

2024 Hamilton County Tourism, Inc. Business Plan

Hamilton County Tourism Industry Lodging Demand

- **Hotel Performance** -- In the 12 months through November 2023, hotel lodging demand is up 15.1% when compared to the pre-pandemic 2019 year. This is due in part to a 15.8% increase in hotel supply between 2019 and late 2023, with all of the new supply driving demand. Overall hotel occupancy for this period is essentially flat. When compared to the same period in 2021-2022, occupancy is up 3.3% as is demand.
- **Short-Term Stay Performance** – In the 12 months through November 2023, short-term rental demand is up 156% when compared to the pre-pandemic 2019 year. This lodging sector is growing exponentially. When compared to the same period 2021-2022, demand is up 40.8% year over year. This is due in part to a 138% increase in supply since 2019, with about half of the new supply being absorbed. The county market is seeing a shift to short-term rental properties as they become more available and desirable by sports groups especially due to their perceived value. This created some occupancy decline months in 2023 for hotels.
- **Hotel Weekday vs. Weekend Performance** – In the 12 months through November 2023, hotel weekday occupancy continued to increase most months, and weekends began to see volatility.

2023 Month	Weekday Occupancy Change	Weekend Occupancy Change	Potential Reasoning for Seasonal Changes
JAN	3%	13%	Return of Business Transient
FEB	19.2%	7.5%	
MAR	15.2%	-3.5%	Ruoff Calendar Shifts
APR	14.6%	5.8%	
MAY	6.2%	0%	Sports Attrition Weekdays & Weekends
JUN	-4.3%	-1.1%	
JUL	-2.3%	4.1%	Sports Shifts to Lower-Priced Nearby Markets as well as to Short-Term Stays
AUG	3.2%	12.3%	
SEP	5.1%	-0.9%	Considerable volatility weekends for the fall, with shifts to short-term stays or leakage of sports rooms to other counties due to high rates.
OCT	-3.1%	-0.4%	
NOV	8.5%	-8.2%	

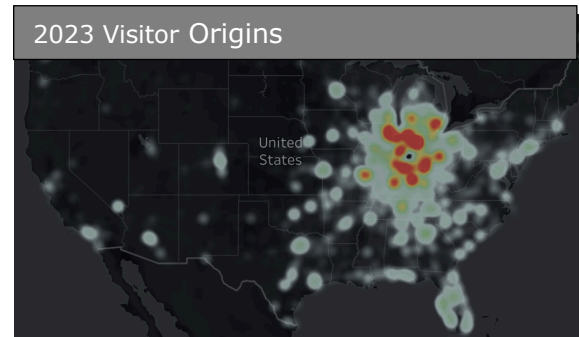
- **Dramatically Changing Market** – There is no doubt 2023 brought a “new normal” to the Hamilton County Market, with a number of forces at play more than the usual Ruoff Music Center schedule shifts. These include:
 - **Return of the Big Trip** by leisure travelers nationally, including overseas travel, meant fewer short regional trips were taken. The 2022 short-stay leisure boom driven by pent-up demand declined as a result nationwide in 2023.
 - **Short-Term Lodging** demand increases continue to impact the local hotel market although it does not impact local tax revenue – and in fact these rentals are now estimated to be as much as 10% of local taxes collected in some months.

- **Choice of Accommodations** is in part driven by activity: 74% of leisure, 83% of youth sport and 92% of business travelers stayed in paid accommodations while in market vs. friends/family stays. (Note, this is only those we can measure in-county due to our geofence boundaries.)
- **Sports Market Shifts** are being noted and studied. This includes speculation that:
 - Lesser elite teams are seeking competitions elsewhere due to higher costs here.
 - There are more sports venues to choose from in the Midwest than ever before.
 - Howard County especially continues to see more baseball games played at its ancillary Grand Park field, generating hotel demand there where rates are significantly lower.

Hamilton County Tourism Visitor Insights

Geolocation data provides market intelligence to guide decision-making. A few of the highlights from 2023 year-to-date to inform 2024 planning:

