



P Massachusetts
PROVINCETOWN

Tourism Economy Report

CY 2019



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1. 2019 CY Overview:

- ❖ Visitor spending continues to remain positive, with three year average growth trend of **3.5%**, lodging **2.5%** and meals **4.1%**
- ❖ Food and beverage has shown a strong and steady increase during years 2014-2018 with a five year increase of **\$15,964,792**
- ❖ CY 2019 air travel into PVC increased by a rate of **3.1%** on top of **13.6% increase** in 2018
- ❖ Blue Economy is a growing opportunity with increased activity in the harbor. Embarkation had a **44%** increase and the Cruise Pier revenue increased by **68%**.
- ❖ The Aug/Sep/Oct period remains the largest meal and lodging visitor spending with **\$38m** spent on meals and **\$17.2m** spent on licensed lodging. This positive trend is encouraging for the economic development of the Town.

1. 2019 CY Overview Continued:

- ❖ **Marketing & advertising remains a key component for sustained growth in tourism revenue. The fiscal years 2018 and 2019 annual tourism budget of \$750,000 is a .3% investment in the Town's \$250,000,000+ tourism industry.**

- ❖ **Tactics used to contribute to the long term economic growth include:**
 - **Targeted digital campaigns using social media and display advertising to reach visitors and prospects**
 - **News releases to generate media interest**
 - **Strategically placed print ads to maintain a necessary presence in travel and trade publications**
 - **Regional radio ads along with extended reach streaming radio ads as well as an outdoor advertising provides a marketing halo of the destination**
 - **Attending key Tourism Business-to-Business Marketplaces and Tourism Consumer Trade Shows**

- ❖ **Infrastructure has a direct effect on visitation. A good example is over the past few years, Herring Cove's parking lot collapsing and disintegrating resulted in a loss of visitors to the beach. While some beachgoers and RV's diverted to Race Point Beach and Province Lands Visitor Center, the number of lost visitors due to the infrastructure at the seashore is left unknown.**

1. 2019 CY Overview Continued:

- ❖ **Retail and surrounding activities are a significant sector of tourism having a penetration of 45% of total visitor spending on a vacation. These businesses are an integral part of the economy.**
- ❖ **Visitor spending has evolved over the past decade. People are interested in creating memories by spending more on experiences and related products and services which evoke emotions and less money on lower priced items.**
- ❖ **Shops and activities are integral attractions to bring visitors to Town**
- ❖ **The National Retail Federation (NRF) states:**
 - **Retail is undergoing an enormous transformation, leaving many asking, “What is the future of retail?” The narrative that the industry is struggling, dying or even suffering a retail apocalypse inaccurately depicts what’s really happening.**
 - **The facts:**
 - **Retail is growing. There are over 1 million retail establishments across the United States, and retail sales have grown almost 4 percent annually since 2010.**
 - **It’s not in-store vs. online. It’s all retail. Of the top 50 online retailers, nearly all operate stores. Industry-wide, online sales make up 10 percent of all retail sales.**

2. Economic Indicators:

A. Transportation – Arriving in Provincetown

I. Embarkation – Arriving by Water

Harbor & Pier

- ◆ Embarkation was the largest revenue growth for the year bringing **+\$19K** - a **40%** increase
- ◆ Cruise ship passengers visiting Provincetown grew by more than **80%** and revenue grew by **67%**
- ◆ Over all Harbor & Pier revenue growth in CY 2019 increased by **20%**

	CY 2017	CY 2018	CY 2019	Δ to LY
Embarkation	\$60,282	\$44,358	\$63,865	44.0%
Moorings	\$64,525	\$81,435	\$82,526	1.3%
Cruise Passengers	1,994	2,396	4,350	81.6%
Cruise Pier Revenue	\$4,500	\$10,500	\$17,500	66.7%

2. Economic Indicators:

A. Transportation – Arriving by Air

II. Provincetown Municipal Airport

- ❖ There were **318** more passengers passing through the airport in CY 2019, a **3%** increase. The reinstatement of the White Plains seasonal flight significantly contributed to the increased passenger traffic.
- ❖ The passenger increase over 2017 is **1,672** a **20%** rebound from a challenging period for PVC
- ❖ BOS/PVC flight supply exceeded passenger demand and signifies an opportunity for growth

