



Reno-Sparks Convention & Visitors Authority

STRATEGIC PLAN EXECUTIVE SUMMARY

[FY 16/17 - 19/20]



Process Overview & Methodology

The process and methodology for the development of the RSCVA FY15/16-FY19/20 Strategic Plan was designed specifically to leverage the work completed by CS&L to address specific Board questions and deliver a plan with metrics that can be managed against in a timely manner.

2016 Process Overview – The plan was developed as part of a phased approach to allow for Board feedback as part of the process. Deliverables were presented to the Board as follows:

February Board Meeting – Bowling Line of Business, Equestrian/Livestock Line of Business, Concerts & Events Line of Business, Reno Events Center Facility, Reno-Sparks Livestock Events Center Facility, and National Bowling Stadium Facility

March Board Meeting – Conventions & Group Sales Line of Business, and Reno-Sparks Convention Center Facility

April Board Meeting – Destination Analysis (CS&L)

May Board Meeting – Visitor Origination Analysis, Executive Summary of the Strategic Plan (Draft)

June 23 – Strategic Plan Retreat – Strategic Plan Approved

2017 Process Overview – Implementation of the Strategic Plan began in July 2016, during the search for the new CEO. Progress reports were presented to the Board of Directors as follows:

Monthly Scorecards – Reporting on the progress against established goals

Quarterly Review Presentations – Presentations to the Board on the progress against established goals

Plan Refresh – This document represents the Strategic Plan Update for the year of FY17/18 reflecting the direction of the current CEO

Methodology – To meet the above expectations, a data-based approach was taken to develop a comprehensive analysis that includes both internal analysis by facility and external analysis by line of business. Below is a list of data sources used in the development of this plan. Each of the below is hosted on a cloud-based file share that has been made available to every Board member.

Facility Databases – RSCVA internal, self-reported event data for FY10-FY15 for each REC, RSCC, RSLEC, and NBS. Data represented in this report reflects years FY10/11 to FY14/15.

EMS Production Database – An industry standard for conventions & groups of self-reported rooms produced between 2006-2015. Data represented in this report reflects data from 2007 through January 6, 2016.

Market Data Sources – Where available, market data sources are used to project the market growth, trends and size. Examples include IBIS, Visitor Profile Study, and market-specific sources referenced.

TravelClick – A paid-for database made available by TravelClick that records actual room night purchases through travel agents into a destination.

STR Reports – Smith Travel Research STR and STR Global track supply and demand data for the hotel industry and provide valuable market share analysis for international, regional hotel chains and independent hotels.

Reno-Tahoe Property Data – Participating properties supplied 2015 visitor origination data that was used to identify top markets and to be used as a continual analysis of performance against marketing spend.

2015 Visitor Profile Study – A destination-specific analysis developed by EMC Research, conducted for RSCVA from January 2015 – February 2016.

Guiding Principles

The following guiding principles are used to provide guidance to strategic decision making through the life of the planning period. Decisions are made in accordance with these principles:

- **Focus on the core role and scope of the organization:** The core purpose of the RSCVA is to increase visitation and room nights to the region. To do so, the organization is responsible for establishing a regional positioning in coordination with other state and local efforts. Resources are prioritized to achieve this mission.
- **Work together as one region, not individual entities:** The success of this plan depends on the RSCVA and hotel properties collaborating to grow the region, in addition to active partnership with other regional efforts such as City of Reno's Reimagine Reno, City of Sparks, Travel Nevada, etc.
- **Balanced use of resources:** Expenditures are allocated based on implementing the Financial Policies #1-6, which balance the demands of infrastructure, sales, and marketing.
- **Metrics are directional:** All forecasts are directional to establish intent and magnitude across the plan. Specific targets will be set annually (see next guiding principle).
- **Adapt annually:** Use the strategic plan as a guide to develop annual targets. Adapt on an annual basis to address market demands, but also to stay on course.

Financial Policies

The following are financial guidelines to be funded in order of priority listed here:

1. **General Fund Reserves:** An unassigned General Fund balance goal is a minimum 10% of expenditures.
2. **Capital Reserve Account:** 0.5% of room tax revenues to capital reserve account up to \$1 million.
3. **Debt Sinking Fund** (as required by Washoe County due to bond refinancing) increases from 5% to maximum of 15% of room tax revenues in excess of \$22 million annually.
4. **Rainy Day Fund:** 1% of room tax revenues, to build towards a goal of \$1-2 million in additional General Fund balance.
5. **Annual Capital Funding:** 10% of all room tax collections up to \$2.5 million annually.
6. **Air Service Fund:** Dedicate \$500K annually to build up to \$1.5 million in Assigned General Fund to support new airlift.
7. **Discretionary Fund:** When Policies #1-5 are fully funded, any additional funds, not budgeted, will be brought to the Board for allocation, based on the strategic opportunities articulated in the Strategic Plan.

