

Providence Tourism Improvement District

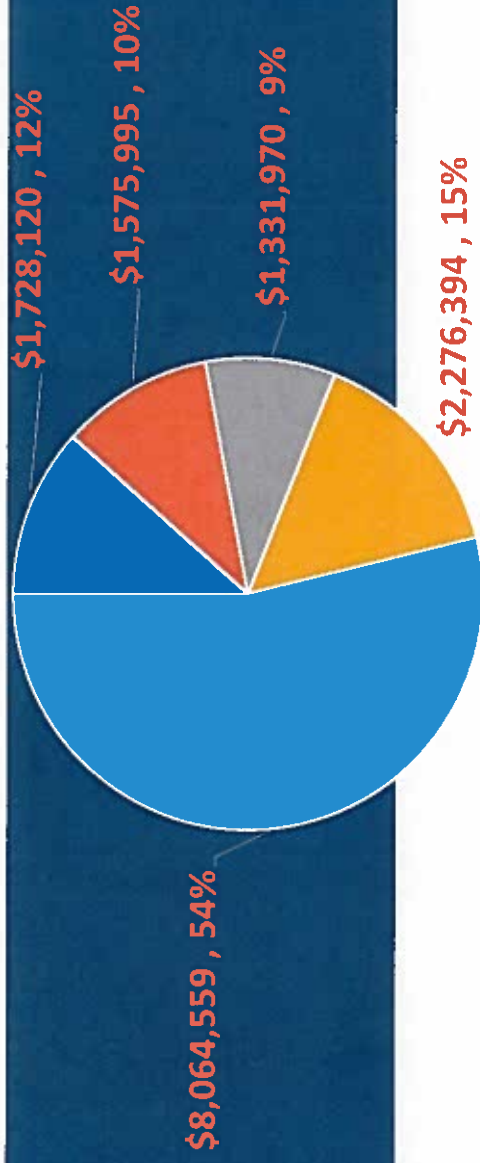
Presentation to the

Rhode Island House Oversight Subcommittee - Tourism, Arts and
Recreation

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PROVIDENCE WARWICK CONVENTION & VISITORS BUREAU

Lodging Tax Distribution in Providence*

Providence Total Room Tax 2019

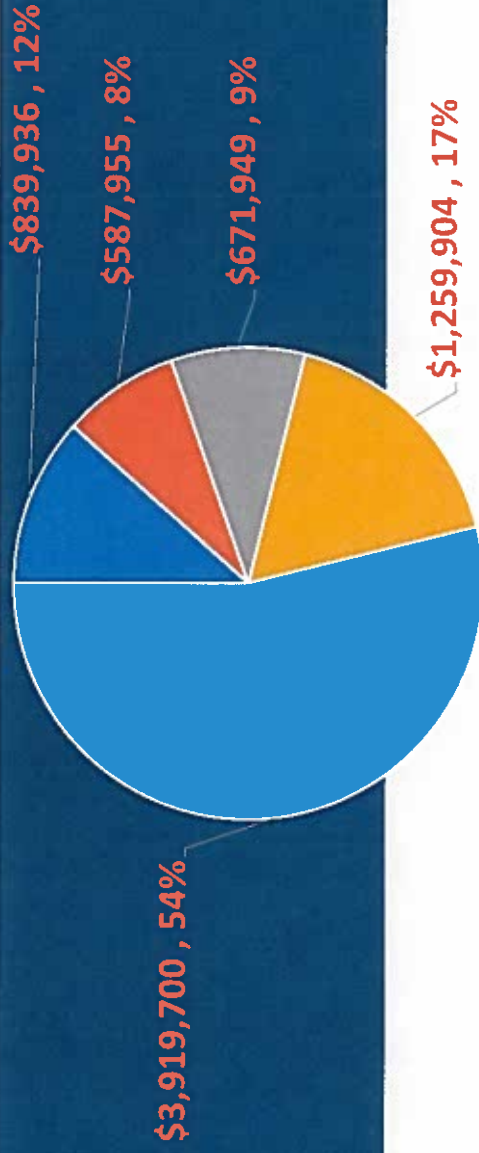


- Providence Tourism Council
- Commerce Corp
- PWCVB
- City/Town
- State's 7% Sales Tax

