

## **Anchorage Convention & Visitors Bureau (ACVB) Bed Tax FAQ**

### **Q. What do you do at ACVB?**

The Anchorage Convention & Visitors Bureau's (ACVB) mission is to attract and serve visitors to the Municipality of Anchorage.

ACVB, like other convention and visitor bureaus, is a not-for-profit organization charged with representing a specific destination and helping **the long-term development of the community** through the strategic development of the visitor and meetings industries.

Visitors, residents, travel agents, tour operators, media and meeting planners contact a convention and visitors bureau to receive official destination information. As an unbiased resource, CVBs provide potential travelers, travel trade professionals and meeting planners with a wide range of information to use during their decision making process.

ACVB also serves as a partner for local businesses, helping to educate and promote member companies.

### **Q. So what do you sell?**

ACVB markets Anchorage. That's our whole focus! For our members, we serve as a trusted portal that helps facilitate sales, but we don't actually sell their products. We direct market to meeting planners, bringing millions of dollars in conventions to Anchorage, but the actual bookings are done by Anchorage businesses. Through our programs, we are able to leverage our collective marketing power for the good the city and of individual members, allowing many to make inroads into markets they, as individual business, would be unable to access.

### **Q. Why does ACVB get to use the bed tax?**

The bed tax was **created to market Anchorage** as a destination.

Proposed by forward-thinking hoteliers in 1975, the intention of the bed tax was to create a collective Destination Marketing Organization (DMO) to attract and serve visitors to Anchorage. The visitor industry chose to tax itself to fund marketing efforts instead of looking to municipal, state or federal funds.

### **Q. Why does the Municipality get some of the bed tax?**

In 1979, the bed tax rose from 5 to 8 percent, enabling the industry to support not only marketing Anchorage, but allowing for a contribution to the MOA general fund. Today, the 12 percent bed tax is split three ways: one-third supports the Anchorage Convention & Visitors Bureau (ACVB) marketing functions; one-third goes to MOA's general fund; and one-third is utilized to service the bond debt and operations of the Anchorage Convention Centers. ACVB's marketing efforts are supplemented by member contributions through annual dues, paid advertising opportunities and marketing program fees.

ACVB Bed Tax FAQs

**Q. How much are you getting from the bed tax this year?**

In 2009, the bed tax is projected to be approximately \$17.1 million, of which \$5.7 million will be allocated to the city's general fund. As per our contract, ACVB will receive just under that amount to reinvest in marketing and future business.

**Q. What do you do with the bed tax money?**

ACVB works diligently to maximize the impact of its marketing dollars. We have four departments that look to separate markets to entice convention, business and leisure travelers to our city throughout the year.

***Convention Meeting Sales and Services (CMSS)***

CMSS is responsible for booking conventions and providing service to groups while in Anchorage. The CMSS department staff works to attract meetings, conventions and trade shows to Anchorage through a variety of sales activities. In addition to conventions, the department focuses on incentive groups and increasing visitation during major identified events.

***Tourism Development and Sales (TDS)***

TDS supports the ACVB mission by marketing Anchorage and Southcentral Alaska as a leisure destination through direct sales and destination training. TDS staff increases the number of overnight stays in Anchorage by growing year-round visitation from group tour, local and leisure and in-state markets. The TDS team helps travel agents and tour operators attract more clients.

***Communications (COMM)***

COMM develops marketing programs and promotions to support the bureau's mission and coincide with special events. COMM gains valuable local, statewide, national and international exposure for Anchorage through comprehensive public relations efforts. COMM is also responsible for advertising, graphics, branding, Web, e-communications and collateral development for the bureau.

***Community, Member and Visitor Relations (CMVR)***

CMVR is responsible for increasing bureau membership, retaining the current membership base, providing information and resources to member and the community at large and serving Anchorage visitors through five Visitor Information Centers (VICs). CMVR also hosts bureau events and member education sessions, as well as sells advertising for bureau publications and marketing products.

### **Q. Are you successful?**

In 2008, ACVB:

- Booked \$99 million in future convention business
- Secured \$20.5 million in media advertising equivalency resulting in positive, global coverage
- Generated 1,056,692 visitors to Anchorage.net
- Assisted 215,000 visitors at ACVB's Visitor Information Centers
- Trained nearly 4,000 outside travel agents about Anchorage

The overall estimated economic impact of these efforts to the city was ***\$257 million in combined leisure and convention business***; real dollars that impact businesses and individuals throughout the year in our community.

### **Q. What about oversight?**

ACVB is guided by a volunteer board of directors from the Anchorage visitor industry. These are business people who are committed to furthering Anchorage as a visitor and meeting destination as ACVB's success has a direct impact on their individual business or organization. Directors represent 10 membership categories and are elected by their peers – the member businesses of ACVB. In addition to membership elected directors, two directors are drawn from the Anchorage Assembly and one from the Mayor's Office. All three are voting members. ACVB provides monthly reports to the ACVB board, quarterly reports to the Municipality of Anchorage and an Annual Report to the Community that is open to the public.

### **Q. Why should we invest in tourism marketing?**

Well, there's an old saying "you've got to spend money to make money." Destination marketing is a very competitive business. ACVB's positioning of Anchorage keeps our city top-of-mind with the traveling public, infusing much-needed visitor industry dollars into our community. These dollars allow for year-round employment, generate revenue for more than 1,000 local businesses and keep our quality-of-life high by making it profitable for restaurants and entertainment options to remain open throughout the year, benefitting residents.

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