

# Proposal for Lexington-Fayette County Lodging Management District (Tourism Improvement District)

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February 2026

# Generated by Tourism

## ECONOMIC IMPACT OF TOURISM

Jobs

**11,851**  
In Fayette County  
(2024)

Spending

**\$1.7 Billion**  
Visitor Spending  
(2024)

Tax Revenue

**\$131 Million**  
State and Local  
taxes for Visitor  
Spending  
(2024)

# Hotels by Numbers

**60.70%**

Total Occupancy  
2024 (61.20% in  
2023)

**\$124.42**

ADR 2024 (\$122.46  
in 2023)

**\$75.47**

RevPar 2024 (\$74.89  
in 2023)



“In today’s globalized, networked world, every community must compete for its share of the world’s visibility—its share of attention and respect.

Every community must compete for its share of the world’s tourists, consumers and available talent.

Those communities who fail to compete will lose ground.

They will be left behind.”

*- Jack Johnson, Chief Advocacy Officer, Destinations International*

# Sufficiency of Destination Resources

1

Evaluate industry funding resources

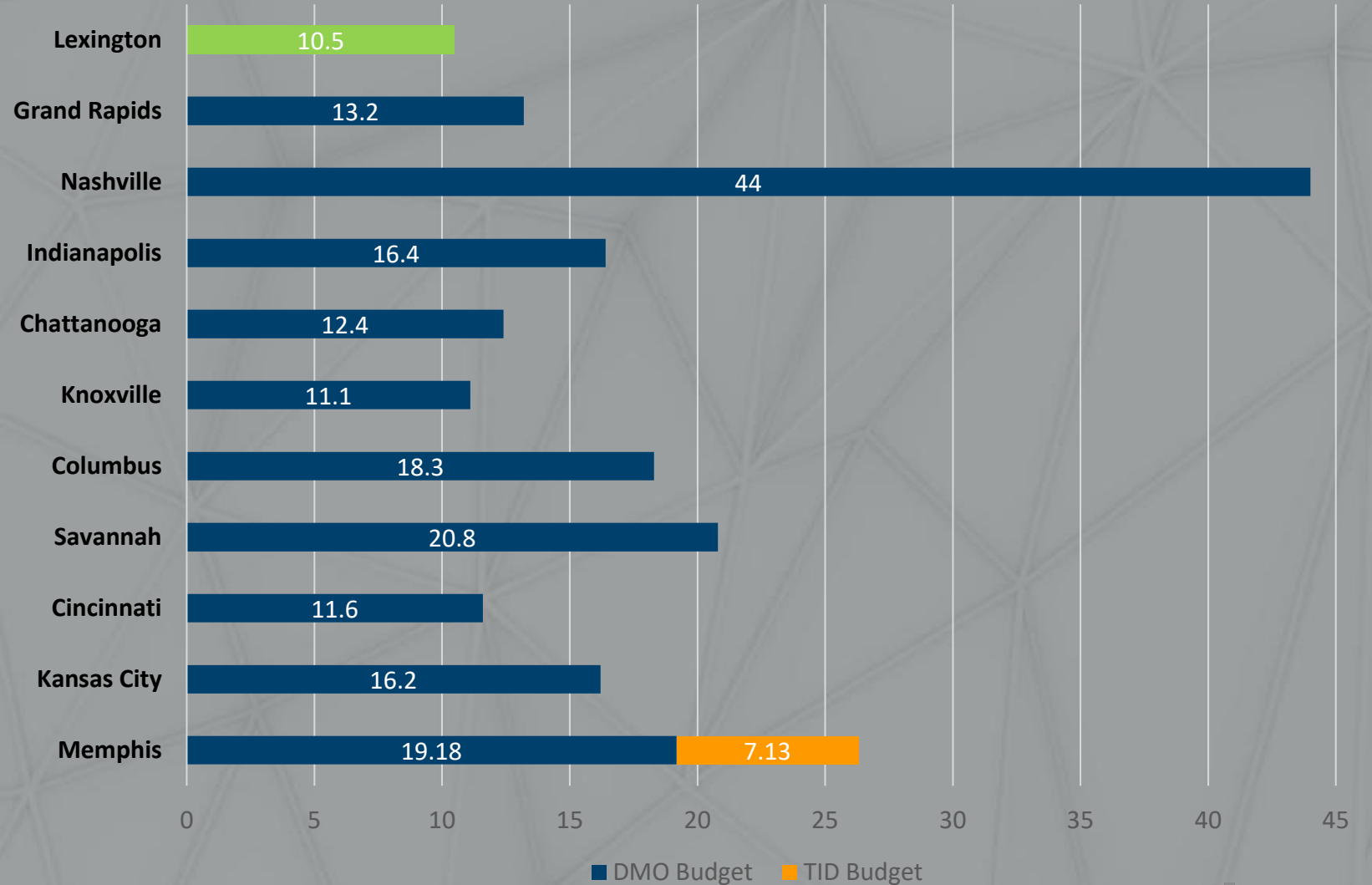
2

Compare budgets to other destinations

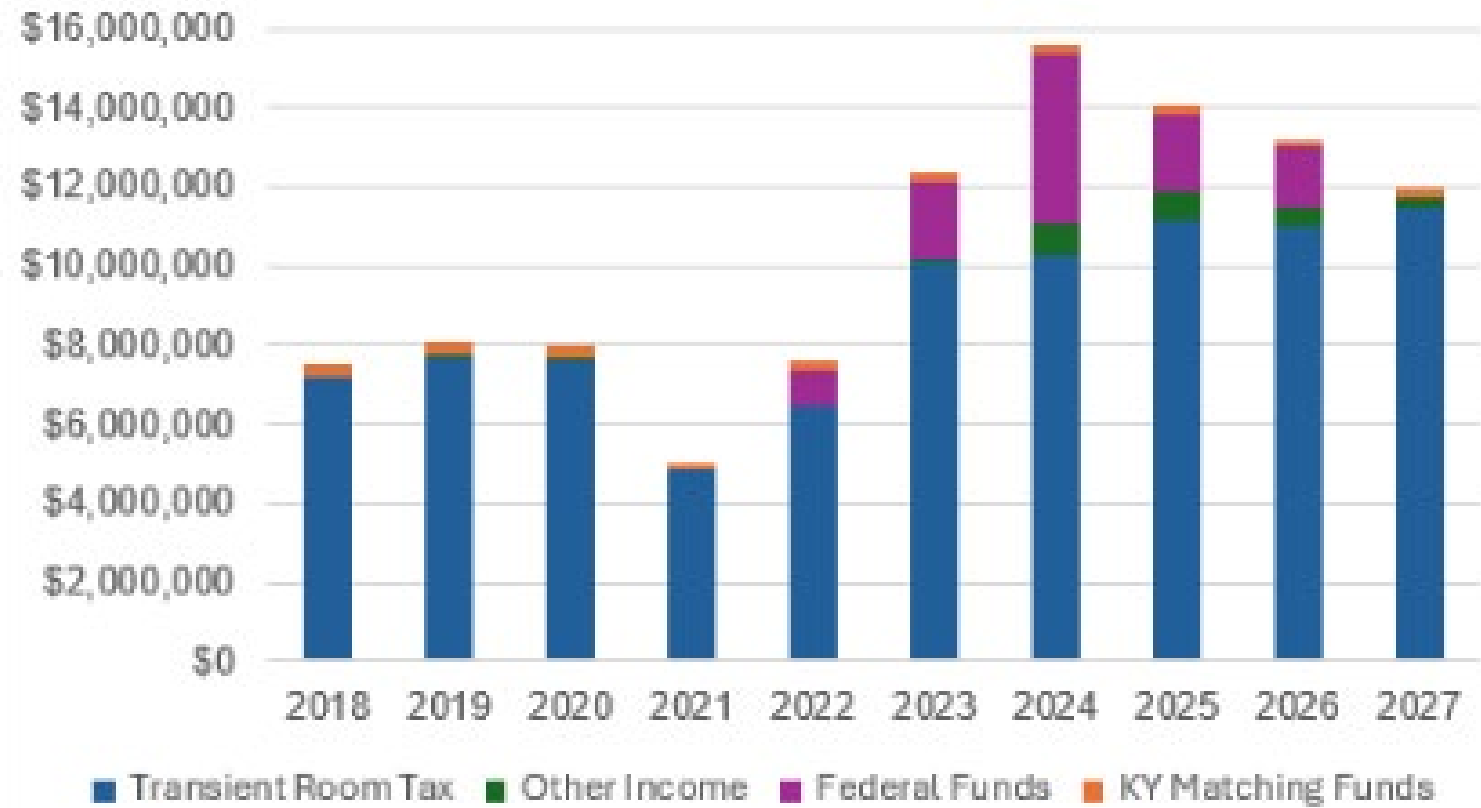
3

Resources based on economic activity & program objectives

## DMO Budget Comparison (Millions)



## VisitLEX Budget



# Louisville, KY

Louisville formed the 200<sup>th</sup> TID in December 2022

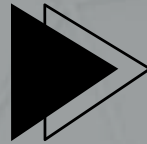
With the assessment of 1.50% of gross room rental on lodging properties with 51+ rooms and raising 7.8 million in 2024. The funds they generate from the District are planned to be used for incentives to generate business in the destination. Some key examples are:

- Promoting to regional and national leisure, convention trade and sports tourism marketing programs, using broadcast, digital, print, out-of-home channels designed to create overnight traffic.
- Working on public relation programs to enhance the profile of the Greater Louisville area.
- Dedicated funds to support incentives by offsetting costs associated with securing strategic industry events, group and convention business and high-profile sports tournaments
- Researching new markets that can result in additional room night sales.
- Provide consolidated business advocacy for workforce development.

# Tourism Management District



Tourism properties pay  
an assessment



Collected by the  
City



Managed by the  
District Board of  
Directors

# Kentucky Management Districts

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## Authorized Jurisdictions

First-class cities (i.e. a city with a population of 100,000 or more), consolidated local governments, and urban-county governments.

## Authorized Activities

Any activity or service that specifically benefits properties within the management district. Economic improvements that may be undertaken include, but are not limited to, the promotion of commercial activity or public events, business development, and capital improvements.

## Governance

The managing body of the district shall be a Board of Directors. The managing body shall be a new, legal entity whose directors shall be appointed by the executive authority of the jurisdiction. All Board members shall be property owners, representatives of property owners, or tenants within the district, except for ex officio members designated by the local ordinance. At least two-thirds (2/3) of the board must be property owners within the district.

## Industry Approval

A written petition, signed by at least thirty-three percent (33%) of property owners within the proposed district and by real property owners who own at least fifty-one percent (51%) of the assessed value of property within the district must be submitted to the executive authority of the jurisdiction to initiate district formation.