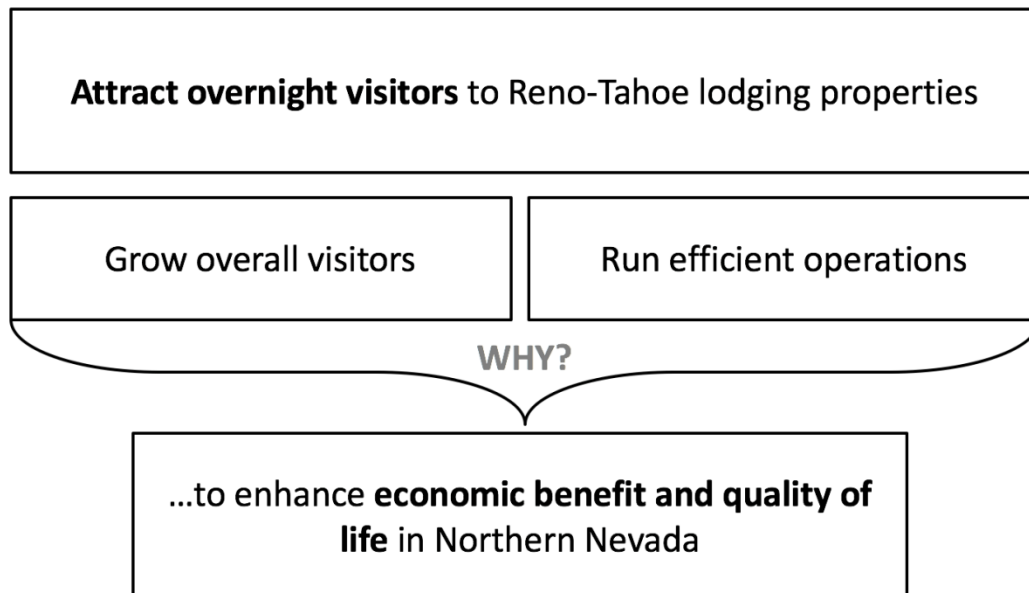
Strategic Issues Addressed

Strategic Issue	Recommendations
Building Awareness: What markets should be the focus for the RSCVA?	Increasing visitation from the targeted markets (Bay Area, LA Basin and Seattle) by 2-7% depending on the market.
Occupancy: How do we increase occupancy, specifically mid-week?	Increase mid-week occupancy via business groups such as the corporate groups, associations, STEM, and manufacturing groups.
ADR: What is the RSCVA's solution to low room rates?	Increasing mid-week occupancy is the biggest drag on a higher ADR, which will be impacted by group bookings, with the goal of increasing ADR from \$88 to \$100 within this period.
Product Improvement: Knowing that downtown is a roadblock to growing room nights, what is RSCVA's role in improving downtown & the Virginia Street Corridor?	Actively partner with local governments and businesses where needed on the master planning process to improve reduce blight and homelessness and increase attractions and walkability.
Facility Ownership: How do we reduce the facility losses?	Outsource the management of the facilities to professional entities that specialize in running and operating the variety of facilities owned and/or operated currently by the RSCVA.
Livestock Events: Should we be in the business of running and managing RSLEC?	Adhere to our mission of marketing and selling the region, instead of facility management. Seek professional management of the facility. Solicit bookings for equestrian events, in line with our Western heritage
Bowling: What do we do with NBS to increase revenue and reduce expenses?	Hired local sales person pursue events and parties by local business and tourism community. Taking action to reduce facility expenses via new facility equipment.
Air Service: How do we deal with limited air service?	Actively work with the RTIA to maintain current airlift and fund new routes with a dedicated air service fund of \$1.5M and increase funding Regional Air Service Corporation.
Concerts: Should the RSCVA be in the concert business, specifically going at risk and promoting events?	No. Pursuing concerts will not be a high priority of the RSCVA during this planning period, allowing resources to be dedicated to areas that generate a higher ROI.

Strategic Direction

MISSION STATEMENT: WHAT IS OUR CORE PURPOSE AND SCOPE?

The mission of the RSCVA is to attract overnight visitors to Reno-Tahoe lodging properties through tourism marketing, convention sales and facility oversight, featuring local amenities, attractions and events; thereby enhancing the economic benefit and quality of life for Northern Nevada.

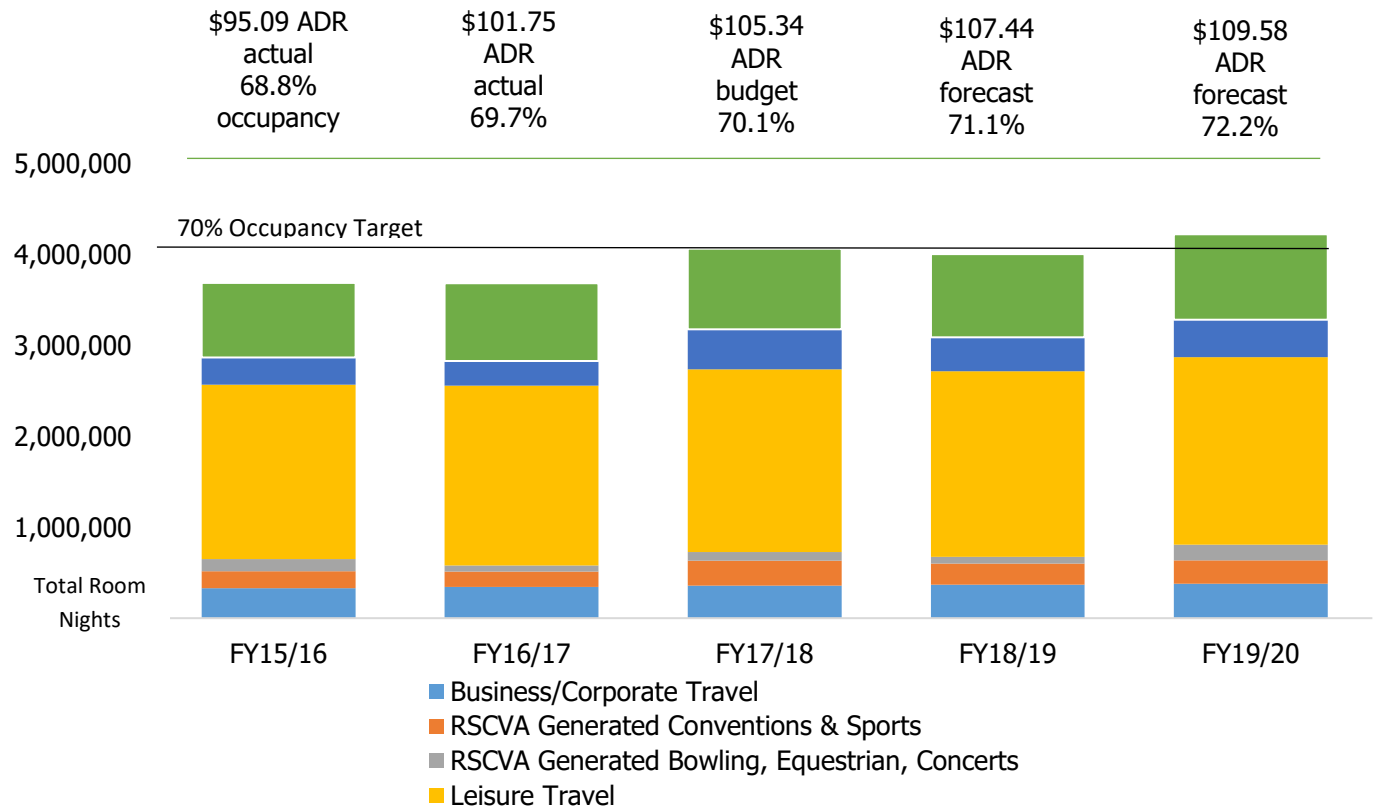


VISION: WHAT DOES SUCCESS LOOK LIKE?

The vision for Reno-Tahoe is to be a premiere year-round Western destination for leisure and group/convention travelers.

What does success look like in the next 5+ years?

The purpose of the strategic plan is to move the organization from where it is today, to a different, more impactful place in the future. With that in mind, the long-term measure of success is increasing overall hotel occupancy and ADR. The hotel occupancy target is to achieve an average of 70% (both cash and comp) where the FY14/15 baseline is 67.6%. As a comparison, the comp set ranges from 62% in Spokane and 79% in Anaheim. The ADR target is \$109 by FY19/20, up from \$95 hotel actual in FY15/16.



