

The Importance of Tourism to the Blount Co. Economy

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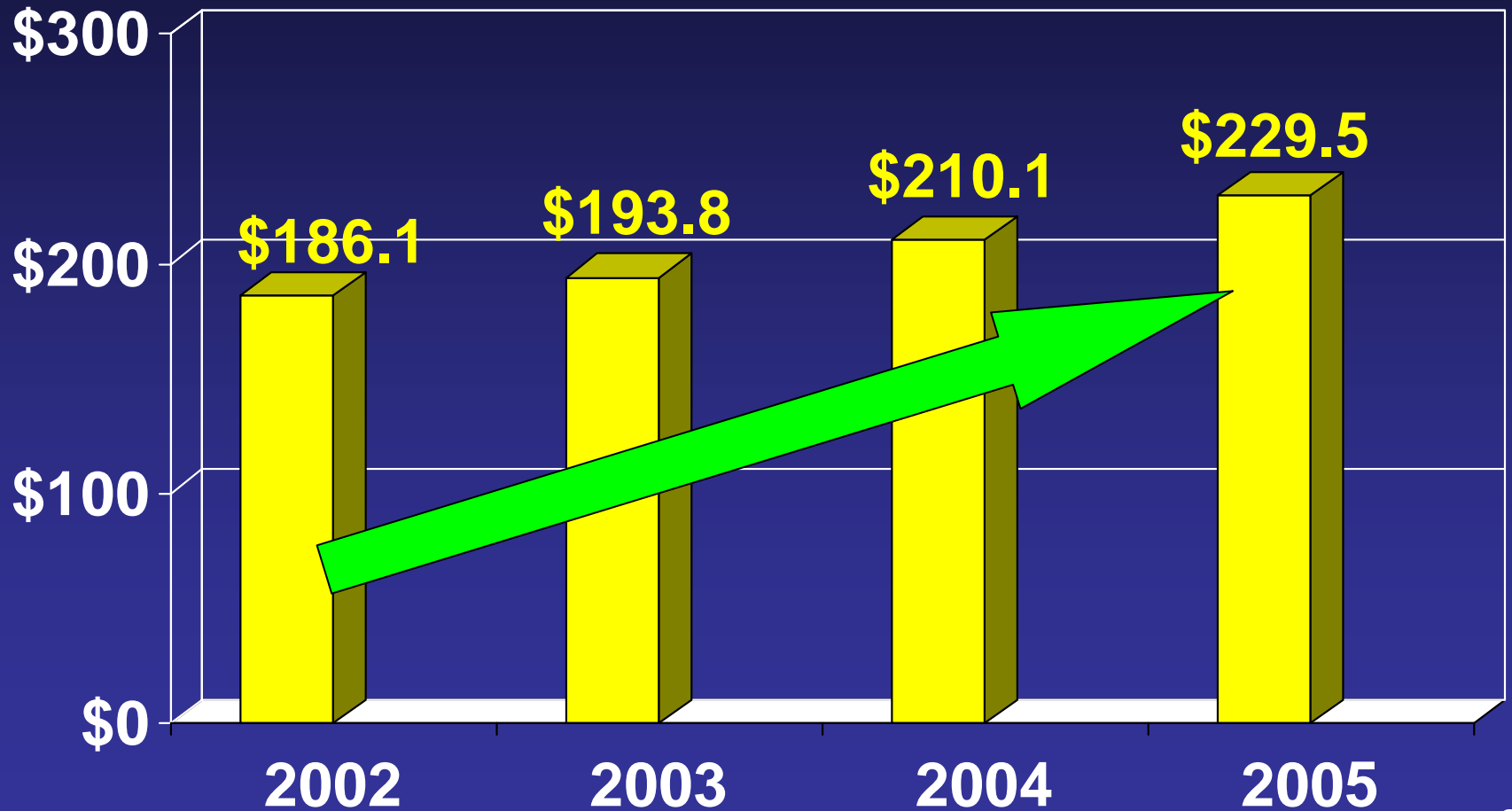
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Tourism Institute
Hotel, Restaurant and Tourism Management
Knoxville, Tennessee

