



Tourism Economy Report CY 2017



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1. 2017 CY Overview:

- ❖ Visitor spending continues to increase, however, while growth remains positive the rate of growth has declined during years 2014-2015, although, 2017 had a strong outcome with increases in both lodging **8.2%** and meals **4.3%** compared to 2016
- ❖ CY 2017 air travel into PVC has decreased by a rate of **13%**
- ❖ Activity and embarkation in the harbor and pier increased **37%**
- ❖ The Aug/Sep/Oct period was the largest meal and lodging visitor spending in the history of tracking data, with **\$38.1m** spent on meals and **\$17.3m** spent on licensed lodging, and an estimated **\$23m** spent on taxable retail, the combined three months generated **\$78.4m** in trackable taxable visitor spending, this positive trend is encouraging for the economic development of the Town

1. 2017 CY Overview Continued:

- ❖ **Marketing & advertising played a key role in the CY 2017 sustained growth in tourism revenue; the consistent monthly news releases, strategically placed digital, and print ads, targeted Social Media advertising, presence at key Tourism Business-to-Business Marketplaces and Tourism Consumer Trade Shows, regional radio ads and the expanded outdoor exposure through billboard advertising yielded a successful year of growth**
- ❖ **Infrastructure has a direct effect on visitation – Example, Herring Cove's drop in traffic while Race Point experienced significant growth**
- ❖ **Visitors are spending less on higher priced products and services and spending more on experience related purchases**

2. Economic Indicators:

A. Transportation - Arriving in Provincetown

I. Embarkation – Arriving by water

- ◆ Began collecting Embarkation Fees for Whale Watches mid-year 2016
- ◆ Quarterly deposits are effected by the tax received by the DOR
- ◆ Deposits received are subject to payments received from businesses

Embarkation	Q1	Q2	Q3	Q4	Total	Δ to LY
CY DOR Deposits	Oct/Nov/Dec	Jan/Feb/Mar	Apr/May/Jun	Jul/Aug/Sep	CY DOR Deposits	
FY 2017	\$19,083	\$0*	\$6,451	\$34,748	\$60,283	36.8%
FY 2016	\$19,442	\$1,568	\$6,281	\$16,779	\$44,069	52.0%
FY 2015	\$11,026	\$603	\$1819	\$15,546	\$28,994	5.1%

* A deposit was not received from DOR

5
\$.50 / passenger

2. Economic Indicators:

A. Transportation – Arriving in Provincetown

I. Embarkation – Arriving by Water

Harbor & Pier

- ◆ CY 2016 is the first year data was collected for moorings and cruises
- ◆ Cruise Ships visiting Provincetown Harbor grew at more than **50%**
- ◆ Over all Harbor & Pier growth in CY 2017 was **51.5%**

	CY 2016	CY 2017	Δ to LY
Embarkation	\$44,069	\$60,282	36.8%
Moorings	\$38,430	\$64,525	67.9%
Cruise passengers	1,325	1,994	50.1%
Cruise Pier Revenue	\$2,825	\$4,500	59.3%

2. Economic Indicators:

A. Transportation – Arriving by air

II. Provincetown Municipal Airport

- ❖ There were **1,314** less passengers into Provincetown in CY 2017 down **-13%** to LY
- ❖ Lack of pilots has reduced Cape Air flights and available seats affecting the load factor
- ❖ Supply was not in line with 2017 passenger demand
- ❖ The cause for the **-13%** drop was not having the pilots to fly the planes and not meeting passenger demand, this too was the direct cause of reduced flights from White Plains with a **-72%** drop in passengers into PVC since 2015, and the airport was closed due to exterior work for the month of November

PROVINCETOWN AIRPORT (PVC) PASSENGER ENPLANEMENT REPORT											
2015	PVC-BOS	PVC-HPN	TOTAL	2016	PVC-BOS	PVC-HPN	TOTAL	2017	PVC-BOS	PVC-HPN	TOTAL
JAN	290	0	290	JAN	368	0	368	JAN	406	0	406
FEB	162	0	162	FEB	204	0	204	FEB	270	0	270
MAR	253	0	253	MAR	312	0	312	MAR	291	0	291
APR	374	0	374	APR	375	0	375	APR	388	0	388
MAY	647	0	647	MAY	534	0	534	MAY	598	0	598
JUN	923	15	938	JUN	866	5	871	JUN	825	10	835
JUL	2,173	86	2,259	JUL	1,991	80	2,071	JUL	1,637	34	1,671
AUG	2,361	164	2,525	AUG	2,310	87	2,397	AUG	1,790	25	1,815
SEP	1,519	41	1,560	SEP	1,312	34	1,346	SEP	983	18	1,001
OCT	859	0	859	OCT	819	0	819	OCT	873	0	873
NOV	541	0	541	NOV	411	0	411	NOV	279	0	279
DEC	370	0	370	DEC	309	0	309	DEC	333	0	333
TOTAL =	10,472	306	10,778	TOTAL =	9,811	206	10,017	TOTAL =	8,673	87	8,760
	MISCELLANEOUS =		63		MISCELLANEOUS :		57		MISCELLANEOUS :		NA
	GRAND TOTAL =		10,841		GRAND TOTAL =		10,074		GRAND TOTAL =		8,760

