

A photograph of a young man and woman smiling and looking towards the right. They are in a busy outdoor market or festival setting with many people and colorful stalls in the background. The man is wearing a light blue button-down shirt and a black shoulder bag. The woman is wearing a white tank top. The image has a semi-transparent dark overlay on the left side where the text is located.

NATIONAL TID SURVEY

Tourism Improvement Districts

August 10, 2017

The Future is Built with Travel Promotion

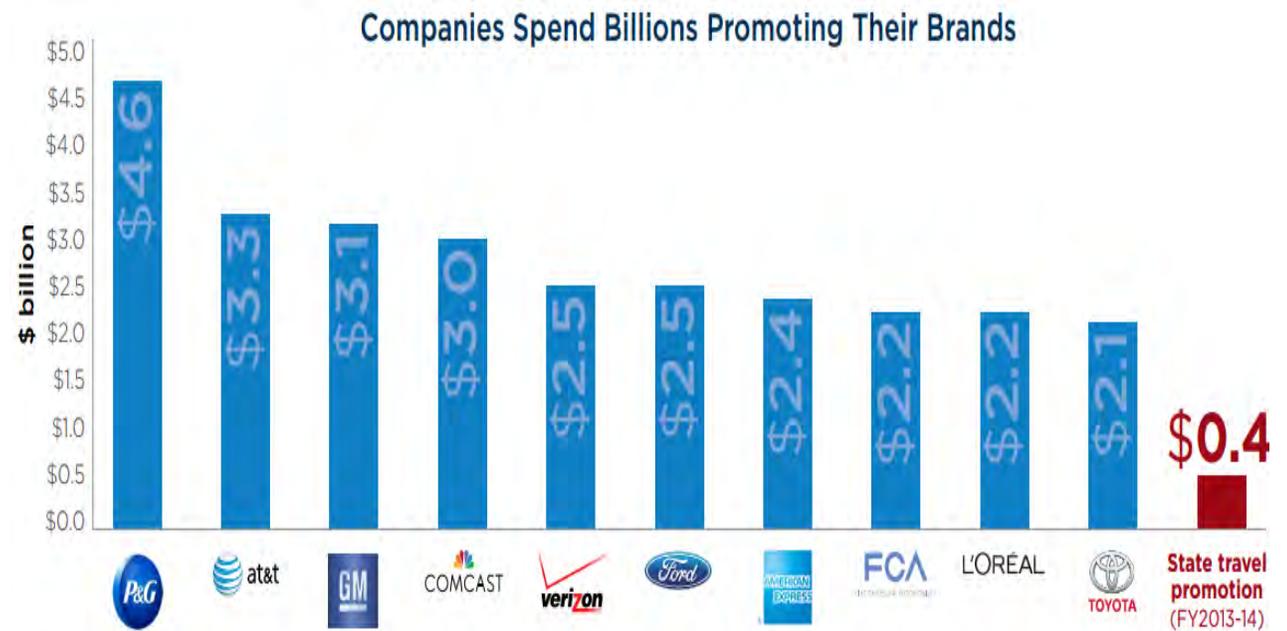




Travel generated \$148 billion in total tax revenue in 2015. Without this impact, each U.S. household would pay \$1,200 more in taxes every year.

State Tourism Marketing Spending

In 2014, the top 50 corporate advertisers spent a staggering **\$80.6 billion** marketing and promoting their brands. By comparison, the 50 state tourism offices spent about **0.5%** as much—just \$437 million.



SOURCE: Advertising Age and U.S. Travel Association, 2015.

SOURCE: US Travel

Tourism Funding Stability

Can a vote of the city or county council re-direct the funds?



Executive Summary

Tourism Improvement Districts have revolutionized destination marketing funding. Since originating in California in 1989, Tourism Improvement Districts have spread to 160 destinations across twelve states. By providing stable, dedicated funds for destination marketing, Tourism Improvement Districts have forever altered the destination marketing financing landscape. Tourism Improvement Districts throughout the United States were surveyed to provide this comprehensive report on the growing phenomenon.

Evolution of Dedicated Funding (Based on Benefit)



Agricultural industry discovered the concept

Agricultural marketing orders (dairy, fruits, vegetables, pistachios)

Similarities: Perishable, like our hotel products



Downtown property owners discovered the concept

Marketing efforts to increase commerce in distinct area of the community



Lodging industry discovered the concept

Marketing efforts to increase "heads in beds"

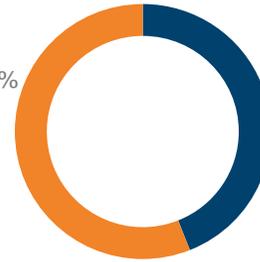


National District Statistics

164 TIDS

Most Recent: Tampa Bay TMD
(May 2017)

