



*P* Massachusetts  
PROVINCETOWN

# Tourism Economy Report CY 2018



# Contents:

1. **2018 Overview**
2. **Economic indicators:**
  - A. **Transportation - Arriving in Provincetown**
    - I. **Embarkation – Arriving by water**
    - II. **PVC Airport – Arriving by air**
    - III. **Commuting by bus – CCRTA Flex Bus**
    - IV. **Driving – Parking once you've arrived**
  - B. **Accommodations**
    - I. **Licensed Lodging – Tax Deposits received from Department of Revenue (DOR)**
    - II. **Dollars Spent on Rooms**
    - III. **Room Trends**
    - IV. **Average Annual Room Income**
    - V. **Room Tax Ten Year Trends**
  - C. **Attractions & Activities**
    - I. **Food Tourism Activity – Tax Deposits received from Department of Revenue**
    - II. **Food & Beverage Revenue - Dollars Spent on Meals**
    - III. **Meal Tax Ten Year Trends**
    - IV. **Pilgrim Monument and Provincetown Museum**
    - V. **Cape Cod National Seashore Park – Province Lands Activity**
  - D. **Other Indicators and Promoting Sustainable Tourism**
    - I. **Water Consumption & Sewer**
    - II. **Solid Waste**
3. **Trackable Consumer Spending (Meals, Rooms & Retail)**
  - A. **Massachusetts Retail Sales Tax**
    - I. **Retail Spending Trends**
  - B. **Taxable Spending**
    - I. **Where the visitor spends their money**
4. **2018 Summary**

# 1. 2018 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 2018 air travel into PVC increased by a rate of **13.6%**
- ❖ Blue Economy is a growing opportunity with growing activity in the harbor. Moorings had a **26%** increase and the Commercial Pier revenue increased by **355%**
- ❖ 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. 2018 CY Overview Continued:

- ❖ **Marketing & advertising remains a key component for sustained growth in tourism revenue; the annual tourism budget of \$750,000 is a .3% investment in the Town's \$250,000,000 tourism industry**
- ❖ **The tourism organizations, along with all businesses in Town contribute to marketing the largest economic engine. Together the consistent monthly 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 necessary presence in travel and trade publications, regional radio to reach the low hanging fruit, and attending key Tourism Business-to-Business Marketplaces and Tourism Consumer Trade Shows, all contribute to the long term economic growth**
- ❖ **Infrastructure has a direct effect on visitation – Example, over the past two years Race Point Beach has experienced growth exceeding Herring Cove's**
- ❖ **Visitors are making memories by spending more on experience related products and services evoking emotion and less on lower priced items**

# 2. Economic Indicators:

## A. Transportation - Arriving in Provincetown

### I. Embarkation – Arriving by water

- ◆ Began collecting Embarkation Fees for Whale Watches mid-year 2016
- ◆ Further review of deposits from the DOR will provide more details
- ◆ Deposits received are subject to payments received from businesses

Embarkation	Q1	Q2	Q3	Q4	Total	Δ to LY
<b>CY DOR Deposits</b>	Oct/Nov/Dec	Jan/Feb/Mar	Apr/May/Jun	Jul/Aug/Sep	<b>CY DOR Deposits</b>	
<b>FY 2018</b>	\$1,379	\$0*	\$6,825	\$36,944	<b>\$45,178</b>	<b>-25.1%</b>
<b>FY 2017</b>	\$19,083	\$0*	\$6,451	\$34,748	<b>\$60,283</b>	<b>36.8%</b>
<b>FY 2016</b>	\$19,442	\$1,568	\$6,281	\$16,779	<b>\$44,069</b>	<b>52.0%</b>

\* A deposit was not received from DOR

## 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 ship passengers visiting Provincetown grew at more than **20%**
- ◆ Further review of embarkation will provide additional insight
- ◆ Over all Harbor & Pier revenue growth in CY 2018 increased by **14%**

