



2022 LTAC Final Report Bainbridge Island Lodging Association

For more than 20 years, Bainbridge Island Lodging Association (BILA) has worked hand-in-hand with lodging owners, innkeepers, vacation rental hosts, and tourism partners to promote overnight tourism on Bainbridge Island; to inclusively showcase local lodging options; and to support owners and hospitality stakeholders with communication, marketing, business resources, and local advocacy.

In 2022, BILA expanded our reach in maintaining and expanding upon our relationships with lodging owners and industry and tourism partners. We continued to strengthen our collaborations with other tourism organizations (Visit Bainbridge, Arts & Humanities Bainbridge, the Chamber of Commerce, and the Downtown Association) to leverage our strengths, reduce duplication, and establish cohesive messaging and tourism services for Bainbridge Island.

Summarize the activities undertaken in providing the scope of work described in Attachment A. Reference the project objectives specified in Attachment A. Were those objectives achieved? Why or why not? Were there any unexpected positive outcomes or challenges?

Since our incorporation as a not-for-profit organization in 2002, the overriding goal for the Bainbridge Island Lodging Association (BILA) has been to provide year-round, Internet-based information for overnight visitors. Our mission has been traditionally defined as lodging owners working together to promote overnight tourism and quality guest experiences.

BILA's contract for 2022 tourism services was \$65,000. With this generous award, we were able to address some important objectives in dedicating available revenues to maintaining our basic services, creating new services, and growing tourism partnerships.

The history of lodging tax awards to BILA, and a summary of our scope of work each year is presented in the following chart.

2022	\$65,000	Introduced Last Minute Lodging, utilized AirDNA data for metrics driven marketing decisions, expanded tourism partnerships through events and shared advertising, distributed new rack cards
2021	\$41,750	Continued response to pandemic, maintained website, expanded tourism partnerships
2020	\$56,000	Moved website to shared platform; partnered on advertising, completed digital guides, responded to coronavirus
2019	\$60,000	Enhanced website, technical solution for search functions, partnered with Visit Kitsap & BIDA Walkabout Guide
2018	\$58,000	Enhanced website to include travel itineraries, restaurants, parks, and shopping

We met all of our committed objectives this year, including completing the two new/upside objectives of introducing our Last Minute Lodging services and producing a limited printing a rack card related to Last Minute Lodging. We updated our lodging listings on our website and expanded our email contact lists. We provided reservation booking trends and overnight lodging revenues utilizing our AirDNA technology to our lodging and tourism partners. We participated in several tourism partner events and provided independent and shared advertising to a number of publications. We made strides in our communication and marketing efforts to keep lodging owners up-to-date on current local and state political affairs that affect their business. We regularly updated social media channels and distributed promotional materials to share with their guests. We enjoy reaching out to our lodging owners to discuss their specific needs and to island visitors seeking overnight accommodations and services!

Our number one objective for 2022 was the pursuit of excellence in nurturing and culminating our tourism partnerships to create a full story for the island visitor, and we were successful! For our part, we promoted and maintained our trip planning website and included a whole new service for Last Minute Lodging. [DestinationBainbridge.com](https://www.destinationbainbridge.com) traffic in 2022 included over 38K sessions and almost 33K distinctive users. This is up from 2021 traffic with over 36K session and less than 32K distinct users.

WEBSITE VISITOR TRAFFIC¹

2022: January 1- December 31



2021: January 1 – December 31



¹ Google Analytics DestinationBainbridge-Site-Traffic-Report -1.1.2022-12.31.2022

Since the migration of our website to the Arts and Humanities shared platform in 2017, we are pleased with the website's performance. The shared platform reduces duplication and ensures wider distribution of lodging information and BILA promotions. It has allowed us to share our lodging listings, restaurant lists, and business lists in the common database. It also allows Visit Bainbridge Island to establish direct links to our information on overnight lodging. In 2022 we restored and grew previous levels of activity on the tools that draw visitors to our website and improve search engine ranking after a couple of down years due to the pandemic.

We have also continued regular communication out to our lodging members and mailing lists via **monthly newsletters** to provide local government updates, state policy and local events and activities. Our marketing audience and sign-up requests have increased to 525 members, and our engagement percentages are up — 29% of our audience engages "often" and 35% engages "sometimes".

