Knox County, TN

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

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Director & Economist
Tourism Institute
University of Tennessee - Knoxville

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### Table of Contents

1. Knox County employment & number of establishments for Hotel, Restaurant, and Travel industries, 2005

2. Knox County ranking of Hotel, Restaurant, and Travel Industry employment to other county industries, 2005

3. Knox County tax revenues generated, 2004 - 2005 for:  
   - Restaurant & Drinking Places  
   - Hotel & Lodging  
   - Arts, Entertainment, & Recreation

4. Knox County employment and number of establishments by quarter & year, 2003 - 2005 for:  
   - Restaurant & Drinking Places  
   - Hotel & Lodging  
   - Arts, Entertainment & Recreation

5. Knox County Gross Sales by Month, 2004 - 2006 for:  
   - Restaurant & Drinking Places  
   - Hotel & Lodging  
   - Arts, Entertainment & Recreation

6. McGhee Tyson Airport passenger statistics by month and year, 2004—2007:  
   - Departing Passengers from TYS & Load Factors  
   - Arriving passengers to TYS & Load Factors

7. Knox County Hotel & Lodging performance by month & year 2005 - 2006 including:  
   - Occupancy Rates  
   - Average Daily Rates (ADR)  
   - Revenue Per Available Room (RevPAR)
KNOX COUNTY, TN
Importance of the Hotel, Restaurant & Travel Industry to the Knox County Economy

Knox County Employment and Number of Establishments in the Hotel, Restaurant, & Travel Sectors, 2005

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Sector/Sub-Sector</th>
<th># of Employees</th>
<th># of Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>721</td>
<td>Accommodations</td>
<td>1,945</td>
<td>91</td>
</tr>
<tr>
<td>7211</td>
<td>Hotel, Motel, and B&amp;B</td>
<td>1,932</td>
<td>84</td>
</tr>
<tr>
<td>7212</td>
<td>RV Parks and Recreational Camps</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>7213</td>
<td>Rooming and Boarding Houses</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>20,710</td>
<td>619</td>
</tr>
<tr>
<td>7221</td>
<td>Full-Service Restaurants</td>
<td>12,348</td>
<td>278</td>
</tr>
<tr>
<td>7222</td>
<td>Limited-Service Eating Places</td>
<td>7,405</td>
<td>278</td>
</tr>
<tr>
<td>7223</td>
<td>Special Food Services</td>
<td>341</td>
<td>24</td>
</tr>
<tr>
<td>7224</td>
<td>Drinking Places (Alcoholic Beverages)</td>
<td>616</td>
<td>39</td>
</tr>
<tr>
<td>71</td>
<td>Arts, Entertainment, and Recreation</td>
<td>2,576</td>
<td>131</td>
</tr>
<tr>
<td>7111</td>
<td>Performing Arts Companies</td>
<td>147</td>
<td>13</td>
</tr>
<tr>
<td>7112</td>
<td>Spectator Sports</td>
<td>ND</td>
<td>4</td>
</tr>
<tr>
<td>7113</td>
<td>Performing Arts and Sports Promoters</td>
<td>169</td>
<td>12</td>
</tr>
<tr>
<td>7114</td>
<td>Agents and Managers for Public Figures</td>
<td>ND</td>
<td>2</td>
</tr>
<tr>
<td>7115</td>
<td>Independent Artists/Writers/Performers</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td>712</td>
<td>Museums, Parks and Historical Sites</td>
<td>253</td>
<td>10</td>
</tr>
<tr>
<td>713</td>
<td>Amusement, Gambling &amp; Recreation</td>
<td>1,829</td>
<td>77</td>
</tr>
<tr>
<td>481</td>
<td>Air transportation</td>
<td>ND</td>
<td>2</td>
</tr>
<tr>
<td>4853</td>
<td>Taxi and Limousine Service</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>4855</td>
<td>Charter bus industry</td>
<td>84</td>
<td>4</td>
</tr>
<tr>
<td>487</td>
<td>Scenic and Sightseeing Transportation</td>
<td>ND</td>
<td>1</td>
</tr>
<tr>
<td>5615</td>
<td>Travel Arrangement and Reservation Services</td>
<td>415</td>
<td>21</td>
</tr>
<tr>
<td>56192</td>
<td>Convention and Trade Show Organizers</td>
<td>ND</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total: Hotel, Restaurant, &amp; Travel Sector</strong></td>
<td><strong>25,743</strong></td>
<td><strong>876</strong></td>
</tr>
</tbody>
</table>