	CY 2016	CY 2017	CY 2018	Δ to LY
<b>Embarkation</b>	\$44,069	\$60,282	\$45,178	<b>-25.1%</b>
<b>Moorings</b>	\$38,430	\$64,525	\$81,590	<b>26.5%</b>
<b>Cruise passengers</b>	1,325	1,994	2,396	<b>20.2%</b>
<b>Cruise Pier Revenue</b>	\$2,825	\$4,500	\$20,500	<b>355.6%</b>

# 2. Economic Indicators:

## A. Transportation – Arriving by air

### II. Provincetown Municipal Airport

- ❖ There were **1,214** more passengers into Provincetown in CY 2018 up **13.6%** to LY
- ❖ Lack of pilots continue to be an issue for Cape Air, and freezing White Plains flights supported the BOS/PVS legs
- ❖ White Plains flights are scheduled to resume in 2019 under partnership with another carrier
- ❖ BOS/PVC flight supply was in-line with 2018 passenger demand

<b>2016</b>	<b>PVC-BOS</b>	<b>PVC-HPN</b>	<b>TOTAL</b>	<b>2017</b>	<b>PVC-BOS</b>	<b>PVC-HPN</b>	<b>TOTAL</b>	<b>2018</b>	<b>PVC-BOS</b>	<b>PVC-HPN</b>	<b>TOTAL</b>
<b>JAN</b>	368	0	368	<b>JAN</b>	406	0	406	<b>JAN</b>	337	0	337
<b>FEB</b>	204	0	204	<b>FEB</b>	270	0	270	<b>FEB</b>	245	0	245
<b>MAR</b>	312	0	312	<b>MAR</b>	291	0	291	<b>MAR</b>	263	0	263
<b>APR</b>	375	0	375	<b>APR</b>	388	0	388	<b>APR</b>	436	0	436
<b>MAY</b>	534	0	534	<b>MAY</b>	598	0	598	<b>MAY</b>	721	0	721
<b>JUN</b>	866	5	871	<b>JUN</b>	825	10	835	<b>JUN</b>	1,155	0	1,155
<b>JUL</b>	1,991	80	2,071	<b>JUL</b>	1,637	34	1,671	<b>JUL</b>	1,962	0	1,962
<b>AUG</b>	2,310	87	2,397	<b>AUG</b>	1,790	25	1,815	<b>AUG</b>	1,931	0	1,931
<b>SEP</b>	1,312	34	1,346	<b>SEP</b>	983	18	1,001	<b>SEP</b>	1,334	0	1,334
<b>OCT</b>	819	0	819	<b>OCT</b>	873	0	873	<b>OCT</b>	943	0	943
<b>NOV</b>	411	0	411	<b>NOV</b>	279	0	279	<b>NOV</b>	419	0	419
<b>DEC</b>	309	0	309	<b>DEC</b>	333	0	333	<b>DEC</b>	<b>368</b>	<b>0</b>	<b>368</b>
<b>TOTAL =</b>	<b>9,811</b>	<b>206</b>	<b>10,017</b>	<b>TOTAL =</b>	<b>8,673</b>	<b>87</b>	<b>8,760</b>	<b>TOTAL =</b>	<b>10,114</b>	<b>0</b>	<b>10,114</b>
	<b>MISCELLANEOUS =</b>		<b>57</b>		<b>MISCELLANEOUS =</b>		<b>140</b>		<b>MISCELLANEOUS =</b>		<b>TBD</b>
	<b>GRAND TOTAL =</b>		<b>10,074</b>		<b>GRAND TOTAL =</b>		<b>8,900</b>		<b>GRAND TOTAL =</b>		<b>10,114</b>

## 2. Economic Indicators:

### A. Transportation – Arriving in Provincetown

#### III. Driving – Parking once you've arrived

#### Parking Revenue

- ◆ CY 2018 Parking Revenue increased **\$53K** from CY 2017
- ◆ The improvement is primarily the result of the MPL's **\$57** increase
- ◆ Grace Hall dropped **\$12K** and the VFW picked up some of the revenue

