

The Impact of the Hospitality & Tourism Industry on Atlanta

Debby Cannon, Ph.D.
Director

Cecil B. Day School of Hospitality
Robinson College of Business
Georgia State University



Hospitality & Tourism in Atlanta

Lodging/
Hotels/
Resorts

Conventions,
Meetings,
Tradeshows,
Events

Restaurants/
Foodservice

Recreation,
Attractions,
Sporting
Events,
Parks

Travel
Air, Rail,
Auto,
Coach

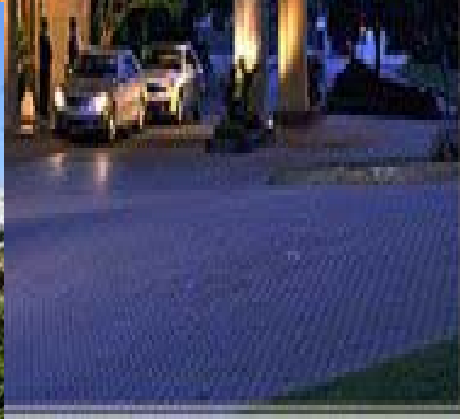
Tourism in Georgia

- **48 million visitors annually who spend over \$25 billion**
- **Supports \$6 billion in resident wages and over 400,000 jobs**
- **8th largest tourism economy in the country**
- **Over \$708.5 million in state tax revenue from visitor expenditures**
- **Equates to a \$380 savings on state and local taxes per household.**

Tourism in Atlanta

- **Accounts for 51% of Georgia's tourism economy**
- **35+ million visit Atlanta annually**
- **More than \$11 billion is generated in visitor spending; \$29 million per day (direct spending)**
- **Sustains over 238,000 jobs**
- **In Atlanta, "Leisure & Hospitality" employs 9.3% of the metro workers**

Atlanta's Lodging Market



Atlanta – 3rd in the nation in hotel rooms

- #1 - Las Vegas (133,186 rooms)**
- #2 - Orlando (112,156 rooms)**
- #3 - Atlanta (92,000 rooms)**

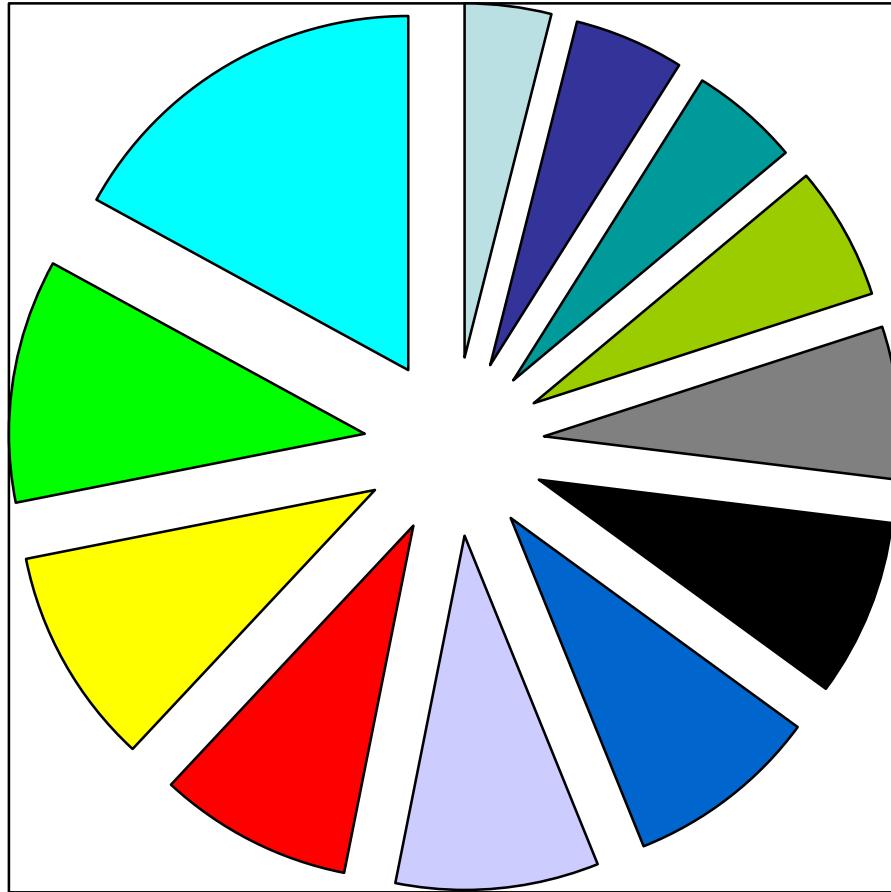


- **15,000** hotel rooms in downtown Atlanta
- **92,000** rooms in Metro Atlanta
- Within next three years, eleven new hotels will add over **2,000** new rooms
- Over **\$210 million** is currently being spent on upgrades and renovations of Atlanta's hotels