Source: TN Dept. of Labor and Workforce Development; U.S. Dept. of Labor, Bureau of Labor Statistics, and Tourism Institute, University of Tennessee

Total: Hotel, Restaurant, & Tourism Sector = Summation of North American Industry Classifaction System (NAICS) codes 71, 721, 722, 481, 4853, 4855, 487, 5615, & 56192

NC = Not Calculable, the data does not exist or it is zero
ND = Not Disclosable
KNOX COUNTY, TN
Ranking of Hotel, Restaurant & Travel Industries by Employment
Relative to Other Industries, 2005

Knox Co. Rank of Industries by Percent Employment Compared to Tennessee, 2005

<table>
<thead>
<tr>
<th>County Industry Rank</th>
<th>Industry</th>
<th>Knox County</th>
<th>Tennessee Statewide</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trade, Transportation, and Utilities</td>
<td>27.08%</td>
<td>24.44%</td>
</tr>
<tr>
<td>2</td>
<td>Education and Health Services</td>
<td>16.33%</td>
<td>20.82%</td>
</tr>
<tr>
<td>3</td>
<td>Professional and Business Services</td>
<td>14.46%</td>
<td>12.15%</td>
</tr>
<tr>
<td>4</td>
<td>Hotel, Restaurant, and Travel</td>
<td>13.84%</td>
<td>10.78%</td>
</tr>
<tr>
<td>5</td>
<td>Manufacturing</td>
<td>9.27%</td>
<td>16.00%</td>
</tr>
<tr>
<td>6</td>
<td>Financial Activities</td>
<td>6.39%</td>
<td>5.60%</td>
</tr>
<tr>
<td>7</td>
<td>Construction</td>
<td>5.82%</td>
<td>5.00%</td>
</tr>
<tr>
<td>8</td>
<td>Other Services</td>
<td>3.39%</td>
<td>2.79%</td>
</tr>
<tr>
<td>9</td>
<td>Information</td>
<td>3.02%</td>
<td>1.96%</td>
</tr>
<tr>
<td>10</td>
<td>Natural Resources and Mining</td>
<td>0.35%</td>
<td>0.39%</td>
</tr>
<tr>
<td>11</td>
<td>Unclassified</td>
<td>0.00%</td>
<td>0.07%</td>
</tr>
</tbody>
</table>

Source: TN Dept. of Labor and Workforce Development; U.S. Dept. of Labor, Bureau of Labor Statistics, and Tourism Institute, University of Tennessee
NC = Not Calculable, the data does not exist or it is zero
ND = Not Disclosable
KNOX COUNTY, TN  
County Tax Revenues Generated, 2004-2005  
Hotel & Lodging, Restaurant, & Arts, Entertainment & Recreation

<table>
<thead>
<tr>
<th>Industry</th>
<th>County Tax Rate</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant &amp; Drinking</td>
<td>2.25%</td>
<td>16,351,404</td>
<td>17,384,762</td>
</tr>
<tr>
<td>Hotel &amp; Lodging - Sales Tax</td>
<td>2.25%</td>
<td>2,205,596</td>
<td>2,649,921</td>
</tr>
<tr>
<td>Hotel Occupancy Tax</td>
<td>5.00%</td>
<td>4,901,325</td>
<td>5,888,714</td>
</tr>
<tr>
<td>Arts, Entertainment, &amp; Recreation</td>
<td>2.25%</td>
<td>892,402</td>
<td>1,033,148</td>
</tr>
<tr>
<td><strong>Total County Taxes Generated</strong></td>
<td><strong>2.25%</strong></td>
<td><strong>$24,350,727</strong></td>
<td><strong>$26,956,546</strong></td>
</tr>
</tbody>
</table>

