

LAFAYETTE TOURISM IMPROVEMENT DISTRICT PLAN

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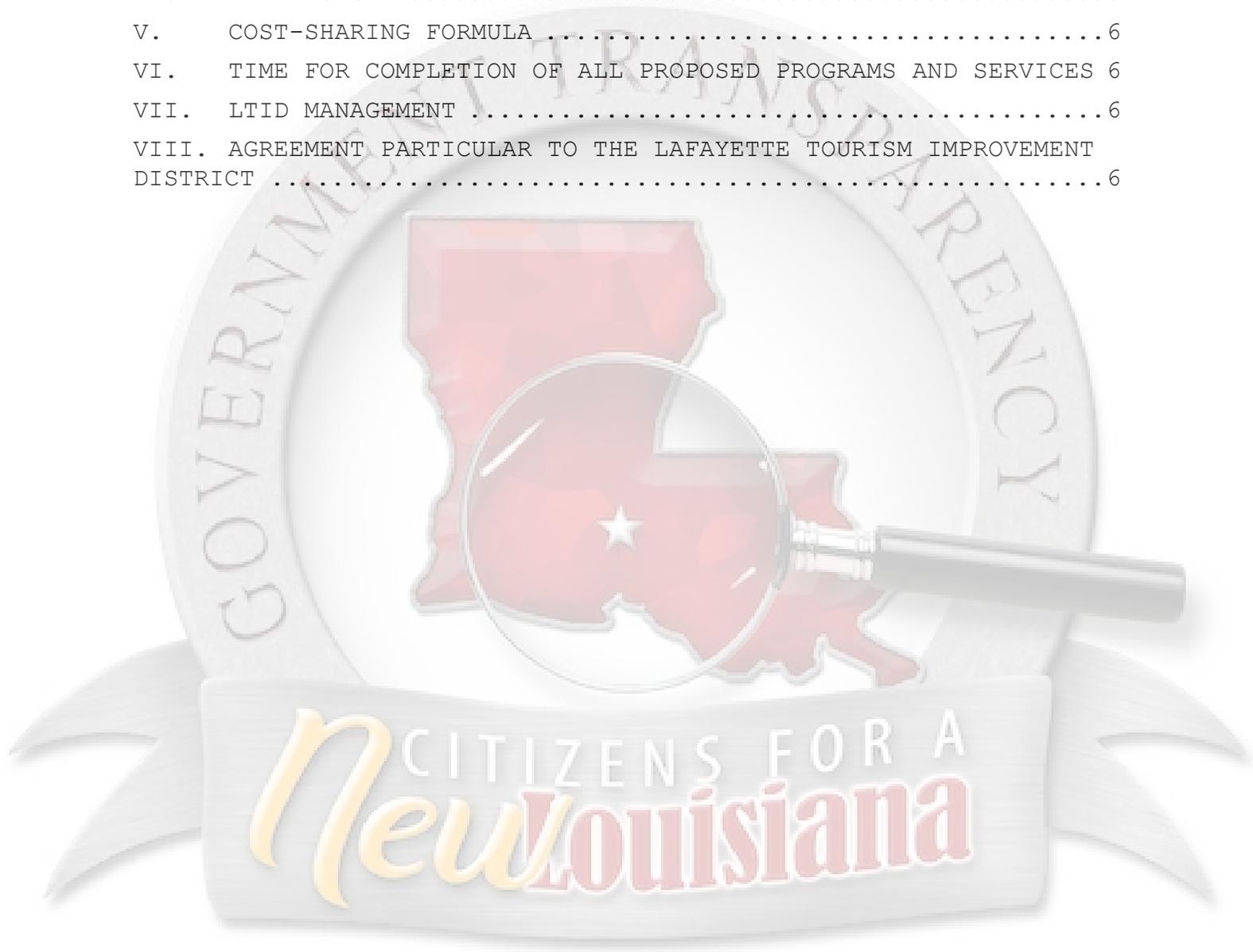
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I. OVERVIEW

Developed by Lafayette lodging business owners within the proposed Service Area and the Lafayette Convention & Visitors Commission (LCVC), dba Lafayette Travel, the Lafayette Tourism Improvement District (LTID) is a special assessment district proposed to provide specific benefits to payors by funding tourism promotion efforts for lodging businesses paying the LTID assessment. This tourism improvement district plan (Plan) has been prepared in accordance with the requirements of the Louisiana Tourism Recovery and Improvement Districts Act, § 33:4600.1, et. seq. (LTRID Act.) LCVC and Lafayette lodging businesses hereby request the formation of the LTID for a five (5) year term.