*City/Town is comprised of the 1% of the 6% hotel tax and an additional 25% of the remaining 5%

Lodging Tax Distribution in Warwick*

Warwick Total Room Tax 2019



- Dept of Tourism
- Commerce Corp
- PWCVB
- City/Town
- State

*City/Town is comprised of the 1% of the 6% hotel tax and an additional 25% of the remaining 5%

Our Competitors' Budgets



Note: \$2.8 million projection based on both Providence and Warwick. Providence only projection is \$1.9 million.

*In process of forming a TID

Tourism Improvement Districts

A tourism improvement district (TID) is a stable source of funding for marketing efforts designed to increase occupancy and room rates for lodging businesses. Funds raised through a small assessment on lodging stays are used to provide services desired by and directly benefitting the businesses in the district.

Tourism Improvement Districts



Hotel pays a fee



Collected by the local government



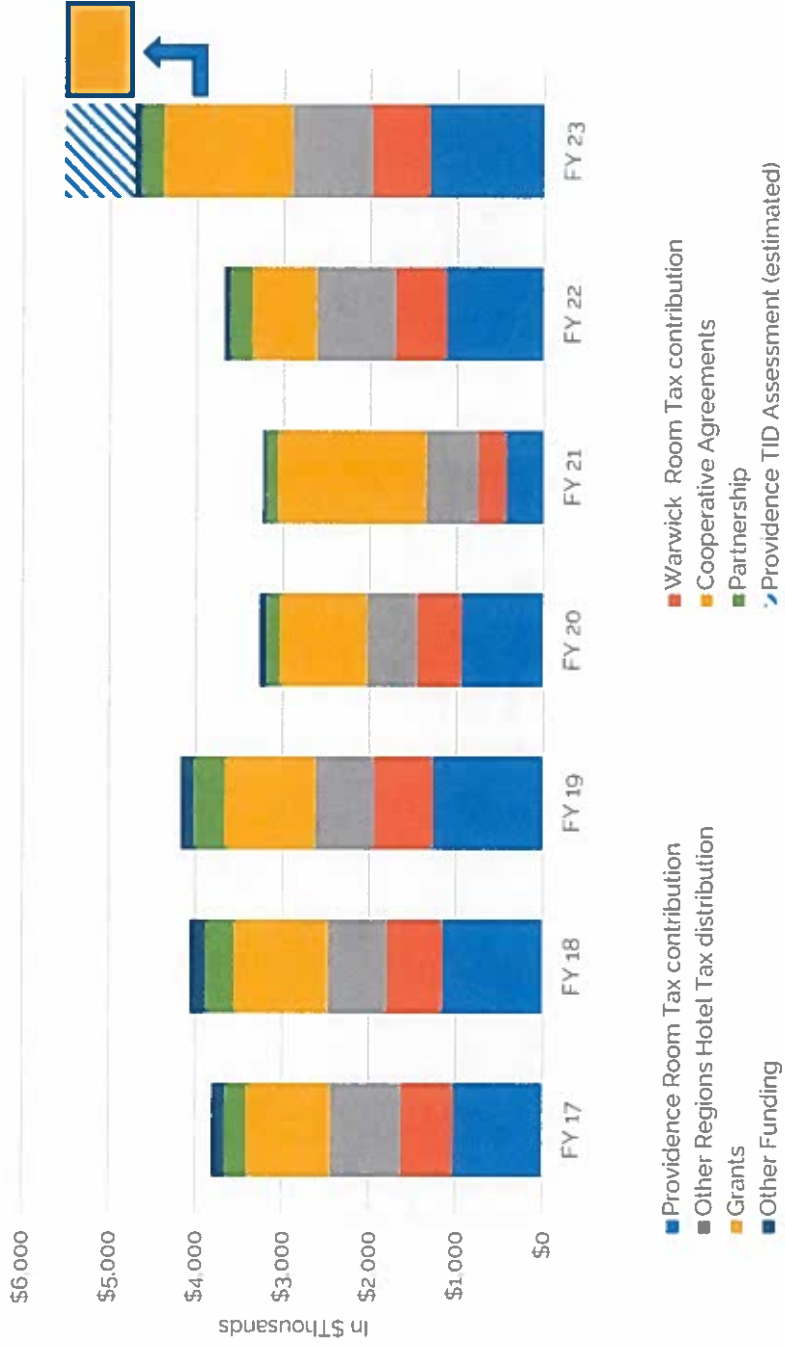
And managed by the DMO

Stable funding sources for marketing efforts designed to increase occupancy and room rates for lodging businesses. Services include marketing, sales, promotions, website and Internet presence, group sales, and other projects designed to make the destination more appealing to visitors.

Status Update

- Enabling legislation passed RI House and Senate in 2022
- Providence
 - 90% of eligible Providence hotels signed the petition to authorize the formation of the Providence Improvement District (PTID)
 - Resolution forming the PTID unanimously passed the Providence City Council in December 2022
 - MOU between the PWCVB and the City of Providence outlining assessment collection procedures
 - Assessment began April 1, 2023
- Warwick
 - Approx. 50% of hotels signed the petition
 - Supportive feedback from the Mayor and City Council
 - Will wait a year and try again

PWCVB Funding – Grant Revenue



Proposed Sales Initiatives

- **Sales**
 - Incentivize lucrative business opportunities
 - Additional staffing to target key vertical market segments and small meetings, particularly mid-week
 - Additional in-market events that target key planners
 - Larger tradeshow presence
 - Stronger partnerships with key source agents like HelmsBriscoe and Conference Direct