Source: TN Dept. of Labor and Workforce Development, TN Dept. of Revenue, and Tourism Institute, University of Tennessee
KNOX COUNTY, TN
Restaurant & Dining Establishments
Employment & Number of Establishments, 2003-2006

Restaurant & Drinking Establishments, by Qtr.,
2004-2006

Restaurant & Drinking Establishments, Number of
Employees, by Qtr., 2004-2006

Source: TN Dept. of Labor & Workforce Development; U.S. Dept. of Labor, Bureau of Labor Statistics; Tourism Institute, University of Tennessee

Restaurant & Drinking Establishments, 2003-2005

Restaurant & Drinking Establishments, Number of
Employees, 2003-2005

Tourism Institute, University of Tennessee, Knoxville
Dr. Steve Morse, Director
E-mail: tourism@utk.edu Phone: (865) 974-2141
Web site: www.utk.edu/tourism

THE UNIVERSITY OF TENNESSEE
Hotel, Restaurant and Tourism Management
Knoxville, Tennessee
KNOX COUNTY, TN
Hotel & Lodging
Employment & Number of Establishments, 2003-2006

Hotel & Lodging Establishments, by Qtr., 2004-2006

Source: TN Dept. of Labor & Workforce Development; U.S. Dept. of Labor, Bureau of Labor Statistics; Tourism Institute, University of Tennessee

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KNOX COUNTY, TN
Arts, Entertainment, & Recreation
Employment & Number of Establishments, 2003-2006

Arts, Entertainment, & Recreation Establishments, by Qtr., 2004-2006

Arts, Entertainment, & Recreation, Number of Employees, 2004-2006

Arts, Entertainment, & Recreation Establishments, 2003-2005

Arts, Entertainment, & Recreation, Number of Employees, 2003-2005

Source: TN Dept. of Labor & Workforce Development; U.S. Dept. of Labor, Bureau of Labor Statistics; Tourism Institute, University of Tennessee

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KNOX COUNTY, TN
Restaurant & Drinking, Hotel & Lodging, & Arts, Entertainment, & Recreation
Gross Sales by Month, 2004-2006

Source: TN Dept. of Revenue; Tourism Institute, University of Tennessee

Gross Sales Reports Definitions

Gross Sales: the total amount of money received in sales by a business in a specified period of time before any deductions for costs, raw materials, taxation or other costs of production.

Restaurants & Drinking Places: retail establishments selling prepared food and drinks for consumption on the premises including full-service restaurants, limited-service restaurants, caterers, and lunch counters. Also includes establishments selling beverage alcohol, in-plant food contractors as well as leased eating and drinking concessions in hotels, sports arenas, and other amusement places.

Hotels & Lodging: establishments engaged in providing lodging services including hotels, motels, bed and breakfast inns, RV parks and recreational camps, and rooming and boarding houses.

Arts, Entertainment & Recreation: establishments primarily engaged in amusement, recreation, entertainment services. Includes spectator sports, performing arts companies, museums, art and museums places, parks and historical sites.

Data Source: Tennessee Department of Revenue
KNOX COUNTY, TN
McGhee Tyson Airport Departing Passengers & Load Factor
2004-2007

Source: Metropolitan Knoxville Airport Authority; Tourism Institute, University of Tennessee
KNOX COUNTY, TN
McGhee Tyson Airport Arriving Passengers & Load Factor
2004-2007

Arriving Passengers - McGhee Tyson Airport,
by Month, 2004 - 2007

Arriving Passengers - McGhee Tyson Airport,
by Year, 2004 - 2007

Arriving Passenger Load Factors - McGhee Tyson
Airport, by Month 2004 - 2007

Source: Metropolitan Knoxville Airport Authority; Tourism Institute, University of Tennessee
KNOX COUNTY, TN
Knox County Hotel & Lodging Occupancy Percentages & Percent Change by Month, 2005-2006

