

## Tourism, Travel, and Recreation

Utah’s tourism and travel sector experienced year-over growth during the first half of 2014, including increases in state and local tourism-related tax revenues, leisure and hospitality taxable sales, tourism-related jobs and wages, and park and ski resort visits. Tourism and travel sector increases mirror the success of the Utah Office of Tourism’s 2013/14 “Mighty 5” and winter advertising campaigns, which were funded by the state’s Tourism Marketing Performance Fund and promote Utah’s five national parks and accessible world-class ski resorts. Compared to the first half of 2013, during the first half of 2014, visitors purchased more Utah hotel rooms and spent more money on arts, entertainment, recreation, restaurants, and retail, which in turn created additional tourism-related jobs. Ski Utah reported the third most skier visits on record during the 2013/14 ski season and 2014 national and state park visits were trending above 2013 visits.

### 2014 Summary

Tourism-related taxes, such as transient room, restaurant, short term leasing, and resort communities sales taxes, increased from 8 percent to 19 percent from fiscal year 2013 to fiscal year 2014. In many instances, relatively large tourism-related tax revenue increases are due to a greater number of localities enacting the tourism taxes or raising their tourism tax rates. During the first half of 2014, 22 of 29 counties in Utah experienced increases in tourism-related tax revenues.

Total taxable sales in the leisure and hospitality sector increased 7 percent during the first half of 2014, while gas

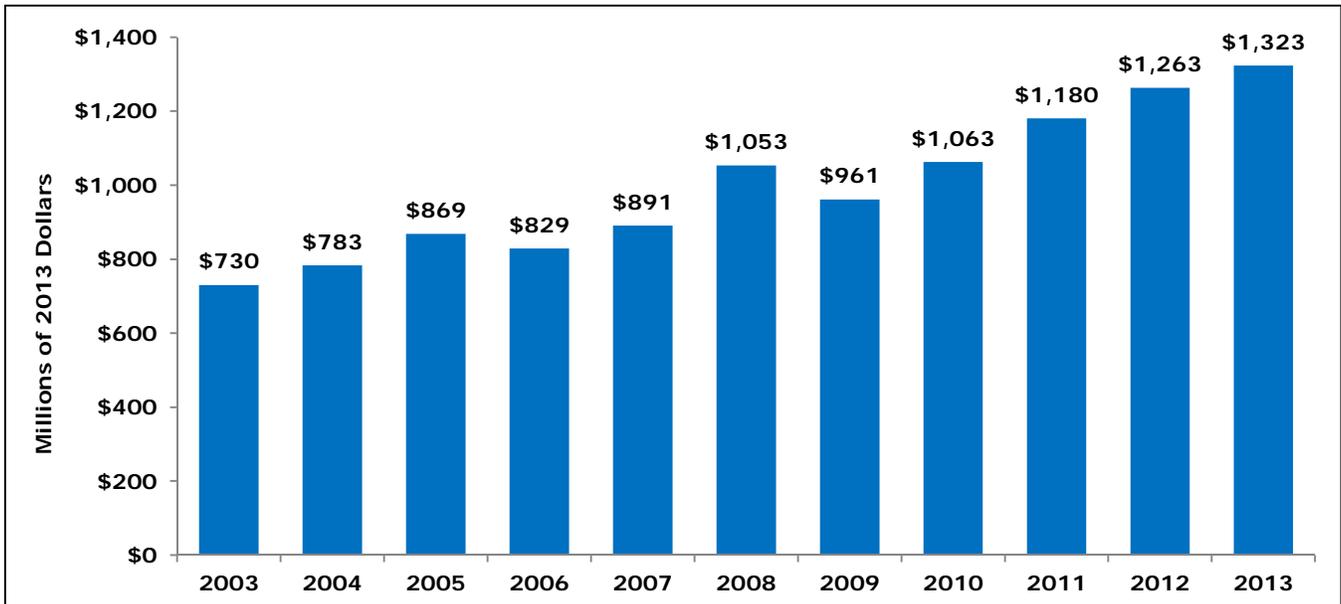
stations, grocery stores, and tourism-related retail sales increased anywhere from 2 to 4 percent. Likewise, 25 of 29 counties reported growth in leisure and hospitality taxable sales.