Tourist Spending in Blount Co. Continues to Grow, 2002 – 2005 (\$ millions)



Blount Co. is the 7th Largest County in TN for Tourist Spending, 2005

1. Davidson Co. (Nashville) \$3.51 Billion
2. Shelby Co. (Memphis) \$2.63 Billion
3. Sevier Co. \$1.31 Billion
4. Knox Co. \$684.9 Million
5. Hamilton Co. (Chatt) \$647.32 Million
6. Sullivan Co. (Kingsport) \$239.10 Million
- 7. Blount Co. \$229.53 Million**
8. Williamson Co. \$212.97 Million
9. Rutherford Co. \$195.28 Million
10. Washington Co. \$170.14 Million

Top 6 TN Counties for Percent Growth in Tourist Spending, 2002 – 2005

(from top 10 tourist counties)

1. Blount Co.	+23.3%
2. Hamilton Co. (Chatt)	+21.2%
3. Knox Co.	+20.2%
4. Sevier Co.	+18.3%
5. Davidson Co. (Nashville)	+16.7%
6. Shelby Co. (Memphis)	+13.4%
TN Statewide	+17.3% ⁴

Blount Co. Rank of Industries by Employment Percent, 2005

1. Trade, Transportation, Utilities	24.8%
2. Manufacturing	22.4%
3. Hotel, Restaurant, & Travel	11.7%
4. Education & Health Services	10.1%
5. Construction	9.9%
6. Professional & Bus. Services	9.3%
7. Financial Activities	7.3%
8. Other Services	2.9%

Blount Co. Hospitality & Tourism Generates **4,132** Jobs Including...

- **2,938** jobs in restaurants
- **565** jobs in hotels & lodging
- **356** jobs in arts, entertainment & recreation
- **273** jobs in transportation & travel

Blount Co. Hospitality & Tourism Generated **\$5.94 million** in Local Blount Co. taxes from...

- Restaurant sales taxes **\$3.01 million**
(2.25%)
- Hotel Occupancy Taxes **\$1.75 million**
(4.0%)
- Hotel sales taxes **\$0.987 million**
(2.25%)
- Arts, Entertainment &
Rec sales taxes **\$ 0.202 million**
(2.25%)

Blount Co. Hospitality & Tourism Generated **\$20.6 million** in combined State & Local taxes

Per Household in Blount County:

- Each household in Blount Co. pays **\$407 less** in State & local taxes as a result of taxes generated by hospitality & tourism in Blount Co.

Blount Co. generated **\$229.5 million** in tourist spending in 2005

- How much do tourists spend per day in Blount Co.?
- Where do they spend it?

On an Average Day in Blount Co., tourists spend **\$628,849** in these type businesses...

- Spend **\$201,231** daily in restaurants
- Spend **\$181,108** daily on transportation
- Spend **\$107,533** daily on hotels & lodging
- Spend **\$71,059** daily in retail stores
- Spend **\$67,918** daily on arts,
entertainment & recreation

Also, On an Average Day in Blount Co., tourist spending...

- Generates daily employee paychecks worth **\$181,041**
- Generates daily TN State taxes worth **\$35,042**
- Generates daily local Blount County taxes worth **\$21,506**

What were the impacts of higher summer gas prices on tourism in Blount & Knox Counties in 2006?

- A Tale of Two Counties:

