



Tourism Improvement Area Initiative

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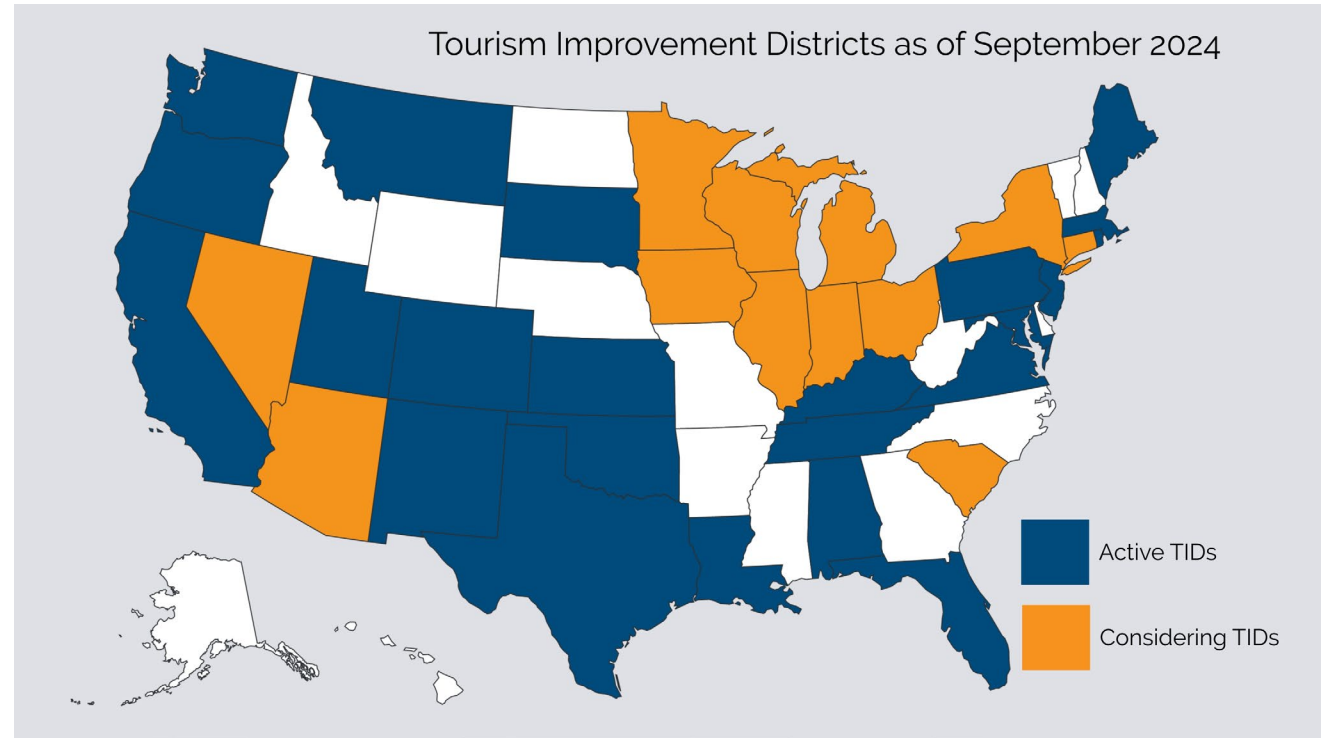
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Tourism Improvement Areas State-Enabling Legislation

- HB2873 – Creation of AZ Tourism Improvement Area
 - Bill introduced in 2025
- Also known as Tourism Improvement Districts or similar name.
- Establishes sustainable new funding model for Arizona destination marketing organizations.
- TIA website: **AZTIA.info**