2. Economic Indicators:

A. Transportation – Arriving in Provincetown

III. Commuting by bus – Cape Cod Regional Transit Association (CCRTA)

Ridership Data for the CCRTA Provincetown Shuttle and the Flex Bus from Harwich to Provincetown

1. Flex numbers are up possibly due to longer commutes
2. Shuttle numbers are down; beach access fares may explain the trend; this requires further research for its impact on seasonal workforce

Year	Flex Jun - Aug	Growth	Provincetown / Truro Shuttle	Growth
2017	45,740	-4.3%	72,536	-21%
2016	47,799	9.0%	91,766	-12%
2015	43,856		80,883	

2. Economic Indicators:

A. Transportation – Arriving in Provincetown

IV. Driving – Parking once you've arrived

Parking Revenue

- ◆ CY 2017 Parking Revenue dropped **\$36K** from CY 2016
- ◆ MPL dropped **\$131K** while Grace Hall increased **\$54K**

METRIC NAME	MPL	Grace Hall	Kiosks	Meters/ Passport	Total	Δ to LY
2017**	\$986,986	\$482,748	\$279,462	\$23,220	\$1,772,416	-2.0%
2016**	\$1,082,135	\$428,802	\$275,714	\$21,906	\$1,808,557	0.4%
2015**	\$1,101,354	\$407,499	\$272,244	\$20,448*	\$1,801,545	12.4%
2014	\$1,097,102.25	\$365,250.75	\$235,800	\$44,855	\$1,743,008	-9.9%

** Free month of April; rates increased May 2015

* Shift to automated kiosks

2. Economic Indicators:

B. Accommodations

I. Licensed Lodging Revenue – Tax Deposits received from DOR

II. Dollars Spent on Rooms

State Room Tax = 5.7%
Local Option Tax = 6%
Total Room Tax = 11.7%

- ❖ Five year growth from 2012 to 2017 is **30.9%**
- ❖ Five year rate of growth is an average of **5.5%**
- ❖ Aug/Sep/Oct 2017 was the largest 3 month period for licensed lodging in the history of collecting data generating \$17.3m in innkeeper revenue

ROOM TAX	Q1 Nov/Dec/Jan	Q2 Feb/Mar/Apr	Q3 May/June/Jul	Q4 Aug/Sep/Oct	Total	Spent on Rooms	% Growth
CY 2017	\$122,428	\$140,875	\$953,606	\$1,038,399	\$2,255,308	\$37,548,456	8.2%
CY 2016	\$92,980	\$111,392	\$904,588	\$974,980	\$2,083,940	\$34,702,825	0.9%
CY 2015	\$80,944	\$106,894	\$863,927	\$1,014,238	\$2,066,003	\$34,393,285	4.8%
CY 2014	\$82,101	\$96,341	\$849,508	\$942,922	\$1,970,872	\$32,818,020	4.8%
CY 2013	\$73,062	\$132,389	\$803,236	\$870,207	\$1,878,894	\$31,314,905	9.0%

2. Economic Indicators:

B. Accommodations

III. Room Trends

IV. Average Annual Room Income

- ❖ The number of rooms has decreased by **5.5%** over the past 5 years
- ❖ The average room income has increased by **20%** over the past 5 years

CY	SPENT ON ROOMS	%Δ	# OF ROOMS COLLECTING ROOM TAX	AVERAGE ROOM INCOME	%Δ
2017	\$37,548,456	8.2%	1,510	\$24,867	8.2%
2016	\$34,702,825	0.9%	1,510	\$22,982	2.7%
2015	\$34,393,285	4.8%	1,538	\$22,362	5.1%
2014	\$32,818,020	4.8%	1,543	\$21,269	6.5%
2013	\$30,864,759	9.0%	1,545	\$19,977	10.2%

2. Economic Indicators:

C. Attractions & Activities

I. Food Tourism Activity - Tax Deposits received from DOR

II. Food & Beverage Revenue & Dollars Spent on Meals

1. Restaurants business increased **22%** over five year period with steady yearly increases
2. The largest three month revenue period over five years was Aug/Sep/Oct 2017
\$38,091,319