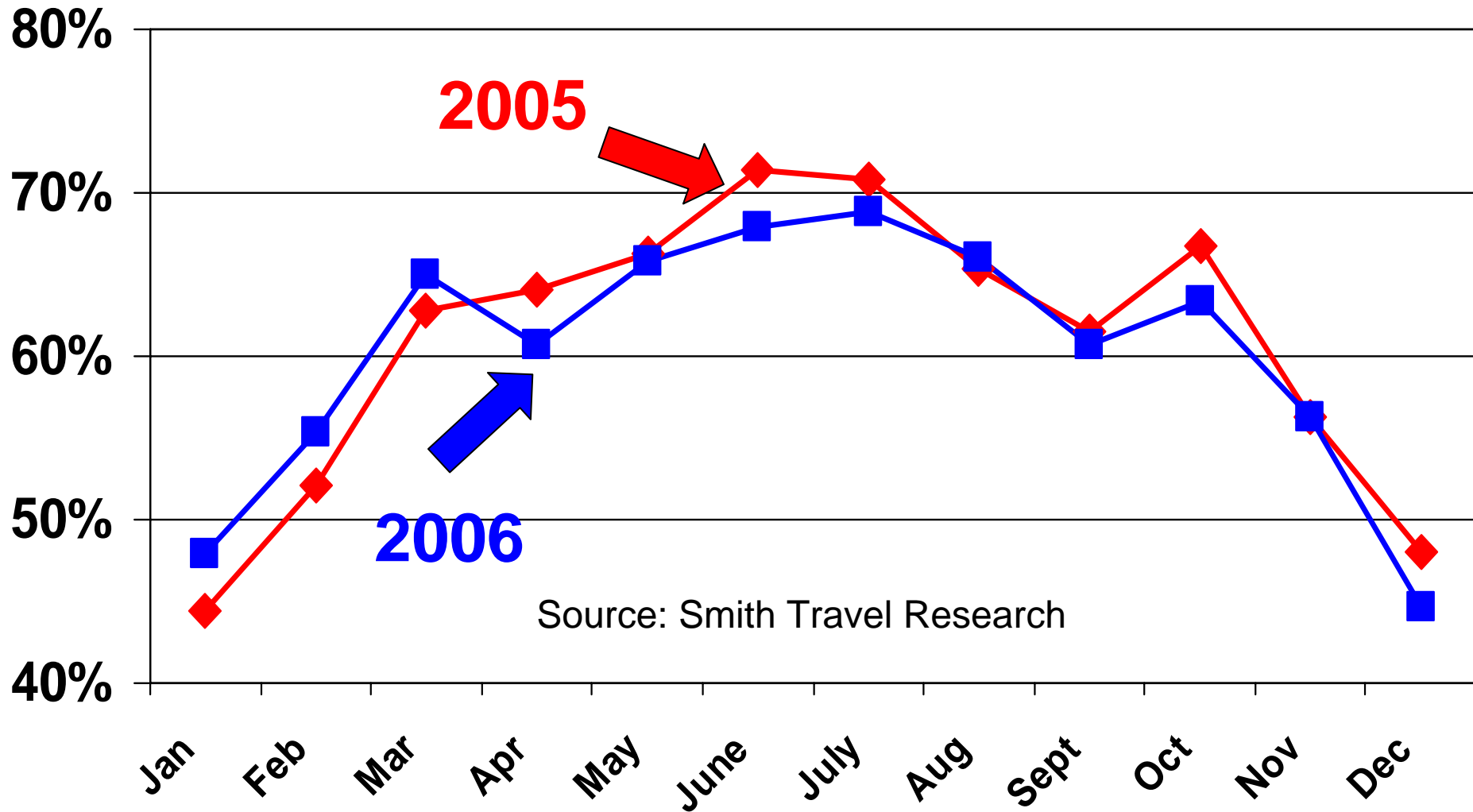


Knox Co. – **soft summer** led to less overnight stays and more day trips (hotel & lodging had decrease in summer activity)