56%
Gross
Revenue %

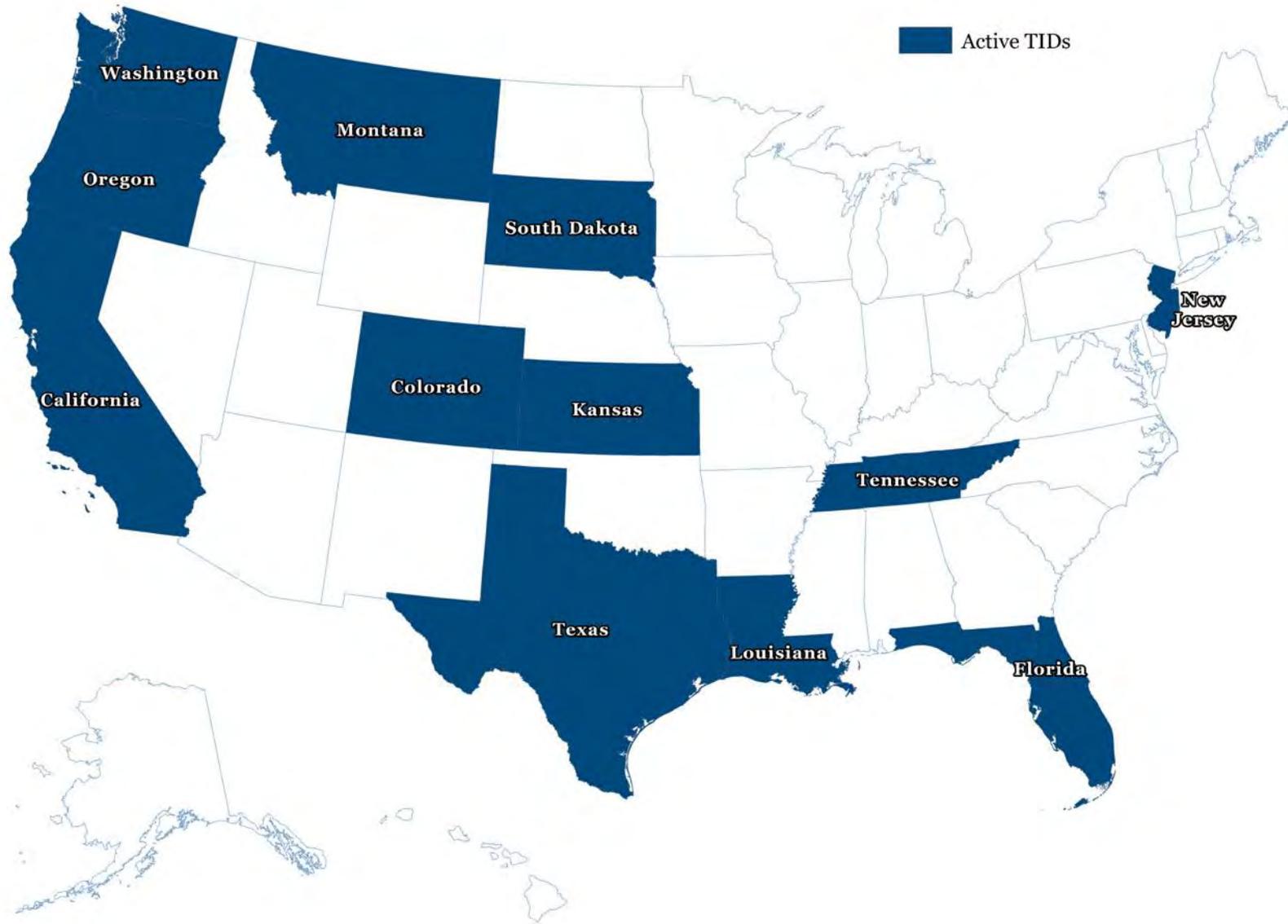


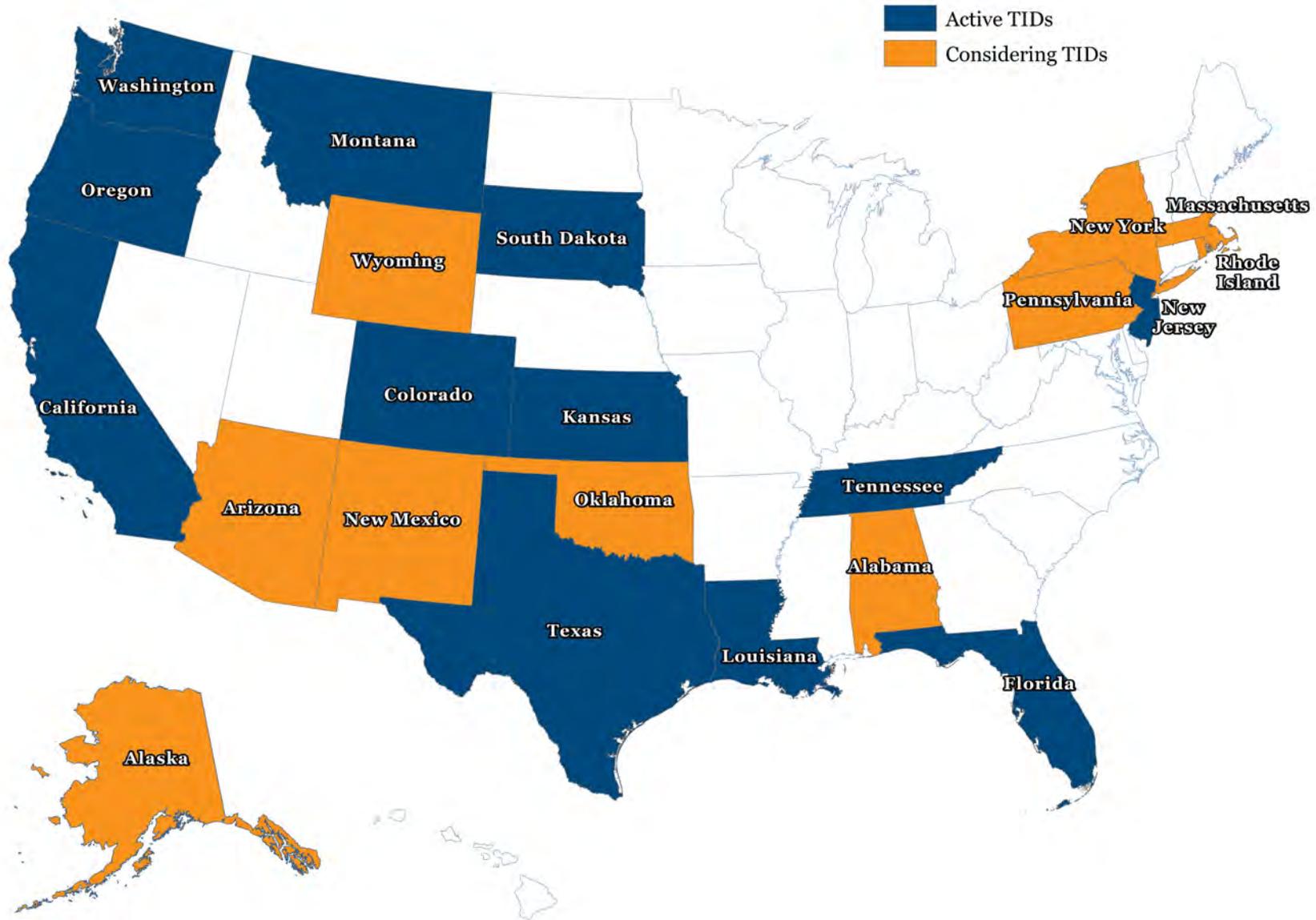
Assessment
Structure

44%
Fixed \$
Amount

AMOUNT RAISED	
Low	\$10,000 Choteau TBID
Median	\$740,000
High	\$35,000,000 San Diego TMD
Total	\$346,141,199

