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Kent County Commissioners Approve Innovative Agreement with Experience Grand Rapids

GRAND RAPIDS – Experience Grand Rapids continues to market Kent County to visitors and conventioners around the globe. Many downtown hotels were fully occupied during this year's ArtPrize competition and the number of rooms is growing with the anticipated opening of several more hotels in the coming months. This morning the Kent County Board of Commissioners unanimously approved a five year agreement with Experience Grand Rapids to continue its efforts to promote our community.

The County receives a 5 percent tax on hotel and motel occupancies, called the Lodging Excise Tax. This tax helps fund four activities: debt service for DeVos Place, contributions to Experience Grand Rapids, a modest contribution to Festival for marketing, and related administrative costs.

Under its current agreement, the County contributes 16.75 percent of lodging receipts to Experience Grand Rapids (formerly known as the Grand Rapids/Kent County Convention and Visitors Bureau). The new agreement provides for the County to pay Experience Grand Rapids between 17 percent and 18 percent of lodging receipts, based on certain financial benchmarks, over the next five years. This deal also marks the first time in a decade that the County has inked a five year agreement with Experience Grand Rapids (in the past, the County agreed to 3-three year deals with the organization).

"The past five years have seen very solid growth in Lodging Excise Tax receipts," said Dan Koorndyk, Chair of the Kent County Board of Commissioners. "We believe that an annual 4 to 5 percent increase in receipts during the next several years is a reasonable expectation. As a result, we can continue to meet our obligations and also increase our commitment to market the community through our partnership with Experience Grand Rapids."

"The County understands our mission and the benefit of tourism-related revenues to the community," said Doug Small, President and CEO of Experience Grand Rapids. "It has the confidence in our efforts to continue to provide funding for marketing programs and participate as collaborative partners to make a great destination even better."

The County estimates collecting \$9 million in Lodging Excise Taxes 2016. "This is the first time we have used dollar benchmarks as a mechanism to reward performance with Experience Grand Rapids," said Daryl Delabbio, Kent County Administrator/Controller. "I believe this agreement acknowledges the excellent work performed by Experience Grand Rapids, and protects the County through a performance- and incentive-based payment process."

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