Describe the involvement of any partners specified in Attachment A, as well as any unexpected cooperative relationships that developed through the implementation of the project.

BILA is built upon a partnership of overnight lodging businesses. Over the last two years, we made the previously unprecedented move to formally partner with our core four associates on the island — Chamber of Commerce, Bainbridge Island Downtown Association, Visit Bainbridge Island and the Arts and Humanities Bainbridge. Through this **core partner collaboration**, we solidified and united our target visitor marketing messaging, shared resources and analytics to reduce redundancy, and created unified holiday and shoulder-season programs to improve island traffic and increase the number and duration of overnight stays. **We have especially grown closer to Visit Bainbridge Island with plans to formalize the collaboration of our Destination Bainbridge identity with their website in 2023.**

We support our partners in several ways, including advertising in the BIDA Walkabout Guide, maintaining our Chamber membership, paying our Arts and Humanities website hosting and maintenance dues, and co-sponsoring advertising with Visit Bainbridge. Also with Visit Bainbridge, we have continued to work to **accommodate travel writers** who seek overnight accommodations to support their efforts in publishing travel articles about our island. We co-sponsored an advertisement with the Kids Discovery Museum (KiDiMu). We also worked with local island restaurants, retail shops, wineries and breweries to secure discount coupons and promotions for visitors who stay overnight. Spotlighting these businesses brings more tourist dollars to the island.

We continue to distribute ‘**Thirty Walks on Bainbridge**’, the island’s most popular walking and trail guide that we worked with Bainbridge Land Trust to secure. And we have continued to nurture our relationship with other non-profits, too, including Bloedel Reserve, the Winery Alliance, the Historical Museum and Tour Bainbridge. We have much to look forward to for many years to come with these key partners.

Reference the project budget specified in Attachment A. Provide an analysis of actual expenses and income in relation to the projected budget.

BILA expended all its lodging tax allocation in 2022. The complete budget detail for 2022 is attached. Here are the highlights of our budget analysis:

Revenues

- 99.9% of LTAC’s authorized funding was expended.

- As BILA worked with Visit Bainbridge Island toward a merger of some services, we suspended the collection of dues.
- BILA added three new members to our Board of Directors and increased our in-kind match.

Expenditures

- BILA hired a CPA service to overhaul our bookkeeping and establish financial controls.
- Administrative costs were exceptionally high as they included a special project to prepare for the transfer of Destination Bainbridge and our website to VBI.
- Website costs were lower than anticipated as access to our “search” software disappeared. A new system has been identified and we anticipate adding it to the website in 2023.
- Data and research costs increased when we upgraded our AirDNA contract to the “Enterprise” level designed for destination management organizations. Visit Bainbridge Island secured a significant cost savings for the purchase. Working together with VBI, we will be reevaluating the need for this data in the future.
- With residual demands imposed by the pandemic, we shifted budget priorities toward joint promotions and working closely with partners.

BILA 2022 Budget, Actual Revenues & Actual Expenditures			
Revenue Detail	2022 LTAC Budget	Total Revenues	Percent Collected
2022 LTAC Lodging Tax Contract	\$65,000	\$64,950	99.9%
Matching Funds from BILA	\$5,000	\$1,143	23%
In-Kind Contributions	\$12,000	\$14,000	148%
Carryover from 2021	\$5,000	\$7,403	117%
2022 Total Revenues	\$87,000	\$87,497	101%
Budget & Expense Detail	2022 LTAC Budget	2022 Actual Expenses	Percent Budget Expended
Administration & Overhead	\$8,000	\$16,496	206%
Destination Bainbridge Tourism Website	\$13,000	\$4,560	35%
Promote Overnight Tourism	\$34,000	\$31,878	94%
Support for Island’s Overnight Lodging	\$6,000	\$8,695	145%
Lodging Tonight Webpage	\$4,000	\$3,322	83%
BILA 2022 Total Expenditures	\$65,000	\$64,951	99.9%

Provide a good faith best-estimate of actual attendance generated by the scope of work in multiple travel categories.

