, Sr. VP of Operations
Prism Hotels & Resorts

Laura Cortelyou, President
Southern Arizona Attractions Alliance

Neil Shah, Owner & General Manager
Best Western Plus Royal Sun

Andrew Stegen, General Manager
Westward Look Wyndham Grand Resort & Spa

Laura True, Owner
White Stallion Ranch

Charles Wetegrove, Past President
Southern Arizona Lodging & Resort Association

Government
Pima County
Sharon Bronson, District 3
Pima County Board of Supervisors

City of Tucson
Shirley Scott, Ward 4
Tucson City Council

Town of Oro Valley
TBD
Oro Valley Town Council

Members at Large
David Hatfield, Senior Director Air Service Development
Tucson Airport Authority

Lea Marquez Peterson, President & CEO
Tucson Hispanic Chamber of Commerce
Visit Tucson Staff

Administration
Brent DeRaad, President & CEO
Roni Thomas, Chief Financial Officer
Misty Mosley, Accounting Coordinator*
Amanda Flores, Office Coordinator

Mexico Marketing
Felipe Garcia, Executive Vice President
Marisol Vindiola, Director of Mexico Initiatives
Liz Silva, Medical Tourism Coordinator

Marketing
Lee McLaughlin, Senior Director of Marketing
Rusty Boulet-Stephenson, Graphic Designer
Julie Pulliam, Production Coordinator
Hope Smyth, IT Manager
Ed Farias, Network Systems Administrator

Communications
Mary Rittmann, Senior Director of PR & Communications
Dan Gibson, Director of Communications
Debbie Melcher, Content Marketing Manager
Cindy Aguilar, PR & Communications Manager
James Jefferies, Content Coordinator

Sales, Services & Sports
Graeme Hughes, Vice President of Sales

Sales and Services
Jane Roxbury, Director of Convention Services
Mary Meade, Associate Director of Sales
RoxAnne Erickson, National Sales Manager
Joy Johnson, National Sales Manager
Brooke Sauer, National Sales Manager
Pamela Traficanti, National Sales Manager
Mary Lou Robinson, Partner Relations & Services Manager
Julie Braunstein, CRM Administrator
Maria Ramirez, Administrative Assistant
Bernice Villa, Administrative Assistant

Sports
Luchie Javelosa, Sales Manager

Partnerhips & Visitor Services
Vanessa Bechtol, Senior Director of Community Partnerships

Partnership
Natalie Bedolla, Partner Marketing Manager
Nick Pazzi, Partner Relations Manager

Visitor Services
Socorro Carrizosa, Visitor Center Supervisor
Ruth Allard, Visitor Information Specialist*
Elva Carbajal, Visitor Information Specialist*
Kim Lauber, Visitor Information Specialist*

Tourism
Jackie Ludwig, Director of Tourism
Jalyssa Gasmen, Tourism Sales Manager
Isela Cano, Administrative Assistant

Film Tucson
Shelli Hall, Director of Film Tucson
Peter Catalanotte, Project Manager

*Part-time position
Visit Tucson’s Return on Investment

25:1

Visit Tucson generates $25 for the metro Tucson region for every $1 invested in the organization.

Visit Tucson’s Economic Impact

INCREASED 10.6% IN 2017-18.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$94,140,000</td>
<td>Leisure Visitor Inquiry Impact</td>
</tr>
<tr>
<td>$70,244,410</td>
<td>Meetings Economic Impact</td>
</tr>
<tr>
<td>$23,717,562</td>
<td>Sports Economic Impact</td>
</tr>
<tr>
<td>*$4,190,284</td>
<td>Mexico Economic Impact</td>
</tr>
<tr>
<td>$33,732,326</td>
<td>Public Relations Earned Media</td>
</tr>
<tr>
<td>$9,441,957</td>
<td>Film Direct Spending</td>
</tr>
<tr>
<td>$235,466,539</td>
<td>Total Economic Impact</td>
</tr>
</tbody>
</table>

$235,466,539 ÷ 9,230,000 (2017-18 Budget) = 25.5

*Counts only room nights booked by Vamos a Tucson.
Visit Tucson is a 501(c)(6) nonprofit organization that provides destination marketing services for Pima County, City of Tucson and the Town of Oro Valley. Visit Tucson also partners with the Tohono O’odham Gaming Enterprise and Casino Del Sol. Combined, these entities are expected to invest $8.4 million in Visit Tucson in 2018-19, approximately 93% of the organization’s revenue.

Pima County, Tucson and Oro Valley invest only bed-tax revenue in Visit Tucson. Bed (Transient occupancy) tax is paid by people who stay for 30 days or less in hotels, resorts, some bed and breakfasts and other short-term lodging facilities. Visit Tucson does not receive general fund revenue from these government entities.

Private-sector revenue makes up the remaining $615,025 in Visit Tucson’s proposed 2018-19 fiscal year budget. Visit Tucson’s 455 partner businesses pay annual membership dues, and many invest in advertising on our website, in our publications and at the visitor center.

Partners also invest in our cooperative advertising programs and travel with us on sales missions and to industry tradeshows. We also derive revenue from booking metro Tucson hotel room nights for customers at our visitor centers in Hermosillo and Ciudad Obregon, Sonora.

In 2018-19, Visit Tucson will pursue the creation of a voluntary tourism improvement district in our region, possibly as early as January 2019, to help fund air-service marketing and route development. It’s anticipated that Arizona’s travel industry will also pursue legislation in 2019 to enable the creation of compulsory tourism improvement districts throughout Arizona. Tourism improvement districts (TIDs) typically entail lodging establishments within defined boundaries adding a surcharge to their guests’ checkout taxes. TID revenue is usually used to enhance destination marketing organizations’ sales and marketing programs, but it can also be used for product-development initiatives, including events and flights.