Tourism-related jobs in Utah’s private leisure and hospitality sector increased 6 percent, double the growth rate of all other private Utah jobs combined (3 percent). However, leisure and hospitality sector wages, adjusted for inflation, increased 4 percent while wages for all other private jobs increased 5 percent. Tourism-related employment and wages are expected to increase at a similar pace in future years.

According to Smith Travel Research, during the first half of 2014, statewide occupancy, average daily rate and revenue per available room increased 3 percent, 4 percent, and 8 percent, respectively. Within the same period of time, 15 of 24 counties in Utah reported improved hotel performance measures. The greatest increases in overall Utah hotel performance occurred during the second quarter of 2014 (April, May and June). In fact, Smith Travel Research reported that, on a national basis, average occupancy was at a record high in July of 2014.

Travel research firm TNS Global, reported total Utah person-trips during the first six months of 2014 had increased an estimated 12 percent from 2013, with an 18 percent increase in nonresident visitors. Similarly, during the first three quarters of 2014, total visits to Utah’s five national parks and places had increased 10 percent from the previous year, while

Figure 21.1  
Hotel Room Rents



Source: Bureau of Economic and Business Research Analysis of Utah State Tax Commission data

Grand Staircase-Escalante National Monument reported a 16 percent increase in visitation in federal fiscal year 2014. Arches National Park visitation had reported the greatest increase in visitation (14 percent) at the time of this publication. State park visits in July and August of 2014 had increased 12 percent from the same two months in 2013. Ski Utah reported 4.2 million skier visits during the 2013/14 ski season, making it the third best season on record.

There have been several newsworthy tourism-related events in 2014. In February, the Utah State Legislature passed legislation that provides an incentive for the construction of a new convention hotel in Salt Lake City. According to Visit Salt Lake, the existing Salt Palace Convention Center in downtown Salt Lake City experienced record-setting attendance in 2014, not only at the Outdoor Retailer Summer Market, but also at six other tradeshows and conventions. It is estimated that attendees of the over 54 national, international and regional events hosted at the Salt Palace in 2014 spent close to \$300 million in the local economy, stimulating additional jobs, income and tax revenue.

In September, Visit Salt Lake announced its “Ski City” marketing campaign to promote the proximity of an urban hub to four world-class ski areas. During the same month, Colorado-based Vail Resorts announced its purchase of Park City Mountain Resort and its future plans to combine with

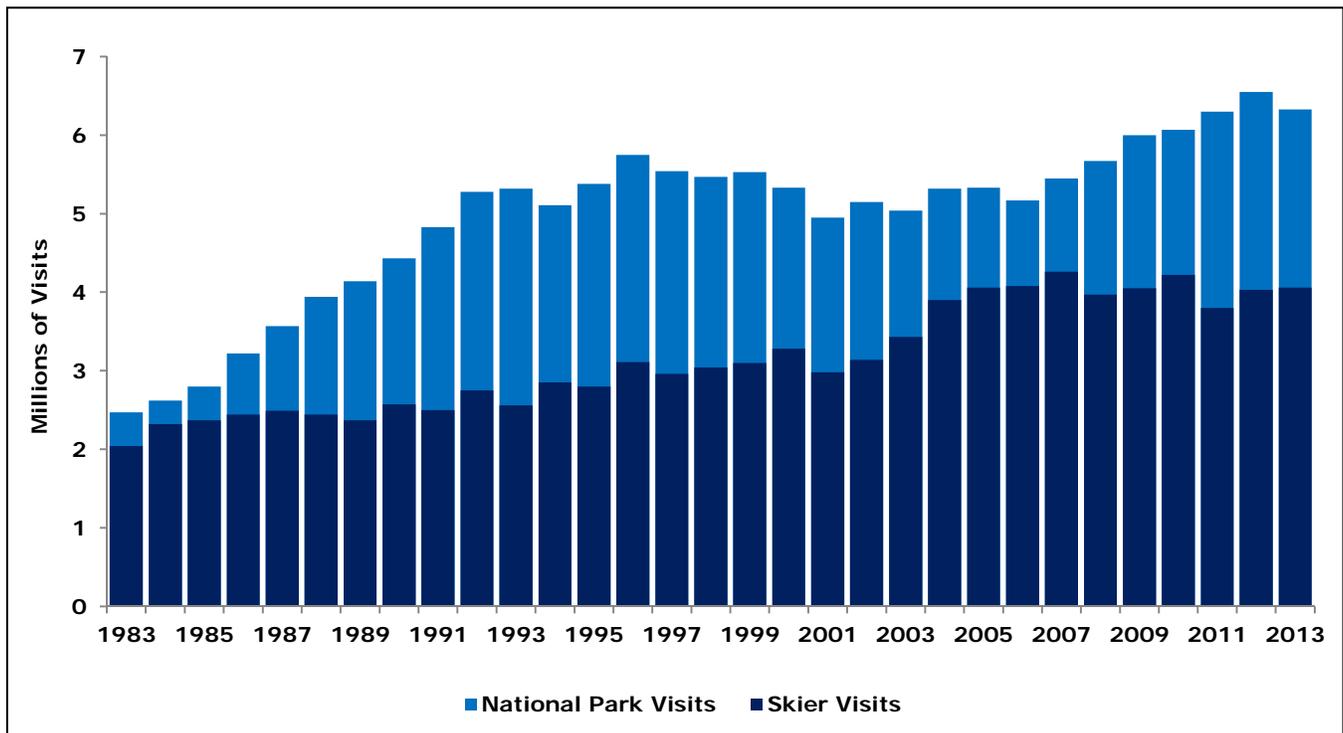
Canyons Resort (currently managed by Vail). One month later, Deer Valley in Summit County announced that it had bought Solitude Ski Resort in Salt Lake County, and newly-constructed ski resort, Cherry Peak, planned to open in Cache County in late 2014, bringing Utah’s ski resort count to 15. Utah ski industry leaders are optimistic regarding the effects these changes will have on Utah’s ski industry economy.