Meals Tax = .75% Deposited into the General Fund

MEALS TAX	Q1 Nov/Dec/Jan	Q2 Feb/Mar/Apr	Q3 May/Jun/Jul	Q4 Aug/Sep/Oct	Total Tax Receipts	Total Spent on Meals	Δ to LY
CY 2017	\$40,816	\$38,518	\$273,330	\$282,191	\$634,855	\$84,647,375	4.3%
CY 2016	\$37,410	\$34,242	\$274,806	\$262,238	\$608,696	\$81,184,143	5.5%
CY 2015	\$30,095	\$35,808	\$250,428	\$260,733	\$577,064	\$76,951,794	3.9%
CY 2014	\$31,350	\$36,805	\$234,552	\$252,871	\$555,578	\$74,063,324	6.7%
FY 2013	\$35,347	\$27,366	\$224,910	\$232,972	\$520,595	\$69,412,675	1.6%

2. Economic Indicators:

C. Attractions & Activities

III. Pilgrim Monument and Provincetown Museum

- ❖ Experienced growth of **13.3%** from CY's 2013 to 2016
- ❖ Experiencing stable visitor attendance in CY 2017
- ❖ Anticipating meaningful growth leading up to and during CY 2020

PMPM visitors	Q1 Jan - Mar	Q2 Apr - Jun	Q3 Jul - Sep	Q4 Oct - Dec	Total	% Growth
2017	0	32,289	57,957	12,470	102,716	-.4%
2016	8	33,272	57,907	11,938	103,125	0.7%
2015	8	30,814	60,608	10,963	102,393	8.5%
2014	5	28,489	56,261	9,631	94,386	3.6%
2013	0	27,188	54,542	9,337	91,067	N/A

2. Economic Indicators:

C. Attractions & Activities

III. Cape Cod National Seashore

National Park Service Monthly Traffic Count by Attraction:

1. Herring Cove Beach

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
2017	8,301	11,893	10,893	15,462	15,399	44,410	40,385	25,571	20,626	14,504	8,117	4,920	220,481	-35.2%
2016	6,940	10,715	18,180	16,766	21,130	43,821	76,276	70,050	36,128	21,477	10,318	8,075	340,076	5.6
2015	6,902	2,200	0	16,500	18,900	41,161	88,963	73,345	36,36	18,378	9,884	9,657	321,990	.67%

2. Race Point Beach

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
2017	3,155	4,634	3,387	14,357	13,796	21,139	29,877	38,403	22,400	14,479	5,939	2,893	174,459	16.7%
2016	2,495	2,653	5,430	10,492	14,108	17,036	30,283	37,057	10,654	12,829	4,218	2,204	149,459	.75%
2015	2,220	920	2,500	10,500	14,720	16,990	29,700	40,000	10,700	12,829	4,218	3,047	148,344	-4.6%

3. Province Lands Visitor Center

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
2017	996	659	1,548	6,176	7,404	11,401	17,360	20,075	10,944	7,726	2,670	1,911	88,870	-6.4%
2016	522	659	1,850	6,113	8,651	11,642	21,055	21,710	11,480	7,422	3,180	624	94,928	-.62%
2015	509	60	600	5,000	7,027	9,154	21,600	21,900	16,842	7,595	2,866	2,373	95,526	10.7%

2. Economic Indicators:

C. Attractions & Activities

III. Cape Cod National Seashore Park cont.

Annual Traffic Count and Findings

Herring Cove	Traffic	Δ to LY
2017	220,481	-35.2%
2016	340,076	5.6%
2015	321,990	.67%

Beach traffic is down
-23.4%

Race Point has a significant
increase of 25K visitors

Race Point	Traffic	Δ to LY
2017	174,459	16.7%
2016	149,459	.75%
2015	148,344	-4.6%

Herring Cove has a severe
decrease of 120K visitors

Visitor Center	Traffic	Δ to LY
2017	88,870	-6.4%
2016	94,928	-.62%
2015	95,526	10.7%

Herring Cove parking lot is
affecting traffic visiting
Provincetown beaches

National Park Service – Cape Cod
irma.nps.gov/Stats/Reports/Park/CACO

2. Economic Indicators:

D. Other Indicators and Promoting Sustainable Tourism

I. Water consumption and sewer Water Billed

Note: estimated on monthly reads

Consumer Trends Update on page 16

	CY 2014	CY 2015	CY 2016	CY 2017
	Billable	Billable	Billable	Billable
JAN	7,328,000	7,855,000	7,632,000	8,683,000
FEB	6,634,000	8,264,000	6,958,000	6,354,000
MAR	7,876,000	7,236,000	7,225,000	7,607,000
APR	9,108,000	9,121,000	9,967,000	9,667,000
MAY	16,058,000	16,330,000	15,058,000	15,155,000
JUN	20,656,000	20,209,000	21,544,000	19,254,000
JUL	31,337,000	30,660,000	32,484,000	32,403,000
AUG	33,003,000	33,991,000	32,978,000	32,858,000
SEP	19,147,000	21,495,000	20,067,000	17,354,000
OCT	13,594,000	14,176,000	14,950,000	14,148,000
NOV	9,253,000	7,993,000	8,772,000	9,051,000
DEC	8,108,000	6,718,000	7,871,000	8,311,000
TOTAL	182,102,000	184,048,000	185,506,000	180,845,000