Atlanta Market

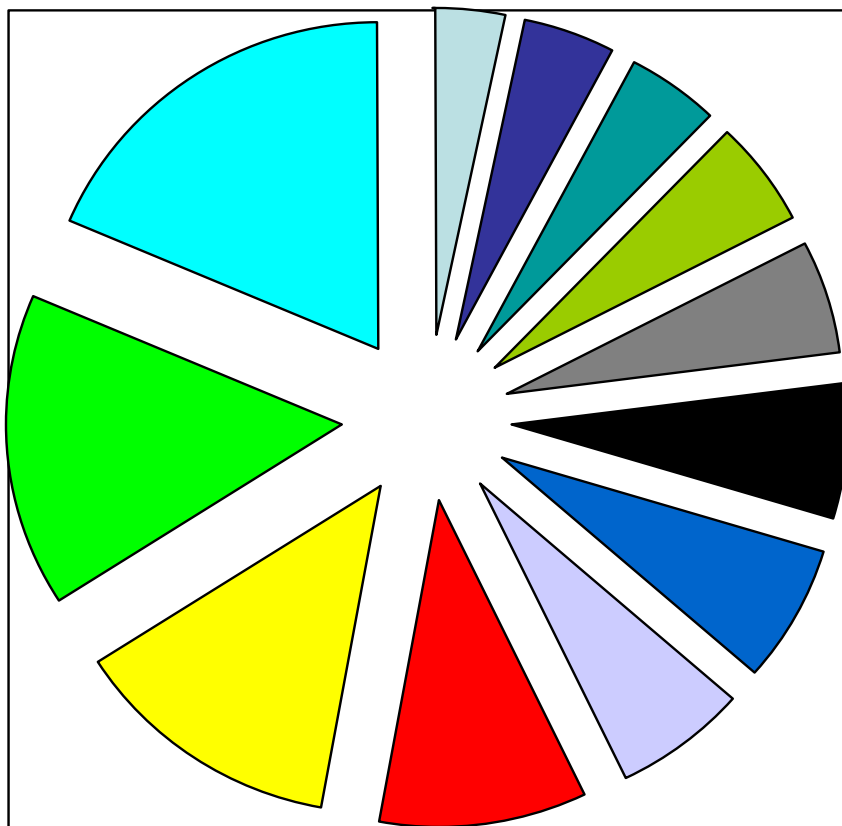
June 2007 Room Supply Share



- Alpharetta 4%
- Perimeter 5%
- West 5%
- Northwest 6%
- Northeast 7%
- East 8%
- Chamblee 9%
- South 9%
- Buckhead 9%
- Galleria 10%
- Airport 11%
- Downtown 17%