In addition, the Salt Lake City International Airport began the first phase of construction on its \$1.8 billion redevelopment plan, which is expected to create 24,000 Utah jobs with \$1 billion in income. Meanwhile, the Ogden-Hinckley Airport announced recently it will be offering twice-daily roundtrip flights to Utah’s national parks. In other parts of the state, the city of Provo, Utah, was voted the second “Best City in the Nation” in a 2014 *Outside* magazine online poll, Moab, Utah opened two new hotels (Hampton Inn and Marriott) along with over 100 new condo units, and rural counties like Daggett, Uintah, and San Juan began constructing new trail systems to promote recreational opportunities and showcase their area’s natural and cultural assets.

**2015 Outlook**

The Utah travel and tourism outlook for 2015 remains optimistic. The U.S. Travel Association predicts total national travel expenditures to increase around 5 percent, domestic leisure person-trips to increase 2 percent, and total

**Figure 21.2  
Utah National Park and Skier Visits**



Sources: U.S. National Park Service and Ski Utah

**Figure 21.3  
Utah Tourism Indicators**

Year	Hotel Room Rents (millions)	National Park Visits	State Park Visits	Salt Lake Int'l. Airport Passengers	Skier Visits	Hotel Occupancy Rate	Travel-Related Employment	Travel-Related Wages (millions)	Traveler Spending (millions)	Travel-Related Tax Revenue (millions)
1983	\$140,728,877	2,465,294	5,214,498	7,059,964	2,038,544	-	-	-	-	-
1984	161,217,797	2,616,301	4,400,103	7,514,113	2,317,255	-	-	-	-	-
1985	165,280,248	2,804,693	4,846,637	8,984,780	2,369,901	-	-	-	-	-
1986	175,807,344	3,224,694	5,387,791	9,990,986	2,436,544	-	-	-	-	-
1987	196,960,612	3,566,069	5,489,539	10,163,883	2,491,191	-	-	-	-	-
1988	220,687,694	3,941,791	5,072,123	10,408,233	2,440,668	-	-	-	-	-
1989	240,959,095	4,135,399	4,917,615	11,898,847	2,368,985	-	-	-	-	-
1990	261,017,079	4,425,086	5,033,776	11,982,276	2,572,154	63.8%	-	-	-	-
1991	295,490,324	4,829,317	5,425,129	12,477,926	2,500,134	69.4%	-	-	-	-
1992	312,895,967	5,280,166	5,908,000	13,870,609	2,751,551	70.3%	-	-	-	-
1993	352,445,691	5,319,760	6,950,063	15,894,404	2,560,805	71.9%	-	-	-	-
1994	378,024,547	5,111,428	6,953,400	17,564,149	2,850,000	73.7%	-	-	-	-
1995	429,189,045	5,381,717	7,070,702	18,460,000	2,800,000	73.5%	-	-	-	-
1996	477,409,577	5,749,156	7,478,764	21,088,482	3,113,800	73.1%	-	-	-	-
1997	519,160,181	5,537,260	7,184,639	21,068,314	2,954,690	68.0%	-	-	-	-
1998	540,424,182	5,466,090	6,943,780	20,297,371	3,042,767	63.8%	-	-	-	-
1999	545,328,875	5,527,478	6,768,016	19,944,556	3,095,347	61.6%	-	-	-	-
2000	567,708,954	5,332,266	6,555,299	19,900,770	3,278,291	57.1%	-	-	-	-
2001	578,445,705	4,946,487	6,075,456	18,367,961	2,984,574	56.0%	-	-	-	-
2002	666,718,674	5,147,950	5,755,782	18,662,030	3,141,212	57.3%	-	-	-	-