The following assumptions are used in the forecast above:

- Total daily hotel inventory is 15,762 and likely to increase by 1-2% annually.
- Comp room nights have historically averaged 23% of total available rooms.
- Business and corporate travel is estimated to 12% of total available rooms, based on historical levels.
- Hotel properties generate on the average 63%-of the total convention business.
- RSCVA-generated room nights are based on the room night forecast. (See Strategic Priority #2 for detail.)
- Leisure room nights are estimated based on the five-year historical average of 1,885,980 room nights annually, with a 1-1.5% annual growth and RSCVA marketing activities. (See Strategic Priority #1 for detail.)
- Budget and forecast are factors utilized by RSCVA staff for budgeting purposes and based upon a "top-down" process.
- The bar graphs utilize a "bottom-up" process based upon the strategic plan.

STRATEGIC PRIORITIES

To achieve this vision, the strategic priorities of the RSCVA are:

1. **Visitation/Destination Awareness:** Change the perception and increase the awareness of and access to Reno-Tahoe through repositioning the destination in key growth markets.
2. **Direct Room Night Growth:** Leverage the region's competitive strengths and event facilities to grow taxable room nights.
3. **Facility Efficiency:** Provide efficient and effective oversight of all RSCVA facilities to support visitor growth and community benefit.
4. **Organizational Sustainability:** Enable the organization to support the growth and development of people, processes & technology improvements.

RSCVA FOUR-YEAR ROADMAP

Stabilizing the Foundation ACTUAL (FY16/17)	Growing the Core Business PROPOSED (FY17/18)	Innovative Expansion (FY 18/19 & FY19/20+)
Strategic Priority #1: Visitation/Destination Awareness		
<p>Destination Marketing: Establish new positioning around outdoor, arts/culture and innovative industries in partnership with the City of Reno. Invest in an overhauled digital presence. Increase funding of Special Events. Developed the first Visitor Origination Analysis to identify and measure target markets. ACCOMPLISHED</p> <p>Airlift: Establish an Air Service Fund of \$1.1 million. ACCOMPLISHED</p>	<p>Destination Marketing: Market presence in the Bay Area, LA Basin and Seattle and National Digital Campaigns. Retain national PR Firm. Increase emphasis on Social Media Influencer program. Launch new website with "mobile first" approach. Complete second Visitor Origination Analysis. Conduct ad effectiveness research. Roll out a new email platform for stronger segmentation.</p> <p>Airlift: Grow Air Service Fund to \$1.4 million.</p> <p>International: Expand promotion to Mexico, China and key European markets, leverage TravelNevada's international efforts. Onboard China consulting agency and to promote the region to the Chinese Consumer, Travel Trade and Media.</p>	<p>Occupancy Target: 70% regionally.</p> <p>Destination Marketing: Solidify development of the Southern California and Seattle markets. Continue to have a presence in the Bay Area while looking to further develop psychographic/demographic segments in that market. Look to other target markets as consideration based on air service and available budget. Expand national PR reach. Continue personalization of website based on analytics. Explore unique promotional opportunities to further support destination brand. Develop strategic partnership to support integrated marketing.</p> <p>Airlift: Grow Air Service Fund to \$1.5 million.</p>
Strategic Priority #2: Direct Room Night Growth		
<p>Production Target: 290K ACHIEVED 248K</p> <p>Cash Room Night Target: 3,487,529 (total market) ACHIEVED 3,608,115</p> <p>Conventions & Groups: Begin to capitalize on regional growth, invest in the corporate market, associations, environmental, manufacturing and franchise/MLM. ACCOMPLISHED</p> <p>Sports: Continued growth in core sports (basketball, volleyball, baseball/softball). ACCOMPLISHED</p> <p>Concerts/Events: Begin to regain room night generation from FY14/15 slump. UP FROM PRIOR FISCAL YEAR</p> <p>Bowling: Dark year.</p> <p>Equestrian: Retain current business. LOST NATIONAL SNAFFLE BIT, GAINED WESTERN SNAFFLE BIT</p>	<p>Production Target: 260K</p> <p>Cash Room Night Target: 3,626,875</p> <p>Conventions & Groups: Increase significant awareness in corporate group market. Open regional offices in Southeast and Bay Area.</p> <p>Sports: Focus on secondary sports to generate demand in off periods (i.e. karate, e-sports, etc.).</p> <p>Concerts/Events: Maintain at current levels.</p> <p>Bowling: Focus on maximizing USBC Women's Tournament.</p> <p>Equestrian: Pursue equine events based on the condition of the facility.</p>	<p>Production Target: 351K by FY19/20</p> <p>Cash Room Night Target: 3,678,457 (total market)</p> <p>Conventions & Groups: Grow 8% over the five years. Corporate market is biggest driver to fill mid-week occupancy and diversify reliance on the sports group market segment.</p> <p>Sports: Work with local governments to open a new sports flat field to attract a new sports line, attracting groups in Spring and Fall.</p> <p>Concerts/Events: Maintain at current levels.</p> <p>Bowling: Focus on maximizing USBC Open.</p> <p>Equestrian: Pursue equine events based on the condition of the facility.</p>
Strategic Priority #3: Facility Efficiency		
<p>RSCC: Address facility disrepair. Invest in technology upgrades. New bleachers. IN PROCESS</p> <p>NBS: Target a minimal operating cost while maintaining USBC business. REDUCE OPERATING COSTS BY \$500K</p> <p>REC: Determine go/no go for ice. CITY OF RENO STILL PURSING OPTIONS</p> <p>RSLEC: Address facility disrepair with capital expenditure needs without over-investing. NOT ACCOMPLISHED</p>	<p>RSCC: Begin implementation of upgrades. Conduct an independent feasibility study to explore expansion of convention center by up to 220K sq ft exhibit space and up to 100K meeting space.</p> <p>NBS: Target a minimal operating cost while maintaining USBC business. Work with City of Reno on 4th floor remodel and pursue increased use of NBS for local use, corporations and tourists.</p> <p>REC: Work with City of Reno on alternatives to change management.</p> <p>RSLEC: Collaboratively engage the NV Dept of Ag, Nevada Junior Livestock Show Board, UNR College of Ag and Reno Rodeo Association to explore alternative model of management.</p>	<p>RSCC: Convention center expansion completed by 2022.</p> <p>NBS: Review management contract with City of Reno (2022). USBC contract runs through 2026.</p> <p>REC: Operated by third-party management company.</p> <p>RSLEC: Operated by community partnership.</p>
Strategic Priority #4: Organizational Sustainability		
<p>People: Expand the sales team and marketing team to support customer experience, sales support, and data analytics. ACCOMPLISHED</p> <p>Technology: Launch new CRM system to manage leads and events across the whole organization and hotel properties. SIMPLEVIEW IMPLEMENTED</p> <p>Financial: Explore extra \$1 to the surcharge fund from the outlying properties. DID NOT PURSUE</p> <p>Culture: Create a unified culture across the organization. ONGOING</p>	<p>People: Continue to strengthen the focus on customer experience and service.</p> <p>Financial: Continue implement the financial policies. Continue to evaluate the organization's facility management.</p> <p>Culture: Change the internal and external reputation of the RSCVA.</p>	

Priority #1: Visitation/ Destination Awareness

Increase the awareness of and access to Reno-Tahoe through repositioning the destination around outdoor activities, arts and culture, and innovative industries.