12 STATES





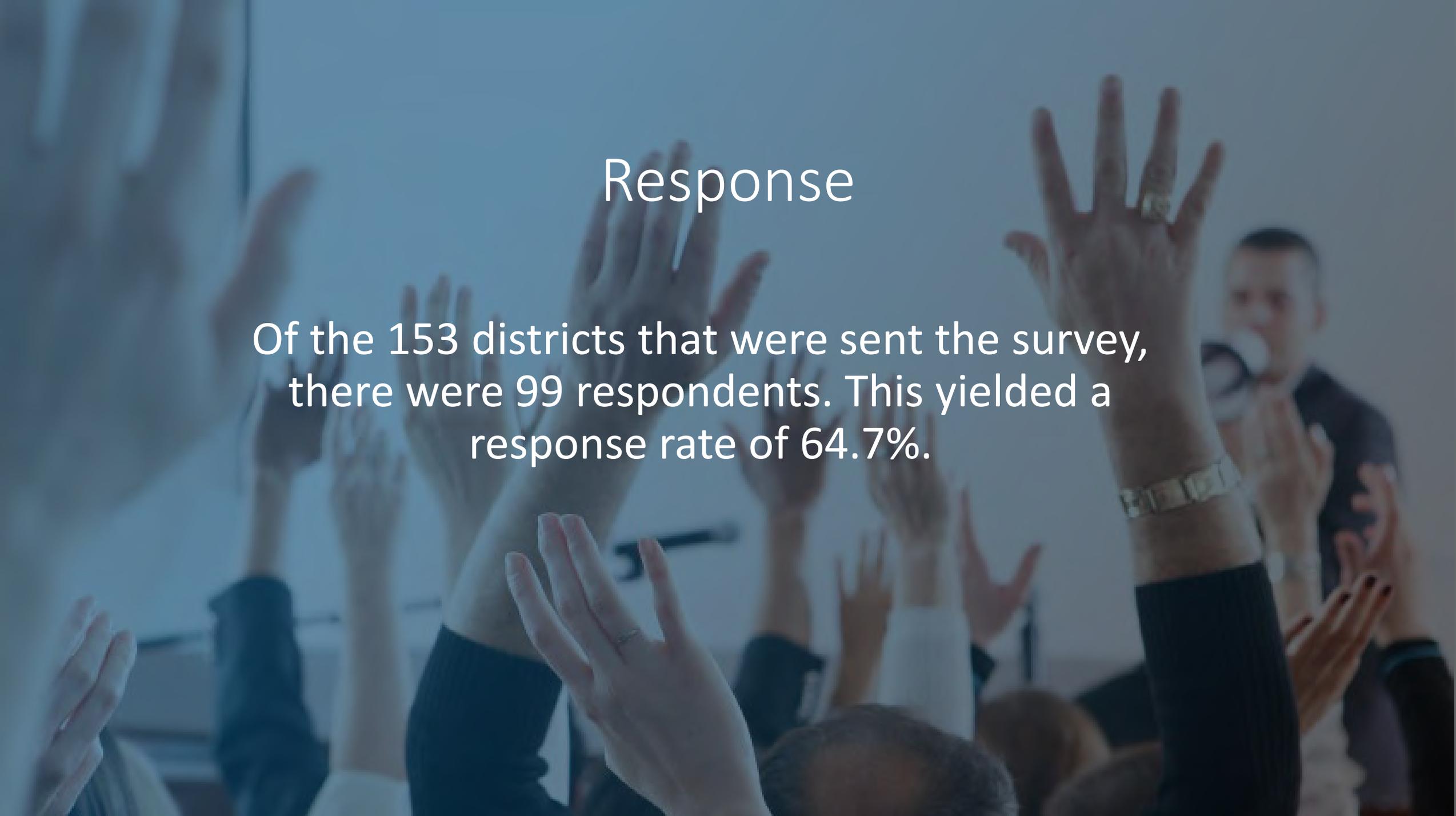
Methodology

This study is the second effort to look at the nationwide Tourism Improvement District formation process, challenges, and management. Questions were asked relating to the formation process, funding levels before and after, challenges, and measurable results.

Survey Distribution

- Executive Directors
- Chairpersons
- Presidents
- Senior level district executives

The survey was conducted online. A link was emailed to the potential respondents, with a follow-up email sent thereafter. Those who did not respond to the first and second email were contacted by telephone. Finally, a third email was sent.

A photograph of a large group of people in a meeting or conference, with many of their hands raised in the air. The image is overlaid with a semi-transparent blue filter. The text is centered over the image.