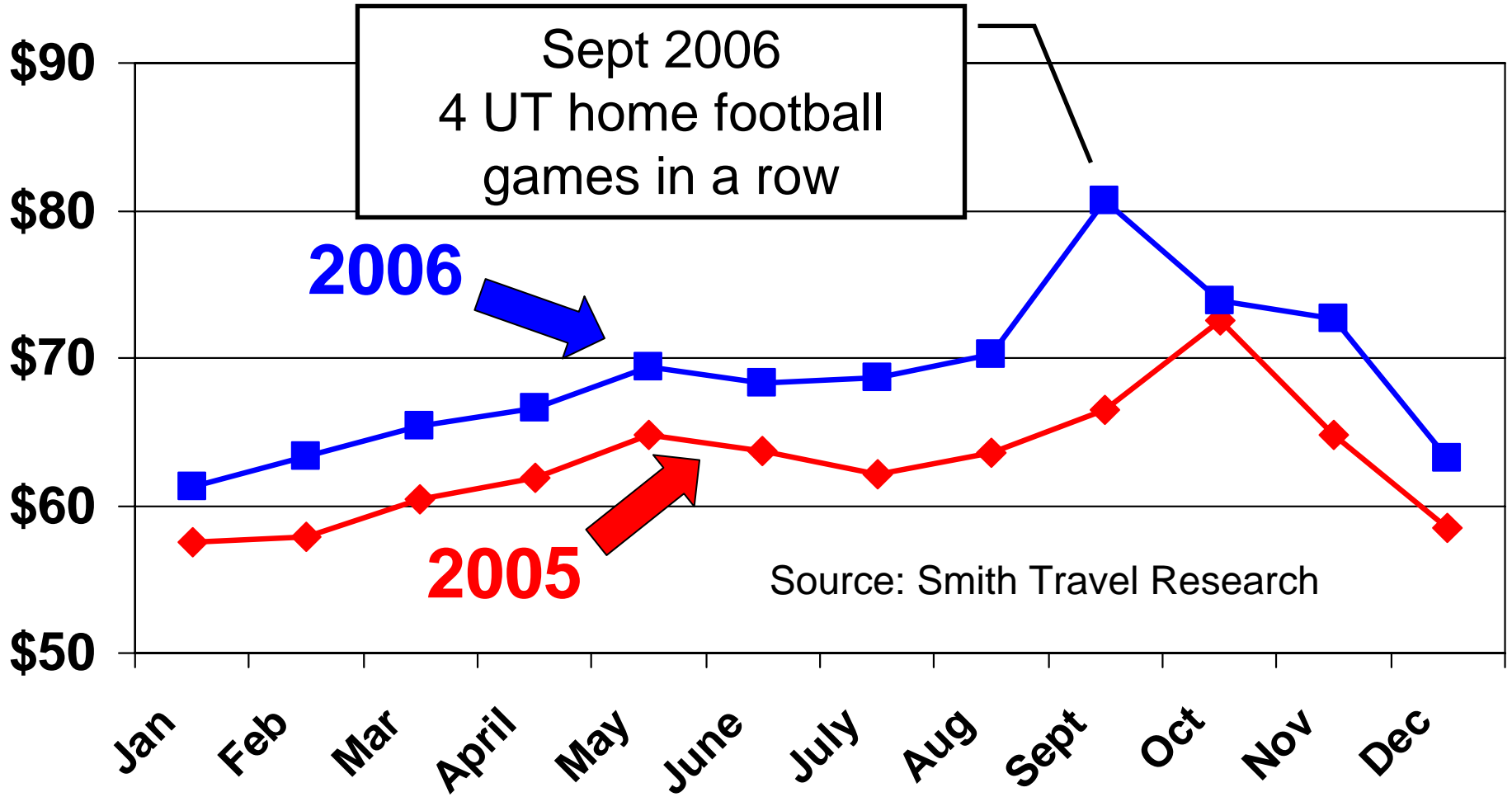


Blount Co. – **good summer** led to increase in hotel & lodging occupancy rates, restaurant sales, entertainment sales

Occupancy Rates for Knox Co. Hotels, 2005 – 2006 (Soft Summer)