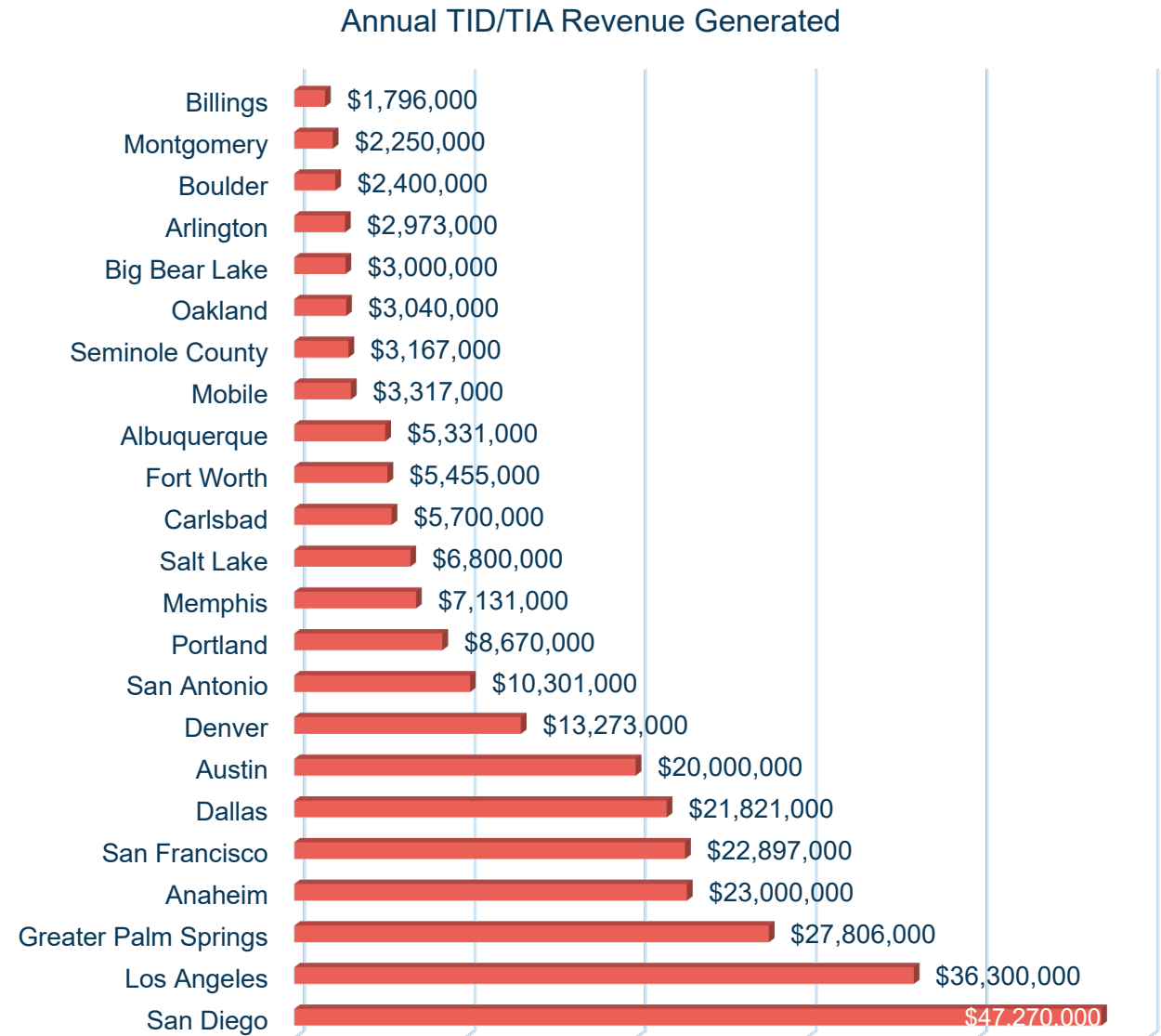


Authorized in 25 states and 215 U.S. destinations,
including direct competitors (CA, TX, UT, NM, CO, FL)

