

Continued Partnering with the Kenai Peninsula Tourism & Marketing Council for the FY2021 KPB Annual Budget.

KPTMC Can Leverage Our Dollars

The Assembly has an opportunity to leverage the limited, marketing funds the Borough can make available through this amendment. In re-funding KPTMC we can stretch our marketing dollars to accomplish our tourism marketing needs. Currently about 50% of KPTMC's funding comes from the KPB. The other half is from membership dues and fundraising events. This means we, as a Borough, can work toward the objectives approved in Resolution 2020-003 for a minimized cost to the Borough and it's citizens.

Other Organizations Are Not Like KPTMC

An RFP option, as preferred by Mayor Pierce, is a great option when organizations are able to provide like-kind services for a reasonably similar cost. In this instance, that is not the case. As with the other groups funded through the Economic Development Budget, KPTMC is able to minimize the cost to the Borough using other sources of funds when budgeting for long-term marketing campaigns. There are currently no other agencies outside of incorporated cities (chambers) that have members who will share the cost of the tourism marketing services rendered. We will be able to accomplish more for less when compared to businesses/groups that do not have the organization structure designed to utilize outside funds (dues & fundraising) to offset our portion of the marketing budget.

Only An RFP Option May Result in Loss of Market Share

Another concern is our current economic situation resulting from the Alaska State Mandates put in place to slow the spread of COVID-19. We have many small business owners who rely on tourism to make a living, and they need our help right now. They depend on tourism marketing to draw clients to their establishments, but may be making tough choices due to lack of revenue. KPTMC has the ability to seamlessly continue providing tourism marketing services to the Borough and its struggling small businesses. Only having an RFP would waste vital marketing time during the next weeks and possibly months before ad campaigns could go out to the public.

We Need Summer/Fall 2020 and 2021 Marketing Now

In response to COVID-19, KPTMC is anticipating the need to shift marketing from mostly outside of Alaska campaigns to in-state, local campaigns while keeping an eye out for an advantageous time to re-enter the global tourism market. It is critical that these types of ad campaigns continue so we can remind Alaskans that the Kenai Peninsula is the place to be as State Mandates lighten and people begin to safely travel during what is left of the summer season and the fall, shoulder season. KPTMC has plans to be ready to apply funds when global marketing campaigns are appropriate for summer 2021.

Including a Funded Line-Item for KPTMC to Meeting Marketing Objectives

Amending Line-Item 43021 Peninsula Promotion - KPTMC from no funding to \$100,000 would allow KPTMC to continue with the in-state, local marketing, while not forgetting about our much needed outside, global marketing for 2021. KPTMC showed us how responsible they can be with Borough dollars by only spending just under \$60,000 of the \$150,000 we approved as they saw what was coming with COVID-19. Listening to the advice of the Mayor and Borough staff, KPTMC pivoted to meet Borough needs by submitting a new scope of work that was approved by the Mayor and staff.

Funding for this year of \$100,000 will allow KPTMC to accomplish the two objectives set forth by the Assembly in Resolution 2020-003. Ms. Speakman did ask for only \$63,000 in her budget presentation on May 6, 2020 anticipating that cuts were likely coming. After a conversation with Ms. Speakman, she confirmed that if an additional \$37,000 were budgeted, KPTMC could further market the Kenai Peninsula using Search Engine Optimization (SEO) as seen in her presentation. SEO is a well known strategy used to attract online impressions and conversions which is at the core of our objectives listed in Resolution 2020-003. To further market in-state, any unused funds could be used for local trade shows, Alaska Tourism Association cooperative marketing, Visit Anchorage cooperative marketing, and KPTMC personnel.

Thank you for considering the Amendment to include ***Line-Item 43021 Peninsula Promotion - KPTMC for \$100,000*** submitted as a change to the Economic Development Department, Fund 100, Dept 94900 on pages 146-147 of the Kenai Peninsula Annual Budget for FY2021.