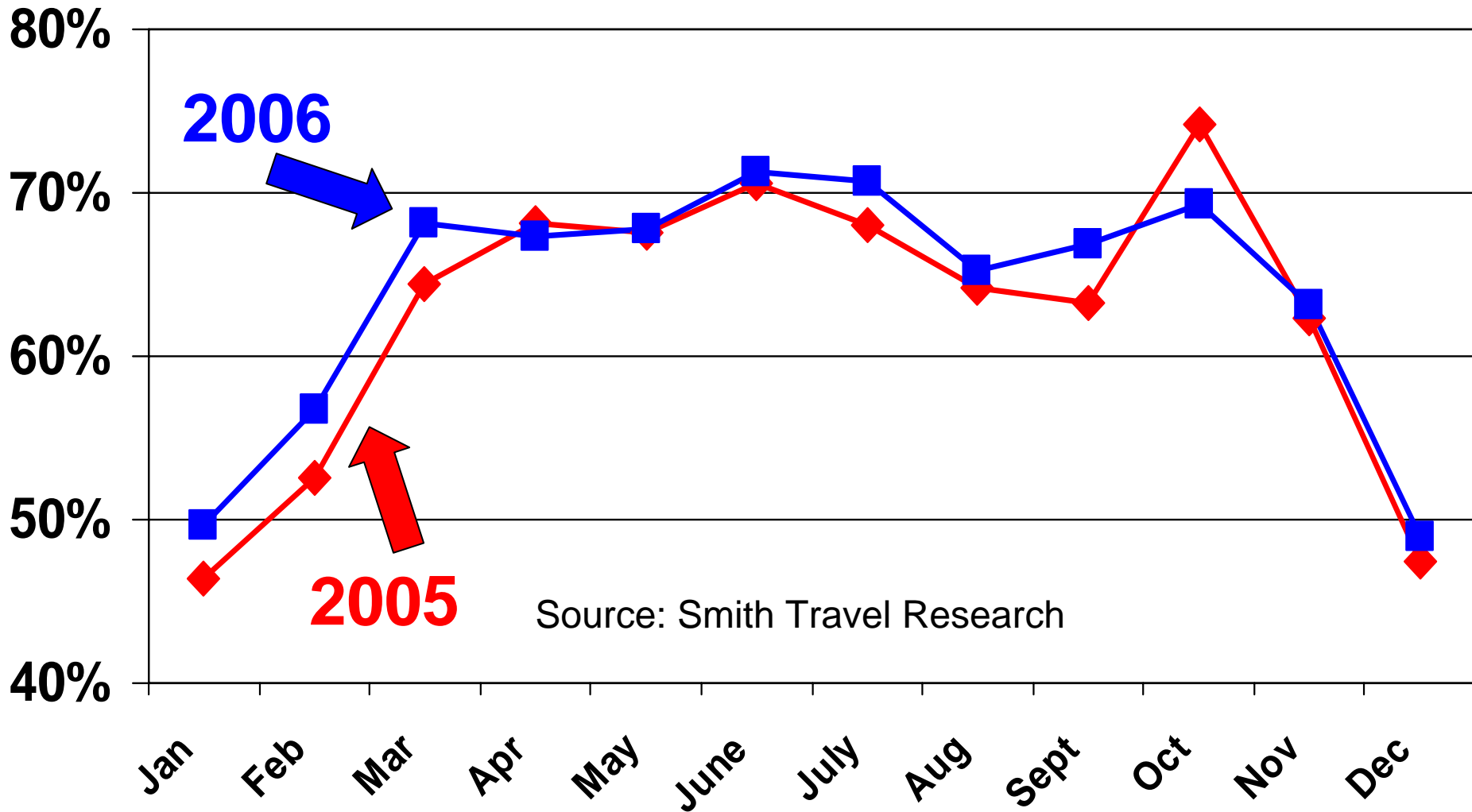


Average Daily Rates (ADR) for Knox Co. Hotels, 2005 - 2006