2017	PVC-BOS	PVC-HPN	TOTAL	2018	PVC-BOS	PVC-HPN	TOTAL	2019	PVC-BOS	PVC-HPN	TOTAL
JAN	406	0	406	JAN	337	0	337	JAN	340	0	340
FEB	270	0	270	FEB	245	0	245	FEB	229	0	229
MAR	291	0	291	MAR	263	0	263	MAR	139	0	139
APR	388	0	388	APR	436	0	436	APR	119	0	119
MAY	598	0	598	MAY	721	0	721	MAY	701	0	701
JUN	825	10	835	JUN	1,155	0	1,155	JUN	1,110	33	1,143
JUL	1,637	34	1,671	JUL	1,962	0	1,962	JUL	2,031	133	2,164
AUG	1,790	25	1,815	AUG	1,931	0	1,931	AUG	2,185	157	2,342
SEP	983	18	1,001	SEP	1,334	0	1,334	SEP	1,613	21	1,634
OCT	873	0	873	OCT	943	0	943	OCT	774	0	774
NOV	279	0	279	NOV	419	0	419	NOV	526	0	526
DEC	333	0	333	DEC	368	0	368	DEC	321	0	321
TOTAL =	8,673	87	8,760	TOTAL =	10,114	0	10,114	TOTAL =	10,088	344	10,432
	MISCELLANEOUS :		140		MISCELLANEOUS :		202		MISCELLANEOUS :		TBD
	GRAND TOTAL =		8,900		GRAND TOTAL =		10,316		GRAND TOTAL =		10,432

2. Economic Indicators:

A. Transportation – Arriving in Provincetown

III. Driving – Parking once you've arrived

Parking Revenue

- ◆ CY 2019 Parking Revenue increased by more than **\$60K** from CY2018
- ◆ The increase is primarily the result of the MPL Lot and Permits
- ◆ Passport app's growth exhibits and supports longer stays in town

Calendar Year	MPL Lot	Grace Hall Lot	Kiosks & Meters	Passport Electric VFW Rental	Permits	Total	Δ to LY
2019**	\$1,060,378	\$452,906	\$309,408	\$41,464	\$315,805	\$2,179,961	2.9%
2018**	\$1,011,863	\$452,786	\$307,009	\$37,060	\$310,595	\$2,119,313	3.7%
2017**	\$954,993	\$464,381	\$318,288	\$17,944	\$289,042	\$2,044,648	-1.2%
2016**	\$1,042,346	\$455,796	\$290,481	\$4,105*	\$276,555	\$2,069,283	1.6%
2015**	\$1,052,867	\$422,725	\$299,393	\$4,408	\$257,534	\$2,036,927	1.6%
2014	\$1,104,767	\$375,930	\$293,688	NA	\$231,384	\$2,005,769	

** Free month of April; rates increased May 2015

* Shift to automated kiosks

2. Economic Indicators:

B. Accommodations

I. Lodging & Short Term Rentals – Tax Deposits received from DOR

II. Dollars Spent on accommodations in 2019

State Tax =	5.7%
Local Tax =	6.0%
County Tax =	2.75%
Total Tax =	14.45%

- ❖ Five year growth from 2015 to 2019 of **\$817K** is **39.5%**, with **7.9%** average annual growth
- ❖ The implementation of the short term rental tax beginning July 1, 2019 is significantly contributing to the growth and likely responsible for the majority of the increase
- ❖ A better annual comparison will be available once there is a full year of the combined accommodations tax results

ROOM TAX	Q1 Nov/Dec/Jan	Q2 Feb/Mar/Apr	Q3 May/June/Jul	Q4 Aug/Sep/Oct	Total	Spent on Accommodations	% Growth
CY 2019	\$97,239	\$109,202	\$1,129,932	\$1,545,898	\$2,882,271	\$48,037,850	30.0%
CY 2018	\$108,009	\$105,767	\$969,731	\$1,033,335	\$2,216,842	\$36,947,367	-1.7%
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%

2. Economic Indicators:

B. Accommodations

III. Room Trends

IV. Average Annual Room Income

- ❖ On July 1, 2019 short term rental properties began collecting state, local and regional room tax, the 30.0% increase to LY includes Jul-Oct dollars spent on accommodations
- ❖ The average room income increased by 15% over the 5 year period 2014-2018