### Visit Tucson Funding Overview

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Projected 2018-19 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Tucson</td>
<td>$4,800,000</td>
</tr>
<tr>
<td>Pima County</td>
<td>$3,250,000</td>
</tr>
<tr>
<td>Private</td>
<td>$615,025</td>
</tr>
<tr>
<td>Town of Oro Valley</td>
<td>$300,000</td>
</tr>
<tr>
<td>Tohono O’odham Gaming Enterprise</td>
<td>$75,000</td>
</tr>
<tr>
<td>Casino Del Sol</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,140,025</strong></td>
</tr>
</tbody>
</table>
Moderate U.S. Travel Growth Continues
Since 2010 the hotel industry has seen significant increases in occupancy, average daily rate (ADR) and revenue per available room (RevPAR). Even though the increases have started to plateau, they are leveling off at historically high figures. Recent years have seen increases in supply, however demand has slightly outpaced those increases, leading to higher occupancy and average daily rates. Reports from STR and Tourism Economics predict increases in RevPAR for 2018 and 2019 at 2.7% and 2.4%, respectively.

Meetings Outlook Favorable
According to the “2018 Meetings Outlook Survey,” 75% of respondents predicted favorable business conditions in the year to come with live and virtual attendance figures expected to grow 2.3% and 2.7%, respectively. While 56% of respondents predicted their meetings/events budgets will grow next year, the increase is projected to be 1.8%, falling just short of inflation.

Meeting planners and business travelers can expect hotel rates to rise in 2018, warned American Express in its “2018 Global Meetings and Events Forecast.” Rising rates could cause meeting planners to consider lower chain-scale options, smaller destinations outside of major cities and/or cutting other costs to maintain the overall budget. Airline costs are also predicted to increase in 2018, with the unbundling of services continuing to result in financial and programmatic challenges for planners.

A recent trend noted by Successful Meetings in its 2018 survey of planners is the increased focus and spending on security and safety. During 2017 there were hurricanes in Key West, Houston and Puerto Rico; a mass shooting at a luxury hotel in Las Vegas; and terrorist attacks in major cities around the world. Accounting for and evacuating meetings attendees, if necessary, has become increasingly important and dollars are being budgeted accordingly.
International Visitation Impact

Depending on which report you read, 2017 international visitation is either up or down. Customs and Border Protection reported an increase in international visitors to the U.S., while the Department of Commerce’s National Travel and Tourism Office reported a decline. One point of agreement, though, is the U.S. has lost market share. The World Tourism Organization (UNWTO) reported a 7% increase in international tourist arrivals worldwide in 2017, with the U.S. experiencing a slight decrease.

While travel bans and border walls were key initiatives for the Trump administration in 2017, tariffs and trade wars have taken over in 2018, and this has likely impacted international visitation to the U.S. In July 2018, China issued a travel warning for the U.S. stating, “Public security in the United States is not good. Cases of shootings, robberies and theft are frequent.” While China’s Foreign Ministry denied the warning was politically motivated, this will likely lead to fewer visitors from China in the coming months.

Reports from STR and Tourism Economics predict increases in U.S. RevPAR for 2018 and 2019 at 2.7% and 2.4% respectively.
Arizona Hotels Experience Growth

In 2017, Arizona experienced growth in occupancy and average daily rate (ADR), with growth in ADR outpacing growth in occupancy, similar to industry trends for the United States. Over the past four years, revenue per available room (RevPAR) has grown 25%. Even though Arizona is experiencing near record levels of occupancy and ADR, the ADR is not keeping up with inflation, according to Robert Hayward with CHM Warnick, who presented at the 2018 Arizona Governor’s Conference on Tourism.

A Record-Breaking Year

In 2017, Arizona welcomed 43.9 million people who spent $22.7 billion and supported 187,100 jobs – records in all categories. While international visitation was down slightly, domestic visitation increased 2.5%. This increase was evenly balanced between residents and nonresidents with growth in leisure visitors slightly outpacing growth in business travelers.


Vacation Rentals To Collect Lodging Taxes

Senate Bill 1382, passed in the 2018 Arizona Legislative Session, will require all vacation rentals in Arizona to collect and remit state and local taxes beginning January 1, 2019. Currently, only Airbnb voluntarily collects these taxes. In 2017, Airbnb reported their hosts welcomed 646,000 guests and generated $11.5 million in tax revenue for Arizona.


Tourism Funding Stagnant

For several years, the general fund appropriation for the Arizona Office of Tourism (AOT) has been $7 million. While threats to cut $1 million from the fiscal year 2018-19 budget were thwarted, this lack of growth in funding hampers Arizona’s ability to remain competitive and grow market share.

Source: STR, December 2014-17 reports

Arizona Tourism Overview

Arizona Hotel Occupancy

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy</td>
<td>61%</td>
<td>64%</td>
<td>65%</td>
<td>66%</td>
</tr>
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</table>

Arizona Hotel Average Daily Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADR</td>
<td>$103</td>
<td>$111</td>
<td>$114</td>
<td>$119</td>
</tr>
</tbody>
</table>

Arizona Hotel RevPAR

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RevPAR</td>
<td>$63</td>
<td>$70</td>
<td>$74</td>
<td>$79</td>
</tr>
</tbody>
</table>
International Visitation Fell Slightly

International visitation to Arizona decreased slightly in 2017, primarily due to a decrease in overnight visitors from Mexico. As Mexico represents approximately two-thirds of all international visitors to the state, even a small decrease can have a major impact. The mature markets of Canada, Germany, United Kingdom and France remain strong. New air service from Phoenix Sky Harbor International Airport to Montreal on Air Canada and to Frankfurt on Condor Airlines launched in 2018, making it easier for visitors from Quebec and Germany to travel to the state. The emerging markets of China, Australia and South Korea experienced the strongest growth in 2017.

