

# PROPOSED

*Cape Cod*

**TOURISM DESTINATION  
MARKETING DISTRICT**



# What is a TDMD?

A Tourism Destination Marketing District – or TDMD – is a form of public-private partnership that provides designated tourism promotion funds for a specific geographic region. By Massachusetts state law, Regional Tourism Councils (like the Cape Cod Chamber) are authorized to create and manage a TDMD with approval by a majority of lodging businesses.

A Cape Cod TDMD would be funded through a special assessment on all hotels and motels located within the boundaries of Cape Cod's fifteen towns: Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Provincetown, Sandwich, Truro, Wellfleet, and Yarmouth. The proposed assessment rate for Cape Cod's TDMD is 1.5% of gross room revenue, to be paid by lodging customers through a room bill surcharge.

Once formed, the TDMD will be managed by the Cape Cod Chamber and a TDMD committee, which must consist of a majority of lodging business owners. Together, the Chamber and the TDMD committee are responsible for overseeing and implementing an approved TDMD Plan.

Cape Cod's TDMD will provide direct benefits to lodging businesses through targeted marketing campaigns and financial incentives during lower-occupancy times; eco-tourism and sustainability initiatives; and strategic investments to support year-round workforce and economic development.

## Why Implement a TDMD Now?

- **COVID recovery needs are ongoing.** Although Cape Cod hotels are largely rebounding from the pandemic, the cost of doing business continues to rise while staffing shortages and other challenges continue. In 2022, regional occupancy rates for hotels and motels still averaged just 46% across all twelve months. In slower months like June and September, occupancy hovers around 60% or lower, leaving significant opportunity to strategically secure more business and grow revenue. The TDMD will provide a dedicated, reliable source of funds to support long-term recovery and resiliency for lodging businesses on Cape Cod.
- **Competition is fierce...and growing.** As travel and tourism recover worldwide, Cape Cod is facing growing competition as a destination. Communities across New England and the country are investing more heavily in tourism promotion (see competition charts), creating increased pressure in the regional market. New venues are under development in locations across the state, and the cost to recruit meetings, conventions, and sports tournaments is rising. The TDMD would generate unprecedented resources to sustain Cape Cod's existing seasonal tourism business, while investing in infrastructure and capital improvements to support year-round economic growth.
- **Resources are limited.** Massachusetts' annual state budget investment in tourism lags far behind other states in the country at just \$10 million per year for the entire state. Among New England states, Massachusetts ranks **second lowest** for annual investment in travel and tourism. The Cape Cod Chamber, like other Regional Tourism Councils statewide, is underfunded, which puts our region at a disadvantage in efforts to sustain and grow travel and tourism.



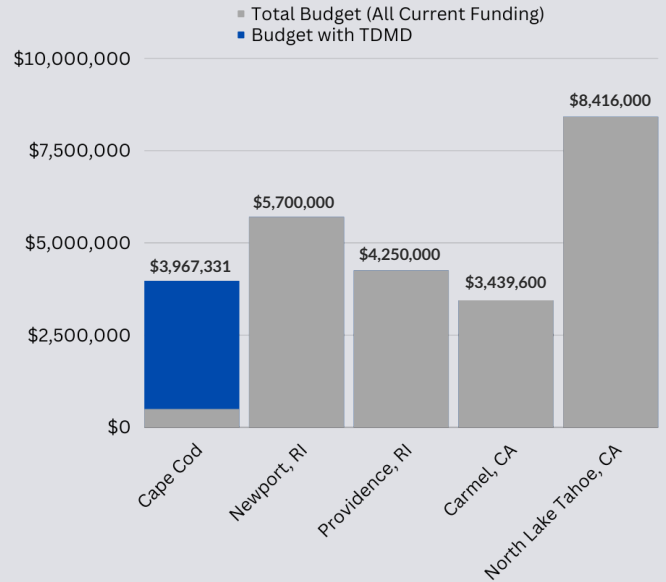
# How Does a TDMD Work?

**Assessment Rate:** The proposed annual assessment rate for a Cape Cod TDMD is 1.5% of gross room revenue for lodging businesses.

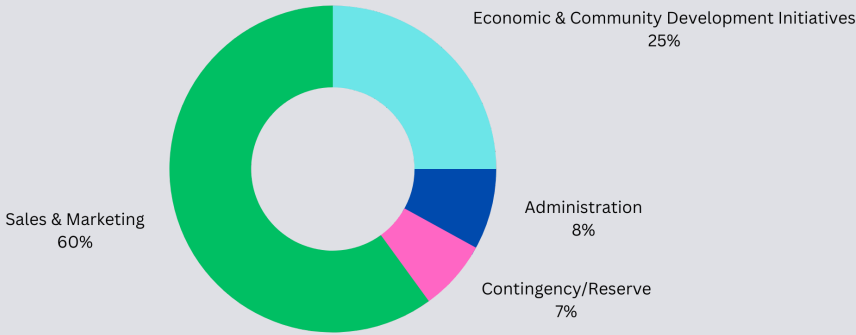
**Term:** The TDMD would be approved for a period of 5 years.