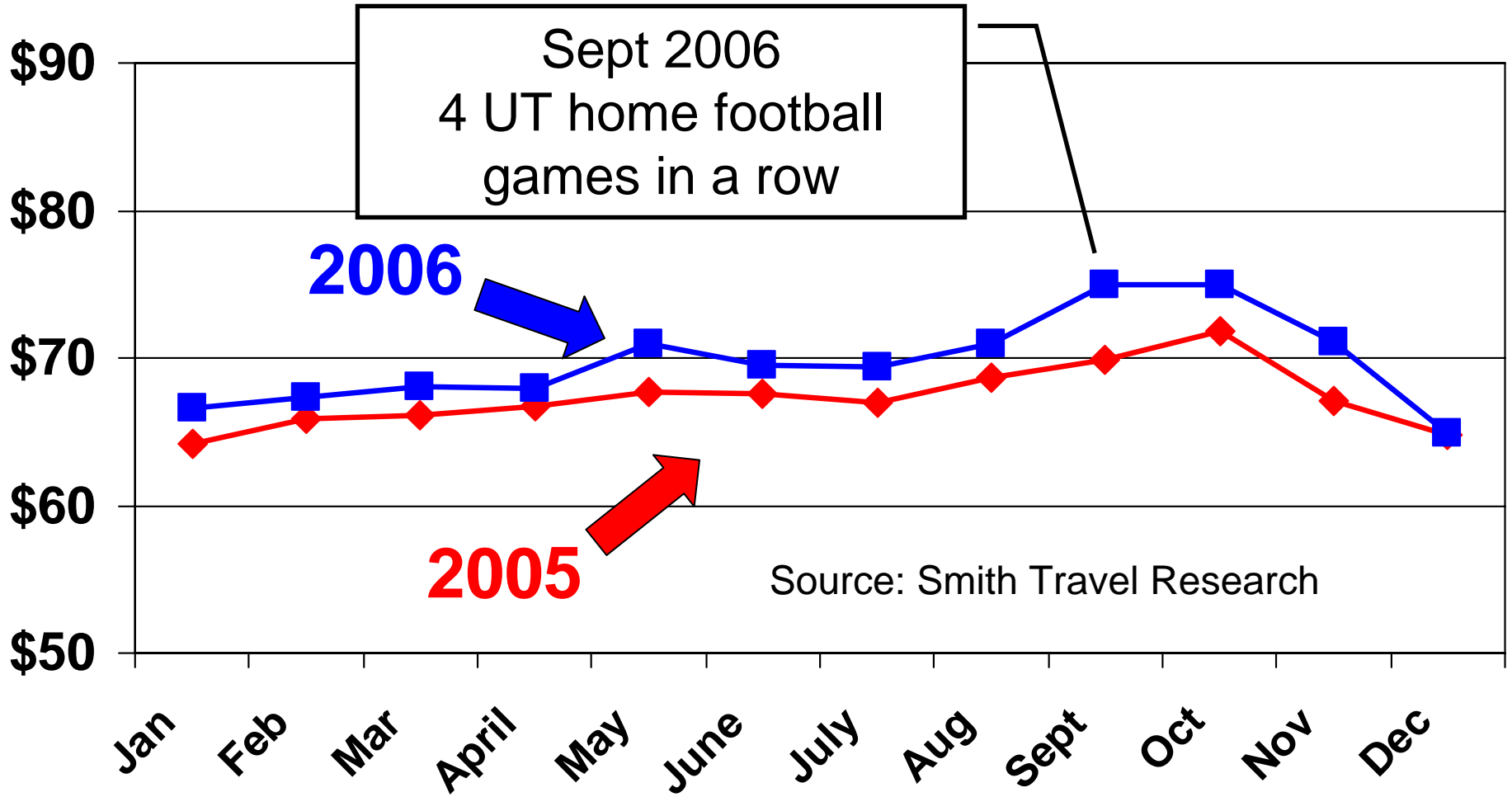


Source: Smith Travel Research

Occupancy Rates for Blount Co. Hotels, 2005 – 2006 (Good Summer)