METRIC NAME	MPL	Grace Hall	Kiosks & Meters	Passport & VFW	Total	Δ to LY
<b>2018**</b>	\$1,011,863	\$452,786	\$307,009	\$37,060	<b>\$1,808,718</b>	<b>3.0%</b>
<b>2017**</b>	\$954,993	\$464,381	\$318,288	\$17,944	<b>\$1,755,606</b>	<b>-2.1%</b>
<b>2016**</b>	\$1,042,346	\$455,796	\$290,481	\$4,105*	<b>\$1,792,728</b>	<b>0.8%</b>

\*\* 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 2014 to 2018 of **\$246K** is **12.5%**
- ❖ Five year rate of growth is an average of **3.4%**
- ❖ Aug/Sep/Oct 2018 was the largest 3 month period for licensed lodging and generated \$17.2m in innkeeper revenue

ROOM TAX	Q1 Nov/Dec/Jan	Q2 Feb/Mar/Apr	Q3 May/Jun/Jul	Q4 Aug/Sep/Oct	Total	Spent on Rooms	% Growth
<b>CY 2018</b>	\$108,009	\$105,767	\$969,731	\$1,033,335	<b>\$2,216,842</b>	<b>\$36,947,367</b>	<b>-1.7%</b>
<b>CY 2017</b>	\$122,428	\$140,875	\$953,606	\$1,038,399	<b>\$2,255,308</b>	<b>\$37,548,456</b>	<b>8.2%</b>
<b>CY 2016</b>	\$92,980	\$111,392	\$904,588	\$974,980	<b>\$2,083,940</b>	<b>\$34,702,825</b>	<b>0.9%</b>
<b>CY 2015</b>	\$80,944	\$106,894	\$863,927	\$1,014,238	<b>\$2,066,003</b>	<b>\$34,393,285</b>	<b>4.8%</b>
<b>CY 2014</b>	\$82,101	\$96,341	\$849,508	\$942,922	<b>\$1,970,872</b>	<b>\$32,818,020</b>	<b>4.8%</b>

# 2. Economic Indicators:

## B. Accommodations

### III. Room Trends

### IV. Average Annual Room Income

- ❖ The number of rooms has decreased by **-2.1%** over the past 5 years, a drop of 33 rooms
- ❖ The average room income has increased by **15%** over the past 5 years