“\nIn 2017, Arizona welcomed 43.9 million people who spent $22.7 billion and supported 187,100 jobs.\n”
**Metro Tucson Hotels Grow RevPAR**

Arizona was one of the last states to recover from the Great Recession, and Southern Arizona was one of the last regions in Arizona to recover. The recent growth in occupancy, average daily rate and revenue per available room (RevPAR) has been positive, but Tucson still struggles to compete with competitive western U.S. cities such as Scottsdale, San Francisco and Portland.

**Tucson International Airport Traffic Is Up**

Tucson International Airport (TUS) has experienced 30 consecutive months of year-over-year growth in passenger traffic (January 2016 to June 2018). More than 3.4 million passengers flew through TUS in fiscal year 2017 (October 1, 2016 - September 30, 2017), an increase of 5.7% over fiscal year 2016. Airport passengers for fiscal year 2018 to date (October 1, 2017 – June 30, 2018) have grown 4%.

New air service has been launched to Charlotte, San Jose, and Austin in the past year, and air service to several other cities has expanded. Uber and Lyft now offer transportation services to and from the airport, and recent renovations provide travelers with a variety of local restaurants from which to choose.

*Source: Tucson Airport Authority Aviation Activity Reports, 2016-2018*

**Hotel Inventory Expands and Renovates**

Downtown Tucson is undergoing a revitalization that kicked-off four years ago when the Sun Link Streetcar began operations in July 2014. In addition to new shops, restaurants and entertainment venues, the AC Hotel Tucson Downtown opened in October 2017 - the first new hotel in downtown in 40 years.

Additionally, midtown hotels have spent millions of dollars on renovations and enhancements. Combined, these factors have led to increased promotion of downtown Tucson and a renewed emphasis on midtown properties for consumers, meeting planners, tour operators and journalists alike.

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**Metro Tucson Hotel Occupancy**

- 2014: 57%
- 2015: 59%
- 2016: 60%
- 2017: 64%

**Metro Tucson Hotel Average Daily Rate**

- 2014: $92
- 2015: $93
- 2016: $97
- 2017: $106

**Metro Tucson Hotel RevPAR**

- 2014: $52
- 2015: $55
- 2016: $58
- 2017: $68

*Source: STR, December 2014-17 reports*
Pima County 2017 Travel Impacts

- $2.35 B Direct Travel Spending
- $756 M Travel Industry Earnings
- 25,550 Travel-Related Jobs
- $74 M Local Tax Receipts
- $127 M State Tax Receipts

6.5 M Total 2017 domestic overnight visitors to Tucson and Southern Arizona Region (+8.3%)


Because of visitor spending, each Pima County household had their tax burden reduced by $500 (+2%)


“The AC Hotel Tucson Downtown opened in October 2017 - the first new hotel in downtown in 40 years.”
2017-2020 STRATEGIC PLAN UPDATE

Strategic Goals
Five goals were developed around helping make the vision a reality.

1. Relentlessly promote Tucson’s designation as a UNESCO City of Gastronomy and build on Visit Tucson’s “Free Yourself” brand

2. Use innovative and aggressive marketing strategies to generate increased leisure and meetings travel

3. Engage the community through the development of a tourism master plan

4. Promote and grow the region’s visitor-worthy events and establish a marquee event to attract travelers

5. Enlarge Visit Tucson’s budget with a focus on sustainable funding sources

Vision
Welcoming the world, while making Tucson a better place to visit, live, work, and play

Summary
5 Goals
Developed by Visit Tucson board in February 2017

25 Objectives
Developed by Visit Tucson board in February 2017

67 Strategies
Developed by Visit Tucson staff in April 2017

196 Tactics
Developed by Visit Tucson staff in April 2017

Tactics
Progress as of July 2018

130 Accomplished (66%)
29 Not accomplished (15%)
37 Carried over to 2018-19 (19%)

196 Total
Goal 1—Relentlessly promote Tucson’s designation as a UNESCO City of Gastronomy and build on Visit Tucson’s “Free Yourself” brand

Our strengths have been promoting gastronomy, increasing the frequency and targeting of our leisure messages, generating travel media coverage, digital storytelling and booking more room nights on VamosaTucson.com. However, there is still work to do to develop gastronomy products, urge the community to adopt “Free Yourself”, and establish new air service to Mexico. 62 tactics—46 accomplished; 4 not accomplished; 12 carried over to 2018-19.

Goal 2—Use innovative and aggressive marketing strategies to generate increased leisure and meetings travel

We increased our meetings and sports business in 2017-18. Leisure business has been strong this year, and international VISA spending increased from the key markets of Canada, UK and Germany, while declining slightly from China. Film spending, while not surpassing last year, was a robust $9.4 million. 44 tactics—30 accomplished; 6 not accomplished; 8 carried over to 2018-19.

Goal 3—Engage the community through the development of a tourism master plan

Visit Tucson has selected a vendor and will complete a tourism master plan in 2018-19. We are effectively building community support for the value of tourism by engaging productively with government officials, collaborating with economic development groups and building stronger relationships with our partners. Work remains to conduct travel/event research, enhance visitor services and create a more welcoming visitor culture, possibly through the creation of a tourism ambassador program. 44 tactics—29 accomplished; 6 not accomplished; 9 carried over to 2018-19.