Driving destination awareness and leisure travel comes directly from connecting the traveler with the destination. A competitive and attractive value proposition along with channel-specific marketing strategies in targeted markets are the critical components to increasing leisure travel.

Overall Strategy: To grow destination awareness, the RSCVA will:

1. Execute a repositioning of the destination around those aspects that competitively position the region – outdoor activities, arts/culture and innovative industries.
2. Target three markets where the region has direct airlift and existing market momentum.
3. Connect the traveler with the market through a multi-channel approach: In-market promotion (traditional + digital), travel agents/agencies (online + offline) and Reno/Sparks-based special events.

GROWTH OPPORTUNITIES

Steady State Strategies:

- **Bay Area** – Slightly increase in-market promotion to generate a 5% lift, expanding into San Jose. (~20,000 RN/year)
- **Reno/Sparks Special Events** – Dedicated \$500,000 event fund to support current local events.
- **Industry Presence** – Attend key industry events and leverage FAMs for both domestic and international tour operators.

New Growth Strategies:

- **Top Priority Markets** – RSCVA overarching strategy is to focus on markets that will support air service (including the core market of the Bay Area with airlift out of Oakland and San Jose). The closer drive markets (i.e. Sacramento) are reached by the hotel/casino advertising and direct mail efforts. Therefore, the first criteria for selection is those markets with the biggest potential to increase visitation via airlift, where the Reno/Tahoe value proposition is differentiated. The second criteria for selection is media efficiency, meaning those markets where the dollars will go the furthest. The third criteria is the minimum spend required to achieve market reach, which is provided in ranges depending on the number of campaigns. Those markets highlighted are the target markets. Additionally, 40% of the budget is proposed for national digital.
- **Tourism Sales** – Research and target the improvement of destination awareness and perception in key feeder markets through a variety of activities, including Mail Pound, sales missions and market-centric communications.
- **Strategic Partnerships** – Secure and leverage co-op funds from travel partners for both domestic and international marketing efforts; Cultivate and grow relationships to assist in securing preferred placement for campaigns Identify travel agents selling GDS air into the destination; Increase the number of properties contributing to TravelClick and FastTrack.gov.

Target Markets	2016 # of Room Nights	Annual Market Lift Goal
San Francisco – Oakland- Fremont MSA	982,777	5%
Los Angeles – Long Beach – Santa Ana MSA	149,836	2%
Seattle –Tacoma – Bellevue MSA	87,481	7%

Based on the 2016 Visitor Origination Study, which representation a solid baseline of visitor origination to Reno-Sparks-Tahoe.

Innovative Growth Strategies (not included in the forecast):

- **International** – Explore co-operative marketing opportunities in Canada, Mexico, China while supporting TravelNevada’s international efforts. Consider opening offices in China, United Kingdom/Europe, Canada and Mexico to attract visitors from top international origination markets.
- **Domestic** – Expand marketing presence into San Diego, Portland, and Boise.

STRATEGIC SHIFTS IN 18 MONTHS

January 2016

- Part-time exec. leader
- \$800K media spend in one market
- No marketing agency of record
- Website outdated

April 2017

- Full-time concentration
- \$7M over 18 months & multiple markets
- BVK with 3-year contract
- Launching new responsive website, mobile site & corporate website
- New exhibit booth, city model & destination video

4-YEAR GOALS, INITIATIVES & PERFORMANCE MEASURES

	FY16/17 Actual	TARGET By FY19/20
GOAL #1 – OVERALL VISITOR GROWTH: Increase destination awareness and visitor growth by 2-7% from target markets (Bay Area, LA and Seattle) <ul style="list-style-type: none"> Improve accuracy of visitor calculation, based on room nights, to overall determine destination visitation. Conduct the Visitor Origination Analysis annually and destination awareness research. Launch new positioning and positioning refinement with marketing agency. Dedicate 40%+ of total budget to digital, including launching a new website and cutting edge mobile app for the destination. Gain market presence in top markets and assess effectiveness measured by annual visitor origination report. 	1,220,094 RN (Advertising did not start until May 2017)	1,353,000 RN from target markets
GOAL #2 – CASH OCCUPIED ROOMS: Increase overall cash occupied room nights through destination marketing, sales and facility improvement. <ul style="list-style-type: none"> Invest in relationship building and promotion with online travel agencies. Pursue greater partnering with domestic & international tour operators, and add staff position for greater leisure market coverage in niche segments. Expand promotion to Mexico, China and key European markets, leverage TravelNevada's international efforts Develop a travel agent awareness and recognition program. 	3,608,115 (All RNs, not just hotel properties)	3,678,457
GOAL #3 – AIRLIFT: Increase airlift in partnership with RTIA through individual airline support where appropriate. <ul style="list-style-type: none"> Establish an Air Service Fund up to a fund that may build to \$1.5 million, to support new airlift. Invest in ensuring that the top priority markets' air service is supported through marketing. 	\$100,000	Up to \$1.5M as needed
GOAL #4 – RENO/SPARKS/INCLINE-BASED SPECIAL EVENTS: Support special events by increasing the fund from \$300K to \$500K annually. <ul style="list-style-type: none"> Provide Partnership Funding to at least 15 special events, providing an opportunity for events to increase their marketing efforts to potential spectators and participants. Provide financial assistance to one special event per annum to conduct an economic impact and/or demographic study. 	\$500,000	\$500,000
GOAL #5 – TOURISM SALES: Increase the number of free, independent travelers travelling to the destination through a series of strategic activity to grow destination awareness & perception.	660,119	679,499
FY16/17 Actuals <ul style="list-style-type: none"> Achieve 22,400 room nights attributed to Traditional Wholesalers by FY19/20 Achieve 24,700 room nights attributed to International/Domestic Receptive Operators by FY19/20 Achieve 464,200 room nights attributed to Online Travel Agents by FY19/20 Achieve 145,325 room nights attributed to Travel Agents by FY19/20 Achieve 50,500 room nights attributed to Group Tour/Motorcoach by FY19/20 Achieve 24,700 room nights attributed to Direct to Consumer by FY19/20 		

Priority #2: Direct Room Night Growth

Leverage the region's competitive strengths and event facilities to grow taxable room nights.