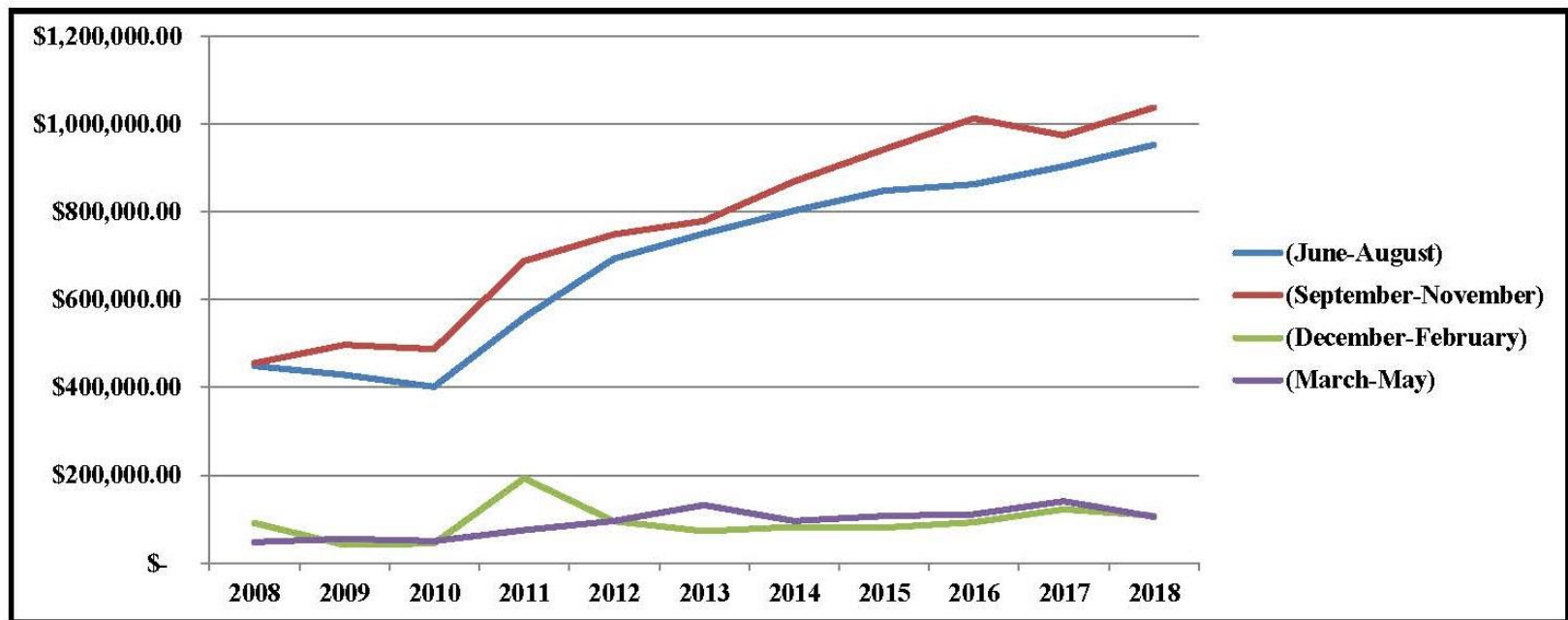
CY	SPENT ON ROOMS	%Δ	# OF ROOMS COLLECTING ROOM TAX	AVERAGE ROOM INCOME	%Δ
<b>2018</b>	\$36,947,367	<b>-1.7%</b>	1,500	\$24,669	<b>-.8%</b>
<b>2017</b>	\$37,548,456	<b>8.2%</b>	1,510	\$24,867	<b>8.2%</b>
<b>2016</b>	\$34,702,825	<b>0.9%</b>	1,510	\$22,982	<b>2.7%</b>
<b>2015</b>	\$34,393,285	<b>4.8%</b>	1,538	\$22,362	<b>5.1%</b>
<b>2014</b>	\$32,818,020	<b>4.8%</b>	1,543	\$21,269	<b>6.5%</b>

# 2. Economic Indicators:

## B. Accommodations

### V. Room Tax Trends

- Ten Year Trend by Quarter



# 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 **\$11,314,143** a **15%** over the five year period
2. The largest three month revenue period over five years was Aug/Sep/Oct 2018 **\$37,199,733**

