

A photograph of the Richmond skyline featuring several tall skyscrapers, a bridge over a river, and a blue sky with white clouds. The image is used as a background for the report cover.

PROPOSED RICHMOND REGION TID

TOURISM IMPROVEMENT DISTRICT



RICHMOND
REGION
TOURISM

WHAT IS THE PROPOSED RICHMOND REGION TID?



- A public-private partnership providing supplemental and protected funds for tourism promotion activities
- The Region's hotel industry votes to assess itself: an assessment would be levied on lodging businesses with 41+ rooms within Chesterfield, Hanover, and Henrico Counties, Cities of Richmond and Colonial Heights and the Town of Ashland.
- Richmond Region Tourism manages and directs programmatic spend on behalf of, and with oversight from, the industry via a committee representative of the assessed lodging businesses.
- Funds will be used only for specific purposes associated with driving visitation and hotel occupancy – in turn, benefiting the assessed business, the Region and the entire community.
- Assessed lodging businesses may pass the assessment (not a tax) on to customers (visitors not residents).

2019 **7.7 million**
overnight visitors
spent **\$2.6 billion**

2020 **4.9 million**
overnight visitors
spent **\$1.2 billion**

2021 **6.4 million**
overnight visitors
*spending data available
fall 2022



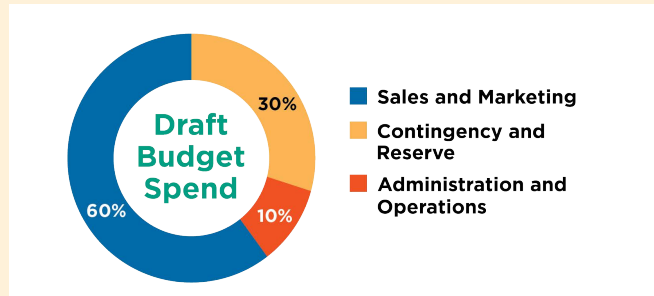
Why Now?

- **COVID recovery:** Because Richmond Region hotels have recovered from the pandemic well compared to other areas of the Commonwealth, we are well positioned to capitalize on this momentum to make lasting change in our success. Regional occupancy hovers just below 70% leaving significant opportunity to secure more business and grow revenue. The TID will provide dedicated, sustainable funds to drive more overnight business.
- **What's at Risk?:** Competition is fierce. Communities across Virginia and the country are more heavily investing in tourism promotion (see competition charts). New venues are under development nationwide, and the cost to recruit meetings, conventions and sports tournaments is rising. As ARPA funds are distributed for tourism recovery, the competition to reach travelers is steep. The TID would generate unprecedented resources to invest in sales and marketing initiatives targeting hotel need periods.

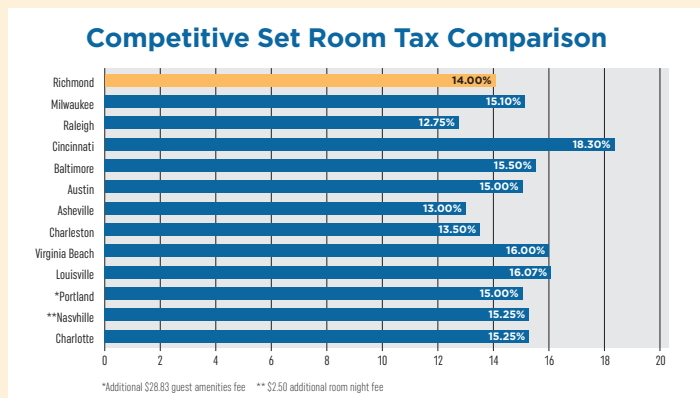
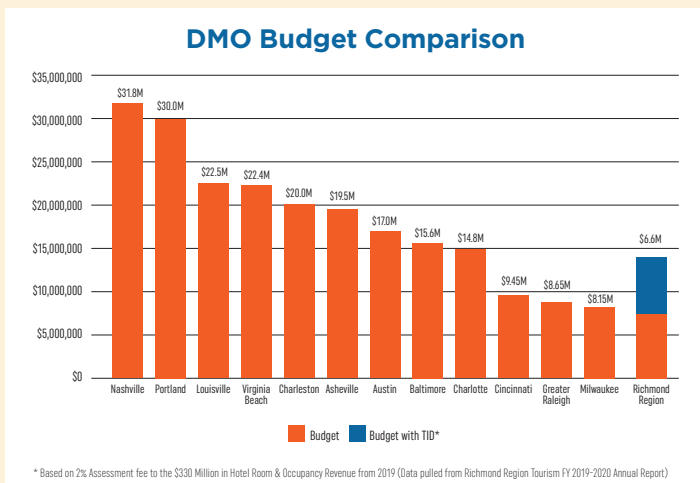
Proposed Richmond Region TID Overview

- Assessment Rate: 2% of gross short-term room rental revenue.