 - Additional memberships in planner organizations is key feeder markets
 - Host more events for planners in the destination, including recurring Customer Advisory Board meetings

Competitor Cities' Opportunity Funds

• Des Moines, IA	\$550,000
• Raleigh, NC	\$375,000
• Madison, WI	\$350,000
• Pasadena, CA	\$194,500
• Providence, RI	\$85,000



Proposed Marketing Initiatives

Marketing

- Larger leisure ad buy encompassing new markets like New Jersey and Washington D.C.
- Development of new niche markets, such as the Latino traveler
- Larger meetings buy to target new vertical markets, create advertorial and lead generation platforms
- Marketing team member focused on the meetings market
- Targeted mini-campaigns to fill need months

Other Budget Items

- **Administration and Operations**
 - Underwriting PWCVB and RI Hospitality Association dues for participating hotels
 - Expenses associated with administering funding and keeping separate, audited financial records
- **Contingency and Reserve**
 - Creation of a small reserve fund in case of emergency
- **Jurisdiction Administration Fee**
 - A 3% administration fee directed towards the governmental body collecting the assessment, as required under the law permitting formation of a TID

Division of Funding

- Sales 36%
- Marketing 30%
- Destination Development 20%
- Administration & Operations 9%
- Jurisdiction Administration Fee 3%
- Contingency & Reserve 2%

PTID Committee

- Duties
 - Responsible for drafting the District Plan and recommending passage to the PWCVB Board
 - Responsible for executing the obligations of the District Plan for their respective cities
 - May propose changes to the District Plans. Any proposed changes shall follow these same procedures.
- Structure
 - Five person governance committee
 - Three PWCVB Board Members
 - Two Non-Board Members
 - One must represent a hotel with 125 or less rooms
 - Quarterly updates provided to all Providence hoteliers

Committee Members

- Kevin Hurley of the Omni Providence Hotel – Chair
- Tim Kenahan of the Homewood Suites Providence
- Vandala Kumar of the Renaissance Providence Hotel
- Farouk Rajab of the Providence Marriott Hotel
- Scott Williams of the Graduate Providence Hotel

Thank you.