The RSCVA originates room nights through six lines of business – Group Meetings/Conventions, Bowling, ~~Concerts/Entertainment~~, Equestrian, Sports and Leisure Sales. While room night generation is diversified across these lines of business, a significant portion comes from bowling due to the National Bowling Stadium.

Overall Strategy: Projected growth over the next five years is a shift from bowling to sports group and group meetings/conventions due to the market momentum in both of those areas from direct sales efforts.

GROWTH OPPORTUNITIES

Steady State – Retention Opportunities:

- Focus on USBC room night levels, given the decline in USBC bowlers. (~30,000 RN for USBC Women's and ~150,000 RN for USBC Open)
- Sports segments, specifically basketball, volleyball and baseball, have significantly grown because of competitive market position. Market saturation is close due to facility capacity and market opportunities.
- Retain repeat annual conventions, especially those over 2,000 room nights: Triple Crown, Northern California Volleyball, Jam On It, Equipovision, Wild Sheep, Senior Softball, Worldwide Distributors, Burns Events, Jazz Fest, and Fire Shows West.
- ~~Regain room night generation from the concerts segment. (~60,000 RN over five years)~~
- Retain current equestrian events through modest investment in RSLEC. (~50,000 RN over five years)

New Growth Opportunities:

- Elevating awareness and capitalizing on the new economic growth by marketing to the corporate market segment that is growing in the region. Focus on growing midweek RNs. (~60,000 room nights over five years)
- Increasing awareness that represent the target market segments such as Corporate, Franchise/MLM and targeted Industry Associations. (~ 61,000 room nights over five years)
- Take advantage of growth sport segment (such as Boys Volleyball, Gymnastics, Cheer/Dance, and Video Gaming) opportunities. (~65,000 room nights over five years)
- ~~Explore securing concerts/ticketed events to capture business that is booked less than 12 months out that makes financial sense to the community and event center utilization. (~20,000 room nights over five years)~~
- Attract mid-sized equestrian events to drive room nights. (~13,900 room nights over five years)
- Actively pursuing small/mid-sized bowling tournaments. (~50,000 RN room nights over five years)

Innovative Growth Opportunities (Not included in the forecast):

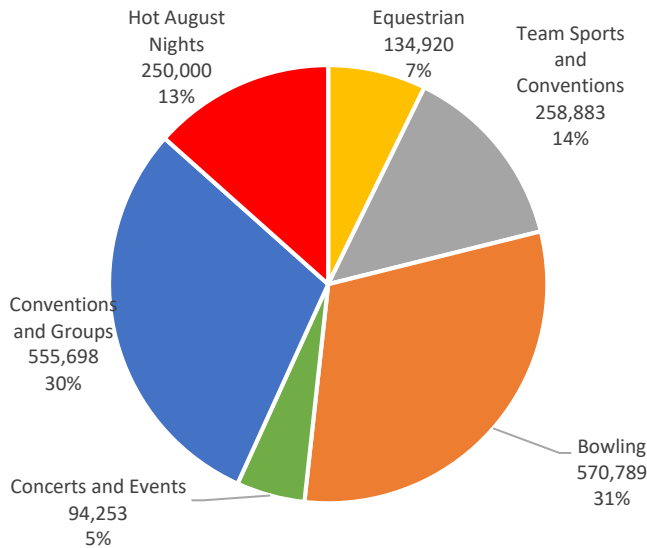
The following opportunities were explored as part of the strategic planning process, but not included in the forecast:

- *Multi-use flat field:* Opportunity to bring in additional sports teams. Opportunity is contingent on all jurisdictions.
- *Ice hockey:* Opportunity to add ice to the Reno Event Center. City of Reno completed a feasibility study to assess the economic impact. Currently RSCVA is negotiating with Reno Puck Club to bring in an ECHL franchise to Reno.
- *Public use of National Bowling Stadium:* Hosting private events yields about \$20/person after expenses or \$2,000 for a 100-person event. Facilities staff to explore local events such as crawls and other large downtown events.

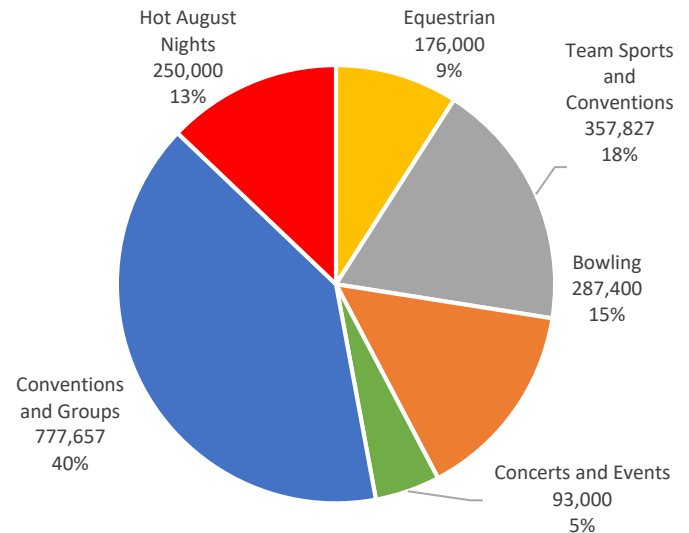
DIRECT ROOM NIGHT FORECAST

The below pie charts illustrate the previous five years of room nights as well as a forecast of the next four years based on the sales analysis provided in the detail sections of each line of business. Pie charts illustrate the shift in the lines of business.