CY	SPENT ON ROOMS	%Δ	# OF ROOMS COLLECTING ROOM TAX	AVERAGE ROOM INCOME	%Δ
2019	\$48,037,850*	30.0%	N/A	N/A	N/A
2018	\$36,947,367	-1.7%	1,500	\$24,669	-0.8%
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%

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 **\$14,699,939** a **19%** over the five year period
2. The largest three month revenue period over five years was May/June/July 2019 generating **\$40,557,200**

Meals Tax = .75% Deposited into the General Fund

MEALS TAX	Q1 Nov/Dec/Jan	Q2 Feb/Mar/Apr	Q3 May/June/July	Q4 Aug/Sep/Oct	Total Tax Receipts	Total Spent on Meals	Δ to LY
CY 2019	\$46,985	\$37,457	\$304,179	\$298,767	\$687,388	91,651,733	5.7%
CY 2018	\$39,789	\$41,030	\$284,574	\$284,938	\$650,331	\$86,710,800	2.4%
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%

2. Economic Indicators:

C. Attractions & Activities

III. Pilgrim Monument and Provincetown Museum

- ❖ Experienced a decrease in attendance over the past two years
- ❖ In CY 2019 attendance dropped 10,643 on top of CY 2018 decrease of 4,626 guests
- ❖ Anticipating meaningful growth in 2020 leading up to the 400 year anniversary

PMPM visitors	Q1 Jan - Mar	Q2 Apr - Jun	Q3 Jul - Sep	Q4 Oct - Dec	Total	% Growth
2019	384	26,121	49,281	11,661	87,447	-10.9%
2018	554	29,231	55,177	13,128	98,090	-4.5%
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%

2. Economic Indicators:

C. Attractions & Activities

IV. 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	%
2019	21,630	22,370	27,195	27,195	49,735	42,442	83,962	75,410	85,600	34,230	24,117	9,820	503,706	17.5%
2018	13,620	18,730	32,450	21,545	38,238	42,880	77,275	81,128	53,185	29,618	0	19,960	428,629	94.4%
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%

2. Race Point Beach

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
2019	6,946	8,290	11,130	24,514	35,310	55,168	64,178	82,493	76,763	40,378	14,646	8,554	428,360	4.5%
2018	13,748	11,418	14,664	21,330	43,725	47,345	68,690	108,144	68,718	32,133	11,052	7,375	448,342	157.0%
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%

3. Province Lands Visitor Center

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
2019	1,894	2,279	2,764	5,049	6,871	9,712	12,795	15,347	12,721	7,222	2,968	1,746	81,368	5.4%
2018	996	791	1,853	5,103	6,888	9,164	13,545	16,430	10,953	7,314	2,302	1,860	77,199	-13.1%
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%

2. Economic Indicators:

C. Attractions & Activities

IV. Cape Cod National Seashore cont.

Annual Traffic Count and Findings

Herring Cove	Traffic	Δ to LY
2019	503,706	17.5%
2018	428,629	94.4%
2017	220,481	-35.2%

Beach traffic increased **6.3%**

Herring Cove had a significant increase of **75K** visitors

Race Point	Traffic	Δ to LY
2019	428,360	4.5%
2018	448,342	157.0%
2017	174,459	16.7%

Race Point had a decrease of **20K** visitors

Visitor Center	Traffic	Δ to LY
2019	81,368	5.4%
2018	77,199	-13.1%
2017	88,870	-6.4%

The renovation of Herring Cove Beach parking lot has had a great affect on Provincetown beach attendance, and the shift of RV's to the Province Land's Visitor Center

2. Economic Indicators:

D. Other Indicators and Promoting Sustainable Tourism

I. Water consumption and sewer

Water Gallons Billed

Note: Based on monthly reads

Consumer Trends Update on page 16

YEAR	CY 2017	CY 2018	CY 2019
GALLONS	Billable Volume	Billable Volume	Billable Volume
JAN	8,683,000	9,140,000	7,020,000
FEB	6,354,000	7,212,000	6,431,000
MAR	7,607,000	6,526,000	7,680,000
APR	9,667,000	9,835,000	9,544,000
MAY	15,155,000	14,664,000	15,363,000
JUN	19,254,000	22,073,000	21,080,000
JUL	32,403,000	30,086,000	31,792,000
AUG	32,858,000	30,127,000	33,732,000
SEP	17,354,000	21,996,000	22,587,000
OCT	14,148,000	14,020,000	14,270,000
NOV	9,051,000	9,832,000	10,417,000
DEC	8,311,000	8,128,000	7,950,400
TOTAL	180,845,000	183,639,000	187,866,400

