The Impact of the Hospitality & Tourism Industry on Atlanta

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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

<table>
<thead>
<tr>
<th>Year</th>
<th>ADR</th>
<th>RevPAR</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$72.67</td>
<td>$41.4</td>
<td>57%</td>
</tr>
<tr>
<td>2004</td>
<td>75.23</td>
<td>44.83</td>
<td>59%</td>
</tr>
<tr>
<td>2005</td>
<td>78.53</td>
<td>50.87</td>
<td>65%</td>
</tr>
<tr>
<td>2006</td>
<td>85.74</td>
<td>55.32</td>
<td>65%</td>
</tr>
</tbody>
</table>
Metro Atlanta Compared with Downtown Hotels - \textit{ADR}

- Metro Atlanta: $90.30
- Downtown Atlanta: $140.10

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 tradeshows and conventions
  - 20 public/consumer shows
  - 276 meetings, corporate events & others
### Georgia World Congress Center

<table>
<thead>
<tr>
<th>GWCC Economic Activity</th>
<th>Tax Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Dollars –</td>
<td>Georgia Sales Tax</td>
</tr>
<tr>
<td>$1,531,557,145</td>
<td>$62,436,858</td>
</tr>
<tr>
<td>Total Economic Impact –</td>
<td>Local Sales Tax</td>
</tr>
<tr>
<td>$2,507,544,577</td>
<td>46,827,645</td>
</tr>
<tr>
<td>Personal Income –</td>
<td>Hotel/Motel Tax</td>
</tr>
<tr>
<td>$969,490,129</td>
<td>47,997,945</td>
</tr>
<tr>
<td>Employment –</td>
<td>Personal Income Tax/Other</td>
</tr>
<tr>
<td>32,567</td>
<td>$41,704,878</td>
</tr>
</tbody>
</table>
# Georgia Dome - 2006

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

<table>
<thead>
<tr>
<th>Show</th>
<th>Attendance</th>
<th>Direct Economic Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Gift &amp; Home Furnishings (January)</td>
<td>93,000</td>
<td>$121,750,000</td>
</tr>
<tr>
<td>International Gift &amp; Home Furnishings (July)</td>
<td>61,000</td>
<td>$79,800,000</td>
</tr>
<tr>
<td>Primerica</td>
<td>50,000</td>
<td>$52,335,000</td>
</tr>
<tr>
<td>Bronner Brothers International Beauty</td>
<td>50,000</td>
<td>$6,395,000</td>
</tr>
<tr>
<td>National Business Aviation Assn.</td>
<td>30,000</td>
<td>$31,400,000</td>
</tr>
<tr>
<td>Show</td>
<td>Attendance</td>
<td>Direct Economic Impact</td>
</tr>
<tr>
<td>-------------------------------</td>
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</tr>
<tr>
<td>Hinman Dental</td>
<td>23,000</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Passion Conference</td>
<td>22,000</td>
<td>$23,000,000</td>
</tr>
<tr>
<td>Dragon Con</td>
<td>20,000</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>NAFEM</td>
<td>20,000</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>US Poultry &amp; Egg</td>
<td>19,000</td>
<td>$19,800,000</td>
</tr>
</tbody>
</table>
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)

$6.20
$5.20

2006 Compared to 2005 - Increase of 10.7% in leisure spending; Increase of 13% in business spending
## Day Visitors Compared to Overnight Visitors

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Day Visitors</strong></td>
<td>17.86</td>
<td>18.54</td>
<td>$1.7</td>
<td>$1.8</td>
</tr>
<tr>
<td><strong>Overnight Visitors</strong></td>
<td><strong>20.19</strong></td>
<td>17.88</td>
<td><strong>$9.8</strong></td>
<td><strong>$8.4</strong></td>
</tr>
</tbody>
</table>
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
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)

- 2004
- 2005
- 2006
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

RevPAR 2006 - $56.78
RevPAR 2007F - $58.70
ADR 2006 - $87.51
ADR 2007F - $91.19

Courtesy of PKF Consultants
Metro Atlanta Occupancy
2006 Compared to 2007F

- 2006: 64.9%
- 2007F: 64.4%

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 150\textsuperscript{th} 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