- **Overnight Visitors** make up 75.7% of all visitors to the county, staying on average 2.2 days, and with 40.2% of overnight visitors coming more than once during the year.
- **Indiana** provides 33.8% of all visitors and 28.7% of all overnight visitors, followed by Illinois at 10.3%, Ohio at 9.3%, Michigan at 7.9% and Kentucky at 6.1% of all visitors.
- **Younger Visitors** under age 18 make up 17% of all visitors, an indication of just how important the youth sport and family leisure markets are to the county.
- **Visitor Satisfaction** is high, with 98% of leisure, 97% of sport and 97% of business travelers rating their experience in the county as good, very good or excellent. Most rated their experiences very good or excellent. About the same percentage of each visitor category state that their trips either met or exceeded their expectations.
- **Leisure Visitor Feedback** is positive as Hamilton County is seen as safe, affordable, welcoming, relaxing, easy to get around in and good for families. Areas needing improvement include more ways to enjoy water recreation, a greater sense of diversity and uniqueness, and more adventure opportunities.
- **Youth Sports Visitor Feedback** also is positive with most seeing Hamilton County as safe, good for families, affordable, easy to get to and around in and welcoming. Areas in need for improvement include opportunities for adventure.
- **Business Visitor Feedback** is also positive, although slightly less so, but the county is seen as safe, having a wide variety of lodging options, welcoming and a place to enjoy activities outside of the business environment. Areas for improvement include again water recreation and creating a sense of uniqueness.



Summary of Situation Analysis Insights for 2024

- The Business of Entertainment, Sport and Tourism (BEST) program could not come at a better time as Hamilton County works to remain competitive in the sport and leisure marketplace.
- Changing market dynamics mean leisure campaigns need to be responsive and move back to a weekday *and* weekend market message.
- Overall, Hamilton County is in a positive position and will only see tourism demand increase in the future due to the quality of products coming into the marketplace 2024 and beyond. It is important that Hamilton County Tourism, Inc. continue to innovate and support its communities as they grow.

Destinations International Insights for 2024

At the 10th anniversary of Destinations International’s Destination NEXT trends program, a new study finds that in most communities around the world, the pandemic dramatically impacted how destination organizations like Hamilton County Tourism engage with their communities.

For Hamilton County Tourism, the shift is not so dramatic as the organization has long been involved in partnerships with local social service and environmentally focused agencies through its work. This was noted in the 2022 study HCT conducted with DNEXT which shows the destination still in the optimal “Trailblazer” category, and feedback from that study noted that HCT’s work is seen as important to the community.

The top trends as seen by destination management leaders and how HCT plans to study or use them as part of 2024 planning include:

DNEXT Identified International Trend	HCT Response
The use of Artificial Intelligence (AI).	HCT has experimented with some AI functions, but it will explore this as part of the upcoming web site rebuild where appropriate. Its partner at SimpleView will help HCT stay on top of this important transition.
The need for authentic travel experiences.	HCT’s marketing department continues to expand its storytelling initiatives through video, content creation and social media to tell unique stories of community.
Expectation that DMOs will be more engaged in destination, product and experience development for locals and visitors.	This is hallmark of HCT’s work. But the new version of destination development will focus on BEST as well as providing research and business intelligence to support innovative and creative product development rather than hands-on.
A broader look at sustainability and regenerative tourism to encompass social, social and environmental impacts.	HCT’s work with Invest Hamilton County, along with its re-tooled grant program, Inspire Hamilton County initiatives and incorporation of regenerative tourism throughout all departments is in line with this trend.
Greater industry, community and government alignment is driving destination competitiveness and brand.	Visit HCT and Invest HCT are co-branded to attract not only visitors but also talent and companies interested in the area. Government alignment will be less likely given the competition levels in the county with four cities and an active and engaged county government.

As Hamilton County Tourism prepares for a change in leadership later in 2024, it could not be more prepared for the future. It is on solid financial footing, has a talented and hard-working team of professionals on the job, has resources to support and innovate alongside its community partners, has a reputation for the business intelligence and in the quality of work it provides, and is preparing to expand its role in giving back to the community that has supported tourism development to a point where an estimated 6 million visitors spend about \$1 billion in market each year. Two of the four cities will have new leaders, which will provide different opportunities. With pandemic recovery finally behind us, and with a new office to better reflect the vibrancy of Hamilton County Tourism’s work, there is much optimism heading into 2024 as is reflected in department goals.

2024 NEW Activities by Department

SHARED 2024 DEPARTMENT GOALS

1. **Regenerative Tourism.** Focus on regenerative tourism under the umbrella “Inspire Hamilton County” to include an expanded and dedicated focus to not only market and sell the community as a destination but to support people, place, prosperity, and the planet through local initiatives. This cross-departmental effort will include funding partners in these areas as well as hands-on learning and activities.
2. **DMAP Preparation.** Prepare for the 2025 Destinations Marketing Association Reaccreditation (DMAP) renewal, which is one of the more robust levels of review and may include new initiatives.
3. **BEST Fund Implementation.** Take the findings from the Business of Entertainment, Sport and Tourism plan and successful adoption of the BEST 3% tax and implement all the many details necessary to launch a 2025 distribution program.
4. **Support New Products 2024.** Identify support that can be provided for new 2024 attractions coming online: Conner Prairie’s Promised Land as Proving Ground and the Fishers Fuel Arena.
5. **Prepare for New Products 2025.** Begin researching and identifying support for new attractions which will come online in 2025: Noblesville Sports Arena, Conquer Paralysis Now, which may bring in individuals for rehabilitation services from throughout the country, the Andretti Motor Sports facility, which will include a public museum, and Conner Prairie’s museum expansion, and the new Noblesville arena.