9 additional states considering legislation

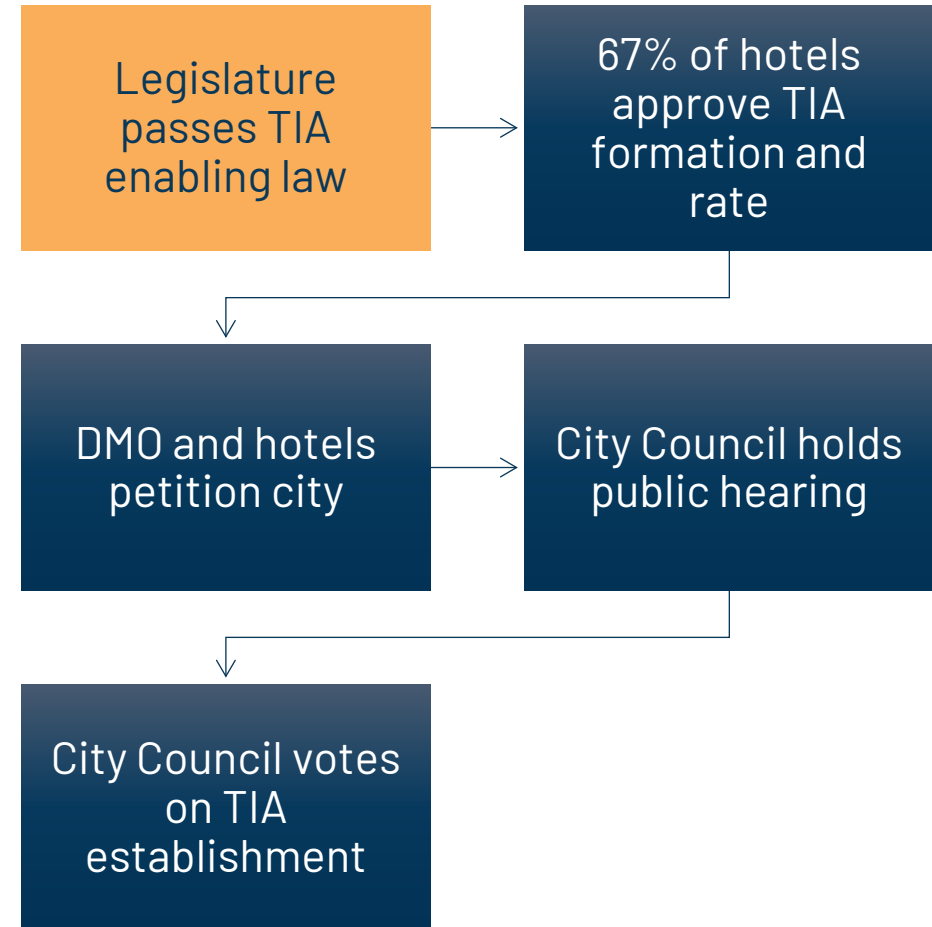
Growth in other destinations

- State legislation enables Arizona hotels and DMOs to work together to establish TIA.
- Texas:
 - Dallas created TBID 2012
 - Austin created TBID 2024
 - 8 Texas cities now generate more than **\$65 million per year** for destination marketing and sales programs with TIDs.
- Recent districts formations:
 - Salt Lake City, UT
 - Minneapolis, MM
 - Boulder, CO
 - Seminole County, FL



How Tourism Improvement Areas would function in Arizona

- Arizona Legislature passes TIA enabling legislation.
- 2/3 or 67% of hotels in city or county vote to establish a Tourism Improvement Area and set assessment rate.
- DMO and hotels petition city to approve formation of TIA.
- City Council holds public hearing.
- City Council votes to approve or deny petition.