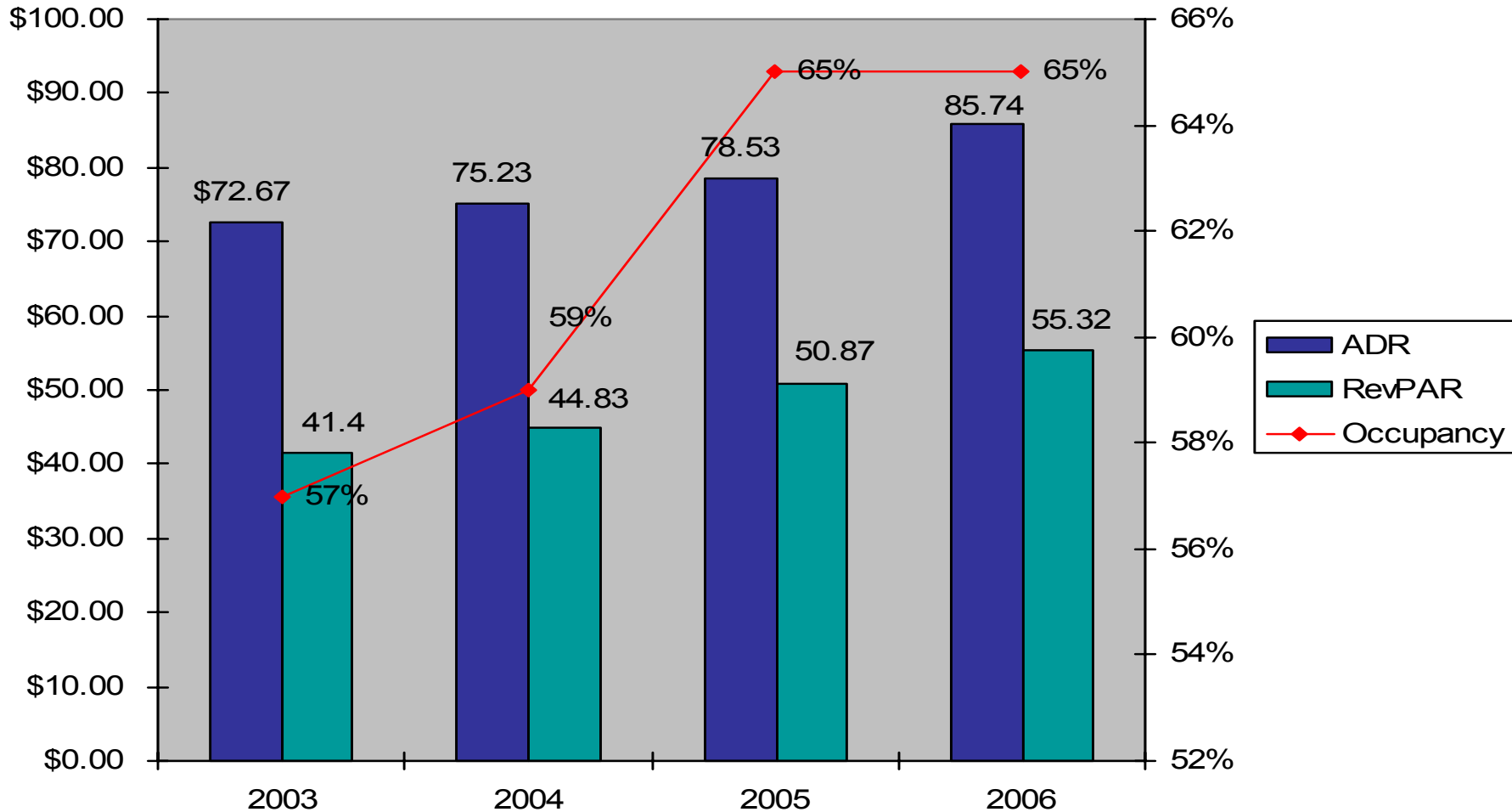
Atlanta

Room Revenue Share

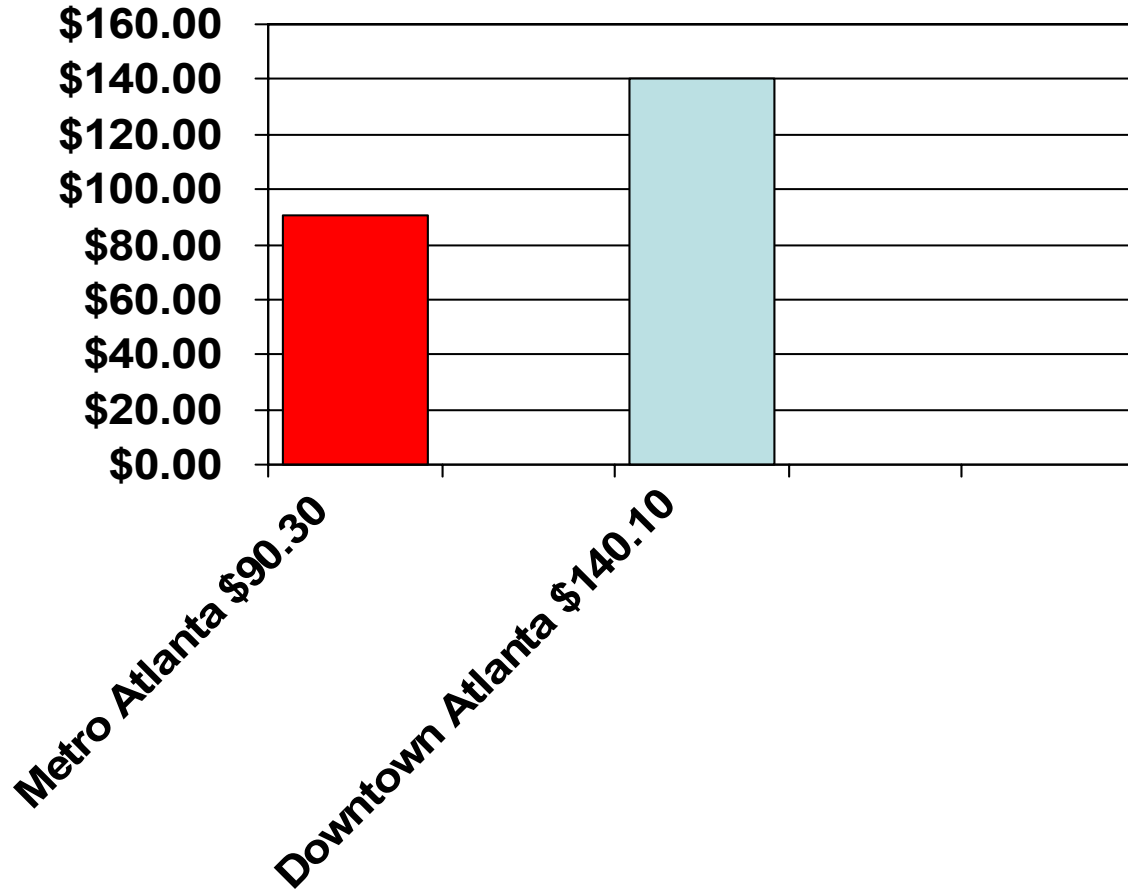


- West 3%
- Northwest 4%
- Alpharetta 4%
- Chamblee 5%
- East 5%
- Northeast 6%
- South 6%
- Perimeter 6%
- Galleria 9%
- Airport 12%
- Buckhead 14%
- Downtown 17%