**FY10/11 – FY14/15 Room Nights by Line of Business
ACTUAL**



**FY15/16 – FY19/20 Room Nights by Line of Business
FORECAST**



STRATEGIC SHIFTS IN 18 MONTHS

January 2016

- Plan to spend significant investment on association memberships to drive business growth (\$525K)

April 2017

- Reduced convention industry association sponsorships by \$610K after evaluating ROI
- Hired Sacramento sales position
- Hired Atlanta/Southeast sales position
- Hired local corporate manager sales position
- Hired Executive Director of Tourism Sales
- Hired Director Customer Satisfaction & Convention Services
- No sales resources will be applied to securing concerts

4-YEAR GOALS, INITIATIVES & PERFORMANCE MEASURES

	FY16/17 Actual	TARGET By FY19/20
GOAL #1 – PRODUCED ROOM NIGHTS: Grow room nights from 230,000 in FY15/16 to 300,000 by FY19/20. (FY16/17 target includes facility-specific RNs for RSLEC and NBS) <ul style="list-style-type: none"> Grow sales staff by three additional people (Corporate Sales and two Sales Support). The Corporate Sales position is estimated to produce 10-15K room nights. Target is the high-water mark over the five-year period. Explore shifting legacy/retention events to a dedicated sales position. 	249,217 RN produced	351,000 RN produced or 5% annual growth <small>*Target includes 51K RNs Safari Club, which is equal to approx. ~17K RNs/yr. for three years.*</small>
GOAL #2 – GROUPS/CONVENTIONS: Grow on the average 14% annually by raising the destination awareness to position Reno-Tahoe as a “player” in the corporate groups meetings and convention industry. <ul style="list-style-type: none"> Strong focus on growing small/medium-sized groups in the corporate market to leverage 1) regional awareness from recent business growth, 2) hotel convention spaces, and 3) build on a successful win ratio. Invest in building awareness in industry associations, environmental, manufacturing, distribution and MLM markets. Maintain, but don’t invest in, heritage/veterans and government. Continue to drive profitable citywide events to determine destination impact. Dedicate one marketing staff member to corporate sales to align sales and marketing to grow conventions. 	Consumed Room Nights: 97,311	~195,000 RN or 14% annual growth
GOAL #3 – SPORTS: Maintain market share in core sports (basketball, volleyball and baseball) while expanding into sports with different demand periods. <ul style="list-style-type: none"> Attract smaller “core” events that can be placed in the schedule during off-peak times and add two more collegiate sports conference championship events over the next 5 years. Increase bid fee funding and grow the Gymnastics, Cheer/Dance, and Video Gaming sports businesses. Conduct a feasibility study for a sports flat field to attract a new sports line and drive room nights in different demand periods (fall and spring). Beyond the 5-year period Conventions & Group Sales will eclipse Sports, as the product improves and economic development continues in the region. 	Consumed Room Nights: 51,862	~90,000 RN or 12% annual growth rate
GOAL #4 – BOWLING: Leverage the NBS as the best facility in the country by partnering with USBC to make the most of the booked events. <ul style="list-style-type: none"> Dedicate NBS general manager to ensuring USBC business is sustained. Invest in target markets with direct air service to augment NBS marketing efforts in Open and Women’s tournament years to grow NBS attendance in those years. Pursue smaller tournaments to improve occupancy. 	Consumed Room Nights: 17,148	~113,800 RN <small>*FY19/20 is USBC Open year</small>
GOAL #5 – EQUESTRIAN: Retain the current business with modest expansion with mid-sized Western Region events. <ul style="list-style-type: none"> Dedicate RSLEC general manager to the growth of this segment. Actively support and partner with the Reno Rodeo. Begin targeted sales efforts to attract mid-sized equestrian events. 	Consumed Room Nights: 30,035	~37,000 RN or 8% annual growth

Priority #3: Facility Efficiency

Efficiently and effectively oversee the management and operations all RSCVA facilities to support visitor growth and community benefit.

The RSCVA operates five facilities: Reno-Sparks Convention Center (RSCC), Reno-Sparks Livestock Events Center (RSLEC), the National Bowling Stadium (NBS), Wildcreek Golf Course and the Reno Events Center (REC). The last two are owned by the City of Reno, with capital improvements funded through \$2 of the downtown Surcharge Fund. The RSCC and RSLEC are owned by the RSCVA with capital improvements funded through the RSCVA budget. Due to the recession, very little investment has been made to any of the facilities over the past five years. With the improving economy and the addition of the Surcharge Fund from the outlying properties, facility upgrades are proposed for all facilities with proposed improvement in overall cost per room night.

Overall Strategy: Contract with a professional management firm to efficiently and effectively operate each facility – bringing best practices, highest quality standards, increased awareness and improved service levels to all facilities.

FACILITY STRATEGIC DIRECTION

Reno-Sparks Convention Center – Explore expansion to accommodate growth in convention business.

To prepare the destination for groups now shopping for convention homes in 2022, 2023 and beyond, and to lay groundwork for a successful future, the RSCVA must conduct a Feasibility Study by an independent third party to determine if the RSCC can successfully expand by approximately 225,000 sq. ft. of exhibition space and approximately 75,000 - 100,000 sq. ft. of meeting space for a total of approximately 325,000 sq. ft. of expanded facilities and, to also make recommendations for its financing. Design and construction would follow, with completion ideally by 2022.

Wildcreek Golf Course – Divesture of the property.

Exit the golf course business by selling Wildcreek to the Washoe County School District (WCSD) through Washoe County and provide proceeds of the majority of the sale to Washoe County for the development of the remaining 125 acres into a regional park, or likeness thereof for the use and enjoyment of the public.

Reno-Sparks Livestock Events Center – Pursue joint facility management with community partners.

Continue engagement and work with the large group of interested parties on the viability of a change of management of the RSLEC - through discussions with the University of Nevada, the State's Department of Agriculture, NJLSB & Reno Rodeo Association – knowing that these discussions will all revisit "who is going to pay for the RSLEC deferred maintenance, and how?" At the same time, investigate the viability of seeking outside professional Equestrian/Livestock facility management as an alternative to the present model.

Reno Events Center – Explore third-party management.

Recommend that the City of Reno open to bid the management of the Reno Events Center and give preference to an internationally-recognized arena management company that has a proven track record of successfully managing and driving business for arenas, nationwide.

National Bowling Stadium – Explore opening the facility to general public and explore third-party management.

Continue to maintain the core group of bowling business and clientele, while controlling our operating expenses - and experimenting with new pathways of revenue generation through sales and marketing of the facility to local businesses, tourists and the general public.

STRATEGIC SHIFTS IN 18 MONTHS

RSCC	Ongoing and deferred R&M \$1.5/year	Remodel process moving forward
RSLEC	Relative lack of investment in facility improvements. \$500K deferred R&M	TBD Board Retreat
NBS	Needs to be updated on on-going basis (via \$2 surcharge)	\$4M for 4 th floor improvements and \$3.4M for HVAC (Downtown property \$2 surcharge fund)
REC	Good R&M status. \$300K in capex from surcharge	\$360K in capex for retractable seats from surcharge. Possible transfer to 3 rd party operator.
Wildcreek	Desire to divest	Plan to divest.