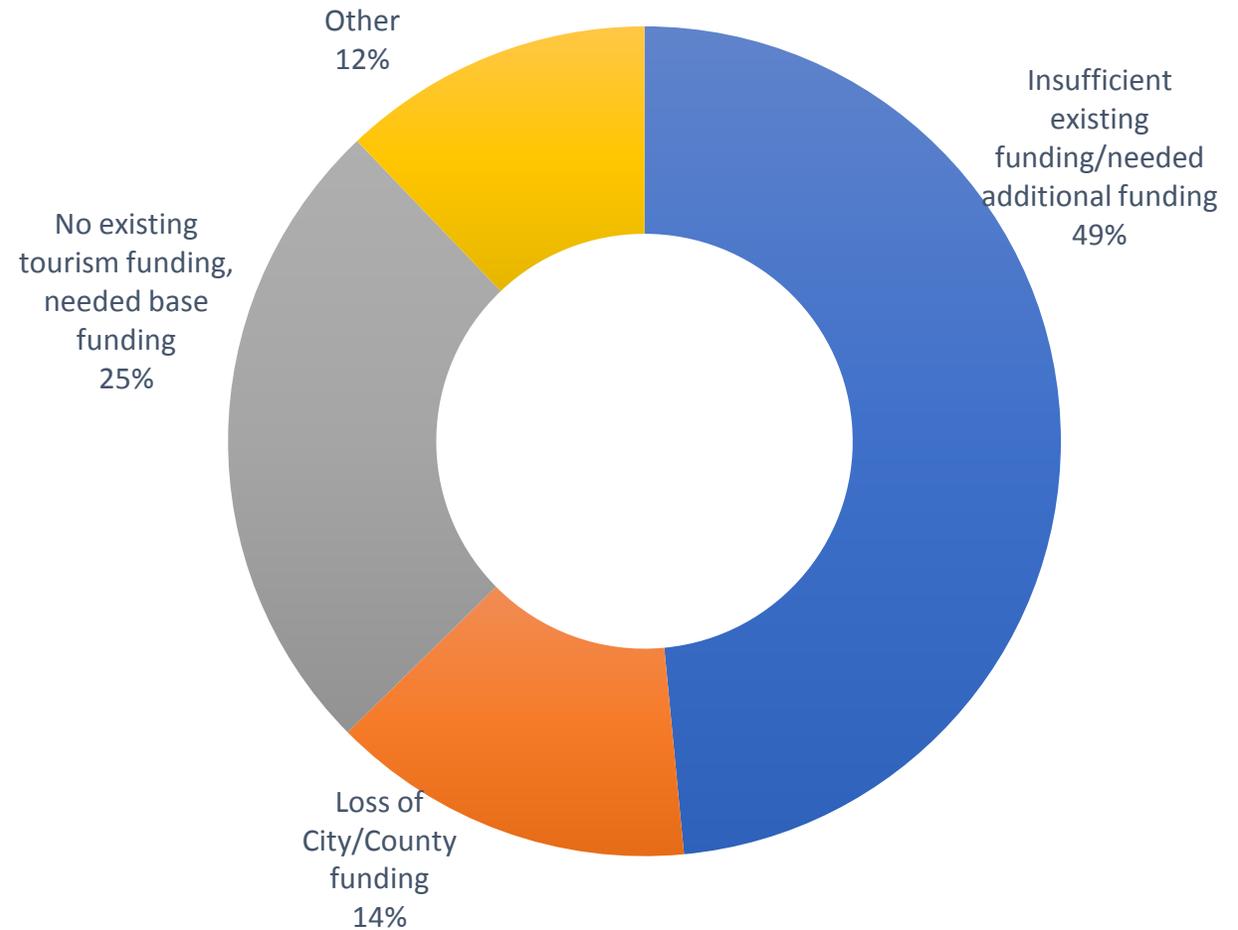
Response

Of the 153 districts that were sent the survey, there were 99 respondents. This yielded a response rate of 64.7%.

Formation

Impetus

Nearly three-quarters reported the primary reason they formed a Tourism Improvement District was insufficient existing funding, over a quarter reported no existing tourism funding at all.

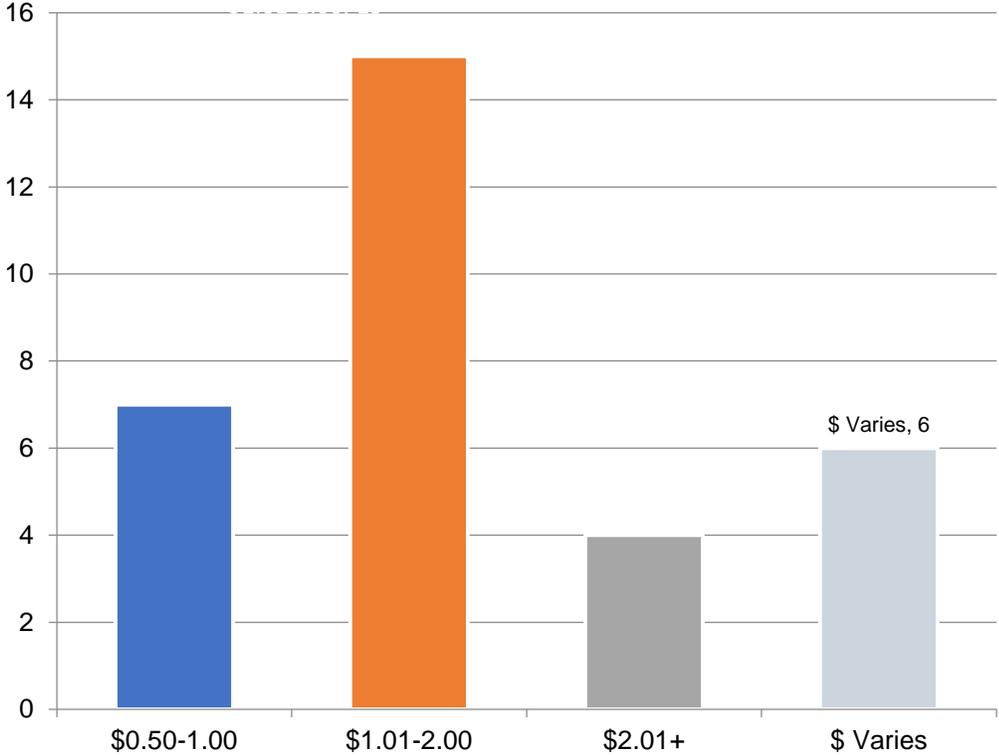


Survey Says..

