

Tourism and Travel

2015 Overview

Utah's tourism and travel sector experienced continued economic growth in 2015, including increases in state and local tourism-related tax revenues, leisure and hospitality sales, tourism-related jobs and wages, and a record number of visitors to Utah's five national parks. The only key tourism-related performance indicator that did not surpass 2014 levels was total Utah skier days (down five percent). This performance anomaly can be attributed to Utah's below-average snowfall and less than ideal skiing conditions during the 2014/2015 ski season. Still, in 2015, visitors purchased more Utah hotel rooms and spent more money on arts, entertainment, recreation, restaurants and retail than ever before.

At the time of this publication, tourism-related sales tax revenues, such as transient room, restaurant, short-term leasing, and resort communities sales taxes, were trending anywhere from 9 to 13 percent above 2014 revenues. During the first three quarters of 2015, 27 of 29 counties in Utah experienced year-over increases in their tourism, recreation, cultural and convention facilities (TRCC) tax revenues. In addition, total taxable sales in the leisure and hospitality sector increased 11 percent during the first half 2015, while gas station, grocery store, and other tourism-related retail sales increased around six percent.

During the first half of 2015, tourism-related jobs in Utah's private leisure and hospitality sector experienced a four percent year-over increase (consistent with all other sectors) and wages had increased eight percent from the prior year, slightly outpacing all other sectors (seven percent).

In 2015, there were several newsworthy tourism-related events in Utah. In March, the Utah Office of Tourism announced its partnership with Brand USA to produce in-language content ads aimed to market Utah to international travelers. These native-language ads targeted potential Chinese tourists (the fastest growing segment of international visitors), as well as

those from France, Germany, Mexico and Brazil – Utah's other top markets.

Towards the end of summer, it was announced that the biannual Outdoor Retailer trade shows will be staying in Salt Lake City through the summer of 2018. The winter and summer Outdoor Retailer shows attract thousands of nonresident visitors who, during their stay in Utah, spend over \$300 million on a variety of local goods and services. Similarly, Visit Salt Lake reported that 2015 was a record year for conventions, including unprecedented Salt Lake City hotel sales (\$455 million) and overall convention attendance.

In the fall of 2015, Ski Utah announced several improvements to Utah ski resorts, including the grand opening of the largest ski resort in the U.S.: Park City. In addition to touting the nation's largest ski resort, Utah also welcomed a new ski resort in northern Utah (Cherry Peak) and unveiled Snowbird's new Summit facility at the top of Hidden Peak. Additional renovations and upgrades took place at several other popular Utah resorts this year in time for the 2015/2016 ski season.

In early October, the Utah Office of Tourism hosted its annual Utah Tourism Conference near Bryce Canyon National Park, selling out for the first time to a variety of industry partners. During the same month, in neighboring St. George, the Washington County Commission officially earmarked \$325,000 of its annual ZAP and TRT sales tax revenues for one of Washington County's most popular tourist attractions and largest economic drivers: the Tuacahn Center for the Arts. Tourism-related events like these indicate a growing statewide support for Utah's tourism economy.