Goal 4—Promote and grow the region’s visitor-worthy events and establish a marquee event to attract travelers

We are working with existing events to grow their scope and visitor attendance and plan to issue a request for proposals seeking a new or relocating event for which Visit Tucson would provide some funding. The 2016-17 air-service development initiative wasn’t successful, but Visit Tucson is leading the statewide conversation on establishing tourism improvement districts, which could serve as a funding source for future air-service development efforts. We have enhanced our marketing of existing arts and cultural assets, and will continue to expand these promotions in the next fiscal year. 25 tactics—16 accomplished; 7 not accomplished; 2 carried over to 2018-19.

Goal 5—Enlarge Visit Tucson’s budget with a focus on sustainable funding sources

We were successful in growing Visit Tucson’s budget from $8.8 million in 2016-17 to $9.2 million in 2017-18. Even though none of the six funding strategies has been completed, significant progress is being made regarding Pima County and Tucson funding. The Oro Valley contract has been negotiated and Casino Del Sol will increase its 2018-19 investment in Visit Tucson. We executed a lease to move to the Old Pima County Courthouse in late 2018 and plan to review the organization’s bylaws in 2018-19. 21 tactics—9 accomplished; 6 not accomplished; 6 carried over to 2018-19.
Tucson was designated a City of Gastronomy by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in December 2015. Surprising to many, this designation wasn’t awarded to Tucson because of our great restaurants and chefs. Many factors contributed, including our rich agriculture history covering more than 4,000 years of continuous crop cultivation, the large number of heritage foods growing naturally in surrounding fields and desert, a variety of programs supporting food justice, and leadership in the improvement of food production techniques and technology by the University of Arizona.

This designation provided third-party validation for something locals knew all along – Tucson has an incredible food scene. So, with travelers ranking dining as one of the most important aspects of a trip, Visit Tucson began to leverage this designation to establish Tucson as a culinary destination.

The PR team quickly distributed press releases and notified the media of this designation. Customized pitches were drafted and delivered, potential leads for article inclusions were uncovered and fulfilled, and journalists were invited to experience the destination first-hand. However, we quickly realized we needed to develop relationships which would help us tell the story of our UNESCO City of Gastronomy designation. We sought out award-winning chefs, restaurants using heritage ingredients, and artisans making uniquely Tucson foods, beers and spirits. We connected the journalists to these people, so they could tell their stories, and it worked! In the 2 ½ years since the designation was received we have generated 91 articles valued at $29.5 million that focus on food and/or mention the designation.

Plus, this designation was leveraged throughout Visit Tucson. The marketing team promptly created an ad and secured placements in digital and print culinary publications. Food-related content was added to VisitTucson.org, culinary-themed stories were featured in sponsored content campaigns and food appeared on the cover of our 2017 Tucson Official Travel Guide for the first time. In 2017, we collaborated with ChefsFeed, to feature a selection of local chefs and signature Tucson dishes on its website and app geared toward
Sponsored video along with social and article content showcased Tucson as a unique culinary destination. In 2018, the James Beard Foundation recognized El Guero Canelo with an America’s Classic award and Visit Tucson hosted an El Guero Canelo pop-up event in Chicago (where the awards ceremony was held), giving away 750 Sonoran hot dogs and generating more than $1 million in PR coverage.

This designation attracted further attention for Tucson in meetings and travel trade publications such as Smart Meetings magazine, which published an article entitled “Tucson Meetings Offer Attendees a Desert Feast.” Resorts and hotels began to expand their banquet menus with dishes prepared using heritage foods and edible native plants. Our Sales and Tourism teams offered their clients culinary-focused activities and more downtown dining experiences.

Delegates requested regional food offerings at their meetings and conventions, and our Sales and Services managers connected these customers with local resorts, hotels and other venues to ensure demand was met.

Film Tucson generated $247,000 in direct spending when Guy Fieri and his production team filmed at six restaurants for inclusion in his popular Food Network series, Diners, Drive-Ins and Dives. Visit Tucson staff were relentless in their pursuit of Mr. Fieri, urging him to feature Tucson restaurants for three years before he finally filmed here in January 2018. Ultimately, six restaurants were featured on episodes that aired in the first half of 2018, including Renee’s Organic Oven, Zemam’s, Inca’s Peruvian Cuisine, Chef Alisah Restaurant, Rocco’s Little Chicago Pizza, and Tumerico. Film Tucson also worked with Notional, the production company responsible for the Chopped series on the Food Network, recommending several local chefs of which three were selected; Maria Mazon with Boca Tacos, Ken Harvey with Loews Ventana Canyon Resort, and CJ Hamm with Saguaro Corners.

Looking ahead to 2018-19, Visit Tucson will continue to promote our unique culinary offerings and seek out opportunities to promote them in other markets, while encouraging visitors to experience them first-hand at events like Tucson Meet Yourself and Agave Heritage Week.
As the second largest city in Arizona, Tucson is frequently compared to its larger companion to the north. And that’s OK. Tucson has many things in common with the greater Phoenix area. We share beautiful mountain scenery surrounded by the Sonoran Desert. Our climates are comparable, with gorgeous temps and sunny days, especially throughout the winter months. Both destinations offer excellent outdoor adventure with world-class hiking, biking, rock-climbing, golfing and stargazing. And when it comes to dining out, award-winning chefs and restaurants can be found in Phoenix as well as Tucson.

But, there are nuanced differences between the cities. We understand Tucson has a different vibe than Phoenix or Scottsdale, but realize that’s difficult to describe in mere words. For this reason, we must convince our clients – meeting planners, tour operators, travel agents and journalists – to visit Tucson to experience the destination first-hand.