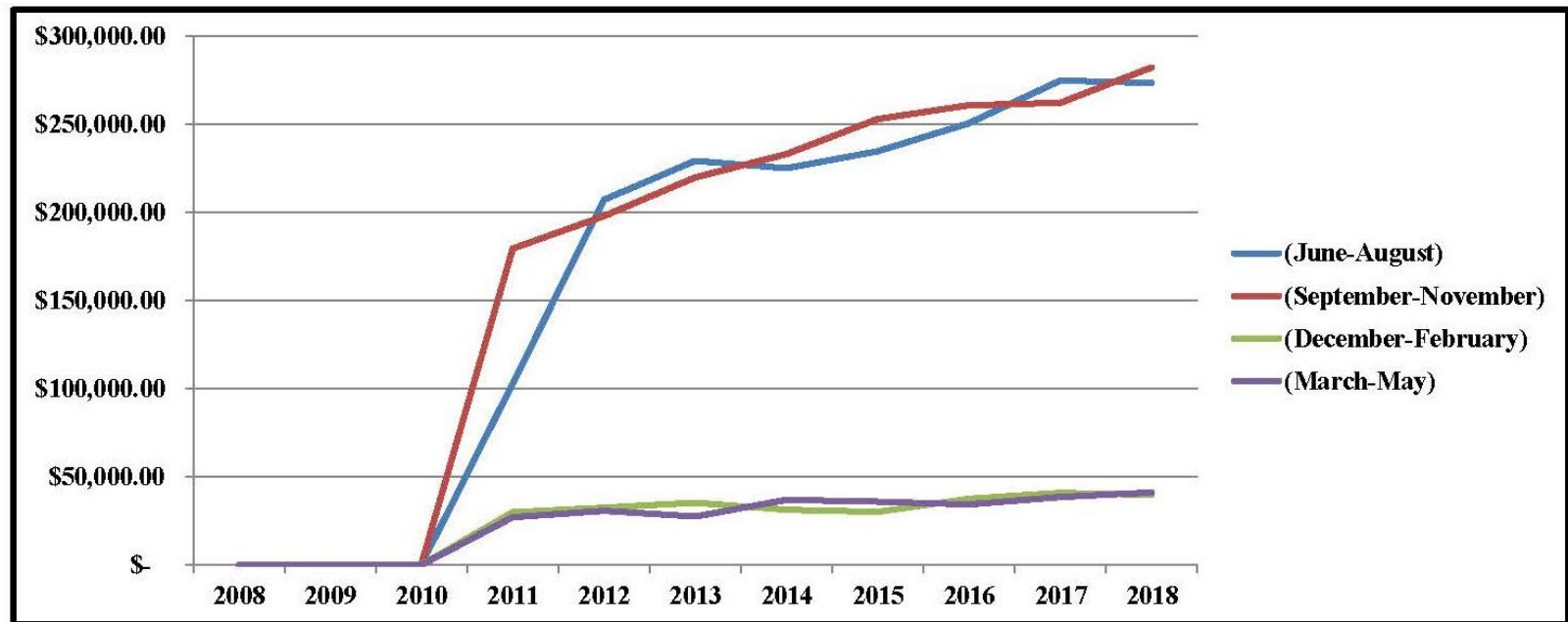
Meals Tax = .75% Deposited into the General Fund

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
<b>CY 2018</b>	\$39,789	\$41,030	\$284,574	\$284,938	<b>\$650,331</b>	<b>\$85,377,467</b>	<b>2.4%</b>
<b>CY 2017</b>	\$40,816	\$38,518	\$273,330	\$282,191	<b>\$634,855</b>	<b>\$84,647,375</b>	<b>4.3%</b>
<b>CY 2016</b>	\$37,410	\$34,242	\$274,806	\$262,238	<b>\$608,696</b>	<b>\$81,184,143</b>	<b>5.5%</b>
<b>CY 2015</b>	\$30,095	\$35,808	\$250,428	\$260,733	<b>\$577,064</b>	<b>\$76,951,794</b>	<b>3.9%</b>
<b>CY 2014</b>	\$31,350	\$36,805	\$234,552	\$252,871	<b>\$555,578</b>	<b>\$74,063,324</b>	<b>6.7%</b>

# 2. Economic Indicators: C. Attractions & Activities

## III. Food & Beverage Tourism Activity

- Ten Year Meal & Beverage Trend by Quarter



## 2. Economic Indicators:

### C. Attractions & Activities

#### IV. Pilgrim Monument and Provincetown Museum

- ❖ Experienced growth of **13.3%** from CY's 2013 to 2016
- ❖ Experiencing stable attendance in CY 2018 with a slight decrease of 4,626 guests
- ❖ Anticipating meaningful growth leading up to and during CY 2020