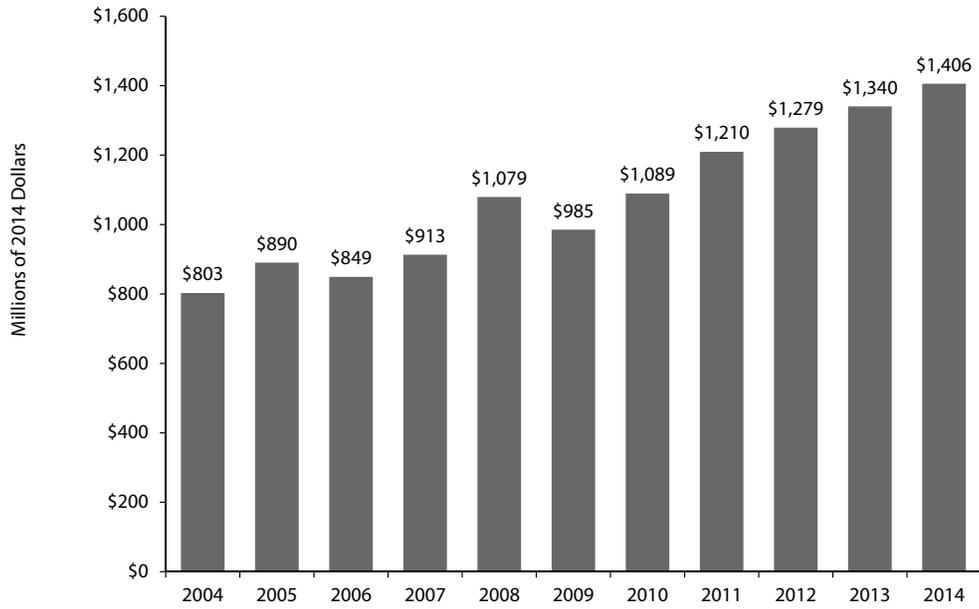
2016 Outlook

The Utah tourism and travel outlook for 2016 remains optimistic. Following on the heels of their successful "Mighty 5" Utah marketing campaign, the Utah Office of Tourism plans to release their "Road to Mighty" ad series in early 2016. The "Road to Mighty" campaign

will highlight Utah's lesser-known parks and scenic landscapes across southern Utah. Meanwhile, the U.S. Travel Association forecasts a three percent increase in domestic and international spending in the U.S. next year along with a two percent increase in domestic person-trips and a three to five percent increase in international visitation.

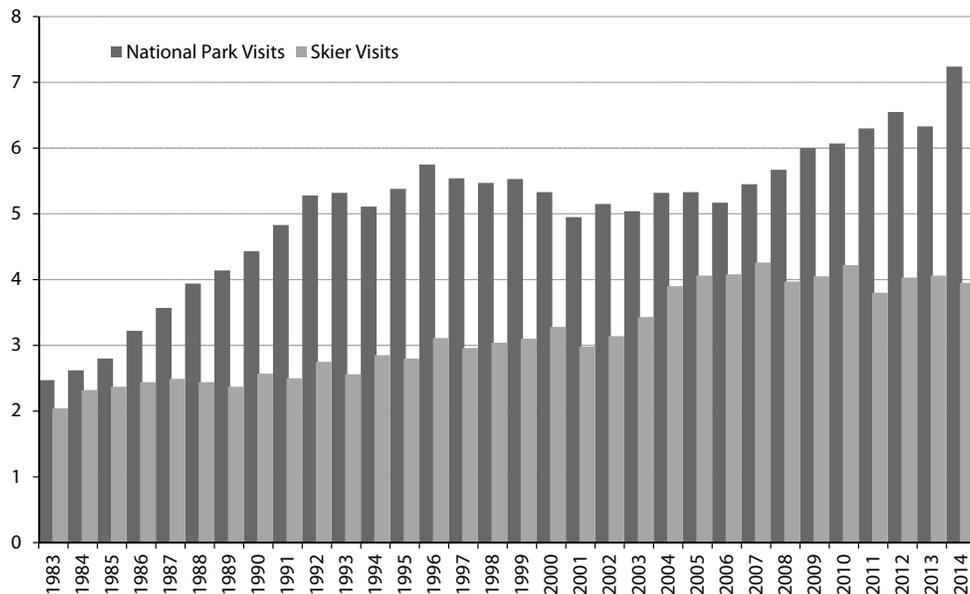
Based on the current fragility of the European economies, including the decreasing value of the Euro compared to the U.S. Dollar, a downturn in European visitation to Utah is a possibility in the coming year. In the United States, however, gas prices are expected to remain low while the economy is expected to grow steadily, increasing opportunities for, and the likelihood of, domestic travel. In the year ahead, it is estimated that Utah will experience a three percent increase in tourism-related jobs and wages, a five percent increase in tourism-related sales, and an eight percent increase in tourism-related sales tax revenues.

Figure 21.1
Utah Hotel Room Rents, 2004-2014 (In Constant 2014 Dollars)



Source: Kem C. Gardner Policy Institute Analysis of Utah State Tax Commission data

Figure 21.2
Utah National Park and Skier Visits, 1983-2014.



