

City of Morrow
Press Release
April 28, 2015

Morrow Business and Tourism Association

The City of Morrow Mayor and Council are responsible for making decisions that maximize resources in ways that most effectively reach our city goals to keep citizens safe, keep streets clean, provide excellent services, build business, and strengthen our position in Clayton County and Georgia as a destination for living, operating a business, visiting, and working. Many decisions are required of us in order to achieve these goals and re-evaluating each decision from time to time is necessary to ensure we are always on the path that best serves our community while accommodating the demands of our target market.

It is this responsibility to our citizens that led the City of Morrow to assess its professional relationship with their Destination Marketing Organization (DMO). Morrow's current DMO is the Morrow Business and Tourism Association or MBTA. The MBTA operates with tax dollars collected from our hotels, a Hotel/Motel Tax. Morrow established the collection of this tax first by an Ordinance passed in 2009 and more recently by an Ordinance passed in February 2015. For the City of Morrow, the tax represents eight cents of every dollar collected for hotel room rentals. In accordance with the law, the City is required to release 43.75% of this tax collected to a DMO(s). This amounts to approximately \$350,000 annually.

In response to many questions and concerns about businesses in Morrow and how we attract and maintain businesses, we must include an examination of how we market Morrow, more specifically how we market Morrow as a destination and how our DMO is working for the benefit of our community. To clarify, our selected DMO, the MBTA, is not charged with business development. Its functions do not include contacting businesses and asking them to consider Morrow; nor is the MBTA charged with reaching out to developers of commercial destinations and residential neighborhoods. Rather, the MBTA is charged with marketing and promoting the City to attract more visitors, more conventions, and more trade shows. The more people that come to Morrow, the more our businesses thrive. The more our businesses thrive, the more businesses come to Morrow and the more likely that we can attract both commercial and residential investment. The relationship between MBTA and their marketing efforts is undeniably linked to Morrow's position in the market for more homeowners, more visitors, and more businesses.

The City of Morrow acknowledges that the MBTA has accomplished many good things over the years. They have worked to establish long-term relationships with volunteers, hosted dazzling events with a wow factor, and have created community events that enrich the lives of our residents, which has ultimately attracted visitors. However, the City of Morrow requires more

from its DMO. The expenditure of your tax dollars and the hotel/motel tax demands more. The City of Morrow, to stay competitive in County, the State and the Southeast, needs a DMO to showcase the City's destination assets beyond the ballroom. Those of us who live here know, the City has much more to offer beyond the Morrow Center. We need to consider marketing plans that increase our convention and trade show presence, link us more effectively with the airport, and reach out onto the I-75 and catch the attention of the traveler. Morrow must work to create a hotel coalition to foster a better understanding of what will help our hotels succeed in a way that supports our local restaurants, shopping venues, entertainment options, and other commuter services. Such success will lead to higher occupancy rates in hotels and ultimately the opportunity for more hotels, more restaurants, more shopping, and more entertainment.

The City of Morrow's expectation was that the 43.75% of the Hotel/Motel Tax (approximately \$350,000 annually) which was distributed to the MBTA should have been used to maximize a positive impact for our community, as discussed above. One way the City tried to ensure this happened is through an agreement with MBTA to submit both an annual Business Plan and a detailed budget to Mayor and Council for review and approval. In the last three years, this requirement has not been met. In hopes that the MBTA could continue to serve as the City's DMO, the City of Morrow extended every consideration to allow for the MBTA to come into compliance with the agreement and City's expectations of their work. To date, this information has not been provided and after three years with an absence of such critical management information, the City of Morrow can no longer allow the MBTA to serve as its DMO and thus, must move in a new direction to ensure the best use of the hotel/motel tax dollars.

This critical decision has a single motivation. The City of Morrow's Mayor and Council are no longer willing to release such valuable tax dollars to an organization whose fundamental goals do not align with those of the City. Although, the success of the MBTA's hosted events are recognized and appreciated, event planning cannot dominate the DMO's agenda when there are marketing and promotion opportunities that are sacrificed as a result. Even more, the City had to consider whether to continue the relationship at a cost of \$350,000 annually where social events were the only priority. While the City of Morrow desires to have strong working relationships with stakeholders and community partners, the City cannot spend tax dollars to support the independent agenda of a non-profit organization. The City undoubtedly has a bigger obligation to market the City so many more entities succeed.

The City has resolved that the proper and most beneficial investment of your hotel/motel tax dollars will be established with a new DMO(s). While it is an established organization with a great deal of local popularity, the MBTA is no longer serving the City's needs. Thus, the City is moving swiftly to protect the hotel/motel tax dollars and is identifying new ways to bring people into the city, into our businesses, and especially into our hotels.

Through this transition, it is also important to note the importance of protecting the reputation and image of our City. This holds true for the elected officials, staff, the MBTA and its

Executive Director, the City's stakeholders and citizens. Where the entire City is committed to the City's success, there is no room for disparaging comments during Council Meetings, on websites, in social media, or in conversation throughout the community. Such actions fly in the face of the very existence of a DMO, which is designed to market and promote the City to the world.

Going forward what happens to the MBTA is not the City's decision. As an independent organization that formerly received 100% of its financing from the City's hotel/motel tax, the MBTA are free to seek out new revenue streams and develop new investment relationships that will enable them to move forward with their goals separate from the City. Although no longer a partner of the City, the City of Morrow has neither the authority nor the desire to immobilize the MBTA. As for the Morrow Tourist Center, it will continue to operate and serve our community with the same excellence and high quality customer service as before. The dedicated service of the City's volunteers has not gone unnoticed and it is the City's hope that they will work with the City to serve our community for years to come.

And lastly, the hotel/motel tax dollars are protected. The City is committed to ensuring that regardless of who serves as the City's DMO that the goal of increasing the City's presence is achieved. Thus, the next step for the City is to identify a DMO(s) that can serve the needs of the City and yields positive results as the City works to build and strengthen the City of Morrow. The Morrow Mayor and Council are committed to taking the next step as expeditiously as possible to ensure the City's goals are achieved.

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