4-YEAR GOALS, INITIATIVES & PERFORMANCE MEASURES

	FY16/17 ACTUAL	TARGET FY15/16-19/20 Average
GOAL #1 – RSCC: Explore expanding the Convention Center to increase the amount of contiguous meeting space and remain competitive with comp set.	Operating Margin: (\$1.0M)	Operating Margin: (\$1.4M)
<ul style="list-style-type: none"> Authorize a feasibility study to expand by a total of 325,000 sq. ft. (25,000 sq. ft. of exhibition space and approximately 75,000-100,000 sq. ft. of meeting space) with the goal of being able to accommodate 3,000 booths. Conduct a Market Demand study for the facility expansion. Approach the 2019 Nevada Legislature for authorization of a room tax adjustment to finance the expansion. 	Cost per RN: \$24.00	Cost per RN: \$13.36
GOAL #2 – REC: Improve the facility management and utilization through securing third-party management.	Operating Margin: (\$211,000)	Operating Margin: (n/a)
<ul style="list-style-type: none"> Work with the City of Reno to open a bid for the management of the Reno Events Center and give preference to an internationally-recognized arena management company that has a proven track record of successfully managing and driving business for arenas, nationwide. 	Cost per RN: \$6.94	Cost per RN: n/a
GOAL #3 – NBS: Increase facility utilization through possibly opening up the NBS to the public and hosting local events.	Operating Margin: (\$1.4M)	Operating Margin: (\$1.3M)

- Support the City of Reno in completing the \$4M interior remodel (paid for by the \$2 downtown fund).
- Leverage the sales person to book parties, events, celebrations and other programs into the NBS between USBC tournaments to drive revenue.
- Continue to partner with the Tri-properties to solicit ancillary tournament play.
- Consider opening Kingpin to public play to drive revenue both from locals and tourists.

Cost per RN: \$83.44

Cost per RN: \$10.10 during Open

Cost per RN: \$114.69 during dark years

GOAL #4 – RSLEC OPERATING MARGIN: Address facility disrepair with capital expenditure needs without over-investing. Capital expenditure targeted at maintaining current livestock and equine events and driving new sports business.

Operating Margin: (\$763,000)

Operating Margin: (\$648,000)

Cost per RN: \$25.43

Cost per RN: \$13.06

- Work with the University of Nevada, the State's Department of Agriculture, NJLSB & Reno Rodeo Association to determine the viability and deferred maintenance implications of a change of management for the RSLEC.
- Investigate and make recommendations to the RSCVA Board as to the viability of seeking outside professional Equestrian/Livestock facility management as an alternative to the present model.
- Support the Reno Rodeo Association's request of Washoe County to tear down and abate at the RRA's sole expense the Armory Building through permits from Washoe County.
- Support the Reno Rodeo Association's acquisition through a long-term lease, at the RRA's sole expense, the 12 acres of open space near the rendering plant on Wells Avenue.
- Support the Reno Rodeo Association's possible purchase of some small acreage on Sutro Street to provide more off-site parking.
- Investigate and make recommendations to the concept of demolition of the Exhibit Hall building from its current location at the south-end of the indoor arena.

Goal #5 – WILDCREEK GOLF COURSE: Work with community partners to find the highest and best use of the Wildcreek property for community benefit/need.

Operating Margin: (\$322,000)

Operating Margin: n/a

Cost per RN: n/a

- Endorse the sale of Wildcreek to the Washoe County School District (WCSD) through Washoe County and provide proceeds of the sale to Washoe County for the development of the remaining 125 acres into a regional park, or likeness thereof for the use and enjoyment of the public.
- Satisfy the remaining affluent water debt (approx. \$1.3M) owed to the City of Sparks using the proceeds of the sale to WCSD.

Priority #4: Organizational Sustainability

Build a world-class team to support the ongoing, long-term growth and development of Reno-Tahoe.

	FY16/17 Actual	TARGET By FY19/20
GOAL #1 – PEOPLE: Continue to build a solid team, strengthening the focus on customer experience and service. <ul style="list-style-type: none"> Assign ownership and accountability to line of business growth, and where relevant facility performance: <ul style="list-style-type: none"> Develop a Client Experience Manager position to facilitate and be responsible for client satisfaction, driving client retention year-over-year. Align sales and marketing teams through a dedicated marketing resource assigned to sales support to drive room night growth attributed to NBS and RSLEC facilities. Conduct a board training regarding board development, ongoing governance and roles/responsibilities. Encouraging professional development for all employees. 	Employee Engagement Score to be developed	TBD
GOAL #2 – CULTURE: Change the internal and external reputation and culture of the RSCVA. <ul style="list-style-type: none"> Establish corporate values and expectations, via employee-driven process. Continued transparency with employees. Continue to host quarterly employee roundtables, all employee meetings, and employee engagement events. Establish the Board Policies, similar to the LVCVA. Increase engagement and collaboration with key industry stakeholders and special events producers (i.e. RTAA, Reno Rodeo and Hot August Nights) to align priorities, resources and data. Regular 1:1 meetings with Board Members and the Executive Team. 		
GOAL #3 – STAKEHOLDER COMMUNICATION: Continue regular and targeted communication to all stakeholders in the region and in the industry. <ul style="list-style-type: none"> Travel Executive Update – Monthly communication to 4,500 travel executives & decision makers. CEO & Convention Executive Update – Monthly communication to 16,000 Meeting Professionals and CEOs. RSCVA Executive Update – Monthly communication to 700 local and regional stakeholders. Consumer Newsletter – Weekly communication to 40,000 individuals. 	Average open rate	
GOAL #4 – FINANCIAL STEWARDSHIP: Continue implement the financial policies. Continue to evaluate the organization's facility management. <ul style="list-style-type: none"> Adherence to the financial policies. 	7 of 7 financial policies achieved	

STRATEGIC SHIFTS IN 18 MONTHS

	January 2016	April 2017
CEO	<ul style="list-style-type: none">• One person serving both	<ul style="list-style-type: none">• Employed – Jan 2017
Exec VP		<ul style="list-style-type: none">• Marketing focus Jan 2017
VP Facilities	<ul style="list-style-type: none">• Terminated	<ul style="list-style-type: none">• None
VP Sales	<ul style="list-style-type: none">• In place	<ul style="list-style-type: none">• Replaced March 2017
Convention Sales team	<ul style="list-style-type: none">• 9-person Sales Team	<ul style="list-style-type: none">• 12-person Sales Team
New Positions	<ul style="list-style-type: none">• N/A	<ul style="list-style-type: none">• Director of Tourism Sales• Director of Customer Satisfaction• Business Development Manager• Executive Director, Convention Sales

RSCVA Forecast

Forecast Revenue and Expenditures - Cash Basis All Funds

Actual for Fiscal Year 2014/15 to 2016/17, Budget for Fiscal Year 2017/18, and Forecast for 2018/19 to 2020/21

As of Fiscal Year 2018

Assumptions

Base Increase from FY 2017/18:	Base Increase
Room Tax	3%
Surcharge	3%
Facility Revenue	3%
Other Revenue	0%
Facility Expenditures	5%
Sales and Marketing	10%
General and Administrative	5%

- National Bowling Stadium adjusted for tournaments (2020 Open)
- Surcharge Expenditures
- Incline Village/Crystal Bay VB payment adjusted at rate of Room Tax
- Debt at Actual
- Capital based upon Strategic Plan, with additional amounts to capital improvements
- New market implemented in FY 2019/20 at \$1,250,000
- Wildcreek Golf Course ceases operations in Fall 2018, creating reduced revenue and expenditures static.