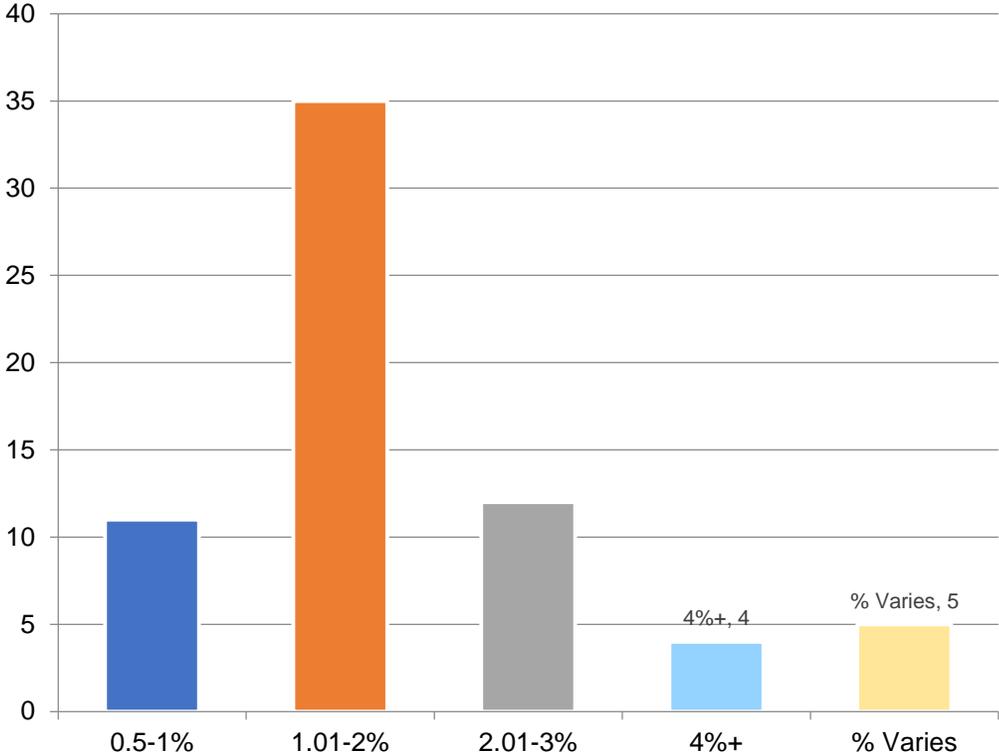
On average, destination marketing funding increased 180% after forming a tourism improvement district.

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TID Assessment Rate



Dollar Amount Per Room



Percentage of Room Sales

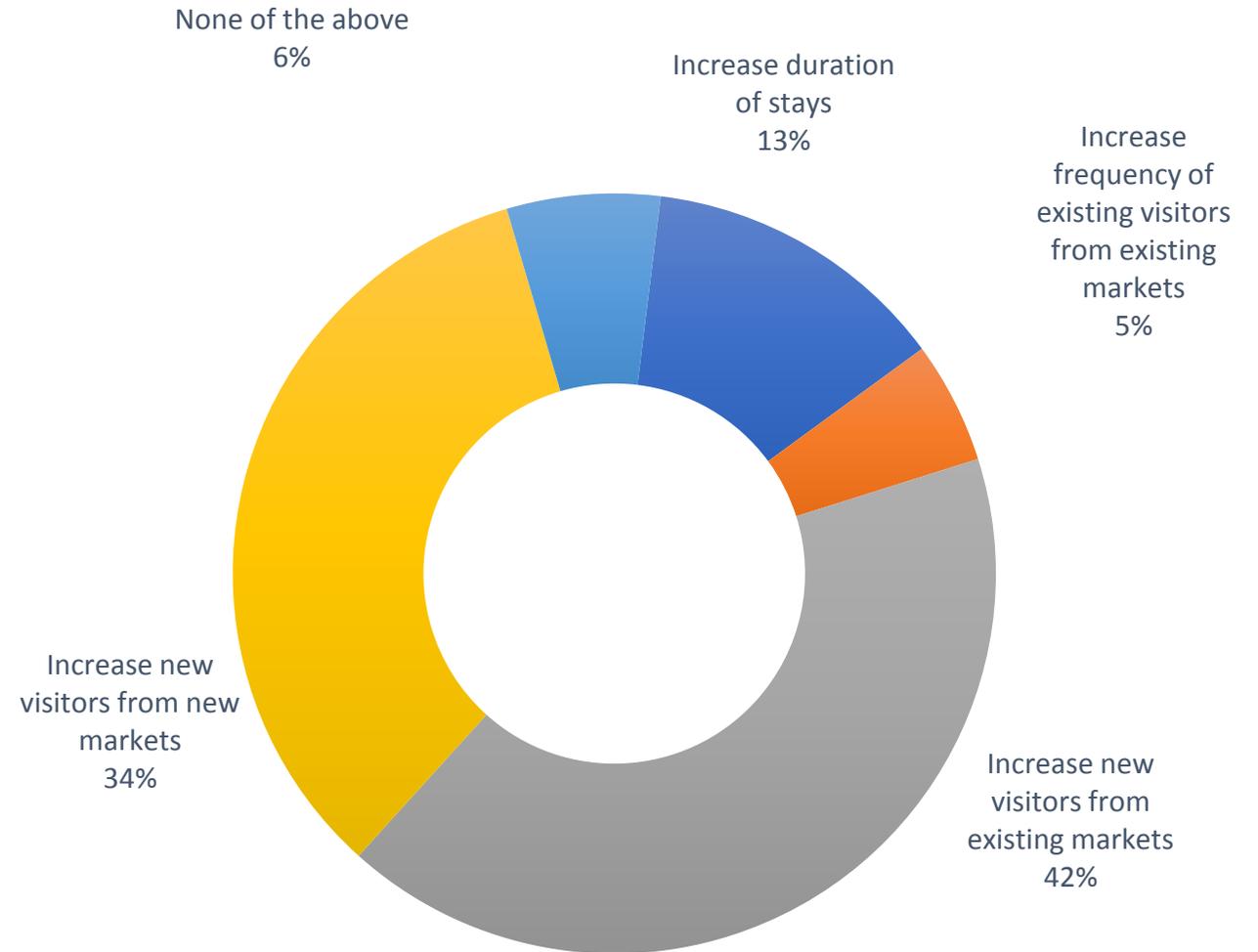
34% of tourism districts increased the rate of assessment from the original TID amount.