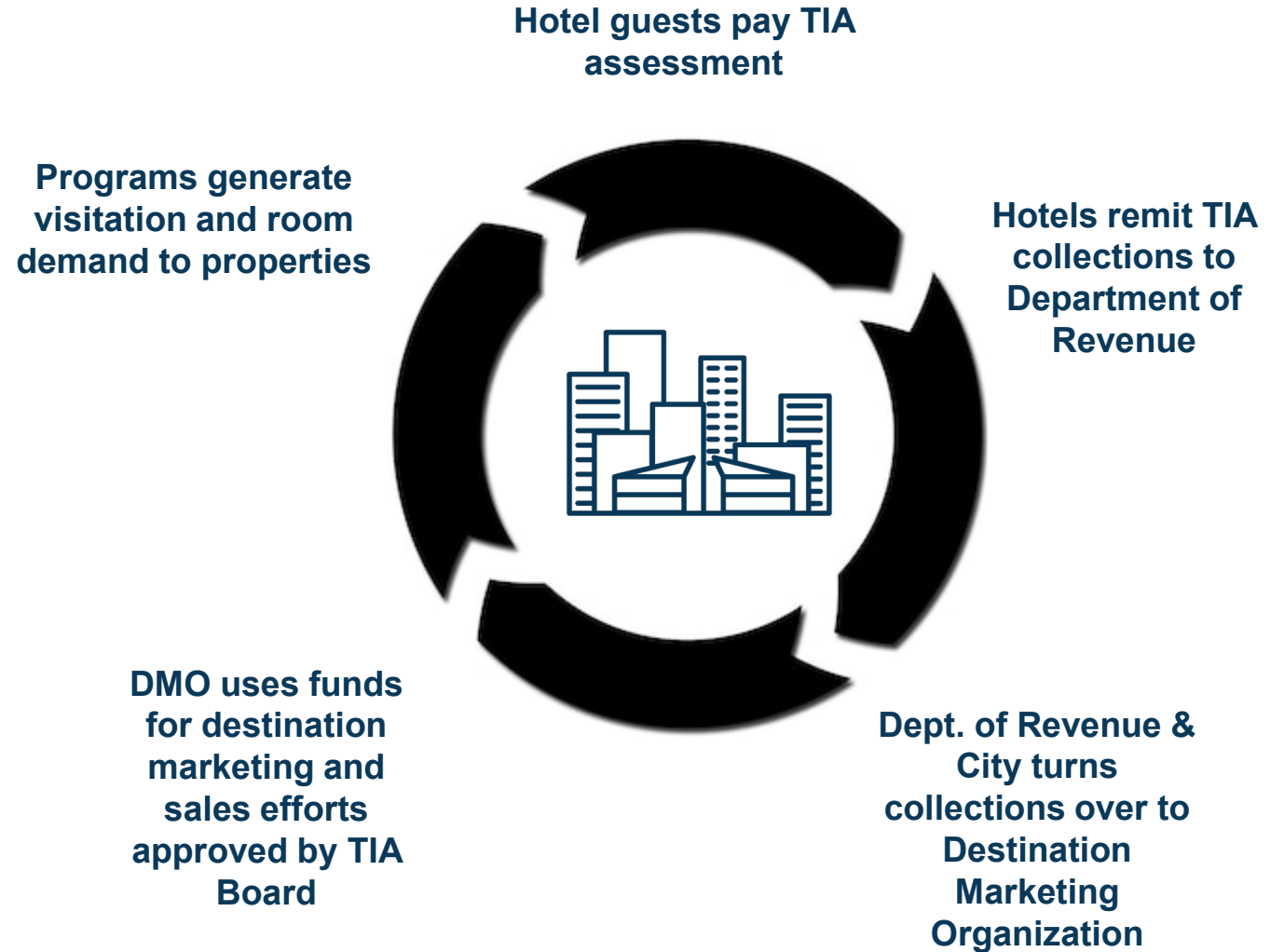


How Tourism Improvement Areas would function in Arizona

- Funds come from assessment on nightly hotel property stays of less than 30 days.
- Funds restricted to tourism-related sale and marketing programs.
- Local governments cannot replace existing tourism budgets with TIA funds.

Accountability

- DMOs manage funds with hotel-led boards for oversight.
- Hotels can dissolve the TIA with 51% majority vote, or municipality can dissolve it.
- Annual audits and performance dashboards required.
- Max of 10 years for initial term.



TIA Fund Usage

- Air service support
- Convention sales promotions
- Enhanced digital marketing
- Event sponsorship & creation
- Media & public relations
- International marketing
- Sports tourism development
- Destination research
- Seasonal & need period promotions
- Marketing content development
- **Excludes infrastructure improvements**



TIA Funding Spins the Community Vitality Wheel

- TIA funding strengthens Arizona's visitor economy
- Stronger demand brings more visitors, more spending and more tax revenue that benefits residents, workers and local businesses.
- The result is a healthier, more vibrant community and a higher quality of life.