The Convention Sales department promotes “You Fly, We Buy,” an incentive program that provides airfare for qualified meeting and event planners because we know that 80% of these potential clients will book within two years of their visit. In 2017-18, 295 planners were welcomed on familiarization tours and site visits, an increase of 12% over the previous year. Through a similar program, the Tourism department hosted 46 tour operators and travel agents, resulting in new and expanded tour offerings for Tucson and Southern Arizona. And the PR department hosted 82 journalists, generating a record-breaking $33.7 million in coverage.
Overview

The Marketing department’s primary goal is to engage leisure, business and international travelers with the “Free Yourself” brand and inspire them to experience everything Tucson and Southern Arizona have to offer. Through research and analysis, potential visitors from key markets are identified and targeted with relevant content and branded advertising deployed seasonally through a variety of media channels.

Despite exceptional growth in recent years, Visit Tucson’s media budget is still relatively small when compared to many destinations in our competitive set. Keeping in mind this competition and the need to adjust with changing consumer habits, a paid media strategy that focuses primarily on digital platforms has been adopted to more accurately target specific audiences and better evaluate campaign return on investment (ROI).

Top Results for 2017-18

- Partnered with Outside magazine to sponsor its 2018 Bike Test, which allowed us to connect with a key audience and reinforce our position as a world-class cycling destination. This annual feature is the go-to resource for cyclists looking for ratings and reviews of the latest bikes and gear. As the official sponsor, we ensured Tucson and Southern Arizona’s cycling assets were promoted throughout all Bike Test content that Outside produced, including, videos, written articles and social media posts.

- Sponsored the AZ Central Wine & Food Experience and promoted our UNESCO City of Gastronomy designation through a brand activation at this annual Phoenix-based event. In addition to hosting a booth and distributing branded collateral and promotional items, we brought along some of Tucson’s top chefs and restaurateurs to provide the 6,000-plus attendees with a taste of our unique local cuisine.

- Leveraged a data partnership with ADARA Analytics, which directly tracked $4.6 million in hotel revenue and 3,156 flight bookings from users who were exposed to our digital media or who visited our website. Though ADARA is not able to track 100% of bookings, this absolute value provided a strong indication that our digital campaigns and website positively influenced travel to our region.

TOP 10 MARKETS FOR VISITOR SPENDING

1. New York 6. Denver
2. Los Angeles 7. Washington, DC
3. San Francisco 8. Seattle
4. Chicago 9. Atlanta
5. Phoenix 10. Dallas

Source: 2016 Visitor Analysis

Denotes nonstop flight market
2017-18 Key Performance Indicators

**1,152,405** Unique Website Users

**662,923** Social Media Engagements

2018-19 Priorities:

1. In 2018-19, analyze and quantify our customers’ path to purchase with assistance from digital and web agencies that have proven experience in this area.

2. Using the path-to-purchase information, develop the 2019-20 media plan and include media buys that provide conversion points along the path and measurably push customers deep into the funnel towards conversion.

3. Maximize ROI on media spend by ensuring our website is designed effectively.

4. Work with trusted brands to tell the Tucson story as a continuation of our content plan.

5. Leverage new and expanded air service to increase marketing efforts in emerging markets such as Minneapolis and San Jose.

“**A paid media strategy that focuses primarily on digital platforms has been adopted to more accurately target specific audiences and better evaluate campaign return on investment.”**

---

**All Access Pass**

OnceThere is an online booking engine for attractions, tours and events that will launch on VisitTucson.org this fall. With many travelers using their smartphone to research activities after they arrive in a destination, this tool lets them purchase tickets for multiple places and experiences in one convenient transaction.

**A kiosk for OnceThere** and personal assistance will be available at our Visitor Center. Prior to arrival, travelers will be able to purchase tickets online through OnceThere.

Visit Tucson partners will be able to **load inventory and sell tickets** using this platform, which will make it easy to offer deals during slow times or surge pricing during periods of high demand. Similar to the booking engine for hotel rooms offered on VisitTucson.org, a small commission will be paid by the partner with Visit Tucson’s proceeds being reinvested directly into marketing to ensure the booking engine’s continued success.
Overview

PR and Communications fosters relationships with domestic and international travel media to generate coverage of Tucson’s and Southern Arizona’s travel-related assets. Other duties include: handling local media relations; writing and disseminating press releases on pertinent topics; pitching stories to journalists; managing visitors guide vendor contract and content; tracking regional travel media coverage; and generating content for Visit Tucson’s website, social media posts and ad placements as part of an integrated marketing/communications team.

Top Results for 2017-18

• PR coverage was generated in top consumer publications and websites – such as Chicago Tribune, The New York Times, Travel & Leisure, Rolling Stone and Food & Wine – through our aggressive program of media missions, and cold-pitching to and hosting journalists.

• In August 2017, Visit Tucson’s social media efforts were brought back in-house allowing us to have a more authentic and passionate voice and to react more quickly to questions, comments and local circumstances. Engagements and followers increased on all platforms.

• Tucson’s own El Güero Canelo restaurant was recognized with a James Beard America’s Classic Award in May 2018 in Chicago. To leverage this notable achievement, we hosted an El Güero Canelo pop-up event in the Windy City where we distributed 750 Sonoran hot dogs to enthusiastic consumers. This event generated more than $1 million in media coverage and reached more than 175,000 people on social media, creating 14,241 engagements.
### Top Priorities for 2018-19

- **Generate $30 million in PR coverage** with at least 20% focused on Tucson’s UNESCO City of Gastronomy designation and/or culinary tourism.

- **Update content strategy** to identify how key content can be distributed across our owned assets (website, visitor guide, social media and e-newsletters) while working with our Marketing and Partnership departments to allow stakeholders greater access to these assets through compelling advertising offerings.