<b>PMPM visitors</b>	<b>Q1 Jan - Mar</b>	<b>Q2 Apr - Jun</b>	<b>Q3 Jul - Sep</b>	<b>Q4 Oct - Dec</b>	<b>Total</b>	<b>% Growth</b>
<b>2018</b>	554	29,231	55,177	13,128	<b>98,090</b>	<b>-4.5%</b>
<b>2017</b>	0	32,289	57,957	12,470	<b>102,716</b>	<b>-.4%</b>
<b>2016</b>	8	33,272	57,907	11,938	<b>103,125</b>	<b>0.7%</b>
<b>2015</b>	8	30,814	60,608	10,963	<b>102,393</b>	<b>8.5%</b>
<b>2014</b>	5	28,489	56,261	9,631	<b>94,386</b>	<b>3.6%</b>

# 2. Economic Indicators:

## C. Attractions & Activities

### V. 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	%
<b>2018</b>	13,620	18,730	32,450	21,545	38,238	42,880	77,275	81,128	53,185	29,618	0	19,960	<b>428,629</b>	<b>94.4%</b>
<b>2017</b>	8,301	11,893	10,893	15,462	15,399	44,410	40,385	25,571	20,626	14,504	8,117	4,920	<b>220,481</b>	<b>-35.2%</b>
<b>2016</b>	6,940	10,715	18,180	16,766	21,130	43,821	76,276	70,050	36,128	21,477	10,318	8,075	<b>340,076</b>	<b>5.6%</b>

### 2. Race Point Beach

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
<b>2018</b>	13,748	11,418	14,664	21,330	43,725	47,345	68,690	108,144	68,718	32,133	11,052	7,375	<b>448,342</b>	<b>157.0%</b>
<b>2017</b>	3,155	4,634	3,387	14,357	13,796	21,139	29,877	38,403	22,400	14,479	5,939	2,893	<b>174,459</b>	<b>16.7%</b>
<b>2015</b>	2,495	2,653	5,430	10,492	14,108	17,036	30,283	37,057	10,654	12,829	4,218	2,204	<b>149,459</b>	<b>.75%</b>

### 3. Province Lands Visitor Center

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
<b>2018</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>0</b>	<b>0%</b>
<b>2017</b>	996	659	1,548	6,176	7,404	11,401	17,360	20,075	10,944	7,726	2,670	1,911	<b>94,928</b>	<b>-6.4%</b>
<b>2016</b>	522	659	1,850	6,113	8,651	11,642	21,055	21,710	11,480	7,422	3,180	624	<b>95,526</b>	<b>-.62%</b>

# 2. Economic Indicators:

## C. Attractions & Activities

### V. Cape Cod National Seashore cont.

#### Annual Traffic Count and Findings

Herring Cove	Traffic	Δ to LY
2018	428,629	94.4%
2017	220,481	-35.2%
2016	340,076	5.6%

Beach traffic was up  
**122.1%**

Race Point had a significant increase of 481K visitors

Race Point	Traffic	Δ to LY
2018	448,342	157.0%
2017	174,459	16.7%
2016	149,459	.75%

Herring Cove has a severe decrease of 208K visitors

Herring Cove parking lot continues affect traffic visiting Provincetown beaches with Race Point receiving overflow.

Visitor Center	Traffic	Δ to LY
2018	N/A	0%
2017	88,870	-6.4%
2016	94,928	-.62%

National Park Service – Cape Cod  
[irma.nps.gov/Stats/Reports/Park/CACO](http://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: Based on monthly reads

Consumer Trends Update on page 16

	CY 2015	CY 2016	CY 2017	CY 2018
	Billable Volume	Billable Volume	Billable Volume	Billable Volume
JAN	7,855,000	7,632,000	8,683,000	9,140,000
FEB	8,264,000	6,958,000	6,354,000	7,212,000
MAR	7,236,000	7,225,000	7,607,000	6,526,000
APR	9,121,000	9,967,000	9,667,000	9,835,000
MAY	16,330,000	15,058,000	15,155,000	14,664,000
JUN	20,209,000	21,544,000	19,254,000	22,073,000
JUL	30,660,000	32,484,000	32,403,000	30,086,000
AUG	33,991,000	32,978,000	32,858,000	30,127,000
SEP	21,495,000	20,067,000	17,354,000	21,996,000
OCT	14,176,000	14,950,000	14,148,000	14,020,000
NOV	7,993,000	8,772,000	9,051,000	9,832,000
DEC	6,718,000	7,871,000	8,311,000	8,128,000
<b>TOTAL</b>	<b>184,048,000</b>	<b>185,506,000</b>	<b>180,845,000</b>	<b>183,639,000</b>