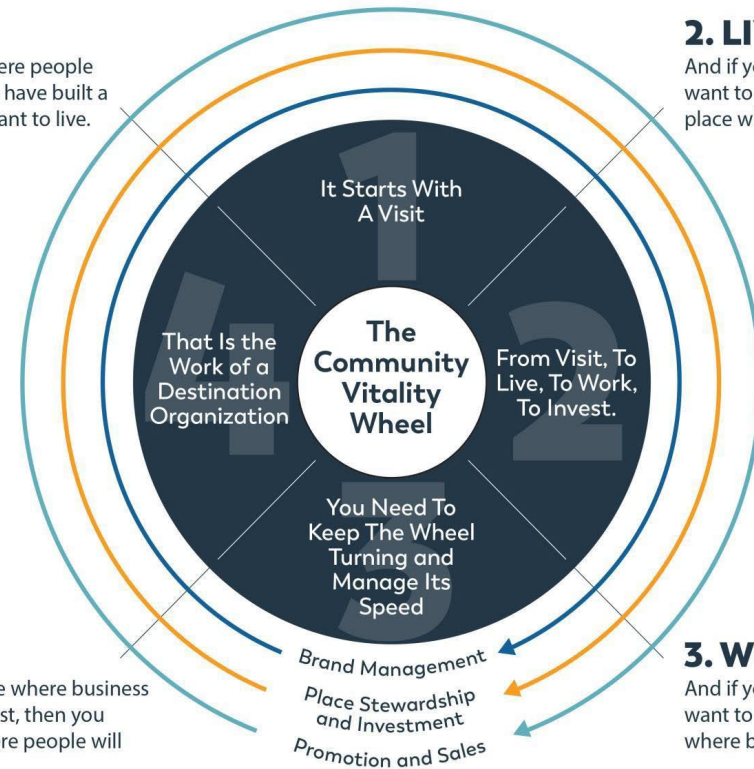
THE WORK OF A DESTINATION ORGANIZATION

1. VISIT

If you built a place where people want to visit, then you have built a place where people want to live.

2. LIVE

And if you built a place where people want to live, then you have built a place where people want to work.



4. INVEST

And if you built a place where business and residents will invest, then you have built a place where people will want to visit.

3. WORK

And if you built a place where people want to work, then you have built a place where business and residents will invest.

“Halo Effect”

Impact of Ad Awareness & Visitation on Economic Development Image

THE "HALO EFFECT"

Tourism advertising and the visitation it inspires have a **positive impact on consumers' image** of destinations as a place for leisure travel and recreation.

Longwoods International set out to determine if gains in image for **Mesa, Phoenix and Scottsdale** from their tourism advertising would extend beyond the appeal as a place to visit.

Economic objectives could also be achieved, such as viewing more favorably as a place to live, work, start a business, attend college, purchase a vacation home and retire.

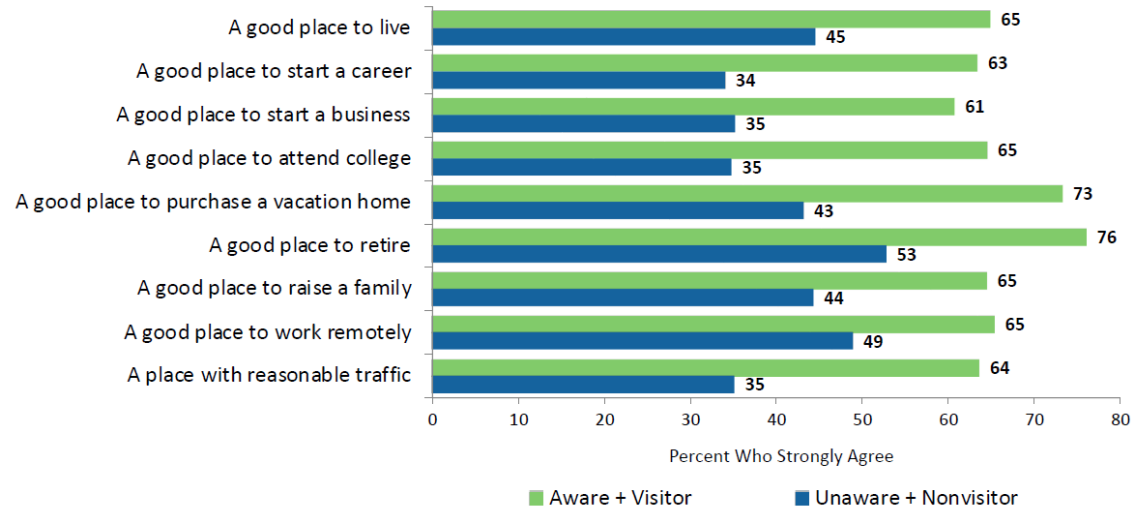
Compares the percentage of travelers aware of advertising and visited the destination to travelers that were unaware of the campaign and have not visited the past two years

- Tourism advertising significantly improved the image of the city for a wide range of economic development objectives.
- Travelers who visited during the past two years also consistently rated the city higher than those who have never visited.