Average Daily Rates (ADR) for Blount Co. Hotels, 2005 - 2006

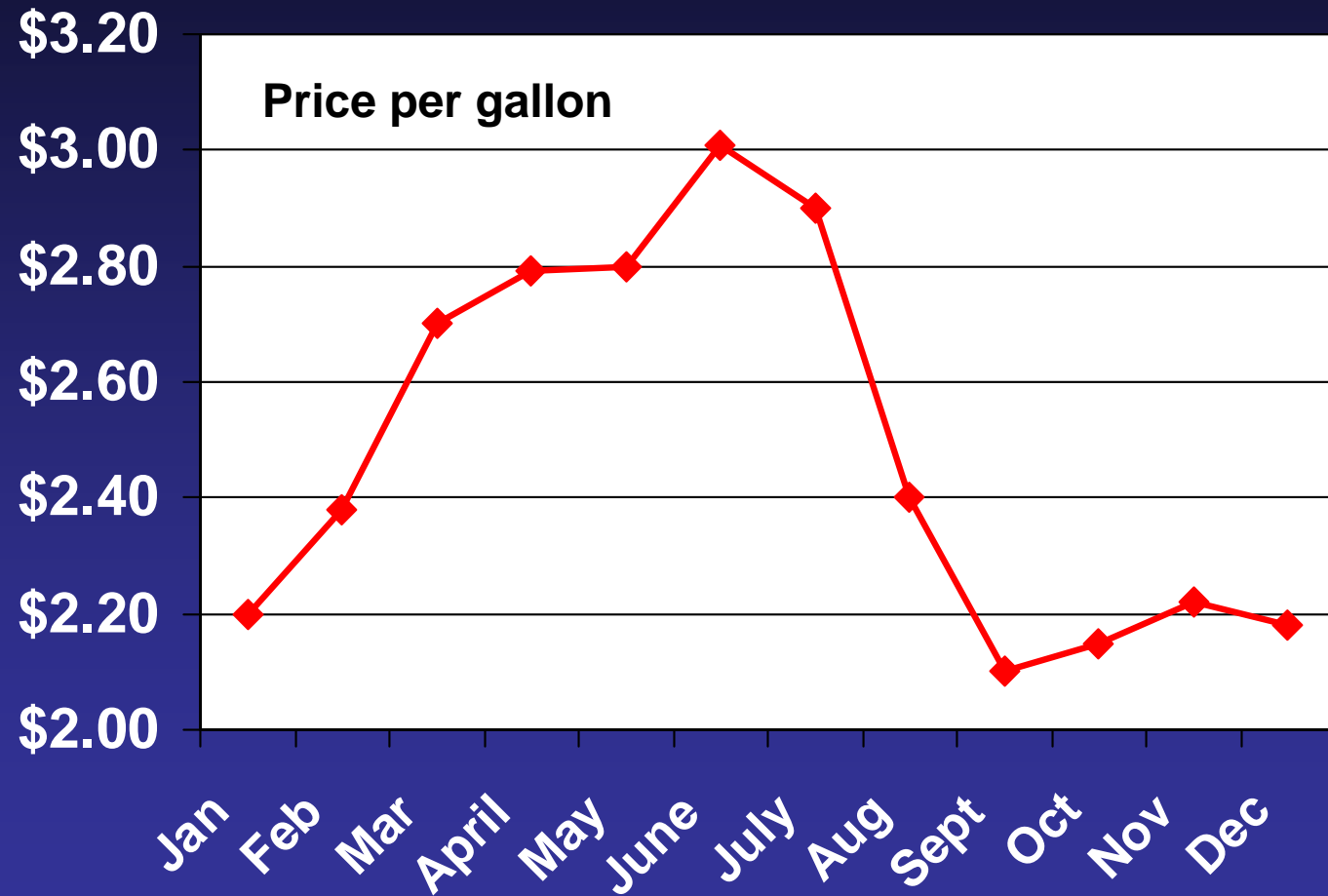


What States Do East TN Tourists Come From?





Rank of States of Origin

1. Tennessee	32%
2. Georgia	8%
3. North Carolina	7%
4. Florida	7%
5. Kentucky	6%
6. Virginia	5%

Tennessee Gas Prices, by Month, 2006 (avg. statewide price per gallon)



Summary of Trends about Summer (June-July-August) 2006 Blount Co. Tourism

-  Increase in summer gas prices in major markets
-  Increase in summer restaurant sales
-  Increase in summer attractions sales
-  Increase in summer hotel occupancy rates

In Summer 2007, tourists will still travel to visit Blount Co., but...

- **Tourists may chose more day trips and shorter overnight trips (to offset higher gas prices)**
- **Tourists will still spent money in restaurants & visited attractions (higher summer sales)**

Challenge - Get tourists to stay longer in Blount Co.