- **Emphasize PR efforts in German-speaking countries** by partnering with destination marketing organizations (DMOs) and hotels and attractions throughout Southern Arizona to host travel writers, journalists and editors from Germany, Switzerland and Austria.

### 2017-18 Key Performance Indicators

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Articles</td>
<td>162</td>
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<tr>
<td>Value of Media Coverage</td>
<td>$33.7 M</td>
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<tr>
<td>Impressions</td>
<td>1.3 B</td>
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<tr>
<td>Travel Media Hosted</td>
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“We hosted an El Güero Canelo pop-up event where we distributed 750 Sonoran hot dogs to enthusiastic consumers. This event generated more than $1 million in media coverage.”

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From The Pitch To The Page

Travel Classics is an intimate conference of travel writers and editors from top print and online publications who meet for educational panel discussions, one-on-one pitching appointments and networking.

In November 2017, Visit Tucson and the Westin La Paloma Resort & Spa hosted Travel Classics West for the first time. In attendance were 42 journalists and 18 editors, 24 of whom extended their stay in Tucson to better familiarize themselves with our destination. While we hope to reap the benefits of this conference for years to come, it has already generated 11 articles valued at more than $7 million.

As part of our quest to introduce new writers and editors to Tucson, Visit Tucson will sponsor the Association of Food Journalists Conference, held in Phoenix in September 2018. Our sponsorship includes hosting the official post-familiarization (FAM) tour, expected to attract 20-25 participants to Tucson.
Overview

Convention Sales works with meeting-and-event planners to attract group business for metro Tucson hotels, resorts and off-site venues, using sales missions, representation at industry trade shows, familiarization (FAM) tours, site visits and client events. The qualified leads generated through these efforts are shared with appropriate partner properties. A program of master account and airline incentives for meeting planners support efforts by our partners to book business. After a booking is secured, a Convention Services representative contacts the meeting planner to determine requirements for the meeting, offering another high-touch element of personal service. Planners receive referrals to our partner businesses, and our partners receive leads based on planner requests.

Top Results for 2017-18

- Between site visits and FAM tours, we hosted 295 qualified meeting-and-event planners who have already confirmed 51,000 room nights in future bookings, and this count is expected to increase over time.
- Partnered with the City of Tucson and the Tucson Convention Center to negotiate the first three-year contract with the Jehovah’s Witnesses, who will hold their annual conventions in Tucson in 2018, 2019 and 2020.
- Worked with planners of the International Festivals and Events Association, which held its annual conference for a record-breaking three straight years (2015-2017) at the JW Marriott Starr Pass Resort and Spa. Previously, the conference had never been hosted in the same destination for two consecutive years, much less three.
2017-18 Key Performance Indicators

- **970** Leads
- **357** Bookings
- **313** Meetings Serviced
- **182,855** Room Nights

Top Priorities for 2018-19

- **Use market analytics and research** to identify meetings and conventions currently taking place in competitive cities and target those opportunities whose requirements match the amenities and availability of our recently renovated midtown hotels.

- **Emphasize off-peak and shoulder season business** by targeting SMERF (social, military, educational, religious and fraternal) groups.

- **Develop a downtown marketing package** (hotels and meeting venues) to educate group meeting planners about new options in the downtown Tucson area.

Tucson’s Treasure Hunt

The Tucson Gem, Mineral & Fossil Showcase is the largest gem-and-mineral event of its kind in the world and the single most financially beneficial event in the Tucson region. Visit Tucson is the lead marketing entity for this annual event, and our Convention Services department serves as the liaison between the event’s 40-plus show owners, operators and vendors and the City of Tucson and Pima County. To more accurately assess the value of this event, we will conduct an economic impact study this year. The last study of this event was completed in 2014 and revealed an estimated $120 million in direct spending.

- **14,000** Gem Show App Downloads
- **2,000** @TucsonGems Twitter Followers
- **13,000** GemRide Shuttle Passengers

“We hosted 295 qualified meeting-and-event planners who have already confirmed 51,000 room nights in future bookings, and this count is expected to increase over time.”
Overview

Visit Tucson Sports is charged with securing sporting events that require hotel rooms and fill venues throughout the metro Tucson area. Professional, amateur and youth sporting events at all levels (regional, national and international) whose needs match the facilities and fields in Pima County, City of Tucson, and Town of Oro Valley are pursued. Local sports organizers are given assistance to grow their existing events, while new events are targeted to fill need periods.

Top Results for 2017-18

- Attracted two additional professional baseball teams to Tucson for spring training. This year, the Nexen Heroes from Korea and the Chinatrust Brothers from Taiwan joined the professional Korean teams, KT Wiz and NC Dinos for half the spring training season.
- Increased rooms nights associated with the Tucson Invitational Games (TIG) by 30% over last year by attracting more teams and adding the National Fast Pitch Coaches Association Kick-Off Classic, a collegiate softball tournament.
- After a 10-year hiatus, secured the return of the International Shooting Sport Federation (ISSF) World Cup, which took place in July 2018, typically considered the low season.

2017-18 Key Performance Indicators

- 60 Events
- 46,882 Room Nights
- $23.7 M Economic Impact

Top Priorities for 2018-19

- Identify and book sporting events into the soon-to-be-expanded Kino Sports Complex, scheduled to open in 2020.
- Expand partnerships with USA Rugby and University of Arizona Rugby to secure events that complement the Western Women’s and Men’s Quarter- and Semi-Finals and PAC-12 Championships already being held here and further establish Tucson as a rugby destination.
- Increase the number of international baseball teams training in Tucson and/or increase their length of stay.
- Seek out new opportunities with USA Cycling, University of Arizona Adaptive Athletics, and LGBTQ sporting events.
Since 1998, Kino Sports Complex featuring a professional baseball stadium, seven additional regulation baseball fields, several clubhouses and lighted soccer fields – has been the premier destination for professional and amateur sporting events in Pima County.

