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Dear Members of the Dallas Tourism Public Improvement District:

As we near the end of summer, here's a mid-year update on the Dallas Tourism Public Improvement District (DTPID).

Now in its sixth year of operation, the DTPID continues to exceed initial expectations in drawing more visitors and meetings to Dallas. According to the latest information presented at our July 2018 Board Meeting, the number of visitors to Dallas topped 27 million last year, a 22 percent increase since 2011, the year before the DTPID became operational. Visitor spending also rose to \$4.7 billion last year, a 33 percent increase from six years ago. As I have noted in the past, the DTPID can't take full credit for these substantial increases, but it certainly played a significant part.

We hope you will continue to take advantage of the many ways the DTPID can benefit your property by bringing more guests and meetings to your hotel. We recently launched a new joint marketing campaign with Expedia, covered later in this newsletter. We also hope you will continue to take advantage of the Individual Hotel Incentive Program, which offers financial incentives for individual hotel properties to help cover costs to attract or retain vital group business at their hotels. This year, the DTPID will have almost \$900,000 available to offer as incentives in this program.

You'll find more information on the DTPID and its recent activities in this newsletter. Once again, we want to thank you for your support of the DTPID, which has helped attract more visitors and increased business activity to Dallas hotels.

Sincerely,

A handwritten signature in blue ink that reads "Fred Euler".

Fred Euler

Chairman, Dallas Tourism Public Improvement District

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The Economic Impact of Tourism in Dallas - It's Significant

The DTPID, in partnership with Tourism Economics, recently completed a study on the economic impact of the tourism industry in Dallas. The survey results show:

- **The number of visitors to Dallas has increased substantially.** In 2017, visitors to Dallas totaled 27.2 million, up 22 percent from 22.3 million in 2011.
- **Visitor spending has increased significantly.** Visitor spending in 2017 was \$4.73 billion, up 33 percent from \$3.56 billion in 2011.
- **More than half (52.7 percent) of all visitors to Dallas in 2017 stayed overnight.** Overnight visitors spent an average of \$248 per person per trip and represented nearly 80 percent of total visitor spending. Day-trippers averaged \$81 per person in spending.
- Leisure travelers represented 85 percent of the visitors coming to Dallas in 2017, while international visitors made up almost seven percent of Dallas visitors.
- **Tourism creates lots of jobs in Dallas.** Nearly 61,000 jobs in Dallas were supported by tourism in 2017.
- **Tourism generates tax revenue.** Dallas tourism generated \$1.1 billion in national, state and local taxes in 2017, with local taxes topping \$268 million in the City of Dallas.

Marketing Update: DTPID Funding Continues to Support Innovative Marketing Programs Designed to Drive Visitors to Dallas Hotels

A significant portion of DTPID funding - 35 percent - is directed at positioning and promoting Dallas as the destination of choice for leisure and business travelers. Almost half of this budget goes to media placements, with the majority of the media buys directed to leisure travelers, and the remainder divided between targeting meeting planners and regional audiences. In addition to the primary "All Sides of Dallas" FY2018 campaign, there are several new programs supported by DTPID marketing funds.

- **Summer Getaway Promotion.** This program is directed at enticing visitors from drive-in markets to come to Dallas during the summer lag season.
- **Big D Holiday.** This program is intended to draw more visitors to Dallas from regional markets during the holiday season. Last year, the campaign generated more than 10,000 room nights for Dallas hotels.
- **The Edge of Texas.** Last fall, VisitDallas partnered with *Texas Monthly* on an interactive weekend of activities celebrating the best of Dallas and Texas. Besides attracting more than 2,000 attendees, it generated more than 153 million media impressions. This fall, The Edge of Texas will return for its second year with another weekend of Dallas and Texas-focused interactive programming and events.
- **The Margarita Mile.** VisitDallas has staked the claim - Dallas is the Official Home of the Frozen Margarita - with the launch of the Margarita Mile. You've heard of pub crawls and wine tastings - but Dallas takes it to the next level with this new attraction. The Margarita Mile is a collection of the best and brightest margaritas in the city, conveniently collected in a colorful app. It's not a one-and-done experience; the Margarita Mile will keep visitors coming back time and time again to discover the diverse flavors of Dallas - it's like the ultimate margarita bucket list.



