Welcome

The webinar will begin shortly

U.S. Travel’s Lodging Tax Study Webinar
ANGIE BRIGGS
Vice President, Destination Engagement
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<tbody>
<tr>
<td>2021</td>
<td>Mexico</td>
<td>Brazil</td>
<td>Germany</td>
<td>UK</td>
<td>Canada</td>
<td>China</td>
<td>France</td>
<td>Japan</td>
<td>Italy</td>
<td>Switzerland</td>
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<tr>
<td>2022</td>
<td>UK</td>
<td>Brazil</td>
<td>Mexico</td>
<td>Canada</td>
<td>Germany</td>
<td>Argentina</td>
<td>Australia</td>
<td>Spain</td>
<td>Italy</td>
<td>Colombia</td>
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<tr>
<td>2023</td>
<td>UK - 149</td>
<td>Brazil - 103</td>
<td>Canada - 93</td>
<td>Mexico - 100</td>
<td>Germany - 74</td>
<td>Australia - 59</td>
<td>Argentina - 48</td>
<td>France - 42</td>
<td>Italy - 40</td>
<td>Netherlands - 39</td>
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<tr>
<td>2024</td>
<td>UK - 159</td>
<td>Brazil - 151</td>
<td>Canada - 109</td>
<td>China - 104</td>
<td>Mexico - 95</td>
<td>Germany - 92</td>
<td>France - 64</td>
<td>Australia - 59</td>
<td>Argentina - 55</td>
<td>Japan - 52</td>
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Celebrating 40 Years

U.S. Travel’s

est

Columbus

AUGUST 10-13, 2024
Today’s webinar:

U.S. TRAVEL’S 2024 LODGING LEVIES: RATES & ALLOCATIONS STUDY

FEBRUARY 15, 2024
RESEARCH METHODOLOGY

1) Total Levy Rates
2) Allocation of Revenues

- Used same categories methodology as in 2018 – “Apples to Apples” for 100 destinations
- First-person research of city, county, and state budgets/financial reports/audits; municipal codes/ordinances; statutes; and annual reports.
- Researched other publicly available government data
- Public meeting agendas, minutes, staff reports
- Survey of 100 destinations and received significant feedback
- Confirmed with secondary tax websites and studies
- Refined the conversion of fixed dollar charges to percentages.

$1=1\% \quad \text{Now}

$1=(/\text{Natl. Avg. ADR})\times100\% \quad \text{2018}$
STUDY GOALS

1. Identify current tax and assessment rates for lodging and food and beverage transactions.

2. Determine the amount of revenue raised by lodging charges, including home sharing and short-term rentals.

3. Trace the allocation of revenue from lodging charges with a focus on tourism.

4. Compare data to the 2018 Report and identify key findings and trends.
KEY FINDINGS

• Lodging levy rates and revenue are up. The average rate for the first time now exceeds 15%

• From 2018 to 2023, the percentage of funds allocated to tourism marketing & management have decreased.

• More tax revenue has been directly allocated to specific programs. As a result, general fund allocations have decreased.

• From 2018-2023 the amount of funds dedicated to specific non-tourism categories has risen.
• Total Tourism Support went from 35.88% to 37.77% between 2018 and 2023, likely as a result of increased expenditures on sports facilities and conference centers as well as growth in dedicated levy mechanisms.

• Despite these shifts, governments control 97% of the revenue generated from tourism related levies and taxes. Of the 97%, only approximately one third is spent on tourism support, whereas all of the revenue generated from TIDs is returned to the industry.

• Among cities that both collect and track revenue from Short Term Rentals (STRs), STR collections account for an average of 12.95% of those cities’ total lodging tax collections, up from just 3.39% in the 2018 study. An increase of almost 400%.
TOTAL LODGING LEVIES

Rates are growing approximately 1% per year over year

### Increased Levy Rates

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Now</th>
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</thead>
<tbody>
<tr>
<td>National Average</td>
<td>14.52%</td>
<td>15.22%</td>
</tr>
<tr>
<td>Larger Destinations</td>
<td>15.35%</td>
<td>16.01%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smaller Destinations</td>
<td>13.69%</td>
<td>14.46%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
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</table>
LODGING LEVIES BY REGION

