

Experience Prince George's



MISSION AND SERVICES

The Experience Prince George's (ExPGC) enhances Prince George's County's economy through tourism- positioning and promoting the County, through a public/private partnership, as a destination for individual leisure travelers, group tours, meetings and conferences, reunions and sporting and special events.

CORE SERVICES

- Promote Prince George's County as a visitor destination through electronic marketing, advertising, public relations and direct sales in cooperation with the private sector
- Serve as Prince George's County's official visitor, travel and tourism information ambassador

FY 2020 KEY ACCOMPLISHMENTS

- Extended the Experience Prince George's brand marketing campaign with new digital advertising in key feeder markets from NY to NC.
- Extended the Experience brand marketing campaign with new creative in train stations and airports in key feeder markets on the east coast.
- Launched a new, more dynamic and responsive website for our membership, planners, tour operators and visitors.
- Identified and secured non-County funding sources for Experience Prince George's and its membership.

STRATEGIC FOCUS AND INITIATIVES FOR FY 2021

The agency's top priorities in FY 2021 are:

- Increase the County hotel occupancy rates through increased advertising placement, sports and electronic marketing, social media use and direct sales efforts to key market segments, using the branding study recommendations
- Continue to implement strategies and recommendations from the branding study in all advertising and communications

FY 2021 BUDGET SUMMARY

The FY 2021 proposed budget for Experience Prince George's is \$1,865,400, an increase of \$19,700 or 1.1% over the FY 2020 approved budget. The organization's grant from the County totals \$1,524,400, an increase of \$183,000 or 13.6% over the FY 2020 County grant.

Reconciliation from Prior Year

| | Expenditures |
|---|---------------------|
| FY 2020 Approved Budget | \$1,845,700 |
| Add: Compensation - New Positions — Special Assistant and Digital Marketing positions | \$140,000 |
| Increase Cost: Compensation - Mandated Salary Requirements | 82,600 |
| Increase Cost: Operating — Increase in research, publications and meeting expenses | 69,000 |
| Increase Cost: Operating - Technology Cost Allocation — Increase in charges based on the new methodology to support anticipated countywide costs | 45,800 |
| Decrease Cost: Fringe Benefits — Decrease in fringe benefits rate from 33.0% to 22.1%. | (11,100) |
| Decrease Cost: Operating — Decrease in funding for consultant services and marketing services including advertising and trade shows | (306,600) |
| FY 2021 Proposed Budget | \$1,865,400 |

FY 2021 OPERATING BUDGET

Revenues by Category

| Category | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change FY20-FY21 | |
|--|--------------------|--------------------|---------------------|---------------------|------------------|-------------|
| | | | | | Amount (\$) | Percent (%) |
| County Grant | \$1,385,200 | \$1,341,400 | \$1,341,400 | \$1,524,400 | \$183,000 | 13.6% |
| Cooperative Marketing & Promotions | 2,500 | 10,000 | 10,000 | 20,000 | 10,000 | 100.0% |
| State of MD Grant Funds | 274,100 | 275,000 | 299,000 | 299,000 | 24,000 | 8.7% |
| Membership Dues/Sponsorships/ Fundraising | 16,625 | 50,000 | 20,000 | 22,000 | (28,000) | -56.0% |
| Other Income | 77,153 | 169,300 | | | (169,300) | -100.0% |
| Total | \$1,755,578 | \$1,845,700 | \$1,670,400 | \$1,865,400 | \$19,700 | 1.1% |

Expenditures by Category

| Category | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change FY20-FY21 | |
|-----------------|--------------------|--------------------|---------------------|---------------------|------------------|-------------|
| | | | | | Amount (\$) | Percent (%) |
| Compensation | \$619,108 | \$552,400 | \$677,846 | \$775,000 | \$222,600 | 40.3% |
| Fringe Benefits | 137,343 | 182,300 | 149,985 | 171,200 | (11,100) | -6.1% |
| Operating | 999,127 | 1,111,000 | 842,569 | 919,200 | (191,800) | -17.3% |
| Total | \$1,755,578 | \$1,845,700 | \$1,670,400 | \$1,865,400 | \$19,700 | 1.1% |

SERVICE DELIVERY PLAN AND PERFORMANCE

Goal 1 — Expand Prince George's County's tourism economy.

Objective 1.1 — Increase the County hotel occupancy rate.

| FY 2025 Target | FY 2018 Actual | FY 2019 Actual | FY 2020 Estimated | FY 2021 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 73% | 69% | 71% | 70% | 70% | ↑ |

Trend and Analysis

The County hotel occupancy rate, revenue per available room (RevPAR) and average daily rate (ADR) are in line with national trends. Hotel research forecasts that revenue growth will continue to diminish but will remain strong through 2021. Occupancy rates will dip slightly, but remain above 68 percent through 2021. Concurrently, RevPAR is forecast to increase at less than 1 percent. Despite an economy that has supported strong growth in lodging demand and record occupancy levels, hoteliers have been unable to achieve gains in ADR commensurate with what was seen during equally strong market conditions. The agency believes an environment of high occupancy with low ADR growth will persist for 2021.

Uncertainty, tighter lending requirements and escalating construction costs may mitigate the volume of new supply and risk of oversupply. Concurrently, the economy continues to support the demand for lodging accommodations, thus perpetuating occupancy levels above 65.5% (national average). ADR growth is predicted to be less than 1.5 percent through 2021. Not only does this result in a lack of real ADR gains, but the low ADR gains limit RevPAR growth to under 1 percent through 2021. Like other industries, hotels historically have followed the traditional business cyclical performance pattern: peak, contraction, trough, expansion, and back to peak. Research shows that the U.S. lodging industry reached the peak of its current cycle in 2018. History calls for a downturn in 2020 or 2021. However, because the forecast declines in occupancy and real ADR are minimal, the agency is seeing a slight rollback in performance, which leads to sustained expansion starting in 2022.

Performance Measures

| Measure Name | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Estimated | FY 2021 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Resources (Input) | | | | | |
| Full time staff | 4 | 4 | 4 | 6 | 7 |
| Part time staff | 1 | 1 | 0 | 1 | 1 |
| Workload, Demand and Production (Output) | | | | | |
| Overnight visitors | 3,692,600 | 3,702,200 | 3,904,000 | 3,982,080 | 4,100,000 |
| Day visitors | 3,573,800 | 3,794,000 | 4,015,740 | 4,015,740 | 4,000,000 |
| Total visitors to Prince George's County | 7,266,500 | 7,496,100 | 7,997,820 | 7,997,820 | 8,100,000 |
| Quality | | | | | |
| Unique Web site visits (FY data) | 631,814 | 440,453 | 595,000 | 700,000 | 700,000 |
| Tourism direct employment | 22,565 | 25,051 | 27,285 | 27,831 | 28,830 |
| Gross County hotel tax collections | \$28.9 | \$32.8 | \$33.1 | \$33.2 | \$33.2 |

Performance Measures *(continued)*

| Measure Name | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Estimated | FY 2021 Projected |
|--|---------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Gross County admission and amusement tax collections (FY data) | \$14.5 | \$17.7 | \$15.5 | \$15.6 | \$15.5 |
| Impact (Outcome) | | | | | |
| Hotel occupancy rate | 69% | 69% | 71% | 70% | 70% |