2003	599,476,406	5,042,756	4,570,393	18,466,756	3,429,141	54.2%	-	-	-	-
2004	660,606,509	5,318,157	4,413,702	18,352,495	3,895,578	56.6%	127,739	-	\$5,648	\$758
2005	753,689,699	5,329,931	4,377,041	22,237,936	4,062,188	60.7%	126,151	-	5,779	772
2006	739,621,493	5,165,498	4,494,990	21,557,646	4,082,094	63.4%	124,482	-	5,908	785
2007	819,803,181	5,445,591	4,925,277	22,044,533	4,258,900	63.7%	138,848	-	6,769	905
2008	1,002,664,837	5,670,851	4,564,770	20,790,400	3,972,984	59.4%	136,893	-	6,925	908
2009	909,333,228	6,002,104	4,820,930	20,432,218	4,048,153	53.1%	125,380	\$3,151	5,689	771
2010	1,015,280,514	6,072,900	4,842,891	21,016,686	4,223,064	56.1%	124,952	3,263	6,317	867
2011	1,160,845,531	6,304,838	4,803,876	20,389,474	3,802,536	57.8%	126,821	3,413	6,955	942
2012	1,248,313,080	6,554,057	5,093,740	20,096,549	4,031,621	59.0%	129,592	3,523	7,318	989
2013	1,322,791,104	6,328,040	4,063,382	20,186,474	4,063,382	59.1%	132,681	3,722	7,507	1,017
<b>Percent Change</b>										
2012-2013	6.0%	-3.4%	-20.2%	0.4%	0.8%	0.2%	2.4%	5.6%	2.6%	2.8%
<b>Average Annual Rate of Change</b>										
1983-2013	7.8%	3.2%	-0.8%	3.6%	2.3%	-0.3%	0.4%	4.3%	3.1%	3.1%

Notes: In 2013, Utah State Parks employed a new methodology to calculate recreational visitation. Hotel occupancy rates provided by Rocky Mountain Lodging (1990-1999) and Smith Travel Research (2000-present). Employment estimates provided by GOMB (2004-2008) and BEBR (2009-present). Wage estimates provided by BEBR (2009-present). Spending estimates provided by D.K. Shifflet (2004-2008) and TNS Global (2009-present). Tax revenue estimates provided by GOMB (2004-2008) and BEBR (2009-present).

Sources: National Park Service; Utah State Tax Commission; Utah Department of Transportation; Department of Workforce Services; Department of Natural Resources; Salt Lake International Airport; Ski Utah; Rocky Mountain Lodging Report; Smith Travel Research; Department of Community and Economic Development; Governor's Economic Development; Bureau of Economic and Business Research - University of Utah; Governor's Office of Management and Budget; Governor's Office of Economic Development - Office of Tourism; D.K Shifflet and Associates Ltd; and TNS Global

international visitation to increase 4 percent in 2015. Continued growth is expected in the Chinese travel market not only in Utah, but also across the nation, due to more relaxed Chinese travel visa regulations. It is also anticipated that the Utah Office of Tourism's continued efforts to market Utah via their "Mighty 5" and "Find Your Greatest"

campaigns, which include digital advertising and the placement of TV, outdoor, and print ads in several large U.S. cities, will continue to have a positive impact on incremental nonresident travel to both urban and rural Utah in 2015.