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

Table 21.1
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	\$141	2,465,294	5,214,498	7,059,964	2,038,544	na	na	na	na	na
1984	\$161	2,616,301	4,400,103	7,514,113	2,317,255	na	na	na	na	na
1985	\$165	2,804,693	4,846,637	8,984,780	2,369,901	na	na	na	na	na
1986	\$176	3,224,694	5,387,791	9,990,986	2,436,544	na	na	na	na	na
1987	\$197	3,566,069	5,489,539	10,163,883	2,491,191	na	na	na	na	na
1988	\$221	3,941,791	5,072,123	10,408,233	2,440,668	na	na	na	na	na
1989	\$241	4,135,399	4,917,615	11,898,847	2,368,985	na	na	na	na	na
1990	\$261	4,425,086	5,033,776	11,982,276	2,572,154	63.8%	na	na	na	na
1991	\$295	4,829,317	5,425,129	12,477,926	2,500,134	69.4%	na	na	na	na
1992	\$313	5,280,166	5,908,000	13,870,609	2,751,551	70.3%	na	na	na	na
1993	\$352	5,319,760	6,950,063	15,894,404	2,560,805	71.9%	na	na	na	na
1994	\$378	5,111,428	6,953,400	17,564,149	2,850,000	73.7%	na	na	na	na
1995	\$429	5,381,717	7,070,702	18,460,000	2,800,000	73.5%	na	na	na	na
1996	\$477	5,749,156	7,478,764	21,088,482	3,113,800	73.1%	na	na	na	na
1997	\$519	5,537,260	7,184,639	21,068,314	2,954,690	68.0%	na	na	na	na
1998	\$540	5,466,090	6,943,780	20,297,371	3,042,767	63.8%	na	na	na	na
1999	\$545	5,527,478	6,768,016	19,944,556	3,095,347	61.6%	na	na	na	na
2000	\$568	5,332,266	6,555,299	19,900,770	3,278,291	57.1%	na	na	na	na
2001	\$578	4,946,487	6,075,456	18,367,961	2,984,574	56.0%	na	na	na	na
2002	\$667	5,147,950	5,755,782	18,662,030	3,141,212	57.3%	na	na	na	na
2003	\$599	5,042,756	4,570,393	18,466,756	3,429,141	54.2%	na	na	na	na
2004	\$661	5,318,157	4,413,702	18,352,495	3,895,578	56.6%	127,739		\$5,648	\$758
2005	\$754	5,329,931	4,377,041	22,237,936	4,062,188	60.7%	126,151		\$5,779	\$772
2006	\$740	5,165,498	4,494,990	21,557,646	4,082,094	63.4%	124,482		\$5,908	\$785
2007	\$820	5,445,591	4,925,277	22,044,533	4,258,900	63.7%	138,848		\$6,769	\$905
2008	\$1,003	5,670,851	4,564,770	20,790,400	3,972,984	59.4%	136,893		\$6,925	\$908
2009	\$909	6,002,104	4,820,930	20,432,218	4,048,153	53.1%	125,380	\$3,151	\$5,689	\$771
2010	\$1,015	6,072,900	4,842,891	21,016,686	4,223,064	56.1%	124,952	\$3,263	\$6,317	\$867
2011	\$1,161	6,304,838	4,803,876	20,389,474	3,802,536	57.8%	126,821	\$3,413	\$6,955	\$942
2012	\$1,248	6,555,833	5,093,740	20,096,549	4,031,621	59.0%	129,592	\$3,523	\$7,318	\$989
2013	\$1,323	6,328,040	4,063,382	20,186,474	4,161,585	59.1%	132,681	\$3,722	\$7,507	\$1,017
2014	\$1,406	7,239,149	3,740,896	21,141,610	3,946,762	60.1%	137,192	\$3,936	\$7,805	\$1,073
Percent Change										
2013-2014	6.3%	14.4%	-7.9%	4.7%	-5.2%	1.7%	3.4%	5.7%	4.0%	5.5%
Average Annual Rate of Change										
1983-2014	7.7%	3.5%	-1.1%	3.6%	2.2%	-0.2%	0.7%	4.5%	3.2%	3.4%

*Includes direct, induced and indirect.

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 & Economic Development; Governor's Economic Development; Kem C. Gardner Policy Institute - University of Utah; Governor's Office of Management and Budget; Governor's Office of Economic Development - Office of Tourism; D.K Shiflet and Associates Ltd; and TNS Global

Notes: Beginning 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 Kem C. Gardner Policy Institute (2009-present).
Wage estimates provided by Kem C. Gardner Policy Institute (2009-present).
Spending estimates provided by D.K. Shiflet (2004-2008) and TNS Global (2009-present).
Tax revenue estimates provided by Governor's Office of Management and Budget (2004-2008) and Kem C. Gardner Policy Institute (2009-present).