Programs

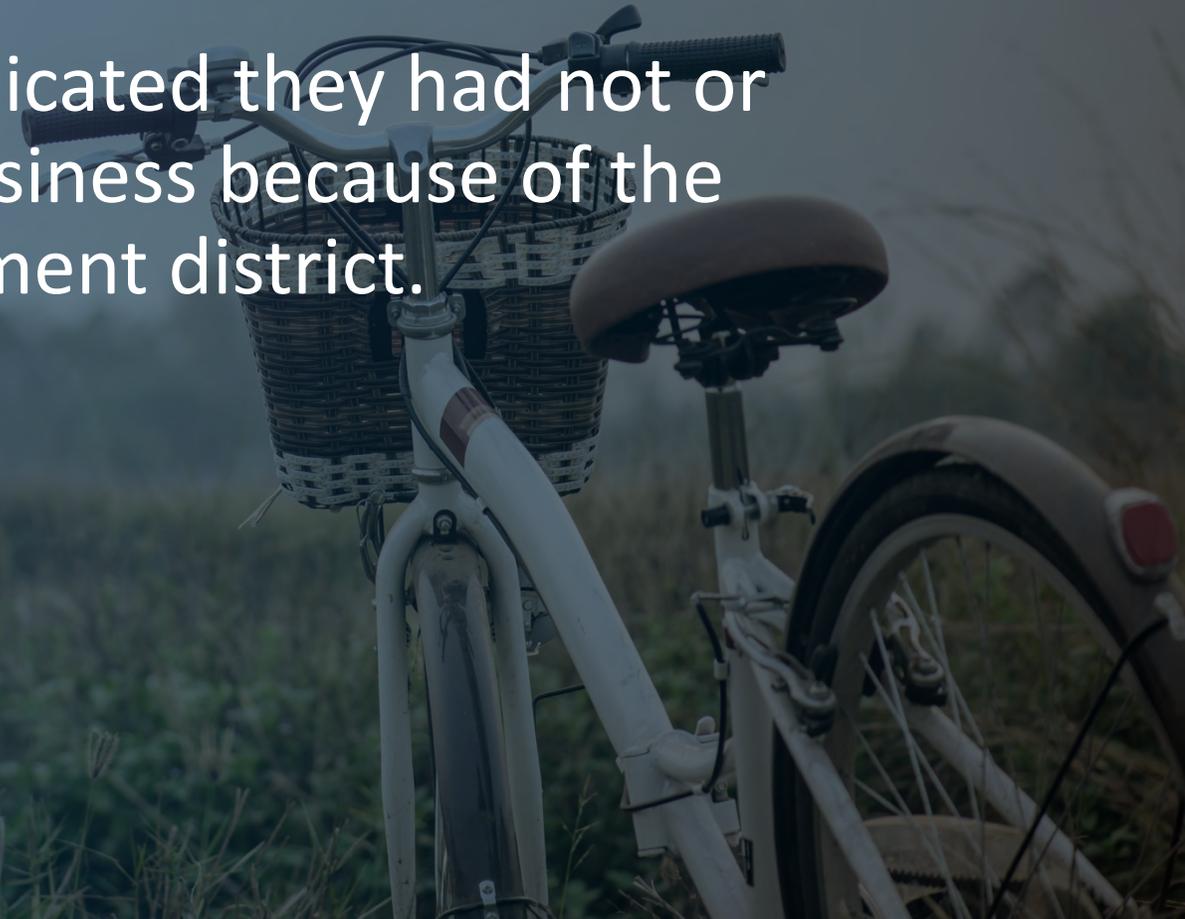
Primary Marketing Objective

Three-quarters of respondents indicated the primary marketing objective was to increase new visitors to the destination.