Location: The LTID includes all lodging businesses existing and, in the future, located within the boundaries of Lafayette Parish, as shown on the map included herein as Exhibit 1.

Services: The LTID shall provide capital improvements, marketing & advertising programs, sales programs, opportunity funding, contingency and reserves, and related administration and operations fees and other improvements and activities designed to enhance tourism to LTID as authorized in this Plan. All services are intended to increase demand for overnight tourism and market payors as premiere destinations for tourists, meetings, and events, thereby increasing demand for room night sales.

Budget: The total LTID annual assessment budget for the initial year of its five (5) year operation is anticipated to be approximately \$1,758,356. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do.

Cost: All lodging businesses operating within the LTID shall be assessed two percent (2%) of gross lodging room rental revenue. Assessments shall not be collected on short term rentals, bed and breakfasts, and campgrounds.

Collection: Business assessment revenues shall be remitted to the Lafayette-Parish Sales Tax Office on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the TID.

Duration: The LTID will have a five (5) year life, beginning _____, or as soon as possible thereafter, and ending five (5) years from its start date. In accordance to LTRID Act, there shall be a thirty-day (30) period each year which assessees (payors) may request the dissolution of LTID. The first such period shall begin one year after the date of establishment of LTID and shall continue for thirty days. The next such thirty-day (30) period shall begin two years after the date of establishment. Each successive year of operation of LTID shall have such a thirty-day (30) period. Notwithstanding these limitations, in order to finance capital improvements with bonds, the TRID may levy assessments until the maximum maturity of the bonds.

Management: In accordance with LTRID Act, a tourist commission created pursuant to § 33:4574(B) shall manage the LTID. LCVC, duly established in accordance with law, shall provide the improvements, maintenance, and activities described in the Plan.

programs and initiatives will include the following:

Capital Improvements & Debt Service

The capital improvements and debt service portion of the budget may be used to fund capital improvements designed to increase room night sales for assessed businesses, such as tourism infrastructure and construction or enhancements of tourism facilities. LTID may issue bonds related to capital improvements, such as a sports facilities.

Sales

A strategic sales and services program will secure and provide services to events, meetings, events and free and independent traveler, coming to Lafayette with an overarching goal of driving incremental destination-wide and event-center related business from key vertical, feeder and growth markets to the benefit of the assessed businesses. The program will include the following kinds of activities:

- Dedicated funds to support incentives, hosting fees and other offsetting costs associated with securing strategic industry events, incremental group and convention business, sports tournaments and events, and/or large-scale events for the destination that generate room nights for the assessed businesses.
- Direct sales activities driving destination-wide and event-center related business – in turn, benefitting the assessed businesses by driving room nights and compression for the assessed businesses;
- For activities related to attracting sports and leisure groups.
- Strategic partnerships, sponsorships, or other alliances that reinforce Lafayette as a destination of choice within the travel marketplace for meetings, events sports tournaments and leisure travel – in turn, generating greater room night sales to the assessed businesses;
- Attendance at tradeshow, conferences, and professional industry/partner events to promote the destination and the assessed businesses;
- Sales missions, site inspections and familiarization tours in domestic and international markets that showcase the destination and the assessed businesses.

Destination Development

Funds may be deployed to support destination development services that enhance the overall visitor experience but with an emphasis on overnight visitors at the assessed businesses. LTID will develop specific criteria for funding these services, including an understanding that any such services and projects would be additive to and not in the place of core services.

Administration and Operations

Understanding that the proposed District sales, marketing and destination development services are based on delivering enhanced and/or new programs and businesses opportunities, the administration and operations portion of the budget shall be utilized for similarly enhanced and/or new administrative staffing costs, office costs, advocacy, ROI measurement and reporting and other general administrative costs such as insurance, legal, and accounting fees incurred by LCVC. This portion of the budget will also support the meetings of LTID. This portion is only available for activities that support LTID.

Contingency/Reserve

A portion of the budget will be allocated to a contingency fund to account for lower than anticipated collections. If collected contingency funds remain in the budget near the expiration of LTID term, and business owners wish to renew LTID, the contingency funds may be used for renewal costs. Similarly, LCVC can allocate funds in one year to be held in reserve to fund specific events/programs in a future year, especially if those events may require such significant resources whereby it would be advantageous to build funds in advance and potentially allow for interest collection.