Richmond Region vs. Competitors

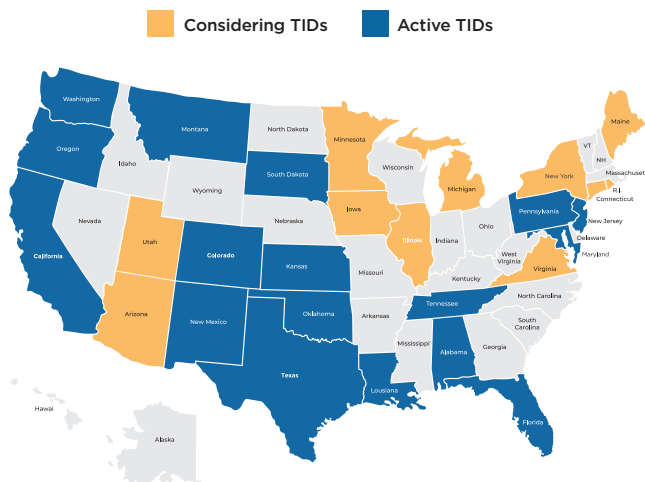


- Example Sales & Marketing Activities
 - **Financial incentives** to secure large-scale, high-profile sporting events and conventions
 - **Leisure marketing** targeting need periods and lucrative origin markets.
 - **Membership dues** for all assessed properties in Virginia Restaurant Lodging Travel Association .
- Governed by a committee of hotel owners and operators acting as subcommittee of the Richmond Region Tourism Board of Directors.
- Term: 10 years



TID National Picture

Tourism Improvement Districts as of March 2022



States on the Move

TID Legislation Update

- ✓ Mass (Jan '21)
- ✓ Virginia (Mar '21)
- ✓ Louisiana (Jun '21)
- Michigan
- Minnesota
- Wyoming
- Pennsylvania
- Rhode Island (2022)
- Alabama (2022)
- Illinois (2022)
- Indiana (2023)
- Iowa (2022)
- New York (2022)
- Utah (2022)
- Arizona (2022)
- Ohio (2022)

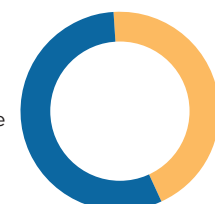
Global TID Statistics

193 TIDs
19 States

Most Recent:
Albuquerque, NM
(March 2022)

AMOUNT RAISED	
Low	\$10,000
Median	\$787,000
High	\$41,000,000
TOTAL	\$462,722,513

56%
Gross
Revenue
Percentage



44%
Fixed Dollar
Amount



FAQs

Q: How will the proposed Richmond Region TID be formed?

A: The process requires a thorough approval process beginning with the development of a Service Plan defining the TID parameters. The plan will be prepared and approved by businesses paying the assessment. Petitions in support of the district are then collected. When the petition threshold has been met, a hearing processes in each jurisdiction is initiated.

Q: Will there be a written document governing the TID?

A: Yes. Legally the TID must be operated in accordance Service Plan. The Service Plan is drafted by the TID Steering Committee of hotels and industry stakeholders with input from the regional community. (See *Richmond TID Overview*.)

Q: Is a TID permanent?

A: No. The TID law allows the district to be in place for a set term. After the set term, the TID will automatically expire, unless it is renewed by assessed businesses and the localities. It can also be disbanded at any time by a majority petition vote of assessed businesses.

Q: Are we putting ourselves at a competitive disadvantage?

A: No. We believe we can absorb an assessment within the industry TID average. We need to remain competitive in the convention/visitor/sports tourism game. Based on a national TID survey, only 1% of those

with TIDs indicated that they had lost customers. By and large, the respondents indicated that their districts have increased the number of room nights sold.

Q: How is the assessment collected?

A: Hotels will collect the assessment via the room folio and remit their respective jurisdictions. The jurisdictions remit the assessment to Richmond Region Tourism to execute the programs and activities in accordance with the Service Plan, annual marketing and sales plan and budget.

About RRT & Contact Info

As the region's destination marketing organization, Richmond Region Tourism warmly welcomes meeting planners, tournament organizers, tour operators, travel media and leisure travelers. A nonprofit organization, Richmond Region Tourism offers a comprehensive array of information and services to help the local hospitality industry benefit from the powerful economic engine that is tourism. Learn more at www.RichmondRegionTourism.com.

For more information about the Richmond Region Tourism Improvement District, contact:

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