Executive Summary 2017

	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Budget	FY 2018/19 Forecast*	FY 2019/20 Forecast*	FY 2020/21 Forecast*
REVENUES							
Room Taxes	\$ 23,675,331	\$ 27,693,114	\$ 30,583,554	\$ 32,064,484	\$ 33,026,419	\$ 34,017,211	\$ 35,037,727
Surcharge revenue	-	4,288,207	5,044,518	5,015,772	5,166,245	5,321,233	5,480,869
Other	840,815	927,098	1,048,865	1,040,860	1,040,860	1,040,860	1,040,860
Facilities Revenue							
Reno-Sparks Convention Center	2,526,454	2,704,197	2,636,559	2,672,637	2,752,816	2,835,401	2,920,463
National Bowling Stadium	949,222	1,606,874	468,718	820,793	497,263	1,655,080	527,546
Reno Events Center	1,027,961	1,557,418	1,542,192	1,378,310	1,419,659	1,462,249	1,506,117
Reno-Sparks Livestock Events Center	1,157,083	1,155,497	1,088,708	1,103,300	1,136,399	1,170,491	1,205,606
Wildcreek Golf Course	1,881,126	1,777,998	1,573,382	1,772,300	912,735	-	-
	\$ 7,541,846	\$ 8,801,984	\$ 7,309,559	\$ 7,747,340	\$ 6,718,872	\$ 7,123,221	\$ 6,159,731
TOTAL REVENUES	\$ 32,057,992	\$ 41,710,403	\$ 43,986,496	\$ 45,868,456	\$ 45,952,396	\$ 47,502,524	\$ 47,719,188
EXPENDITURES							
Facilities							
Reno-Sparks Convention Center	\$ 3,642,003	\$ 3,724,804	\$ 3,775,719	\$ 3,783,827	\$ 3,973,018	\$ 4,171,669	\$ 4,380,253
National Bowling Stadium	2,696,414	2,944,605	1,912,954	1,970,559	2,109,032	3,408,748	2,325,208
Reno Events Center	1,723,264	1,861,456	1,750,292	1,565,885	1,644,179	1,726,388	1,812,708
Reno-Sparks Livestock Events Center	1,576,118	1,736,646	1,877,943	1,819,222	1,910,183	2,005,692	2,105,977
Wildcreek Golf Course	2,068,061	1,999,698	1,910,240	2,016,279	2,016,279	-	-
	\$ 11,705,860	\$ 12,267,209	\$ 11,227,148	\$ 11,155,772	\$ 11,652,691	\$ 11,312,498	\$ 10,624,145
Sales and Marketing (Core)							
Sales and Marketing (Surcharge)	\$ 6,451,993	\$ 8,149,215	\$ 9,323,670	\$ 11,177,086	\$ 12,294,795	\$ 13,524,274	\$ 14,876,701
General and Administrative	2,460,121	2,631,798	2,729,718	2,734,218	2,870,929	3,014,475	3,165,199
Incline Village/Crystal Bay VB	1,159,160	1,365,321	1,528,438	1,594,801	1,642,645	1,691,924	1,742,682
Debt (Principal and interest)	9,400,000	9,475,000	10,546,330	9,674,044	9,674,044	9,674,044	9,674,044
Capital							
Maintenance - RSCC	\$ 26,867	\$ 982,271	\$ 2,180,028	\$ 3,700,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Maintenance - RSLEC	186,334	412,276	845,260	450,000	545,000	500,000	520,000
Capital - Surcharge	-	-	-	3,200,000	1,600,000	1,600,000	1,600,000
Capital - Improvements	-	-	-	-	-	-	-
	\$ 213,201	\$ 1,394,547	\$ 3,025,288	\$ 7,350,000	\$ 3,645,000	\$ 3,600,000	\$ 3,620,000
TOTAL EXPENDITURES	\$ 31,390,335	\$ 35,283,090	\$ 41,538,426	\$ 48,701,693	\$ 45,261,616	\$ 46,472,803	\$ 47,541,138
TOTAL REVENUES OVER EXPENDITURES	\$ 667,657	\$ 6,427,313	\$ 2,448,070	\$ (2,833,237)	\$ 690,780	\$ 1,029,721	\$ 178,050

Tourism Room Surcharge Recap Summary

Updated as of 12/1/2017

	Fiscal Year 2015/16 Actuals	Fiscal Year 2016/17 Actuals	Fiscal Year 2017/18 Budget
Tourism Room Surcharge			
Revenue			
Tourism Surcharge	\$4,286,922.00	\$5,032,542.00	\$5,015,772.00
Interest	976.68	11,973.10	15,000.00
	\$4,287,898.68	\$5,044,515.10	\$5,030,772.00
Expenditures			
Marketing	\$-	\$(3,057,833.68)	\$(4,515,772.00)
Air Service	-	(100,000.00)	(500,000.00)
Sales	-	-	-
Capital	-	-	(3,200,000.00)
	\$-	\$(3,157,833.68)	\$(8,215,772.00)
Net Change in Restricted Fund Balance	\$4,287,898.68	\$1,886,681.42	\$(3,185,000.00)
Beginning Restricted Fund Balance, July 1	\$-	\$4,287,898.68	\$6,174,580.10
Ending Restricted Fund Balance, June 30	\$4,287,898.68	\$6,174,580.10	\$2,989,580.10
Core			
Marketing	\$-	\$(4,667,918.79)	\$(4,476,278.00)
Air Service	-	-	-
Sales	-	(4,655,751.82)	(6,700,808.00)
Capital	(1,394,547.00)	(3,025,288.00)	(4,150,000.00)
	\$(1,394,547.00)	\$(12,348,958.61)	\$(15,327,086.00)
Tourism Room Surcharge & Core			
Marketing	\$-	\$(7,725,752.47)	\$(8,992,050.00)
Air Service	-	(100,000.00)	(500,000.00)
Sales	-	(4,655,751.82)	(6,700,808.00)
Capital	(1,394,547.00)	(3,025,288.00)	(7,350,000.00)
	\$(1,394,547.00)	\$(15,506,792.29)	\$(23,542,858.00)