In 2020, the first phase of the Kino Sports Complex expansion is scheduled to be completed with the addition of 12 multi-purpose long fields and 16 pickleball courts. This promising expansion will allow Visit Tucson Sports to target events associated with football, lacrosse, field hockey, and quidditch – sports we weren’t able to target in the past due to a lack of suitable venues.
Overview

The Mexico Marketing department works to increase visitation by Mexican nationals to metro Tucson and Southern Arizona by promoting leisure travel and medical tourism. Other duties include: leveraging and enhancing trade opportunities by collaborating with government officials, economic development agencies and community leaders in Southern Arizona and northern Mexico; promoting the tourism industry’s positive regional economic impact; and working with U.S. Customs and Border Protection to increase and ease cross-border traffic between Arizona and Mexico.

Top Results for 2017-18

- Launched a co-op marketing program for partners interested in increasing their visitation from Mexico. The program attracted two partners in its first year with plans to expand dramatically in its second year.
- Organized four events in Hermosillo that attracted a record 9,800 consumers and expanded our message to target business leaders from Sonora and other states in Mexico.
- Partnered with the Arizona Office of Tourism to host journalists from Mexico, generating four articles valued at $344,745, including an article that focused solely on Tucson in the travel section of Reforma, Mexico’s most influential newspaper.

2017-18 Key Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Nights booked through Visit Tucson’s reservation system by visitors from Mexico</td>
<td>5,048</td>
</tr>
<tr>
<td>Clients registered in the Vamos A Tucson Rewards loyalty program</td>
<td>1,025</td>
</tr>
<tr>
<td>Patients referred through the Tucson Health Association</td>
<td>75</td>
</tr>
</tbody>
</table>

Top Priorities for 2018-19

- Increase social media engagement by identifying influencers in Sonora and Tucson who have an established affinity for Tucson and partner with them to create more content.
- Collaborate with destination marketing organizations (DMOs) in Sonora to leverage conferences in Hermosillo and Tucson by inviting attendees to extend their stay in the other city.
- Work with the Tucson Health Association and private hospitals in Sonora to establish the Bi-National Health Alliance program to generate doctor-to-doctor referrals across the border.
- Expand the number of partners participating in the Mexico cooperative advertising program.
TWO NATIONS, ONE JOURNEY

Visitation from Mexico to the U.S. has declined, unfortunately, due in part to escalating talk of a border wall, currency fluctuations, threats of a trade war and a “zero-tolerance” immigration policy. Regardless of political affiliations, Visit Tucson has been advocating in Washington D.C. and Mexico City on issues that affect cross-border tourism in an effort to ensure tourism is not affected by, but rather, enhanced by our federal governments.

Visit Tucson’s Vamos A Tucson (Let’s Go to Tucson) program continues to work in partnership with our tourism colleagues in Sonora and Sinaloa to generate cross-border leisure and business travel. We participate in trade-related decision-making with civic and business leaders on both sides of the border and are fortunate the new Secretary of Tourism in Mexico, Mr. Miguel Torruco Marques, strongly believes tourism is an instrument to build understanding between nations.

“Vamos A Tucson organized four events in Hermosillo that attracted a record 9,800 consumers and expanded our message to target business leaders from Sonora and other states in Mexico.”
Overview

Visit Tucson’s Tourism department promotes Tucson and Southern Arizona as a leisure destination to domestic and international receptive operators, tour operators, travel agents and group tour companies. Other duties include: conducting seminars to educate travel professionals about how best to market our destination; connecting clients directly with partner hotels and attractions using a strategic sales approach; collaborating with tour operators on cooperative advertising; and coordinating site inspections and familiarization (FAM) tours so travel professionals can experience the region first-hand.

Top Results for 2017-18

- Collaborated with German tour operators to add three new Tucson itineraries; a hiking tour with Wikinger Reisen, a city-break with Argus Reisen and a “Tucson highlights” tour with USA Reisen.
- Identified four new domestic accounts and added four new itineraries, resulting from our hosting TAP Dance in June 2017. TAP Dance is the annual convention for Travel Alliance Partners, a consortium of tour operators working to organize and promote travel packages.
- Developed relationships with University of Arizona and Pima Community College to introduce international students to Tucson and the many things they can do here. Distributed collateral materials during Family Weekend in 2017 and will provide complimentary sightseeing tours during orientation in 2018.

2017-18 Key Performance Indicators

- 1,554 Clients Influenced
- 162 Leads
- 6,113,900 Brochure Impressions

Top Priorities for 2018-19

- Refine scope of work in the domestic market to provide greater focus on Baby Boomers, tour groups and tour group leaders.
- Work with local and regional partners to develop signature experiences that can be added to themed itineraries and promoted to tour operators and tour group leaders.
- Leverage cooperative marketing opportunities to increase awareness of our destination and/or drive measurable room nights with current and new clients.
Opportunity Knocks

Each spring, the National Tour Association (NTA) holds NTA Contact, an exclusive event that brings together tour operators and travel agents for in-depth educational sessions, buyer-to-buyer conversations and networking. In March 2019, Visit Tucson and the Westward Look Wyndham Grand Resort & Spa will host NTA Contact. This will be an excellent opportunity to showcase the Tucson region to more than 75 qualified tour operators. This four-day conference will offer sightseeing tours as well as an opportunity for delegates to extend their stay with pre- and post-FAMs.

