

Tourism Improvement Districts

A Tourism Improvement District, or TID, is a supplemental funding mechanism for tourism promotion and destination development activities. Funds raised through an assessment (not a tax) on businesses stays within a designated geographic area and are used to provide services desired by, and directly benefiting, the businesses in the district.

What does a TID do?

A TID's mission is to promote and improve tourism in the designated boundaries. Activities may include enhanced advertising to new markets, sales lead generation, and other significant sales and marketing programs that benefit the payors by increasing demand for overnight visitation. TIDs can also accelerate designated destination development initiatives such as capital improvement projects that will increase responsible quality of place growth that will drive an increase in visitors.

TIDs increase the community profile for attraction of additional visitors, local workforce, new business development, and new residents.

Do other destinations have TIDs?

There are currently over 200 tourism improvement districts nationwide, spanning 21 states. Many cities and counties are also currently in the process of forming new TIDs. Collectively, Tourism Improvement Districts are raising over \$500 million for supplemental tourism promotion and development for the future of visitor spending benefits.

How is a TID formed?

State legislation passes the bill that permits Tourism Improvement Districts to form in a destination, large or small, throughout the state.

The process includes planning, outreach, development of a TID plan, and the legislative approval process. The formation and renewals of TIDs are community driven efforts. A committee of local stakeholders consisting of private business representatives, municipal staff, and destination organization leadership work together to build consensus and support.

How is a TID funded if formed locally?

TIDs are funded through transactional self-assessment. The amount of the assessment is determined by business owners at the formation of the district, within particular legal guidelines. Funds raised through the assessment must be spent for the benefit of the businesses collecting the assessment from users.

What is the difference between an Assessment and a Tax?

An assessment, unlike a tax, has a specific benefit requirement back to the business voluntarily collecting the decided upon

assessment fee. Whereas a tax generally is used as a general fund revenue stream and can be used for purposes that do not specifically benefit the business paying the tax. Therefore, an assessment on businesses must be used to drive demand for additional overnight visitation that drives longer visitor spending or leveraged to increase average daily room rate for lodging businesses in the district.

Can the City or County use assessment money for whatever they want?

No. The money raised with the assessment must be used in accordance with the provisions of the TID service plan. The money cannot be diverted to any local government general funds or spent for any purpose other than those given in the TID service plan.

How can funds be used?

TID revenue could allow for funding support and capital investment of destination development initiatives to improve quality of place. For example, to leverage new development for Sports Tourism growth, new nightlife amenities, new retail districts, and venue capital improvements that increases visits to drive lodging demand.

Economic Impact of Allen County Visitors

Number of Annual Visitors

Fort Wayne/Allen County Visitors.....7 million

Visitor Expenditures

Visitor Expenditures in Allen County.....\$803 million

Total State and Local Taxes Generated



Total Employment

Direct Jobs (sustained by visitors).....11,210

Wages and Salaries

Direct Wages and Salaries.....\$322 million

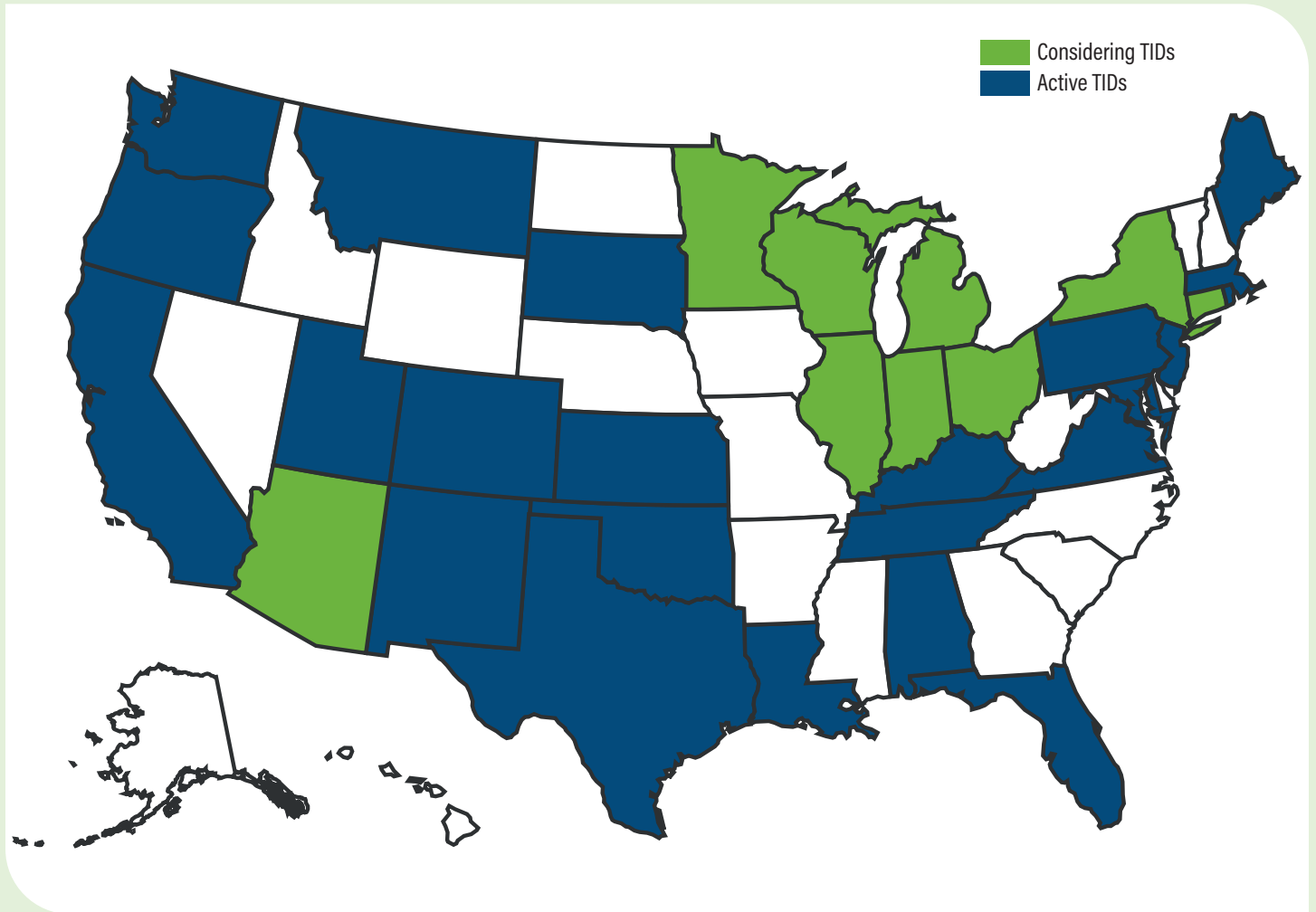
If tourism didn't exist in Allen County, each of our 149,751 households would have to pay additional annual taxes to maintain current levels of state and local government services received.



Taxes that each Allen County household didn't have to pay, thanks to visitors!

TIDs are being implemented already in many US States.

This map shows current states that have TID's in place and others that are in legislation. Illinois did pass last year.



Visit Fort Wayne, Greater Fort Wayne, Inc., and the Indiana Tourism Association, support the state enacted ability for local communities to establish Tourism Improvement Districts to provide supplemental funding opportunities for destination development and tourism promotion.



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