Metro Atlanta Hotel Occupancy 2003 - 2006

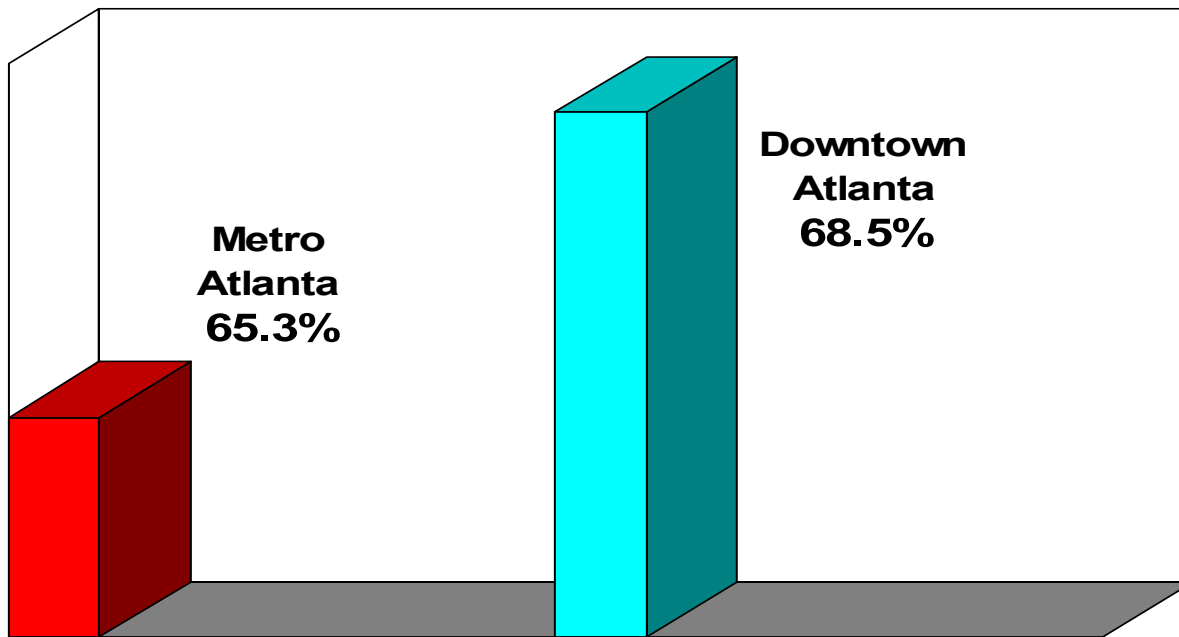


Metro Atlanta Compared with Downtown Hotels - *ADR*



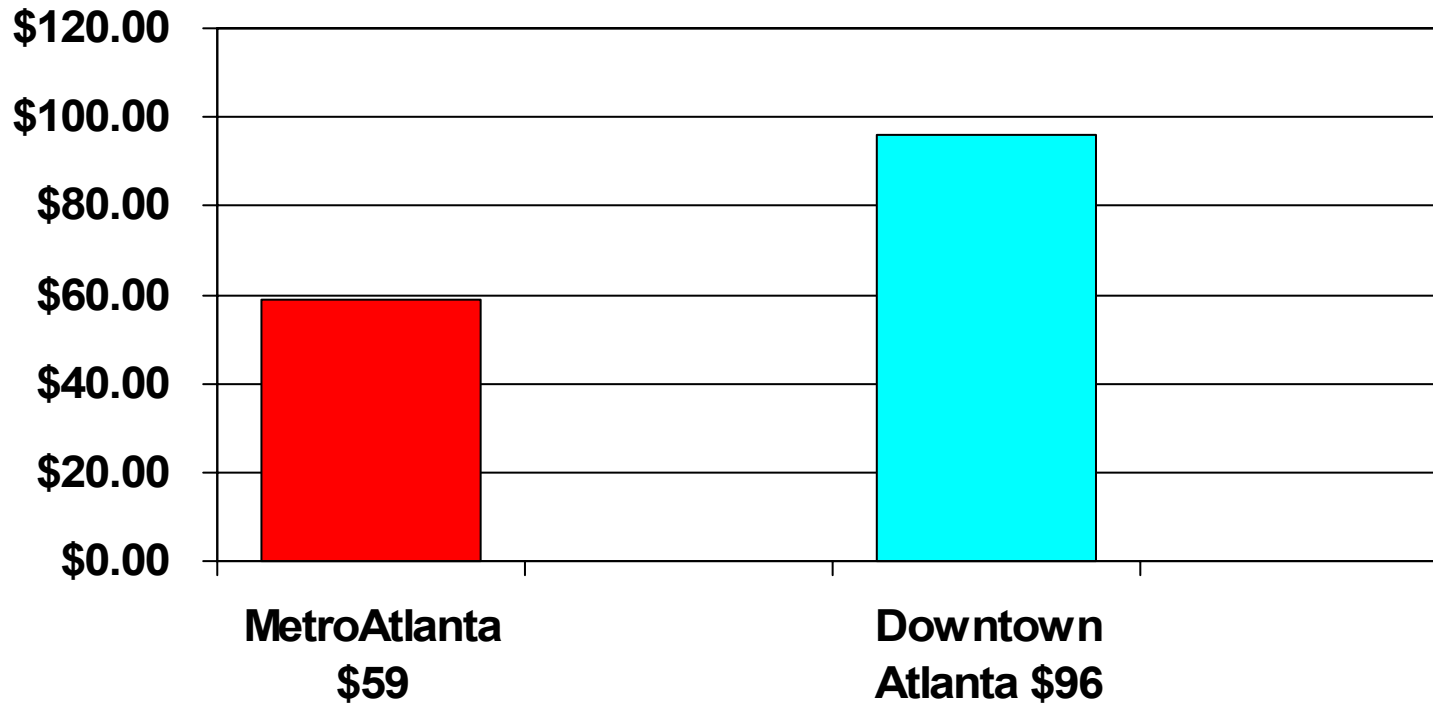
YTD through June 2007;
Atlanta CVB

Metro Atlanta compared with Downtown Atlanta - *Occupancy*



YTD through June 2007;
Atlanta CVB

Metro Atlanta Compared with Downtown Hotels - *RevPAR*



YTD through June 2007;
Atlanta CVB

Upcoming New Hotels



- Fall 2007 - W Hotel Midtown
- Sept. 2007 - Twelve at Centennial Park
- Sept. 2007 - The Ellis Hotel
- December 2008 – Hilton Garden Inn Downtown
- Early 2008 – The Mansion on Peachtree in Buckhead
- 2008 – Grand Bohemian Hotel – Atlanta
- 2008 - W Atlanta Downtown Hotel & Residences
- 2008 – St. Regis Hotel, Atlanta
- 2009 – Hotel Palomar Atlanta
- 2009 – Hilton Hotel in Buckhead
- 2010 – 1 Hotel & Residences, Buckhead Village

The Georgia World Congress Center Authority

A 200-acre campus including –

- Georgia World Congress Center
- Georgia Dome
- Centennial Park



In 2006

- An estimated 1.4 million visitors attended events at the Georgia World Congress Center
 - 56 major tradeshow and conventions
 - 20 public/consumer shows
 - 276 meetings, corporate events & others



Georgia World Congress Center

GWCC Economic Activity	Tax Revenues
New Dollars – \$1,531,557,145	Georgia Sales Tax \$62,436,858
Total Economic Impact – \$2,507,544,577	Local Sales Tax 46,827,645
Personal Income – \$969,490,129	Hotel/Motel Tax 47,997,945
Employment – 32,567	Personal Income Tax/Other \$41,704,878

Georgia Dome - 2006

Dome Economic Activity	Tax Revenues
New Dollars – \$174,260,380	Georgia Sales Tax – 7,619,605
Total Economic Impact \$272,854,522	Local Sales Tax – 5,714,703
Personal Income 105,045,477	Hotel/Motel Tax – 4,826,255
Employment 3,669	Personal Income Tax/Other 4,404,632

A photograph of the Fountain of Rings at Centennial Park. The fountain features multiple water jets spraying upwards from a circular base with colorful, concentric rings in shades of red, orange, and yellow. The water is captured in mid-air, creating a misty effect. The background shows a paved walkway and some greenery.

Centennial Park

- \$781,812 in operating revenue – 2006
- \$4 million earmarked to renovate the Park's signature Fountain of Rings and to provide infrastructure and hardscape improvements.
- Economic revitalization around Olympic Park in excess of \$1 billion –
 - ▶ 2,300 housing units
 - ▶ 550 new hotel rooms
 - ▶ More than 1 million square feet in office space
 - ▶ 146,000 retail space

Other Metro Venues

- The Georgia International Convention Center – Georgia's newest and 2nd largest convention center
- AmericasMart – Largest wholesale marketplace of its kind
- Cobb Energy Performing Arts Center –
Opens in September 2007



Top 2007 Conventions in Atlanta

by Attendance

Show	Attendance	Direct Economic Impact
International Gift & Home Furnishings (January)	93,000	\$121,750,000
International Gift & Home Furnishings (July)	61,000	\$79,800,000
Primerica	50,000	\$52,335,000
Bronner Brothers International Beauty	50,000	\$6,395,000
National Business Aviation Assn.	30,000	\$31,400,000

Top 2007 Conventions in Atlanta

by Attendance

Show	Attendance	Direct Economic Impact
Hinman Dental	23,000	\$24,000,000
Passion Conference	22,000	\$23,000,000
Dragon Con	20,000	\$21,000,000
NAFEM	20,000	\$21,000,000
US Poultry & Egg	19,000	\$19,800,000

Qualitative Results

- Survey of meeting planners who have held meetings in Atlanta -
 - ▶ 94% will definitely or probably recommend Atlanta as an excellent place to host meetings
- Almost half improved attendance when their meetings were held in Atlanta.
- Atlanta's one of the ***friendliest*** cities compared to other meeting destination cities.