Note for October Board Meeting: Final Budget Numbers May Vary for November Final Budget Consideration

ADMINISTRATION

DESTINATION DEVELOPMENT

2023 Celebrations: Continued to improve business intelligence support for cities, attractions and events partners, and conducted several focused research studies to understand the impact of select attractions in Hamilton County as well as to understand cross-visitation patterns, launched the Hamilton County Eclipse Local Organizing Committee, worked with marketing to develop an arts promotions program, developed a plan for regenerative tourism focused on people, planet, place and prosperity, piloted grant program changes to encourage more sparks, worked with sports to identify Grand Park investments, and led the Business of Entertainment, Sport and Tourism master plan, found a home for the White River Vision Plan and received a grant to hire a senior sustainability manager.

2024 Proposed Budget: \$2,127,000

2024 Special Goals:

1. Work with other departments to ensure residents/visitors have a safe and memorable 2024 Solar Eclipse experience.
2. Reinvigorate the field research study program to support partners and gain events insights.
3. Activate the Central Indiana Regional Development Authority White River Vision Plan Technical Committee and develop a local White River committee to understand opportunities.
4. Reposition the grants program to place more emphasis on the regenerative tourism initiatives.
5. Research opportunities to support hospitality industry businesses with green practices implementation.
 - **Regenerative Tourism Action Item** – Most of Destination Development’s work is in the area of regenerative tourism.

OPERATIONS

2023 Celebrations: Office renovation, unqualified 2022 budget, development of an investment program, updated financial policies.

2024 Proposed Budget: Approx. \$600,000

2024 Special Goals:

1. Develop a financial program to support the Tourism Commission's BEST Fund including but not limited to selection of an accounting firm to manage annual distributions, selection of an accounting firm to manage annual audit.
 2. Develop new systems to support expanded information technology infrastructure with building renovation improvements.
 3. Create an Intacct internal dashboard for the finance team to allow for real-time reporting and access to data.
- **Regenerative Tourism Action Item** – Work with sustainability manager and visitor experience department to implement additional new green initiatives in the office space.

RESOURCES

2023 Celebrations: Office renovation including repurposing most of existing furniture to non-profits for use and brought project in under budget, re-build of sports department, increased professional development for staff.

2024 Proposed Budget: \$2,290,000

2024 Special Goals:

1. Support the HCT Board of Directors and staff in the third quarter transition of the CEO.
 2. Explore and implement a new payroll software system.
 3. Launch a workplace matching gift program as a new benefits item.
 4. Lead a new compensation research project to ensure wages and benefits remain competitive.
- **Regenerative Tourism Action Item** – Program diversity and inclusion training for staff.

WORKFORCE STRATEGY

2023 Celebrations: Developed an innovative program at the Hamilton County Jail to introduce selected low-offense inmates into the world of working in the hotel industry through a hospitality certification program, created a successful vocational rehabilitation program with Janus Developmental Services to introduce adults into rehabilitation employment with hotels in the area of housekeeping, provided numerous insights into the hospitality industry labor market through trends reports provided to industry partners.

2024 Proposed Budget: \$100,000

2024 Special Goals:

1. Dramatically increase participation in the vocational rehabilitation program to support not only hotels in housekeeping but also food service/catering and attractions by utilizing a potential federal match to expand the program.
2. Re-tool the hospitality certification program to offer it to non-inmates who are part of social service mental health programs in the county and seek career pathway opportunities for personal growth and success.
3. Continue to monitor closely the hospitality industry labor market, especially as new hotel properties come online and new attractions with large workforce needs open.
4. **Regenerative Tourism:** Support the Noblesville/Bee Free workforce development collaborative.

MARKETING

MARKETING & PROMOTIONS

2023 Celebrations: Expansion into Cincinnati as a test market for leisure, clean-up and reworking of e-distribution lists and freshened design, expanded storytelling to improve market performance through video and improved content development, successful return on investment for 2023 ad programs.

2024 Proposed Budget: \$2,450,000

2024 Special Goals:

1. Rework Visit Hamilton County web site to increase site performance and grow market share, and to remain competitive.
 2. Develop new advertising campaign to reflect lessons learned in data intelligence and remain competitive in the marketplace.
 3. Diversify storytelling through new video series, expanded influencer collaborations and collections.
 4. Update the communications crisis plan.
- **Regenerative Tourism Action Item** – In addition to supporting Inspire Hamilton County with design and promotions needs, continue to invest in video and digital photography to reflect a more diverse audience.