Both the City and the State of Washington ask lodging tax recipients to estimate their impact on travel, overnight tourism, and the local economy. The Lodging Association focuses our program’s impact on the number of travelers staying overnight in paid accommodations. Other overnight travelers, staying with friends and family in unpaid accommodations, or staying off-Island (such as at the Clearwater Casino Hotel), may be influenced by our activities and promotions -- but we cannot track or estimate that impact. Additionally, we don’t track day visitors to the Island.

As noted earlier, 2022 has been another extraordinary year. Travel has not fully recovered from the pandemic and overnight travel is still volatile. We can see the impact of the coronavirus on overnight accommodations by reviewing the reduction in lodging taxes collected by the city. Those tax revenues dropped by close to 30% in between 2019 and 2020. However, there was a significant recovery in 2022 with overall lodging taxes exceeding those of our high point in 2019. Our updated estimates of BILA’s impact on travel and tourism expenditures in the community are presented in two charts below.

BILA Estimates of Overnight Travel 2019 - 2022					
	Lodging Taxes Generated by Island Businesses	Total Lodging Business Revenues	Estimated Paid Room Nights	Estimated Overnight Tourists	Estimated Revenue to Local Economy
2019	\$345,000	\$8,625,000	38,333	134,167	\$17,250,000
2020	\$214,377	\$5,359,425	23,820	83,369	\$10,718,850
2021	\$316,727	\$7,918,175	35,192	123,172	\$15,836,350
Initial Estimates for 2022	\$315,000	\$7,875,000	35,000	122,500	\$15,750,000
Updated Estimates 2022	\$398,681	\$9,967,025	42,413	148,445	\$19,934,050

Estimated Impacts of BILA Services in 2022					
	Increased Lodging Taxes	Increased Lodging Business Revenue	Increased Paid Room Nights	Increase in Overnight Tourists	Increase in Revenue to Local Economy
30% Attributed to BILA Website	\$119,604	\$2,990,108	12,724	12,724	\$5,980,215
20% Attributed to BILA Marketing	\$79,736	\$1,993,405	8,483	29,689	\$3,986,810
Total from BILA Activities	\$199,341	\$4,983,513	21,206	42,413	\$9,967,025

As presented in the preceding chart, the Lodging Association has developed these estimates of our impact in 2022 including:

- Attracting 42,000 overnight visitors to Bainbridge Island
- Generating more than 20,000 overnight stays, by guests traveling 50 miles or more to the island
- Generating nearly \$200,000 in lodging tax revenues for the city
- Contributing to the expenditures of an additional \$10 Million in our local economy

METHODOLOGY:

BILA uses tax revenue figures from the City of Bainbridge Island to estimate our impact on the total lodging revenues generated, financial impacts on the local economy, and counts of room nights and overnight tourists.

Lodging tax dollars collected by our city provide a solid indicator of the growth in lodging during the past twenty years. However, COBI’s estimates are conservative and actual revenues are typically higher than anticipated. For example, COBI projected that lodging tax revenue in 2022 would approximate \$315,000. The city actually received **\$398,000 in lodging tax revenues** — 26% higher than anticipated. Our original assumptions and new estimates are highlighted, in yellow, in the chart above.

This actual tax revenue provides the basis for our estimates of lodging business revenues. COBI receives four cents lodging tax for every dollar spent in paid overnight lodging. The City authorizes the collection of two cents tax and the State matches that as an incentive for the city to support tourism with the fund. Dividing annual lodging tax revenue (\$398K) by .04 results in an estimate of nearly **\$10M of taxed lodging revenues** in 2022.

Dividing total lodging revenue by the average price of an overnight stay leads to an estimate of the **number of room nights** on the Island. Hotel prices began to stabilize in 2022 with an average overnight stay of \$225 (including our 10.8% tax).¹ Dividing the estimated lodging revenues (\$6.68M) by this number leads to an estimated total of **42,000 paid overnight stays**.

After estimating the number of overnight stays, we estimated the **number of individual overnight tourists** by multiplying by 3.5. The large number of suites and homes in our Island lodging industry suggest that occupancy is higher than the 1 or 2 people staying in most hotel rooms. BILA estimates that in total there were **42,000 overnight bookings** and close to 150,000 tourists staying in paid overnight accommodations in 2022.