#### Δ year to year

Water	Total Billable	Δ to LY
2018	183,639,000	4.0%
2017	180,845,000	-2.5%
2016	185,506,000	.8%
2015	184,048,000	1.1%

# 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
2018	2,880*	1,326	7.5%	-2.1%
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%

- ❖ Even with the Town water restrictions during high usage months the overall usage increased 2,794,000 gallons over the twelve months
- ❖ The increase in solid waste and recyclables shows an overall increase suggesting more people using more products

# 3. Trackable Consumer Spending:

## A. Massachusetts Retail Sales Tax

### I. Retail Spending Trends

#### Massachusetts State Retail Tax Collected\*

	Total	Business Count	%Δ
<b>FY 2016</b>	\$2,258,889	310	.7%
Spending	\$36,142,224		
<b>FY 2015</b>	\$2,243,656	327	-12.4%
Spending	\$35,898,496		
<b>FY 2014</b>	\$2,562,868	304	2.5%
Spending:	\$41,005,888		
<b>FY 2013</b>	\$2,499,884	299	14.6%
Spending:	\$39,998,144		
<b>FY 2012</b>	\$2,181,561	300	0.2%
Spending:	\$34,904,976		
<b>FY 2011</b>	\$2,175,344	303	-6.1%
Spending:	\$34,805,504		

Average \$ Spent on Retail in fiscal years 2012 – 2016 = \$37,322,601  
\*Retail \$ spent DO NOT include clothing purchases under \$175 per item

While total \$ spent on taxable goods increased in 2016, total business reporting taxable retail sales dropped by **-5.2%**

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

- ❖ Taxable \$ Spent on Meals, Licensed Rooms and Retail in FY 2011 – 2016 is **+28.1%** an increase of **\$33,323,984**
- ❖ 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
<b>2016</b>	\$81,184,143	\$34,702,825	\$36,142,224	<b>\$152,029,192</b>	<b>3.3%</b>
<b>2015</b>	\$76,951,794	\$34,393,285	\$35,898,496	<b>\$147,243,575</b>	<b>0.9%</b>
<b>2014</b>	\$74,063,324	\$30,864,759	\$41,005,888	<b>\$145,933,971</b>	<b>6.4%</b>
<b>2013</b>	\$68,227,404	\$28,949,593	\$39,998,144	<b>\$137,175,141</b>	<b>10.1%</b>
<b>2012</b>	\$62,456,083	\$27,265,311	\$34,904,973	<b>\$124,626,367</b>	<b>5.0%</b>
<b>5 years</b>	\$333,204,938	\$145,377,422	\$186,613,004	<b>\$707,008,246</b>	N/A

# 4. Summary:

- ◆ **Tourism in Provincetown is a \$200+ million industry annually**
- ◆ **Trackable spending for five years, 2012 – 2016 was \$707,008,246**
- ◆ **The ten year growth trends for licensed rooms is steadily increasing – The graph on page 11 provides a quarterly measure of this progress. However, the statistics do not provide details on whether the results are due to higher rates and/or increase in occupancy**
- ◆ **Meal tax revenue continues to show a significant increase in spending and provides opportunities for future industry growth**
- ◆ **The addition of a convention capacity conference center will provide growth across all business segments**
- ◆ **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 Green Community reducing the carbon footprint promotes and encourages tourism growth**
- ◆ **The newest and very important growth opportunity is marine tourism**