Customer Impact

99% of the respondents indicated they had not or didn't know of any lost business because of the tourism improvement district.



Key Takeaways

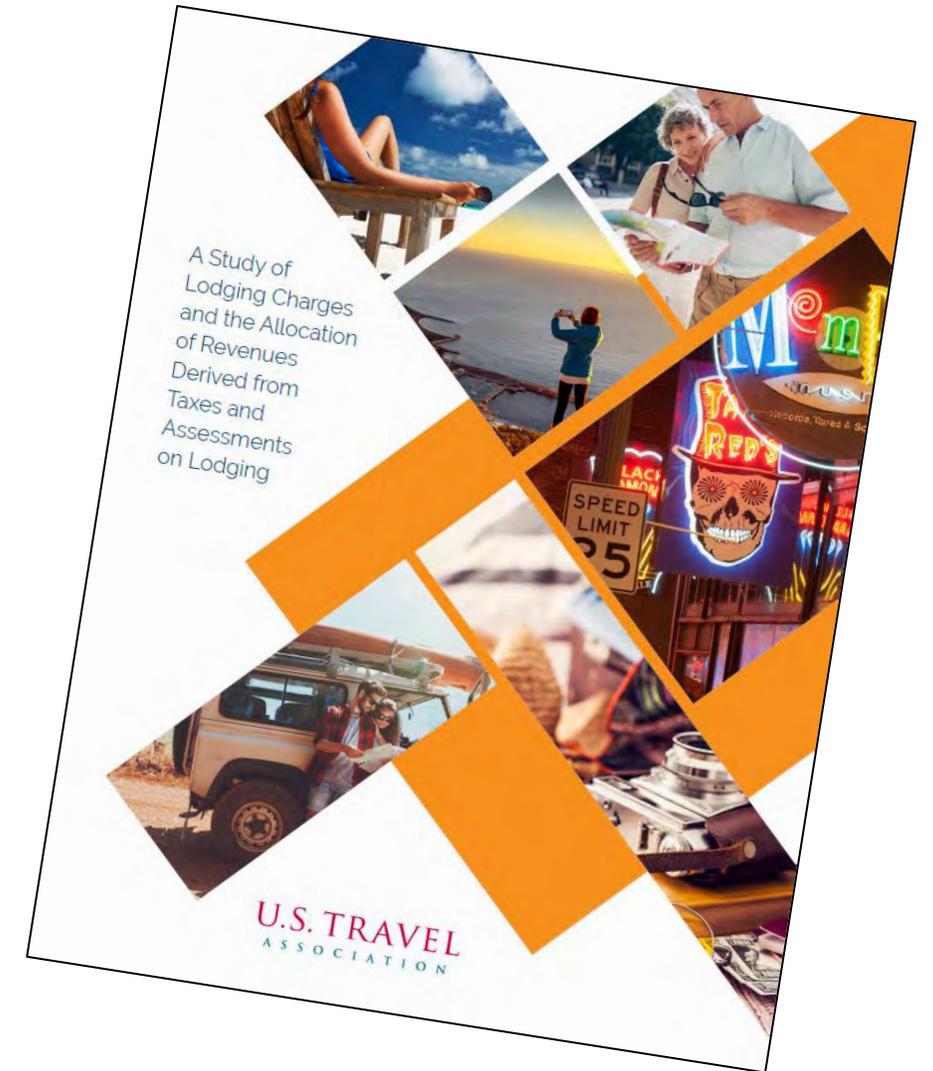
- On average destination marketing funding increased by nearly 180% after forming a Tourism Improvement District.
- 49% of destinations formed a Tourism Improvement District due to insufficient existing funding or a need for additional funding.
- 68% of Tourism Improvement District assessments are based on a percentage of room night sales.
- No destination had a net budget reduction as a result of Tourism Improvement District formation. Budget increases as a result of district formation ranged from 21% to 633%.
- 32% of destinations identified ongoing education of the local lodging industry as the most challenge aspect of managing their Tourism Improvement District.

U.S. Travel

In 2016 U.S. Travel commissioned Civitas to study all 50 states in respect to their legal ability to create and form districts.

This year Civitas worked with U.S. Travel to study lodging charges in 100 top tourist destinations in the United States.

The primary purpose of this study is to create credible, useful data about how communities dedicate lodging charges to support and market travel and tourism. The report will detail similarities and differences between markets and identify trends in tourism spending. This study looks only at revenues that lodging charges generate.



Thank you!

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