Δ year to year

Water	Total Billable Gallons Volume	Δ to LY
2018	187,866,400	3.9%
2018	183,639,000	4.0%
2017	180,845,000	-2.5%

2. Economic Indicators:

D. Other Indicators and Promoting Sustainable Tourism

II. Solid Waste * Estimate until actual billing

Solid Waste Tonnage	MSW	Single Stream	MSW Δ to LY	Single Stream Δ to LY
2019	3,020*	1,244	4.8%	-6.8%
2018	2,881	1,326	7.5%	-2.1%
2017	2,679	1,354	-1.6%	-3.6%

- ❖ Even with the Town water restrictions during high usage months there was a **6 million gallon increase** in June through September significantly contributing to the overall increase in usage for the year
- ❖ The **5%** increase in solid waste exhibits an increased visitor population for the year
- ❖ The **7%** decrease in recyclables suggest the Town 's efforts surrounding unnecessary use of single use plastics has been effective. These green sustainable initiatives directly enhance the image of the Town to current and future tourist.

3. Trackable Consumer Spending:

A. Massachusetts Retail Sales Tax

I. Retail Spending Trends (Years 2018 and 2019 are not yet available from DOT)

Massachusetts State Retail Tax Collected*

YEARS 2018 & 2019 NOT AVAILABLE	Total	Business Count	%Δ
CY 2017	\$2,418,975	298	7.1%
Spending	\$38,703,600		
CY 2016	\$2,258,889	310	.7%
Spending	\$36,142,224		
CY 2015	\$2,243,656	327	-12.4%
Spending	\$35,898,496		
CY 2014	\$2,562,868	304	2.5%
Spending:	\$41,005,888		
CY 2013	\$2,499,884	299	14.6%
Spending:	\$39,998,144		

Average \$ Spent on Retail in fiscal years 2013 – 2017 = **\$38,349,664**

*Retail \$ spent DO NOT include clothing purchases under \$175 per item

While total \$ spent on taxable goods increased in 2017, total business reporting taxable retail sales dropped by **-3.9%**

Shoppers are purchasing more expensive items and life enrichment products and experiences, and less lower priced items

*Excluding state & national chains

3. Trackable Consumer Spending:

B. Taxable Spending

I. Where the Visitor Spends their Money

Retail Sales years 2018 and 2019 are not yet available from DOT

- ❖ Taxable \$ spent on Meals, Licensed Rooms and Retail in FY 2013 – 2016 increased by **+28.8%** an increase of **\$35,919,398**
- ❖ 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
2017	\$84,647,645	\$37,548,456	\$38,349,664	\$160,545,765	5.6%
2016	\$81,184,143	\$34,702,825	\$36,142,224	\$152,029,192	3.3%
2015	\$76,951,794	\$34,393,285	\$35,898,496	\$147,243,575	0.9%
2014	\$74,063,324	\$30,864,759	\$41,005,888	\$145,933,971	6.4%
2013	\$68,227,404	\$28,949,593	\$39,998,144	\$137,175,141	10.1%
5 Years	\$333,204,938	\$145,377,422	\$186,613,004	\$707,008,246	N/A

4. Summary

- ◆ **Annually Tourism in Provincetown is a \$250+ million industry**
- ◆ **Trackable spending for five years, 2013 – 2017 was \$742,927,644**
- ◆ **The ten year growth trends for licensed rooms is steadily increasing. However, the statistics do not provide details on whether the results are due to higher rates and/or increase in occupancy, although, the five year growth of 40% suggests more overnight stays.**
- ◆ **A four month period of Short Term Rental Tax has boosted tax revenue by a +30% increase**
- ◆ **Meal tax revenue continues to show a significant increase in spending and provides opportunities for future industry growth**
- ◆ **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 value of experiences directly affect the spending patterns of tourists**
- ◆ **A green community reducing the carbon footprint promotes and encourages tourism growth**
- ◆ **Marine Tourism is the newest and a very important growth opportunity for the Town**