Meeting Planner Survey

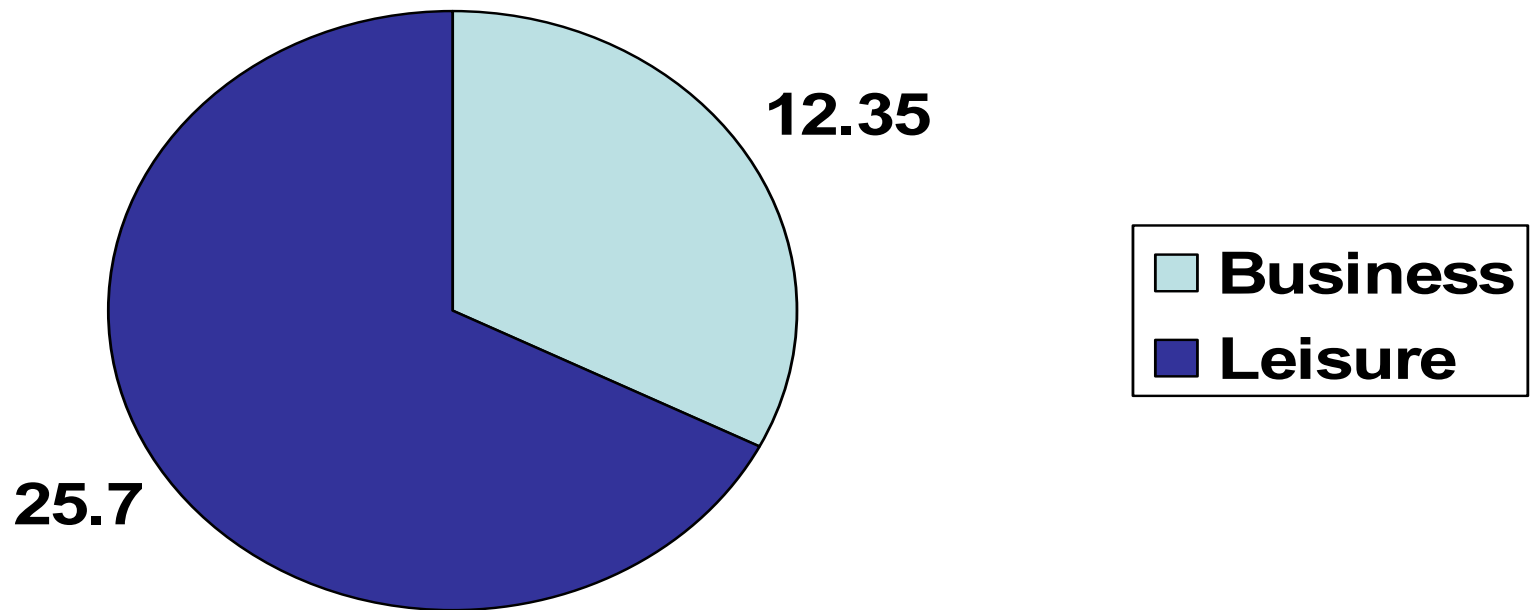
Strengths

- Attitude/Friendliness
- Convention Center/Meeting Facilities
- Overall Dining Experiences
- Overall Hotel Experiences

Opportunities

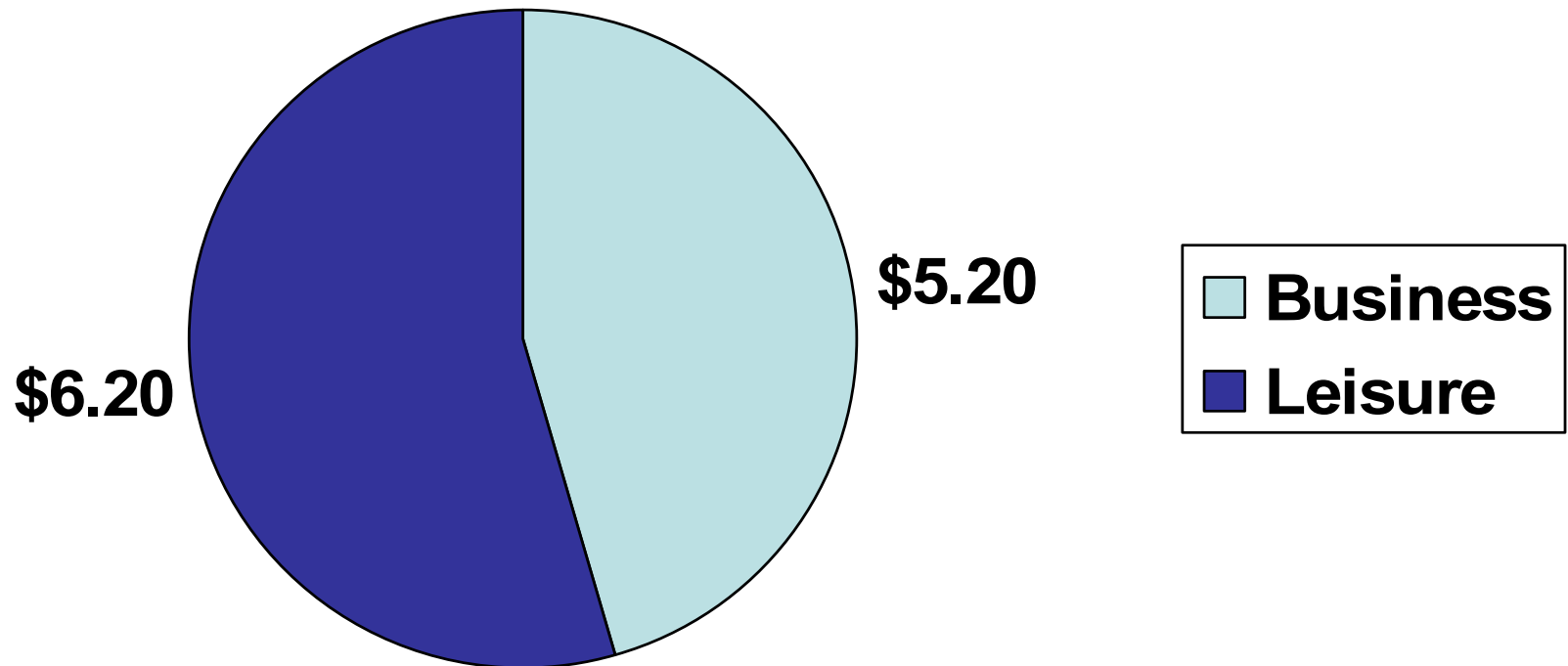
- Perception of Safety
- Ease of getting around the city
- Taxi service
- Nightlife