Hotel & Lodging Occupancy Percentages by Month, 2005-2006 (Knox County)

<table>
<thead>
<tr>
<th>Month</th>
<th>% 2005</th>
<th>% 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>44.4</td>
<td>47.9</td>
</tr>
<tr>
<td>Feb</td>
<td>52.1</td>
<td>55.3</td>
</tr>
<tr>
<td>Mar</td>
<td>62.8</td>
<td>65.0</td>
</tr>
<tr>
<td>Apr</td>
<td>64.1</td>
<td>65.0</td>
</tr>
<tr>
<td>May</td>
<td>66.3</td>
<td>65.0</td>
</tr>
<tr>
<td>Jun</td>
<td>71.4</td>
<td>65.8</td>
</tr>
<tr>
<td>Jul</td>
<td>70.8</td>
<td>67.9</td>
</tr>
<tr>
<td>Aug</td>
<td>65.3</td>
<td>68.8</td>
</tr>
<tr>
<td>Sep</td>
<td>61.5</td>
<td>66.1</td>
</tr>
<tr>
<td>Oct</td>
<td>56.8</td>
<td>60.7</td>
</tr>
<tr>
<td>Nov</td>
<td>56.3</td>
<td>63.4</td>
</tr>
<tr>
<td>Dec</td>
<td>48.0</td>
<td>44.6</td>
</tr>
</tbody>
</table>

Hotel & Lodging Occupancy Percent Change from Same Month, 2005-2006 (Knox County)

<table>
<thead>
<tr>
<th>Month</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>7.8</td>
</tr>
<tr>
<td>Feb</td>
<td>6.2</td>
</tr>
<tr>
<td>Mar</td>
<td>3.5</td>
</tr>
<tr>
<td>Apr</td>
<td>-0.8</td>
</tr>
<tr>
<td>May</td>
<td>-5.3</td>
</tr>
<tr>
<td>Jun</td>
<td>-5.0</td>
</tr>
<tr>
<td>Jul</td>
<td>-2.8</td>
</tr>
<tr>
<td>Aug</td>
<td>1.1</td>
</tr>
<tr>
<td>Sep</td>
<td>-1.2</td>
</tr>
<tr>
<td>Oct</td>
<td>-5.0</td>
</tr>
<tr>
<td>Nov</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Zip Codes Included in Knox County Hotel & Lodging Data:

- 37754
- 37849
- 37902
- 37909
- 37912
- 37914
- 37915
- 37916
- 37917
- 37918
- 37919
- 37920
- 37921
- 37922
- 37923
- 37924
- 37932
- 37934

Source: Smith Travel Research, Hendersonville, TN
KNOX COUNTY, TN
Knox County Hotel & Lodging Average Daily Rate (ADR) & Percent Change by Month, 2005-2006

Source: Smith Travel Research, Hendersonville, TN

Hotel & Lodging Average Daily Rate (ADR) by Month, 2005-2006 (Knox County)

Hotel & Lodging Average Daily Rate (ADR) Percent Change from Same Month, 2005-2006 (Knox County)

Zip Codes Included in Knox County Hotel & Lodging Data:

- 37754
- 37849
- 37902
- 37909
- 37912
- 37914
- 37915
- 37916
- 37917
- 37918
- 37919
- 37920
- 37921
- 37922
- 37923
- 37924
- 37932
- 37934

Source: Smith Travel Research, Hendersonville, TN
KNOX COUNTY, TN
Knox County Hotel & Lodging Revenue Per Available Room (RevPAR) & Percent Change by Month, 2005-2006

Hotel & Lodging Revenue Per Available Room (RevPAR) by Month, 2005-2006 (Knox County)

Hotel & Lodging Revenue Per Available Room (RevPAR) Percent Change from Same Month, 2005-2006 (Knox County)

Zip Codes Included in Knox County Hotel & Lodging Data:
37754  37849  37902
37909  37912  37914
37915  37916  37917
37918  37919  37920
37921  37922  37923
37924  37932  37934

Source: Smith Travel Research, Hendersonville, TN