- **Joint Marketing Campaign with Expedia.** At the July meeting, the DTPID Board approved funding for a joint marketing campaign with Expedia. The effort is designed to generate awareness and demand for the Dallas market by pooling funds between VisitDallas and participating hotel partners for a media buy to strategically reach travelers most likely to visit Dallas. In Boston, a similar campaign delivered a 25-to-1 return on advertising spend and a 17 percent increase in demand for participating hotels, compared to the same time period of the previous year. DTPID funding will help fund a portion of the fee for DTPID hotels that want to participate in the program.

DTPID Funding Generates a 13-to-1 Return on Investment in Bringing Meetings to Dallas

A major portion of the DTPID revenues - 42 percent - is devoted to bringing more meetings and conventions to Dallas. To date, DTPID incentive funding has helped generate 168 meetings that have come or will soon come to Dallas, with an average rate of return of \$13 in hotel room revenues generated for every DTPID dollar spent. That is above the 10-to-1 ROI goal set by the DTPID when it was established six years ago.



Participating in DTPID's Individual Hotel Incentive Program Can Draw Business to Your Property

DTPID also dedicates a portion of its funds to assist member hotels with less than 1,000 rooms to secure additional meetings and events at their properties. This year, DTPID has allocated almost \$900,000 in funds to help mid-sized DTPID member hotels draw individual meeting business to their properties. Here are the key elements of the Individual Hotel Incentive Program:

- Each DTPID member hotel can receive up to \$50,000 annually under this program.
- To qualify for funding, 10 percent of the hotel's inventory needs to be booked as part of the incentivized meeting or event. However, there is no minimum amount of lodging revenue that must be received.

More Information can be found on the DTPID website at www.DTPID.com. Or call (214) 571-1005 to talk to a VisitDallas team member who can help walk your staff through the process for applying for these incentives.

Another Key Funding Element of DTPID—The Event Application Fund Designed for Arts, Cultural and Community Groups

Similar in concept to the Individual Hotel Incentive Program, the Event Application Fund is designed to let individual arts, cultural and community organizations apply for DTPID funding to assist in the marketing of productions and events likely to generate tourism and hotel activity.



Since 2012, 222 local Dallas arts, cultural and community organizations have been allocated over \$3.3 million in support for their events. These events resulted in an estimated 420,000 additional hotel room nights, amounting to over \$65 million in increased hotel lodging revenue.

For the upcoming year, DTPID is expected to have \$1.3 million to allocate to local arts groups, cultural organizations and community groups hosting events that would attract overnight visitors to Dallas.

The many organizations that have used and benefitted from the Event Application Fund include, but are not limited to, the Dallas Museum of Art, the Dallas Zoo, Uptown Players, Dallas County Heritage Society and the Turtle Creek Chorale.

Hotel Trends: Dallas Remains a Top Tier City in Occupancy, ADR and RevPAR

Each quarter, the DTPID Board receives an update on key hotel industry indicators as compared to cities we compete with for meetings business. Here are some of the key highlights on the update received at the July 2018 DTPID Board Meeting:

So far this fiscal year demand growth has kept up with the new supply resulting in our occupancy remaining about the same, but ADR / RevPAR are higher. For the first nine months of our fiscal year, October 2017 through June 2018, in the city limits of Dallas:

- Hotels averaged a 68.9 percent occupancy over the same period last year, while reaching 69.6 percent this year. This is a very positive indicator given the 3.6 percent increase in new hotel supply in Dallas.
- The ADR of \$122.02 over the past year has increased to \$129.59 in the current fiscal year.
- RevPAR has increased also, climbing from \$84.18 last fiscal year to \$90.14 in the current fiscal year.

More North Texas Cities Establishing Tourism Public Improvement Districts

For the past six years, Dallas was the only Texas city that had established a Tourism Public Improvement District (TPID). That's changing. Due to the success of the Dallas TPID, the North Texas cities of Fort Worth and Arlington have established their own local TPIDs and the cities of Allen, Frisco, Irving and Plano are considering asking for state legislative authority to create TPIDs in their communities.

The Proposed 2018-2019 TPID Budget

Each year, all 14 public improvement districts in Dallas submit a proposed budget as part of the annual review by city staff and the Dallas City Council. To the right is the proposed budget submitted to the Dallas City Council for the next operating year of the DTPID.