Visitors to Atlanta – Volume (in millions)



2006 Compared to 2005 - Increase of .7% in volume of leisure visitors; Increase of 13% in business visitors

Visitor Spending (in billions)



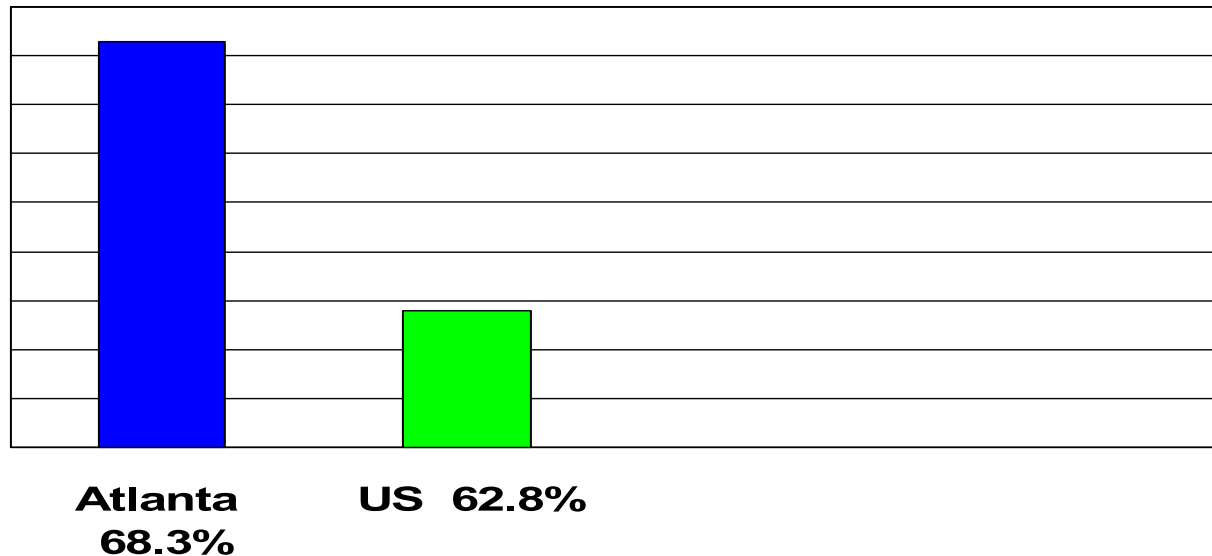
2006 Compared to 2005 - Increase of 10.7% in leisure spending; Increase of 13% in business spending

Day Visitors Compared to Overnight Visitors

	2006 Volume (in millions)	2005 Volume (in millions)	2006 Spending (in billions)	2005 Spending (in billions)
Day Visitors	17.86	18.54	\$1.7	\$1.8
Overnight Visitors	20.19	17.88	\$9.8	\$8.4

Atlanta's Leisure Visitors

- **68.3% of overnight visitors gave Atlanta an “excellent” overall satisfaction rating**
- **Compared to the overall U.S. city average of 62.8%**



Atlanta Distinctions

- #1 destination for African-American visitors
- Heritage tourists – Spend an average of 30% more per trip than average travelers

NATIONAL
BLACK
ARTS
FESTIVAL





Atlanta's Cultural Attractions



- **Georgia Aquarium**
- **World of Coca-Cola**
- **The High Museum of Art -**
 - **Louvre Exhibit through 2009**
- **Atlanta Symphony & Orchestra**



Georgia Aquarium

- Received its **3 millionth guest** within one year of opening
- First U.S. Aquarium in 75 years to record this milestone within the first year.
(Chicago's Shedd Aquarium recorded 4 million guests in first year in 1930.)
- Created over 220 full-time jobs and 150 part-time jobs.



New World of Coca-Cola

- Opened May 2007
- **Expected Annual Attendance – 1 million**

Together with its neighbor, The Georgia Aquarium, expected economic impact over the next five years – **in excess of \$1 billion.**



Restaurants in Atlanta

- 8,000 of Georgia's 11,000 restaurants are in Atlanta
- December 2005 – December 2006 – 715 new restaurants licensed in the metro area ranking 6th in the nation





Atlanta's Restaurants

- Atlanta ranked 5th nationwide in the number of Zagat-rated restaurants

- Recent category – “***Culinary travelers***”

Those who travel for unique and memorable eating or drinking experiences make up approximately one-fifth of the U.S. leisure traveling population.

(Travel Industry Association)



Restaurant Employment

- 2007 projected employment in Georgia's restaurants – 382,500
 - ▶ 81.3% of these employees work in Atlanta
 - ▶ 311,200 employees
- Projection for employment in this industry in 2017 - 460,400 equates to a 20.4% increase





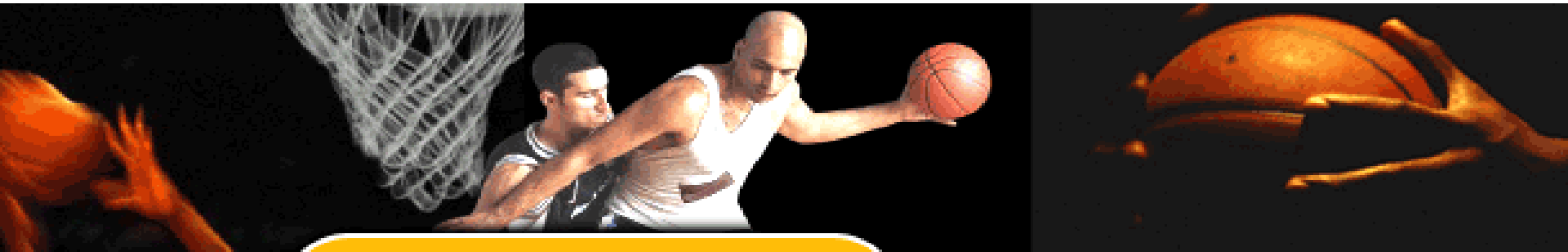
Recreation/Sports

- **Atlanta Motor Speedway** – expected to generate revenues of over \$2.275 billion over the next five years – double the combined revenues of the Braves, Falcons and Hawks
- In just two race weekends per year, **NASCAR** contributes \$455 million to the Georgia economy