# Taxes vs. Assessments

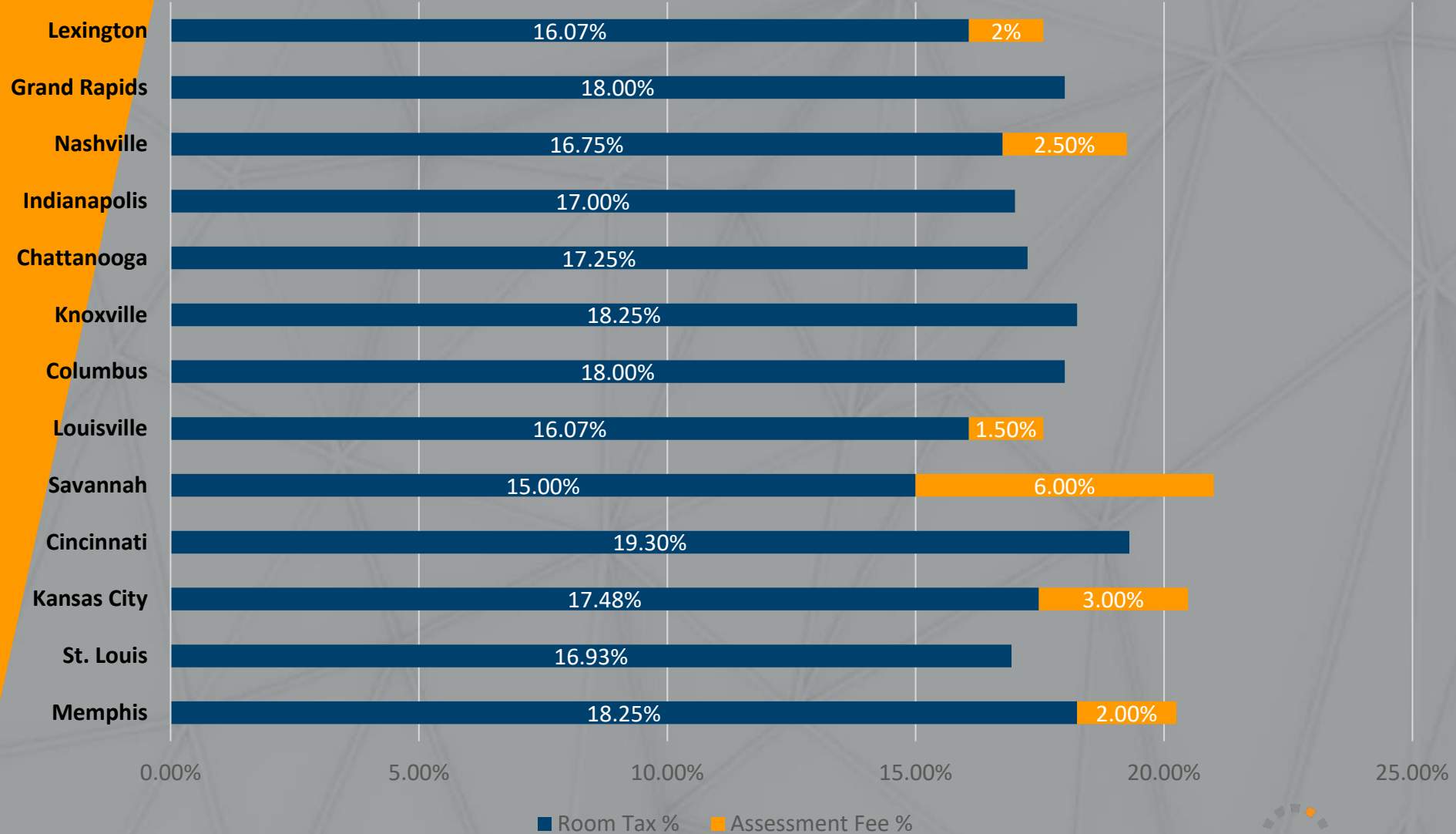
## Taxes

- No defined term
- Government managed and imposed
- No requirement of benefitting the paying businesses
- Funds may be diverted at government discretion

## Assessments

- Specific term and plan
- Payor managed and approved
- Based on benefit to businesses
- Legal accountability to district plan - funds cannot be diverted

## Overall Lodging Charge Fees



# Overview of District Plan

- **District Intent:** Created for the purpose of providing and financing economic improvements that specially benefit assessed properties.
- **Term:** Seven (7) years, renewable upon petition.
- **Assessment:** 2 % transaction charge on gross short-term room revenue on all lodging properties within the radial 5 miles of the city center of Lexington with 2 or more meetings rooms with at least 2,000 square feet of meeting space that include a full-service restaurant.
- **Collection:** The Board of Directors may enter into an agreement with the Lexington-Fayette Urban County Government for the collection of the assessments
- **Annual Budget:** Estimated **\$2.1 million**, fluctuating with room sales.
  - Sales, Marketing, Destination Development, & Special Events
  - Administration & Operations
  - Contingency

**Board Composition:** 9 Directors (2/3 of the total board members must be property owners or their representatives)

# Timeline

Action	Timeline
<b>Petition Drive</b> <ul style="list-style-type: none"><li>The signatures and addresses of at least thirty-three percent (33%) of the owners of real property within the proposed management district and a number of real property owners, who together are the owners of real property equal to at least fifty-one percent (51%) of the assessed value of property within the proposed management district.</li></ul>	<b>January and February 2026</b>
<b>First Reading of the Ordinance</b>	<b>February to March 2026</b>
<b>District Noticing</b> <ul style="list-style-type: none"><li>A summary of the proposed plan for the management district shall be published in a newspaper no less than twice, at least seven (7) but not earlier than twenty-one (21) days before the date of the public hearing. Notice shall also specify the date, time, and place of the hearing. In addition, a copy of the proposed ordinance and the notice of the hearing shall be mailed, by first class mail, to all property owners within the proposed management district.</li></ul>	<b>February to March 2026</b>
<b>Public Hearing</b>	<b>March or April 2026</b>
<b>Second Reading of the Ordinance</b>	<b>April 2026</b>
<b>Board of Directors Established</b> <p>Upon the effective date of the ordinance establishing the management district, a board of directors shall be appointed and shall proceed to implement the economic improvements contained in the ordinance adopted by the legislative body. At least two-thirds (2/3) of the total number of board members, including ex officio members, must be property owners or the representatives of property owners within the district.</p>	<b>April or May 2026</b>
<b>Approval of Annual Budget</b> <p>Upon approval of the annual budget, the board of directors shall publish both the economic improvement plan and the annual budget pursuant to KRS Chapter 424 and shall mail by first class mail to each affected property owner a description of the plan, the fair basis of assessment to be utilized, the estimated cost to the property owner, and the ratio that the cost to each property owner bears to the total cost of the economic improvements.</p>	<b>April or May 2026</b>
<b>Contest Period</b> <p>Any affected property owner shall be afforded the right to contest the amount of the assessment and must file this contest with the Board of Directors within 30 days after receipt of the assessment.</p>	<b>30 days after receiving notice of assessment from Board of Directors</b>
<b>Begins Collections</b>	<b>1<sup>st</sup> quarter after approval of District</b>



# Questions?