Marketing & Advertising (Leisure + Trade)

A strategic marketing, advertising and PR program will promote Lafayette as a preferred leisure, meetings and event destination with an overarching goal of driving increased overnight visitation to the benefit of the assessed businesses. The program will include the following kinds of activities:

- Regional and national leisure marketing and event trade marketing programs inclusive of broadcast, digital, print, Pay-Per-Click and out-of-home channels, designed to increase awareness of and drive overnight traffic to the destination – in turn, benefitting the assessed businesses through increased consumer demand;
- Public Relations programs that enhance the profile of Lafayette as a tourist, meetings and event destination – in turn, benefitting the assessed businesses through increased consumer demand;
- International marketing and PR initiatives driving in-bound meetings and leisure travel to Lafayette – in turn, benefitting the assessed businesses through increased consumer demand and increased room night bookings;
- A holistic trade marketing and PR program supporting a renovated and/or expanded event center, driving destination-wide and event-center related business and attendance to that facility as well to the assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers, maps, and videos featuring assessed businesses.

IV. LTID BUDGET

The LTID is expected to have a first-year budget of approximately \$1,758,356, based on the cost of programs detailed in Section IV and the assessment rate described in this Plan. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do. The costs of forming the LTID shall be repaid from LTID assessment revenues. Each budget category includes all costs related to providing that service. For example, the sales, marketing, promotions, and special events program budget includes the cost of staff time dedicated to overseeing and implementing the sales, marketing, promotions, and special events program. Staff time dedicated purely to administrative tasks is allocated to the personnel and administrative portion of the budget. The staffing levels necessary to provide the services below will be determined by the LCVC on an as-needed basis.

V. COST-SHARING FORMULA

A. BUSINESSES SUBJECT TO THE ASSESSMENT & METHOD OF LEVYING THE ASSESSMENT

The LTRID assessment may be levied upon any type of lodging businesses. All lodging businesses operating within the LTID will be assessed two percent (2%) of gross short-term room rental revenue. An assessed business shall place the assessment as a mandatory surcharge on the consumer's receipt or guest folio.

B. ROLLOVER FUNDS

Any and all unused assessment funds collected during a year may be rolled over to the subsequent year to be used for programs detailed in Section IV. All funds not expended for programs during the LTID's five (5) year term shall be refunded to the owners of businesses paying the LTID assessment by applying the same method and basis that was used to calculate the assessment. If the LTID is renewed, any remaining funds from the LTID shall be transferred to the renewed LTID.

C. COLLECTIONS/PENALTIES

Business assessment revenues shall be remitted to the Lafayette-Parish Sales Tax Office on a monthly basis. There shall be a period of at least sixty (60) days following adoption for the business assessment be in effect. Collection must begin on one of the following dates: January 1, April 1, July 1, or October 1. Interest on delinquent remittance of business assessments that are remitted on an annual basis shall be subject to a penalty of twelve percent (12%) per annum. Interest on delinquent remittance of business assessments that are remitted on a monthly basis shall be subject to a penalty of five-percent (5%) per month. Total penalties shall not exceed twenty-five (25%) percent per annum.

VI. TIME FOR COMPLETION OF ALL PROPOSED PROGRAMS AND SERVICES

All programs and services identified in this Plan will commence during the first year of LTID activity and continue on an ongoing basis for the five (5) year term of the LTID, upon renewal, the LTID shall have a term not to exceed a ten (10) year term. Notwithstanding these limitations, in order to finance capital improvements with bonds, the LTID may levy assessments until the maximum maturity of the bonds.

VII. LTID MANAGEMENT

LCVC shall provide the improvements, maintenance, and activities described in the management plan. LCVC shall create a committee comprised of the President & CEO of the LCVC, Acadiana Hotel/Motel Lodging Association (AHMLA) appointee to the LCVC Board, 2 members of the Executive Committee of the LCVC or two members chosen by the board of directors of the Lafayette Convention and Visitors Commission, and three local hoteliers nominated by the AHMLA for a total of seven members. The three local hoteliers nominated by the AHMLA will serve a three-year term and are eligible for reappointment for a second term.

VIII. AGREEMENT PARTICULAR TO THE LAFAYETTE TOURISM IMPROVEMENT DISTRICT

The LCVC will contract with the Lafayette-Parish Sales Tax Office for the collection of assessments and the enforcement of penalties when applicable.