Rate Changes
- NE: .3
- MW: .51
- SW: .74
- SE: .77
- Pacific: .91
- West 1.12

Total Rate
- West: 12.47%
- NE: 14.64%
- SE: 15.35%
- MW: 15.67%
- Pacific: 15.86%
- SW: 15.88%
## Revenue Allocation by Categories

<table>
<thead>
<tr>
<th></th>
<th>Tourism Marketing</th>
<th>Other Tourism</th>
<th>General Fund</th>
<th>Sports</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2023</td>
<td>2018</td>
<td>2023</td>
<td>2018</td>
</tr>
<tr>
<td>National</td>
<td>20.92%</td>
<td>19.71%</td>
<td>14.96%</td>
<td>18.06%</td>
<td>49.82%</td>
</tr>
<tr>
<td>National Increase/Decrease</td>
<td>-1.22%</td>
<td>3.10%</td>
<td>-3.79%</td>
<td>-0.19%</td>
<td>2.09%</td>
</tr>
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### Total Tourism Support

<table>
<thead>
<tr>
<th></th>
<th>Total Tourism Support 2018</th>
<th>Total Tourism Support 2023</th>
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<tbody>
<tr>
<td></td>
<td>35.88%</td>
<td>37.77%</td>
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</table>
City Hotel Tax: 10.50%
San Diego Transient Occupancy Tax
SOURCE: City of San Diego Office of City Treasurer, Transient Occupancy Tax (TOT)/Tourism Marketing District (TMD)

38% $97,200,000 Special Promotions*
9% $24,300,000 Discretionary/Council Directed*
53% $135,200,000 General Fund*

NOTES: City Hotel Tax rate pending 1.25% - 3.25% increase (rate varies depending on proximity to downtown Convention Center). On August 11, the Court of Appeal affirmed the proposed tax increase in San Diego. The Court of Appeal remanded the case back to trial court which means it may take additional time to finally resolve the case. A final victory for the City and the downtown Convention Center appears likely.

SOURCE: *San Diego City Budget 2023, Transient Occupancy Tax, Page 76

Tourism Marketing District: 2.00%
CITY TMD San Diego Tourism Marketing District, Applicable to hotels with more than 70 rooms
SOURCE: City of San Diego Office of City Treasurer, Transient Occupancy Tax (TOT)/Tourism Marketing District

96% $37,923,862 Marketing*
4% $1,580,161 Admin*

NOTES: *Total Allocation came from the addition of the marketing and admin fees. Terms for reference in source; Marketing = Expenses Admin = Management/Support

SOURCE: *SDTMD 2022 Annual Performance Report, Statement of Activities, Page 23
San Diego Tourism Marketing District, Report of Activities for FY 2023, Page 5

State Tourism Assessment: .195%
SOURCE: Tourism CA: State Tourism Assessment

100% $4,767,285^ Visit CA*

NOTES: ^estimate of Visit California assessment revenue from lodging in San Diego using city hotel tax as a baseline revenue figure. Visit CA assesses hotels $1,950 for every $1,000,000 generated by tourism

SOURCE: Tourism CA: State Tourism Assessment
LEVERAGING THE REPORT FOR DESTINATION ADVOCACY

Case Study: San Diego, CA

- Advocacy Initiative: Dedicated bed tax increase to fund expansion of the Convention Center, road maintenance, and mitigate homelessness (Measure C).

- Proposed tax increase met with uncertainty—Could the rate be increased and by how much?

- 2018 Report Lodging Rates data provided answers and substantiated arguments in support:
  - Argument: Comparative Destination Rates vs. San Diego’s rate ➔ San Diego’s rate = Competitive

- Measure C succeeded, and the 2018 Report continues to be used by the San Diego tourism industry amongst its stakeholders (hotels).

- August 11, 2023, California Court of Appeal affirms Measure C
Case Study: Buffalo, NY

• Advocacy Initiative: Increase Visit Buffalo’s allocation share of bed tax revenue.
• 2018 Report Expenditures data revealed bed tax revenue allocation trend
  ➢ Argument: Comparative Destination’s Bed Tax Revenue Share significantly higher in proportion vs. Buffalo’s → Buffalo’s Level of Government Funding = Under Funded & Uncompetitive

THEN...
➢ Visit Buffalo Share of Bed Tax Revenue = $3.8m or 29%
➢ Total DMO budget = $4.5m

NOW proposed for 2024
➢ Visit Buffalo Share of Bed Tax Revenue = 100%
➢ Total DMO budget = $11-$14m (approximate)
HOW TO USE THE REPORT

Four Implementation & Advocacy Ideas

ONE
Data can be used to argue that taxes are too high and should not be raised in a destination.