Δ year to year

Water	Total Billable	Δ to LY
2017	180,845,000	-2.5%
2016	185,506,000	.8%
2015	184,048,000	1.1%
2014	182,102,000	2.0%

2. Economic Indicators:

D. Other Indicators and Promoting Sustainable Tourism

II. Solid Waste

Solid Waste Tonnage	MSW	Single Stream	MSW Δ to LY	Single Stream Δ to LY
2017	2,679	1,354	-1.6%	-3.6%
2016	2,722	1,404	-2.9%	3.8%
2015	2,802	1,353	5.5%	14.7%
2014	2,657	1,180	-8.3%	9.5%

- ❖ As a Green Community hospitality promotes and encourages reducing the use of natural resources and waste to support sustainable tourism living
- ❖ Water Sense and Saving: New construction and renovation fixtures **reduce usage by -20%**, and perform as well as or better than standard models
- ❖ Town water restrictions during high usage months have proven successful and have reduced water billed
- ❖ Recycling awareness has reduced solid waste
- ❖ Single Stream has been in effect for 4 years with an increased trend of **+15%**

3. Trackable Consumer Spending:

A. Massachusetts Retail Sales Tax

I. Retail Spending Trends

Massachusetts State Retail Tax Collected*

	Total	Count	%Δ
FY 2015	\$2,243,656	327	-12.4%
Spending	\$35,898,496		
FY 2014	\$2,562,868	304	2.5%
Spending:	\$41,005,888		
FY 2013	\$2,499,884	299	14.6%
Spending:	\$39,998,144		
FY 2012	\$2,181,561	300	0.2%
Spending:	\$34,904,976		
FY 2011	\$2,175,344	303	-6.1%
Spending:	\$34,805,504		
FY 2010	\$2,316,835	296	N/A
Spending:	\$37,069,360		

Average \$ Spent on Retail in fiscal years 2010 – 2015 = \$37,280,395
*Retail \$ spent DO NOT include clothing purchases under \$175 per item

While total \$ spent on taxable goods dropped in 2015, total taxable units sold increased by 8%

Shoppers are purchasing more less expensive items and not purchasing higher priced items

*excluding state & national chains

Slide 18

PO1

While tax collected and spending dropped in FY 2015, total units sold increased by 8%

Provincetown Tourism Office, 12/11/2017

3. Trackable Consumer Spending:

B. Taxable Spending

I. Where the Visitor Spends their Money

- ❖ Taxable \$ Spent on Meals, Licensed Rooms and Retail in FY 2010 – 2015 is **+21.2%**
- ❖ Local Option meals tax is .75%
- ❖ Local Option rooms tax is 6.0%
- ❖ Retail State Sales Tax is 6.25%
- ❖ Note: Clothing under \$175.00 is not taxed in MA*

Year	Meals	Rooms	Retail Sales*	Total	%Δ
2015	\$73,776,824	\$33,004,459	\$35,898,496	\$142,679,779	0.5%
2014	\$70,138,227	\$30,864,759	\$41,005,881	\$142,008,867	3.5%
2013	\$68,227,404	\$28,949,593	\$39,998,146	\$137,175,143	10.1%
2012	\$62,456,083	\$27,265,311	\$34,904,973	\$124,626,367	5.0%
2011	\$58,606,400	\$25,293,300	\$34,805,508	\$118,705,208	0.9%
5 years	\$333,204,938	\$145,377,422	\$186,613,004	\$665,195,364	N/A

4. Summary:

- ◆ **Tourism in Provincetown is a \$200+ million industry annually**
- ◆ **Trackable spending for five years, 2011 – 2015 was \$665,195,364**
- ◆ **Average revenue per room is increasing, while number of licensed rooms is decreasing – higher rates and/or increase in occupancy**
- ◆ **Room tax revenue growth rate had stabilized yet produced a strong increase in CY 2017**
- ◆ **Infrastructure has a direct impact on visitation, visitors will choose to visit destinations with ease of parking and ease of ability to navigate and move about the community**
- ◆ **Prices of products and experiences directly affect the spending patterns of tourists**
- ◆ **As a Green Community hospitality promotes and encourages reduced use of natural resources and waste to promote sustainable tourism living and reducing the carbon footprint**