

VISIT TUCSON TOURISM UPDATE

TRAVEL IS A \$2.2 BILLION INDUSTRY IN PIMA COUNTY

Welcome to Visit Tucson's Tourism Update created to inform you about the economic impact of tourism and the role our organization plays to drive the economy in Tucson and Southern Arizona.

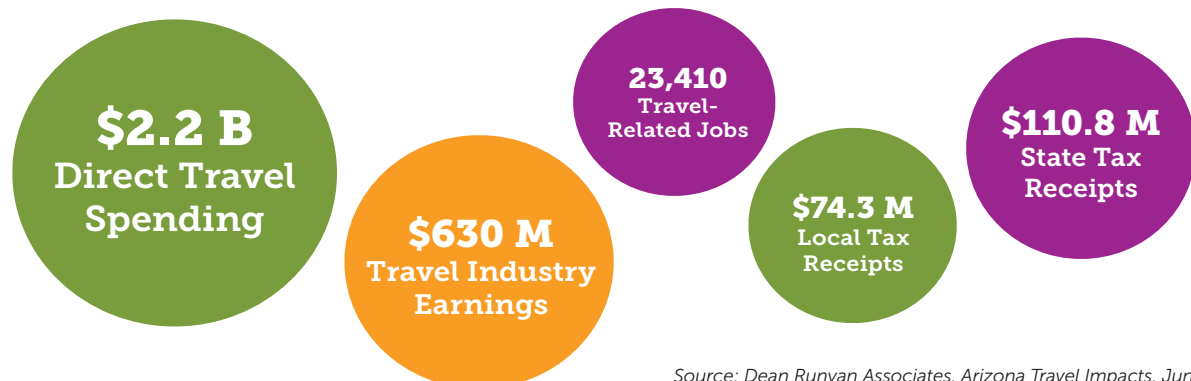
Tourism is one of metro Tucson's largest industries generating \$2.2 billion annually in direct spending.

Visit Tucson attracts customers by marketing our destination to leisure travelers in top visitor feeder markets and selling Tucson to targeted meeting planners.

Visit Tucson also generates spending through its Mexico marketing, sports and film departments. The organization promotes Southern Arizona to travel agents, tour operators and travel media throughout North America and Western Europe.

Visit Tucson is often referred to as a destination marketing organization (DMO), or convention and visitors bureau (CVB). Organizations, such as Visit Tucson, exist throughout the United States and internationally.

PIMA COUNTY 2014 TRAVEL IMPACTS



VISIT TUCSON'S BUDGET GROWS TO \$7.5 MILLION

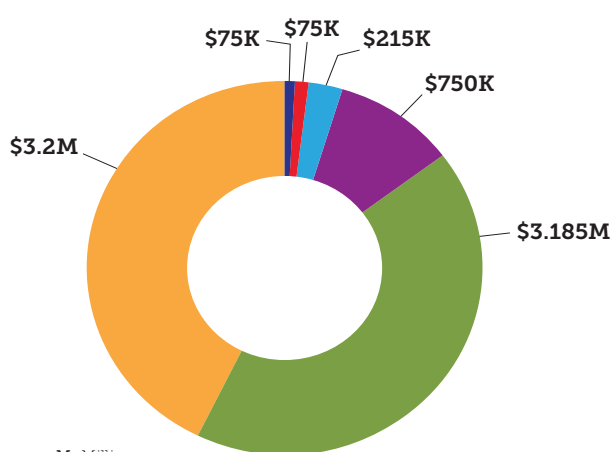
Visit Tucson has a \$7.5 million budget in its current fiscal year—July 2015-June 2016. Approximately 87% of the organization's revenue comes from transient occupancy (bed) taxes paid by those who stay in hotels, resorts and some bed-and-breakfasts in unincorporated Pima County, Tucson and Oro Valley.

The organization also partners with the Pascua Yaqui Tribe and Tohono O'odham Nation. Visit Tucson has 500 partner businesses that pay membership dues and invest in Visit Tucson's advertising and other cooperative opportunities to better reach potential customers.

At \$7.5 million, Visit Tucson's budget is up from \$6.4 million three years ago, but down from its \$10.5 million budget in 2006-07, prior to the recession.