Comparisons

- \$5.1 billion for **Summer Olympics** (1989 – 1996)
- 2000 SuperBowl - \$292 million
- 2003 **NBA All-Star Game** - \$34.2 million (30,000 attended although arena only holds 18,000)
- 2007 **NCAA Men's Final Four**
 - \$61 million for the State.
 - \$53 million for Metro Atlanta – 75,000 out of town visitors for 3-day event
- Sports Council uses multiplier effect of 1.4



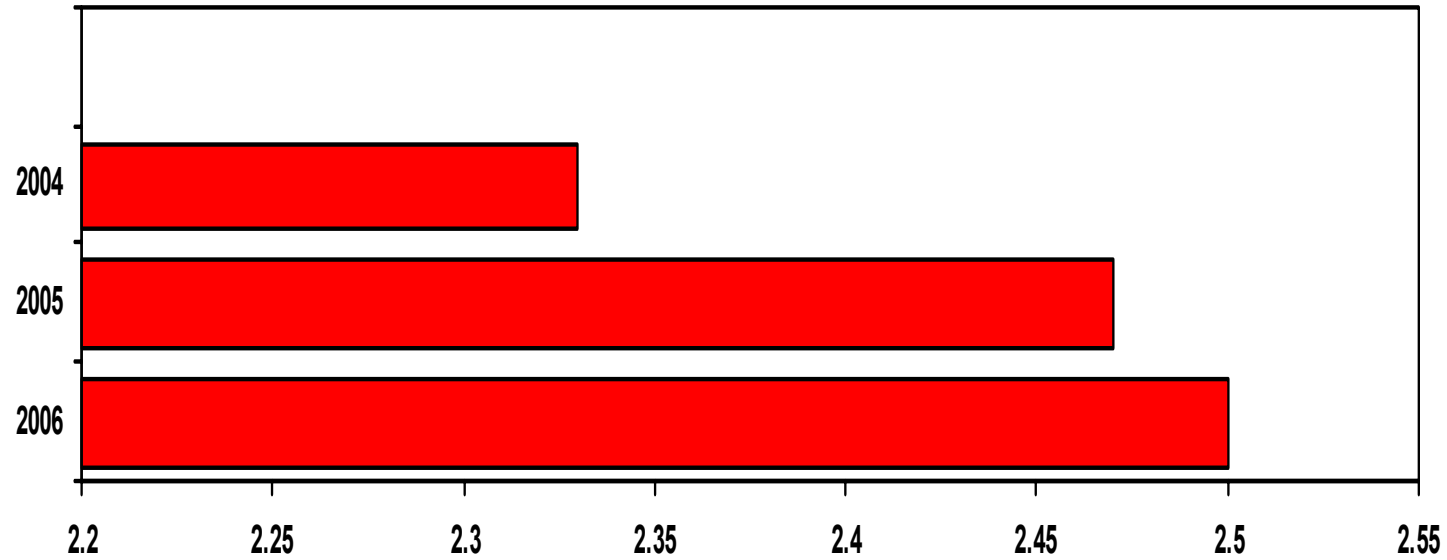
Atlanta Braves

- The Atlanta Braves total attendance in 2006 was 2,550,524.
- The Braves have drawn more than 2,000,000 fans for 16 consecutive seasons and have eclipsed 2,500,000 in 13 of the past 15 seasons.
- **The 2007 attendance figures are currently 4% over the 2006 pace.**



Braves Regular Season Tickets Sold

(in millions)



Marketing Atlanta

- **CityPass**



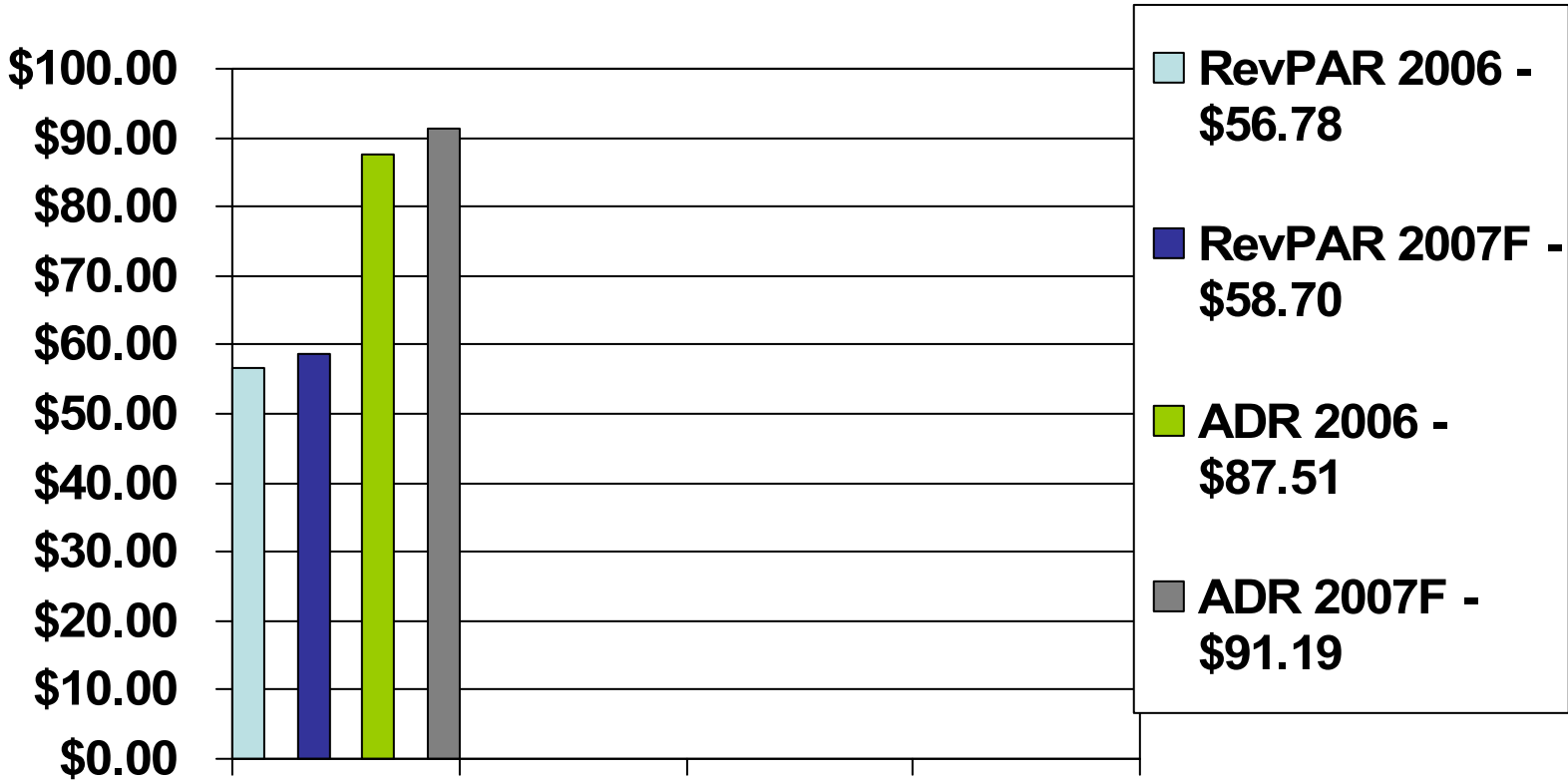
- **MVP Package** with Braves, Stone Mountain, Six Flags & Georgia Aquarium