Rank of TN Cities by Avg. Nights Stayed
TN Avg. = 2.9 nights

1. Pigeon Forge	3.4 nights
2. Gatlinburg	3.1 nights
3. Memphis	3.0 nights
4. Nashville	2.9 nights
5. Chattanooga	2.6 nights
6. Knoxville	2.4 nights

**So high gas prices will induce more day-trip tourists than overnight tourists.
What's the big deal?**

- **Overnight tourists spend 3 times more money in an area than day-trip tourists**

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Blount County's Tourism Advantage

The Four-Times Rule:

- On average, tourists are more likely to travel to an area that has enough activities that keep them busy **four times** longer than it took them to drive there.
- **Blount Co. has 4 out of the top 5** tourist activities tourists want on vacation & more variety of appealing tourist activities to keep tourists in the area longer

Blount County's Tourism Advantage ✓

Top 5 Tourist Trip Activities in TN

- | | | |
|------------------------------|-----|---|
| 1. Shopping | 28% | |
| 2. Social/Family Event | 18% | ✓ |
| 3. Rural Sightseeing | 10% | ✓ |
| 4. Historical Places/Museums | 9% | ✓ |
| 5. National & State Parks | 9% | ✓ |

Future Issues – Hotel Occupancy Taxes

Chattanooga has 5th Highest City Hotel Taxes in the U.S.

Hotels in City of Chattanooga

TN Sales Tax	7.00%
Co. Sales Tax	2.25%
Co. Hotel Tax	4.00%
<u>City Hotel Tax</u>	<u>3.00%</u>
Total Tax	16.25%

Other TN Hotel Occupancy Taxes

- **5% Hotel Tax**

- Shelby Co. (Memphis)
- Knox Co.
- Loudon Co.
- Sullivan Co. (Kingsport City)
- Washington Co. (Johnson City)
- Anderson Co. (Oak Ridge)

- **4% Hotel Tax**

- Davidson Co. (Nashville)
- Williamson Co. (Franklin/Brentwood)
- **Blount Co.**

Sevier Co. Tourist Taxes

Gatlinburg

Amusement Tax	2.0%
Restaurant Tax	1.5%
<u>Hotel Occ. Tax</u>	<u>3.0%</u>
TOTAL	6.5%

Sevierville City

Hotel Occ. Tax	2.0%
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Pigeon Forge

Amusement Tax	2.0%
<u>Hotel Occ. Tax</u>	<u>2.25%</u>
TOTAL	4.25%

Two Paths for Hotel Occupancy Taxes

**Hotel
Occupancy
Taxes**

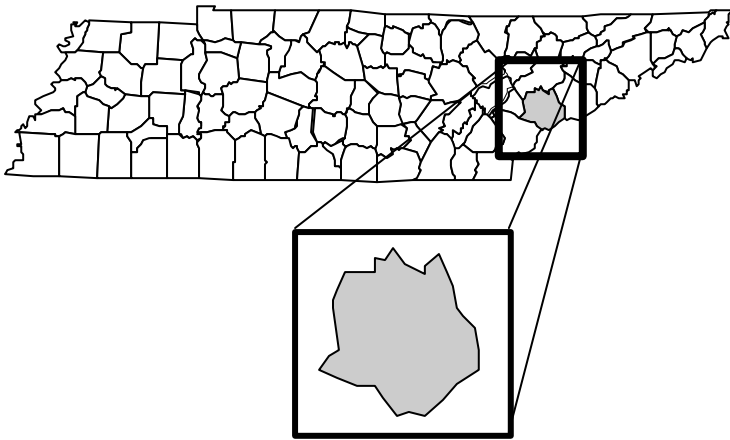
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graph TD; A[Hotel Occupancy Taxes] --> B[County General Revenue Fund]; A --> C[Dedicated Tourism Development Fund];
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**County
General Revenue
Fund**

**Dedicated
Tourism
Development
Fund**

Once again, hospitality & tourism is Blount County's 3rd largest industry in terms of percent employment

1. Trade, Transportation, Utilities	24.8%
2. Manufacturing	22.4%
3. Hotel, Restaurant, & Travel	11.7%
4. Education & Health Services	10.1%
5. Construction	9.9%
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8. Other Services	2.9%



Blount County
(Alcoa, Maryville,
Rockford, Seymour,
Townsend areas)

Blount County, TN

Hotel, Restaurant, and Travel Industries: Economic Profile and Business Trends, 2006

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July 2007

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Thank You for inviting me

Questions?

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