“The Tourism Department collaborated with German tour operators to add three new Tucson itineraries; a hiking tour with Wikinger Reisen, a city-break with Argus Reisen and a ‘Tucson highlights’ tour with USA Reisen.”

Sabino Canyon Recreation Area
Overview

Film Tucson markets Tucson and Southern Arizona as a production location for feature films, TV series and episodes, print and television commercial advertising, and other filmed content that generates economic impact for our region. Other duties include: advocating for and supporting the local film industry; partnering with the Hanson Film Institute and the University of Arizona’s School of Theater, Film and Television to produce signature events such as Pitch Fest Tucson and Inside Track; and leveraging local film fests to introduce industry clients to Tucson as a production location.

Top Results for 2017-18

- Generated over $2.6 million in spending on crew, talent, extras, production services, hotel room nights and more resulting from season 2 of the number-one hit comedy TV series in Mexico, *Run Coyote Run* (FOX/Televisa), which filmed season 1 here last year. The series filmed in Tucson, Bisbee, and Naco, Sonora.

- Generated nearly $2.3 million in spending from five independent films: *Bisbee 17* was invited to screen at this year’s Sundance Film Festival; *Love By Drowning* featured a local Executive Producer, who optioned a screenplay from a novel written by a local author and hired a crew that was primarily local, including the director.

- Pitched an idea for a Tucson-based reality TV series, *Slobby’s World*, which was picked up by the Millennial streaming network GO90.com and resulted in four weeks of filming and more than $800,000 in direct spending. A record 25 reality TV-episodes were also facilitated by the film office this year.

2017-18 Key Performance Indicators

- **3,653** Room Nights
- **$9.4 M** Direct Spending
- **5,973** Job Days

“Film Tucson generated over $2.6 million in spending on crew, talent, extras, production services, hotel room nights and more resulting from season 2 of the number-one hit *Run Coyote Run*. ”

*Run Coyote Run*
Top Priorities for 2018-19

• Expand efforts and outreach to attract filmmakers from Mexico to Tucson and Southern Arizona by leveraging interest in U.S.-Mexico border issues, recent success in attracting production from the region, relationships with Visit Sonora, and the collaboration with acclaimed Tucson Cine Mexico in bringing filmmaker talent here from Mexico.

• Continue to pursue projects that do not require incentive offers and focus on reality TV and international productions, especially those from the United Kingdom, Tucson’s third-largest film market after Los Angeles and New York City.

• In collaboration with the Arizona Film & Media Coalition, research existing business incentives at the state level and Section 181, a new federal film investment tax credit for individuals, with the goal of increasing filmmaking in Tucson.

Lights, Camera, Action

Without competitive state incentives, it is difficult to attract feature films to Arizona. To combat this, the Arizona Film and Media Coalition (AFMC), an industry organization of volunteers and advocates, is developing a strategy to regain Arizona’s filmmaking competitiveness by 2020. Visit Tucson is an active board member of this organization.

In May 2018, Visit Tucson partnered with Independent Film Arizona, the Arizona Office of Film & Digital Media, and the AFMC to host “The Future of Film in Arizona” at the Loft Cinema. This panel discussion, which included introductions by Mayor Jonathan Rothschild and Ward 6 Council Member Steve Kozachik, attracted nearly 500 attendees – 350 who participated in person and another 125 who participated through a live feed. In addition to providing an update on the state of the industry, participants outlined a strategy to improve competitiveness and support filmmaking here.

VisitTucson.org/Film
Overview

Community Partnerships provides visitors with their ideal experiences in Tucson and Southern Arizona by connecting them with partner businesses that can enhance their stay. Other duties include: being involved in local issues and organizations to ensure tourism-related impacts are considered; sharing the value of tourism with government funders and stakeholders; creating unique partnerships to provide innovative visitor services outlets; and building stronger relationships with partners through regular communications and events.

Top Results for 2017-18

- Connected partners with new marketing opportunities such as live interviews on local radio station KVOI and established online booking options through OnceThere, an online booking engine for attractions and tours that will launch in fall 2018.
- Enhanced communications with partners through monthly e-newsletters and one-on-one benefits reviews.
- Researched new opportunities and partners to establish non-traditional visitor services centers.

Top Priorities for 2018-19

1. Spearhead the Tourism Master Plan process as liaison between Visit Tucson, Resonance, and community leaders, board members and stakeholders.
2. Research tourism ambassador programs and identify one that will be implemented during the following fiscal year.
3. Establish new visitor services outlets at locations throughout the community, such as Pima County Historic Courthouse and Tucson International Airport, and with portable tourism information kiosks.

“Community Partnerships provides visitors with their ideal experiences in Tucson and Southern Arizona by connecting them with partner businesses that can enhance their stay.”

2017-18 Key Performance Indicators

- 455 Partners
- 2,968 Individuals Touched Through Community Outreach
- 31,586 Visitors Assisted
- 13 Partner Events Attracting More Than A Thousand Guests
Festivals and events are an important part of community branding and tourism promotion. Their positive impacts range from measurable returns on investment, such as media exposure and increased hotel occupancy, to harder-to-quantify benefits like community participation, local pride and an enhanced image of our destination. In the Tucson area, support from community and government creates a positive environment for more than 100 annual events.

In 2017, Tucson received a World Festival & Event City award from IFEA (International Festivals & Events Association), the major trade association of event professionals. An international panel of industry experts selected Tucson after judging an application entered by local IFEA chapter FEATSAZ (Festivals & Events Association of Tucson & Southern Arizona). View the application, a 132-page document and a three-minute video, at VisitTucson.org/world-festival-event-city.