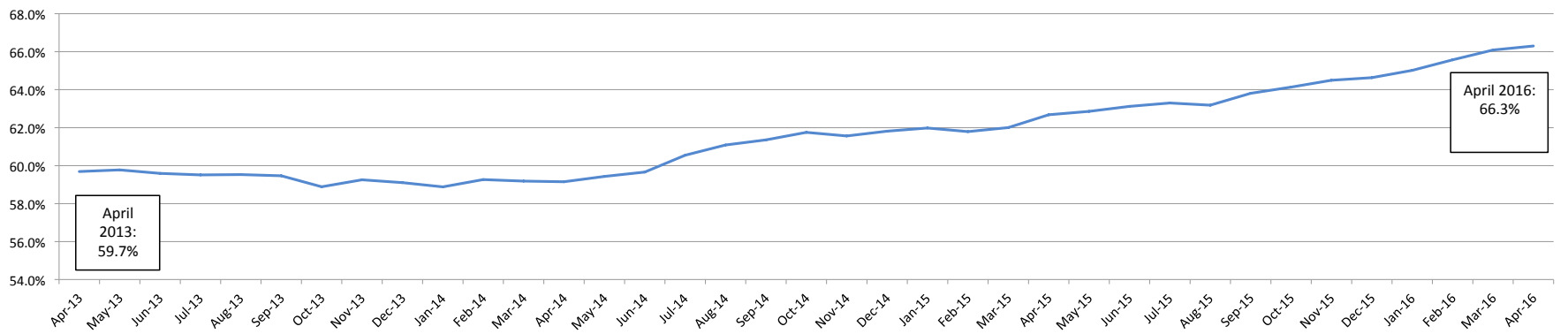


BY THE NUMBERS: Tourism's rising economic impact

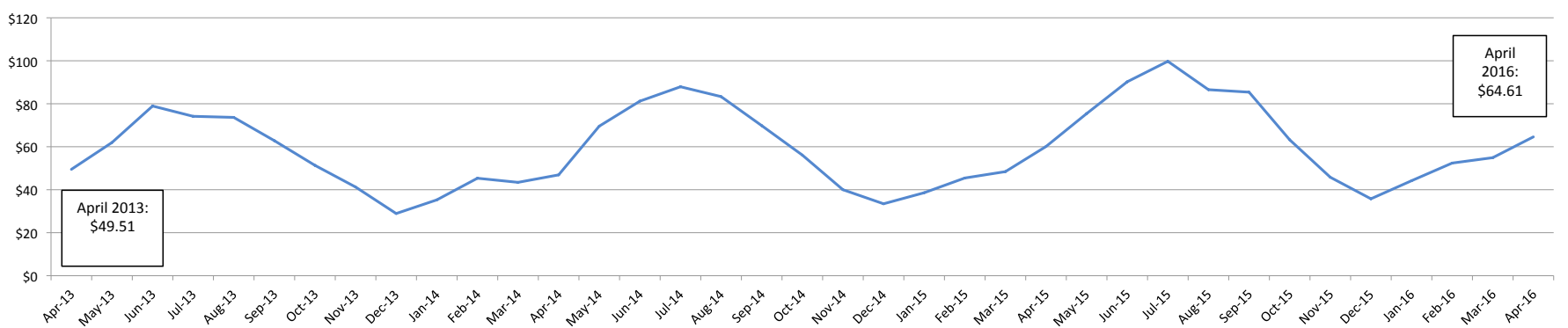
Information provided by the UCCS College of Business Southern Colorado Economic Forum

Colorado Springs Hotel Occupancy Rate, 12 Month Moving Average



Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report

Colorado Springs RevPAR (Revenue per available room)



Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report



With gas prices low, employment levels up and a generally stronger U.S. economy, particularly in the past two years, the tourism industry has flourished. This is true across the U.S. and also in Colorado Springs. The local tourism industry is a \$1.35 billion economic engine, and these dollars are essentially "new" dollars into our economy because by definition, tourists' expenditures come from outside of our region. In the economics vernacular, this makes tourism a primary industry, and regions with more primary industries tend to have more robust economies, since the new, external dollars fuel internal growth.

The first graph shows that locally, hotel occupancy rates (adjusted for seasonality with a 12-month moving average) have been on a very healthy upward trend in the past three years, increasing from 59.7 percent to 66.3 percent. The second graph shows that RevPAR, a metric used by the hotel industry combining hotel occupancy with the average room rate, is also up

from \$49.51 to \$64.61 comparing April 2013 to April 2016. With this comes the positive spillover to auto rentals, restaurants and retail sales as well as the associated taxation. In fact, lodging and auto rental tax (LART) revenue is up almost 25 percent comparing Q1 of 2013 to Q1 of 2016. This windfall could have been even greater in dollar terms since our lodging taxation rate is quite low at 2 percent and auto rentals at 1 percent. Many U.S. cities have hotel taxes in the 10-15 percent range, and these cities often use a portion of the hotel taxes to further promote their tourism industry.

It is likely that this industry's impact on our region will only increase moving forward. With the U.S. Olympic Committee headquarters, the Olympic Training Center, 24 national governing bodies and more than 50 national sports organizations, Colorado Springs has the appropriate moniker of Olympic City USA. The upcoming U.S. Olympic Museum and Hall of Fame in 2018 will further solidify and celebrate this asset as will local events surrounding the Rio Olympic Games this summer. This is all in addition to the magnificent topographical assets that attract sightseers and sports enthusiasts. As the state of Colorado continues to grow and attract young professionals, it is highly likely that the outdoor elements will entice an increasing number of tourists. As it currently stands, Colorado Springs' tourism industry is indeed a strong force well worth celebrating and supporting:

- Garden of the Gods attracts approximately 1 million visitors per year. For context, the population of Colorado is 5.5 million.
- All local tourist attractions combine for approximately 6 million visitors per year.
- The Olympic Training Center employs 361 people with a \$31 million payroll; the Olympic non-governing bodies (NGBs) employ 750 people with a \$50 million payroll.

- The entire Olympic complex attracts 130,000 visitors per year.
- The planned Olympic Museum is forecasted to bring in an incremental 350,000 visitors per year.
- The sports industry as a whole generates more than \$400 million toward our gross metropolitan product (Colorado Springs Sports Corp).
- The \$20 million Air Force Academy Visitors Center and \$40 million UCCS sports medicine and performance center, both part of the City for Champions Regional Tourism Act funding, should also significantly increase tourism's overall economic impact.

The increasing number of assets will undoubtedly boost the tourism industry. This will bring even greater exposure to our area's assets, providing more "new" dollars, which will further enhance the economic impact of this vital and vibrant industry.

— **By Tatiana Bailey and Kathryn Benson**

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July 8, 2016**

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