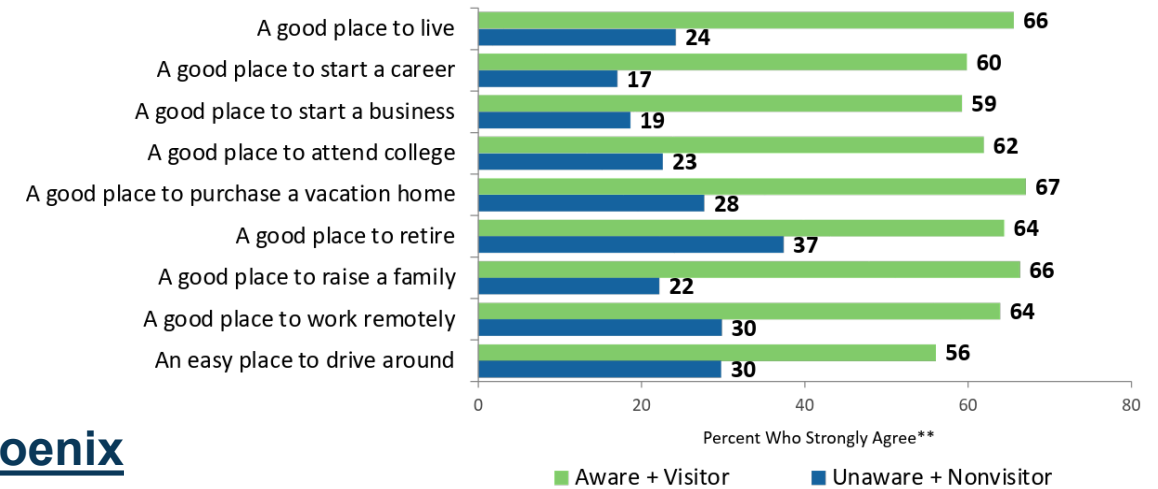
Halo Effect

Tourism promotion and visitation have positive influence on destination image and economic development

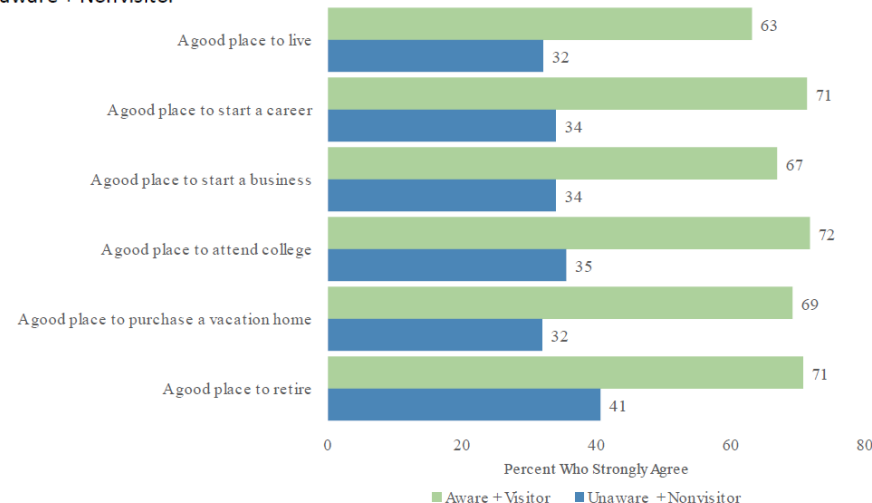
Scottsdale



Mesa



Phoenix



Tourism Improvement Area Legislation

- **Why This Matters:**
 - Tourism is essential to our economy.
 - Funding for Arizona's tourism industry is significantly less than our competition.
 - Traditional funding sources, such as state and city budgets, are not enough to sustain the level of marketing needed to remain competitive.
 - Funds will be controlled locally, ensuring direct benefits to the communities and businesses contributing to the assessment.
 - Funds will help Arizona destinations compete for valuable visitor dollars domestically and globally.