TWO
Data could be used to show that additional levies may be warranted if dedicated to the industry.

THREE
Data could be used to show that a region lags the rest of the country or other regions.

FOUR
Revenue allocation data could assist with advocacy for additional dedication of public resources.
### CHECK OUT RATE COMPARISONS

<table>
<thead>
<tr>
<th>City</th>
<th>Total Check Out Rate 2018*</th>
<th>Total Check Out Rate 2022*</th>
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<tbody>
<tr>
<td>Atlanta</td>
<td>19.85%</td>
<td>19.36%</td>
</tr>
<tr>
<td>Memphis</td>
<td>19.29%</td>
<td>19.09%</td>
</tr>
<tr>
<td>New York</td>
<td>17.45%</td>
<td>17.10%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>17.06%</td>
<td>18.22%</td>
</tr>
<tr>
<td>Chicago</td>
<td>17.39%</td>
<td>17.58%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>16.45%</td>
<td>16.70%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>16.25%</td>
<td>16.25%</td>
</tr>
<tr>
<td>Denver</td>
<td>14.75%</td>
<td>15.75%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>15.70%</td>
<td>16.20%</td>
</tr>
<tr>
<td>Boston</td>
<td>14.45%</td>
<td>16.45%</td>
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*adjusted for ADR
2024 CAREER FAIR

Timeline

Our upcoming Career Fair is scheduled to take place in April or May 2024

We are actively seeking out new locations/venues to enhance the experience for both employers and job seekers

Career Fair 2023 Reflection

- **Employer Registrations**: Although we had 90 employers initially registered, the final count stood at 75
- **Job Seeker Registrations**: Despite an initial registration count of 215 job seekers, the final turnout was 110
- **Booth Check-In**: We successfully checked in 58 candidates and accommodated 62 employers at the event
SUPPLIER DIVERSITY: OBJECTIVE

User-Friendly Platform Development
Create an inclusive supplier platform for Meet Boston’s internal and external partners, making navigation easier for all

Partner Categorization & Onboarding
Categorize diverse partners and streamline onboarding from various backgrounds (e.g. BIPOC, women-owned), enhancing inclusivity

Financial Platform Integration
Integrate current financial software into new CRM to track contracts and financial details, boosting operational efficiency

February 2024
Industry Diversity

Bridge employment gap in hospitality and tourism sector through diversification efforts

Job Seeker Empowerment

Showcase growth opportunities within tourism and hospitality to empower job seekers

PATH Program Collaboration

Place 34 qualified job seekers in roles with hotel partners through our PATH program, providing continuous mentorship by CHA

Summer Internship Initiative

Launch summer internship program with Boston Public Schools to provide hands-on experience in hospitality and tourism, cultivating future talent
### ACCESSIBILITY

**Partnership with WheelchairTravel.org**

Collaborated with John Morris to improve accessibility for the disabled community in Boston

**Assessment and Documentation**

Conducted site visits to various hotels and attractions in the city

**Content Creation**

Producing blogs and comprehensive travel guide documenting his experiences as a disabled visitor in Boston

**Implementation of Accessible Features**

Gradual inclusion of accessible features into meetings, events, and conventions to enhance inclusivity
Eco-Tourism Course at Boston University in Fall 2023

Goal to enhance sustainable tourism efforts in Greater Boston and Massachusetts regions

Course curriculum showcased eco-tourism initiatives of local businesses like Faneuil Hall Marketplace, Levy’s at BCEC, Uvida, Marriott Courtyard Boston Cambridge, Franklin Park Zoo, and Meet Boston

Highlighting Meet Boston’s eco-tourism commitment through a lecture by EVP Hilina D. Ajakaiye
Q&A WITH:

JOHN LAMBETH
President & CEO, Civitas

MARThA SHERIDAN
President & CEO, Meet Boston
THANK YOU for joining!