

Greater Louisville Lodging Management District (GLLMD)
DBA Louisville Hotel Partnership (LHP)
2023-2024 Annual Report
June 24, 2024

LHP Overview

The Greater Louisville Lodging Management District (GLLMD or District), doing business as (DBA) Louisville Hotel Partnership (LHP) is a public-private partnership established for the purpose of providing and financing economic improvements that will directly benefit privately owned lodging properties with fifty-one (51) rooms or more within the management district as well as serving the public purpose of promoting economic growth through increased tourism.

A Tourism Improvement District (TID) assessment is authorized by ordinance to be imposed which shall not exceed one and one-half percent (1.5%) of gross short-term room rental revenue.

The District operates on a fiscal year ending June 30.

Governance

The Mayor, with the approval of the Council, shall appoint at his or her discretion any persons meeting the statutory requirements of KRS 91.760(2) as members of the Board. Appointments shall include at least the following:

- (a) Four (4) owners or their representatives of assessed lodging properties within the District, with 150 rooms or more:
- (b) Four (4) owners or their representatives of assessed lodging properties within the District, with less than 150 rooms:
- (c) Two (2) other individuals appointed by the Mayor: and
- (d) One (1) board member of Louisville Tourism, who must be an owner or representative of an assessed lodging property within the District.

Voting ex officio members of the Board shall be as follows:

- (a) The Mayor or his or her designee; and
- (b) A member of the Metro Council, as appointed by the Metro Council President.

Non-voting ex officio members of the Board shall be as follows:

- (a) The Chief Financial Officer of Louisville Tourism, or that agency's successor, or his or her designee: and

- (b) A board member or employee of Louisville Tourism whose role in the community is directly related to the purpose of the Board.

All members appointed to the Board of Directors, other than non-voting ex-officio members, shall have the right to vote.

Current members of the Board of Directors are:

Eamon O'Brien-Chairman <i>General Manager, Omni</i>	Samir Shah <i>Owner, KAC Enterprizes</i>
Jay Nichols-Vice Chair <i>Management Company/Musselman</i>	Janet Tyre <i>Director of Operations, Crowne Plaza</i>
Mariah Gratz-Secretary <i>CEO, Weyland Ventures</i>	Kaveh Zamanian <i>Founder/CEO, Rabbithole Distillery</i>
Andrew Blieden <i>Commercial Real Estate</i>	Markus Winkler <i>President, Louisville Metro Council</i>
Andre Donley <i>General Manager, Courtyard</i>	Dana Mayton <i>Deputy Mayor, Louisville Metro Government</i>
David Greene <i>General Manager, Louisville Marriott Downtown</i>	Doug Bennett-Ex officio <i>EVP, Louisville Tourism</i>
Jeff Parrish <i>General Manager, Marriott Louisville East</i>	Chris Kipper-Ex officio <i>CFO, Louisville Tourism</i>

The Board of Directors may undertake the following economic improvements within the District:

1. The marketing and promotion of Louisville Metro as a preferred destination with an emphasis on increasing overnight visitation at the benefited properties in the District; and
2. Any other economic improvement activity that specially benefits property; and
3. Shall consider investment in tourism infrastructure.

Implementation of New Entity Summary:

Ordinance number 198, series 2022 was adopted to create LHP and was signed by Mayor Greg Fischer on December 28, 2022. The board was appointed per the ordinance by Mayor Craig Greenburg and confirmed by Louisville Metro Council.

LHP is a Special Purpose Government Entity (SPGE) under KRS 91.752.

LHP was registered under the state SPGE database following all reporting requirements of the Commonwealth of Kentucky.

The official address for LHP is:

401 West Main Street
Suite 2310
Louisville, KY 40202

An agreement was executed with Louisville Tourism to serve as the management agent for LHP.

An agreement was executed with Louisville Metro Revenue Commission (LMRC) to provide for the collection of the TID assessments in a similar fashion as the transient tax is filed and collected.

Commercial business insurance policies were procured and bound by the board, effective January 22, 2024.

A banking account was opened for all deposits and payments.

The initial budget was presented and approved by Metro Council in August 2023 with the TID assessment implemented with an effective date of October 1, 2023.

The board approved adopting the DBA Louisville Hotel Partnership for Greater Louisville Lodging Management District .

Operational Update and Benefits to Assessed Properties

The TID assessment was implemented October 1, 2023. LHP contracted with LMRC to develop a custom reporting system for filing and collection of the TID assessment. The system was completed and became operational on January 3, 2024, after which time assessed properties could file and remit their assessments for the October through December 2023 period. Collections for this initial three-month period were remitted by LMRC to LHP in February 2024. The system allows for monthly filing and remittance by the assessed properties. LHP receives the TID assessments from LMRC approximately 45 days following the month of stay.

As no funds were received by LHP until February 2024, LHP focused the remaining four months in the fiscal year on building a solid financial foundation for the new entity by establishing operating cash, reserves and contingencies in the first year of operation. This

will position LHP with the resources to manage economic volatility and capitalize on future opportunities to drive business to the city and related assessed properties.

In January of 2024, LHP signed a three-year agreement with Gazebo in the Garden, LLC, to support a two-day music festival at Waterfront Park, featuring Jack Harlow and a second headline act each year beginning in May 2024.

In February of 2024, LHP agreed to fund the Louisville Hotel Association (LHA) annual dues for all assessed Jefferson County properties.

The FY 24-25 LHP Budget and Economic Improvement Plan (EIP) was approved by the LHP Board of Directors on April 25, 2024 and presented to the Louisville Metro Council Budget Committee on June 13, 2024 as the first public meeting. The budget was presented to the full Metro Council for approval on June 20, 2024.

Notifications to all properties were mailed and posted on June 21, 2024.

Map of Assessed Properties in Jefferson County

Currently, there are 123 properties with 51 or more rooms in the assessment area that collectively consist of 17,450 total rooms.

Louisville Hotel Partnership (LHP)
FY/ 2024/2025 Budget

**Greater Louisville Lodging Management District
FY 2024/2025 Budget**

	<u>FY 24/25</u>
<i>Revenue/Sources</i>	
GLLMD assessment revenue	\$ 6,988,569
Interest income	\$ 66,258
Total Revenue/Sources	\$ 7,054,827
<i>Expenditures/Uses</i>	
Sales, marketing, and programs	\$ 5,914,046
Management fee	\$ 360,261
General and administration	\$ 60,000
Contingency & reserve	\$ 720,521
Total Expenditures/Uses	\$ 7,054,827
Net Revenue/Sources over Expenditures/Uses	\$ -