Impact of New Orleans

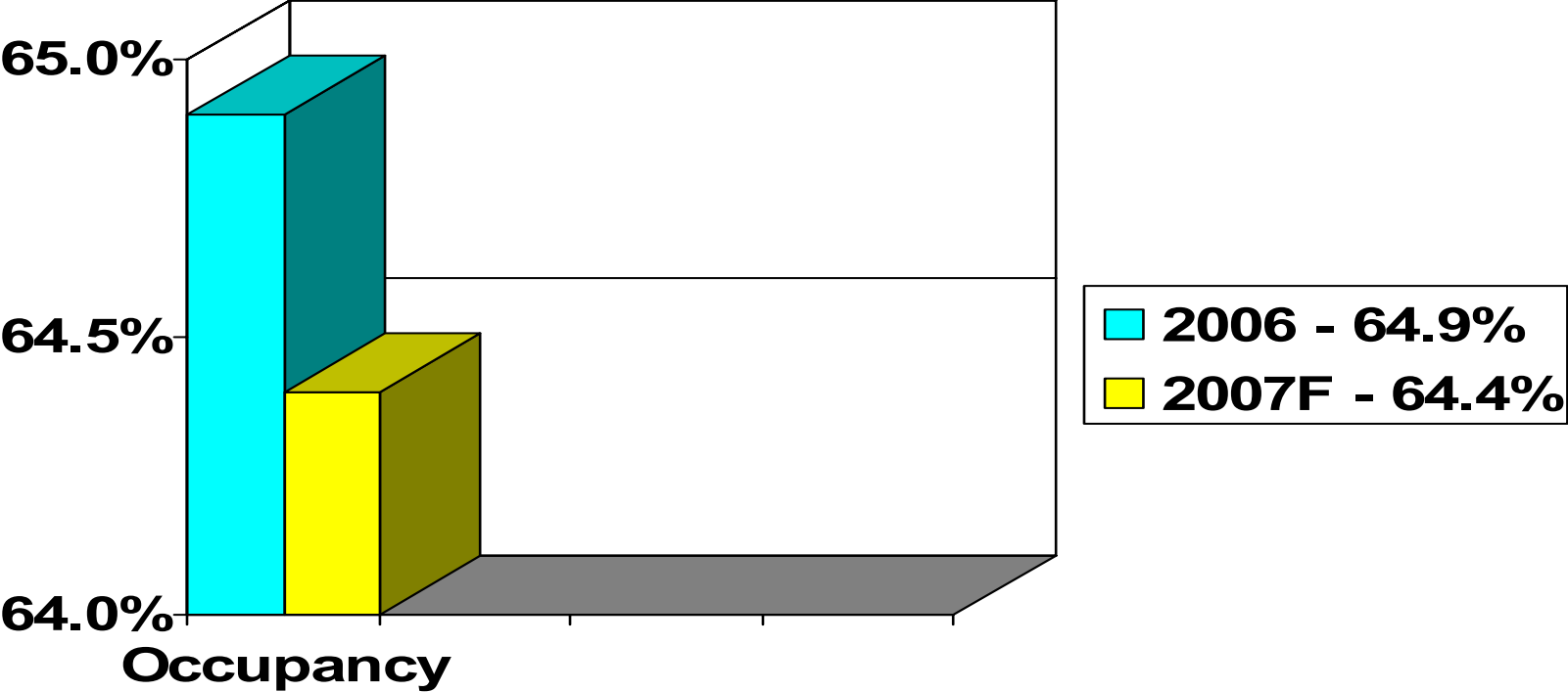
- Effects of Katrina have begun to diminish
- Compared to **June YTD 2006**, occupancy is **down 1.8% YTD** – mainly in top tier hotels and outer areas.
- Compared with **June YTD 2005**, Metro Atlanta has had a **4% increase** in occupancy. Downtown hotels have had a greater increase – **close to 7%**.

Metro Atlanta 2006 Compared to 2007F



Courtesy of PKF Consultants

Metro Atlanta Occupancy 2006 Compared to 2007F



Courtesy of PKF Consultants

Booking Pace for Atlanta

- **Booking Pace for the remainder of 2007 is up 10,000 room nights.**
- **Six of the next eight years' booking pace above competitive set index; 2009 and 2011 just below index.**

The future

- **Civil & Human Rights Center to be located on 2.5 acres of land donated by The Coca-Cola Company at Pemberton Place (next to World of Coca-Cola)**
- **2011 will mark the 150th anniversary of the Civil War**

Everyday is an opening day.



Thank you for sharing statistical information

- **Atlanta Convention & Visitors Bureau**
- **Georgia World Congress Authority**
- **PKF Consulting**
- **Atlanta Braves**