The numbers in the second chart above indicate BILA's estimate of the impact of BILA's services on overnight stays. We estimate that BILA has touched half of all overnight travel in 2022. Specifically, we estimate that 30% of travelers are impacted by our website. This is backed up by the fact that 36,000 users visited the site in 2022. We also estimate that 20% of overnight travelers are impacted by our marketing and promotional activities.

Other assumptions in the projections are based on figures used by west coast travel analysts at **Dean Runyon Associates**. Their last full economic study of Washington was in 2011 but they updated their overall estimates of tourism revenue in 2017 for our State Tourism committee. The most significant of their findings is their conclusion that *for every \$1 spent on lodging, tourists spend an additional \$4 in the local economy*. The four to one ratio may be a reasonable estimate of **overall revenue to our economy**. However, with restaurants and stores facing closure and mandated restrictions on their operations BILA reduced our estimate of revenue spent in the local economy to just twice the money spent on overnight lodging.

¹ Assumption drawn from AirDNA data.

BILA 2022 Budget and Expenditures

Budget Expense Detail	2022 LTAC Budget	2022 Actual Expense	Budget Difference	Percent Budget Expended	Notes on Expenditures
Administration & Overhead	\$8,000	\$16,495	\$8,495	206%	
Organizational Needs: Insurance, IRS reports	\$5,300	\$1,756			Contracted with CPA to manage budget, provide reports, develop financial controls, and pay invoices. Admin costs expended on special project developing strategy for 2023 transfer of website to VBI.
New Bookkeeper and New Financial Controls		\$2,494			
Office supplies	\$1,000	\$2,777			
Administrative Activities	\$1,000	\$9,023			
Pay Dues to Tourism Organizations	\$700	\$445			
Destination Bainbridge Tourism Website	\$13,000	\$4,560	-\$8,440	35%	
Website Management	\$3,300	\$3,060			Website manager unable to maintain contract / software for search capability. Replacement study billed as admin for strategy development.
Licensing Fees	\$4,700	\$1,500			
Website Listings Upgrade	\$5,000				
Promote Overnight Tourism	\$34,000	\$31,878	-\$2,122	94%	
Market Research: Purchase AirDNA subscription and provide data to tourism	\$2,000	\$6,000			Upgraded AirDNA subscription to access improved data. VBI secured considerable discount and will reexamine for future. Reduced Promotional costs as activities transferred to VBI.
Maintain & Enhance BILA's Promotional Tools	\$7,000	\$0			
Internet and Social Media Promotion	\$7,000	\$4,354			
Partnered Marketing & Advertising	\$9,000	\$7,080			
Support for special events, tourist attractions, concierge tours, travel writer accommodations, overnight packages	\$9,000	\$3,723			
Staff support		\$10,722			
Support for Island's Overnight Lodging	\$6,000	\$8,695	\$2,695	145%	
Provide member services	\$1,000	\$5,232			Responded to requests from new lodging owners. Avoided training due to ongoing pandemic concerns.
Distribute Tourism Collateral to Lodging	\$1,000	\$3,288			
Training Workshops & Member Bulletins	\$4,000	\$175			
Core Business Expenditures	\$61,000	\$61,627	\$627	101%	
New Initiatives	\$4,000	\$3,322	-\$678	83%	
Lodging Tonight Webpage	\$4,000	\$3,322			Successfully implemented but underused service
Produce print information about overnight lodging	\$0				Project not funded but one-time print card produced for Last Minute Lodging.
BILA 2022 Total Expenditures	\$65,000	\$64,950	\$50	99.9%	

BILA 2022 Projected Revenues and Actuals

Revenue Source	LTAC Contract Projection	Actual Revenues	Differences
COBI Lodging Tax Allocation	\$65,000	\$64,950	-\$50
Member Dues	\$5,000	\$1,143	\$3,857
Carryover from 2021	\$5,000	\$7,403	-\$2,403
In-Kind Match	\$12,000	\$14,000	\$0
Projected Income	\$87,000	\$87,497	\$1,404