Tourism Improvement Area Legislation Impacts

- Destinations with TIAs in place consistently outperform others, producing on average:
 - **2.1%** lift in room demand
 - **4.5%** lift in room revenue

Source: Tourism Economics, 2021

- Potential Economic Impact for Arizona
(Conservative Scenario - 35% adoption and assessment rate equivalent to \$2 per room per night)
 - Raises **\$20.6M** in TIA funding
 - Produces **\$618.1M** in new visitor spending
 - **\$142.5M** in state and local tax revenue is generated

Source: Rounds Consulting Group, 2025



Support for Tourism Improvement Areas



Hospitality Industry

Hotels, resorts and attractions see direct benefits from increased tourism.

- Increased bookings
- Higher visitor spending



Local Businesses

Major sports teams, restaurants, retail and service providers thrive with more visitors.

- Boosted sales
- Job creation
- Major events



Government

Local and state entities support TIAs for economic development.

- Tax revenue growth
- Community revitalizations



SUPPORTING ORGANIZATIONS



Take Action

- Share information on TIA legislation with staff and colleagues.
- Contact your state legislator and urge them to support TIA legislation during 2026 session.
- Add your logo to the TIA website and materials distributed to legislators to show your support.
 - Eric Kerr: ekerr@visitphoenix.com
 - Kate Yordi: kate@visitmesa.com
 - Stephanie Pressler: spressler@experiencescottsdale.com



Arizona Legislature: Request to Speak Program

- System allows Arizona residents to voice support or opposition to any bill discussed in the Arizona Legislature.
- Requires in-person account signups at State Capitol
- Complete the digital form and Visit Phoenix will setup your account at the Capitol.
- After signing up, you'll receive an email with your login details, which will allow you to update your password, manage your personal information, and verify your status as an Arizona registered voter.
- If you choose to support TIA efforts, we'll follow up with details on how to use the system to share your support for the TIA bill.

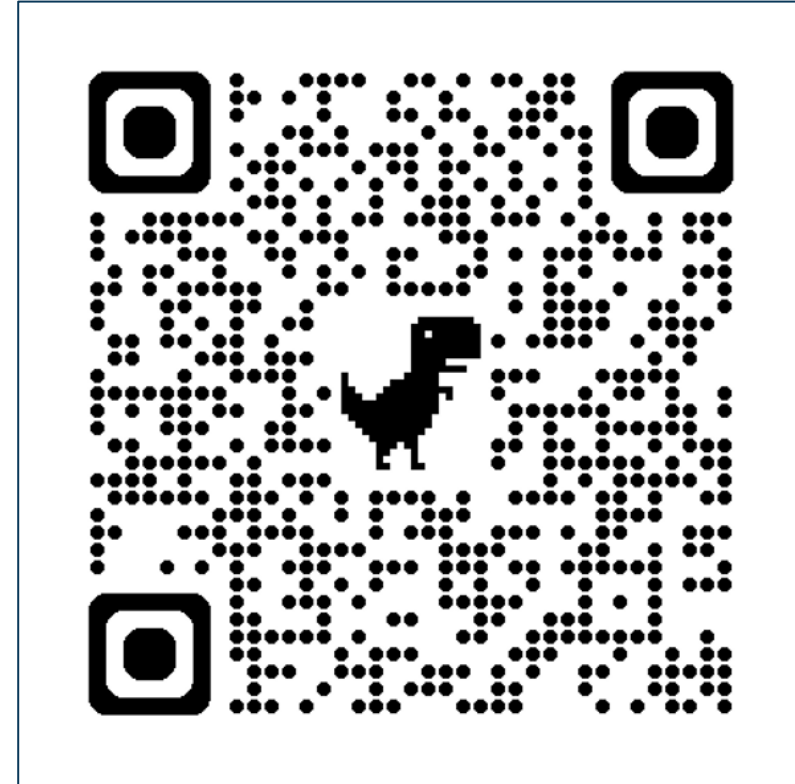
Arizona Legislature Request to
Speak (RTS) Program



Find Additional Information

AZTIA.info

- Past legislation
- Economic impact study
- Fact sheets
- Frequently Asked Questions
- Video and podcast





Questions?

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