SALES, SPORTS & VISITOR EXPERIENCE

Hamilton County Sports Authority

2023 Celebrations: Reconnected with sports partners throughout the county through a 30-member Business of Sport, Entertainment and Tourism master planning process, successfully negotiated a major 2024 winter collegiate national event, rebuilt the sports program mid-year and connected them to partners throughout the county.

2024 Proposed Budget: \$272,800 (+\$75,000 in operating grants found in Destination Development)

2024 Special Goals:

1. Host several new brand-building site visits with events holders to showcase all that Hamilton County has to offer in the way of sports venue opportunities.
 2. Update the sports strategic plan and create a plan to implement strategic goals outlined in the plan.
 3. Expand the sports grant program (funds now distributed from Destination Development – Grants).
 4. Hire a firm to create an e-sports plan within the sports strategic plan for a long-game view on this emerging and fast-growing opportunity.
- **Regenerative Tourism Action Item** – Begin partnerships with the Green Sports Alliance, Officially Human (sportsmanship), and adaptive sports NGOs and embed programs into strategic planning initiatives.

Sales

2023 Celebrations: Event bookings (current and future) up 110% year-over-year, hosted successful third party meeting planner tour, named ISAE destination management organization of the year, led a series of meetings and a conference trip with organizations interested in e-sports to background them for the 2024 planning to occur, successfully supported transition of sports to separate department again, and freshened (with marketing's support) new destination group sales video for conference presentations.

2024 Proposed Budget: \$326,800

2024 Special Goals:

1. Host at least 8 out-of-area meeting planner site visits.
2. Re-instate quarterly meetings with hotels to check in on market dynamics and gain insights.

3. Thoroughly understand Symphony data intelligence model to improve performance and better understand market dynamics.
4. Meet with all Hamilton County golf courses to understand current situation and determine how sales can add value.
- **Regenerative Tourism Action Item** – Research hotel brands to understand flag standards for environmental/green policies to better inform meeting planners and understand the market dynamics.

Visitor Experience

2023 Celebrations: Supported building construction with many additional support services during renovation, introduced power charging stations at Grand Park Event Center as a welcome service, tested a 5-year meeting “thank you treats” in partnership with hotels for planners who have hosted their meeting in-county for at least 5 years, special welcome services for the Umoja Games to understand needs of Muslim guests as well as for Farm Aid, worked to freshen volunteer base with e-mail announcements and paid social media campaign.

2024 Proposed Budget: \$115,000

2024 Special Goals:

1. Focus on several key sports and meeting groups to provide an elevated experience and increased planner engagement and streamline smaller (under 50 rooms) visitor experience through development of a ‘welcome kit’ program.
2. Formalize the 5-year meeting anniversary “thank you” program tested in 2023.
3. Research and implement new visitor engagement tools in HCT’s lobby to better provide information for visitors and guests to HCT in the new space.
- **Regenerative Tourism Action Item** – Raise awareness of volunteer opportunities in the county by working with marketing and destination development to increase presence on the web site and communicating out to groups.

2024 Business Plan Addendum

Hamilton County Tourism Regenerative Destination Tourism

Position:

Hamilton County Tourism seeks to use the tourism economy as a catalyst to give back to the community it serves. Through this stewardship program, Hamilton County Tourism seeks to reduce the social, economic, and environmental impacts of traditional tourism through activities that regenerate and provide a net benefit to our communities and residents, while supporting a meaningful experience for our visitors.

Situation

- Hamilton County Tourism already invests in its community in a variety of ways and believes tourism should give back to the community that graciously welcomes approximately 6 million visitors to its borders annually.
- The Hamilton County Tourism Board of Directors has adopted a policy on diversity, equity, access, and inclusion that clearly defines a desire to ensure all people feel welcome to our community, both residents and visitors.
- Hamilton County Tourism has adopted a set of values to guide the work that it does. Hamilton County Tourism's regenerative work also should also reflect those values: *Excellence, Community, Collaboration, Intelligence, Flexibility*.
- Hamilton County Tourism wishes to be more proactive in promoting support for environmental and sustainability initiatives, and especially those that support a healthy White River.

People, Place, Prosperity & Planet Statement

HCT wishes to grow its support of community by using its resources to:

Partner with organizations that support environmental sustainability (Planet).

Support opportunities for equitable economic inclusion for all (Prosperity).

Amplify all voices and cultures equally (People).

Make wise investments that make Hamilton County both a great place to live and to visit (Place).

To do this, HCT will guide destination investments that will make a lasting and positive impact for future generations.

Implementation

Beginning with the 2024 HCT Budget cycle, staff will annually recommend include regenerative tourism as part of its annual business plan and dedicate resources to support these efforts.

2024 Inspire Hamilton County Framework Draft