## Cape Cod vs. Other Destinations

### Destination Budget Comparison



### PROPOSED BUDGET

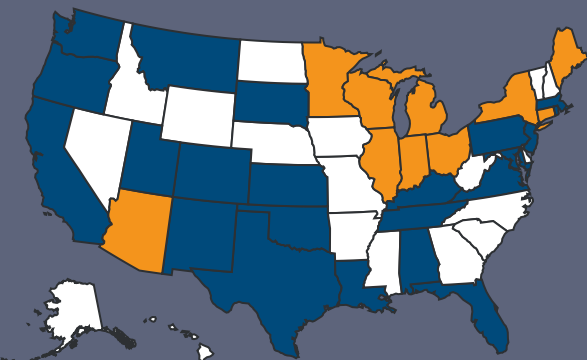


### Proposed Activities

- ➔ Drive business to strategically fill vacancies
- ➔ Smooth out the dramatic seasonal swings in business volume to encourage a more year-round economy
- ➔ Provide financial incentives to secure industry events and large-scale events
- ➔ Invest in infrastructure and capital improvements to promote year-round business
- ➔ Support workforce housing opportunities, for example, redevelopment of motels and hotels to housing units

## The National Picture

TDMDs as of July 2023



### TDMD LEGISLATION BY STATE

#### Passed

- Massachusetts (2021)
- Virginia (2021)
- Louisiana (2021)
- Utah (2022)
- Rhode Island (2022)
- Illinois (2023)
- Alabama (2023)

#### In Progress

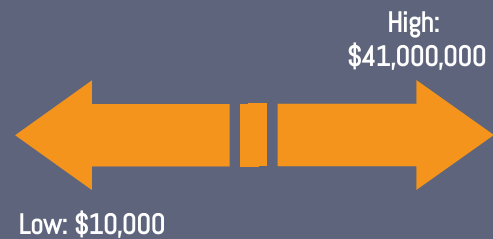
- Wyoming (2023)
- Pennsylvania (2023)
- Minnesota (2023)
- Michigan (2023)
- New York (2023)
- Arizona (2023)
- Ohio (2023)
- Indiana (2024)
- Iowa (2024)
- Connecticut (2024)

## Global TDMD Statistics

209 TDMDs  
22 States

Most Recent:  
Salt Lake County, UT  
(June 2023)

### Annual Amount Raised



Total: \$496,569,565



# FREQUENTLY ASKED QUESTIONS



## How are funds raised through a TDMD?

The proposed TDMD would be funded through a 1.5% surcharge on guest room bills for hotel and motel businesses. All funds generated through the TDMD assessment are collected by the Massachusetts Department of Revenue, then returned to the Regional Tourism Council (the Cape Cod Chamber of Commerce) for use in administering activities approved through an official Cape Cod TDMD Plan.

## What amount of funding could be raised through a TDMD?

A Cape Cod TDMD could generate as much as **\$3 million per year** for our region according to Civitas, an industry expert on TDMDs that is working with the Cape Cod Chamber. The Boston and Cambridge TDMD, formed in 2021 with a 1.5% district assessment, generated a 187% increase in tourism funding, growing its total budget from \$7.4 million to \$21 million in the first year.

## LEARN MORE!

The Cape Cod Chamber of Commerce is a non-profit, membership-based organization that advocates on behalf of businesses to strengthen and promote regional economic vitality while addressing related cultural, environmental and community concerns. The Chamber serves as Cape Cod's Regional Tourism Council and promotes economic and business development region wide. Learn more at [www.capecodchamber.org](http://www.capecodchamber.org)

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## What steps are needed to form a TDMD?

The Cape Cod Chamber will create a District Plan with input from a steering committee comprised of lodging businesses, outlining the goals and services for a Cape Cod TDMD. The Cape Cod Chamber and steering committee will then disseminate the plan and a TDMD petition to lodging businesses with the goal of acquiring signatures from at least 62% of hotels and motels across the region. Finally, the completed petition will be presented to each of the fifteen towns in the district, along with a formation ordinance that must be adopted by each town's Select Board or Town Council.

## How can funds be spent?

TDMD funds must be spent in ways that directly benefit participating lodging businesses and the district. Examples of TDMD-funded activities include regional and national marketing campaigns, public relations programs, strategic partnerships, industry event participation, market research, website development, sustainability programs, and workforce initiatives. These comprehensive services aim to increase consumer demand, generate room night bookings, promote sustainability and livability in the region, and enhance Cape Cod's competitiveness as a preferred year-round destination for leisure, meetings, and events.

## Is there a minimum number of rooms for lodging businesses to be included in the district? Which lodging businesses would be included?

Hotel and motel businesses with 15 rooms or more would be included in the Cape Cod TDMD. Businesses must meet the definition of an assessed lodging business, as outlined in the TDMD Plan. By state law, short-term rental properties are not eligible for inclusion in the TDMD.