Out of the 15 western and southwestern cities against which our region competes for business, Visit Tucson's budget ranks 12th. The organization is focused on attracting more visitors to generate additional bed-tax revenue, which will allow Visit Tucson to expand its sales and marketing programs.

VISIT TUCSON FY 15-16 REVENUE



- Pima County
- City of Tucson
- Private
- Oro Valley
- Pascua Yaqui
- Tohono O'odham

RETURN ON INVESTMENT

Visit Tucson generated \$163.4 million from its 2014-15 marketing and sales activities. Divide that by the organization's \$7.1 million budget last year and Visit Tucson generated a \$23 return on every \$1 invested in the organization.

ECONOMIC IMPACT GENERATED BY VISIT TUCSON ('14-'15)

Leisure Visitors	\$80.7 M
Meetings economic impact	\$49.9 M
Sports economic impact	\$15.6 M
Mexico visitors	\$5.3 M
Public relations	\$5.1 M
Film direct spending	\$6.8 M
TOTAL:	\$163.4 MILLION

METRO TUCSON HOTEL PERFORMANCE STRONG

Hotel revenue throughout the region was up 6% from July 2014-June 2015. The increase was led by higher hotel room occupancy, which increased 4%, while room rates grew by 2%.

TUCSON BED-TAX COLLECTIONS UP 10%

Per preliminary 2014-15 figures from the city of Tucson, it collected nearly \$13.4 million in hotel bed-tax revenue, 10% more than the previous year. The majority of the revenue goes to the city's general fund and reduces the tax burden on local residents and businesses for city services.

FACTORS THAT INFLUENCE VISITATION

STRENGTHS

- Improving National Economy
- Emerging & Revitalized Urban Core
- Tucson Travel Brand – more information available online at visittucson.org/media/visit-tucson-brand
- Tucson/Southern Arizona Attractions

WEAKNESSES

- Visit Tucson's Budget
- Infrastructure
- Air Service

OPPORTUNITIES

- Pima County Bond Election
- Repurpose Pima County Sports & Tourism Authority
- Event Development

UPCOMING TUCSON EVENTS

Vamos a Tucson Mexican Baseball Fiesta

10/01 to 10/04
Hi Corbett Field

Tucson Festival of Films

10/08 to 10/10
Temple of Music and Art

Tucson Meet Yourself

10/09 to 10/11
Downtown Tucson

Tucson Fashion Week

10/15 to 10/17
Scottish Rite Cathedral, Moen Mason Gallery, UA Old Main

World Margarita Championship

10/17
Westward Look Wyndham Grand Resort & Spa

Loft Film Festival

10/21 to 10/25
The Loft Cinema

PIMA COUNTY BONDS WOULD ENHANCE TOURISM

By: Brent DeRaad, President & CEO, Visit Tucson



Three primary tactics used throughout the nation to spark tourism are: 1) increase the DMO's sales and marketing budget; 2) attract more visitors by growing existing events and bringing in new events; and 3) foster tourism-related capital projects.

Not surprisingly, regions where government and the private sector collaborate in all three areas tend to grow tourism revenue at a faster rate.

Pima County voters will address the capital projects opportunity as part of the upcoming bond election. A total of 99 bond projects have been divided into seven questions with voters being asked to give a thumbs up or down on each question.

From my standpoint, projects in all seven categories will enhance the quality of life in our region and will help us at Visit Tucson to attract more visitors. The question for voters is whether they believe the projects are worth the increase in the secondary property tax rate throughout the county.

I pay property taxes on my home and our company pays property taxes on our downtown building. I feel the bond projects on the ballot would deliver a return on those additional investments.

- Project benefits would include new jobs, better infrastructure, enhanced amenities and quality of life for our residents, and more visitors to enjoy improved attractions, which are part of the bonds' tourism question.
- Several of the tourism projects would require private matching funds before the bonds are sold. Additionally, bond projects could help spur much-needed additional private investment in our region, similar to how the Tucson Streetcar has helped revitalize downtown.

I encourage you to visit pima.gov/bonds2015 for additional information.

For additional information please go to VisitTucson.org/media/marketing-plan

TRAVEL INFORMATION

If you need ideas on how to entertain visiting family and friends or you simply want to explore Tucson and Southern Arizona, please go to VisitTucson.org or stop by Visit Tucson's Visitor Center located at 110 S. Church Ave. in La Placita Village in Downtown Tucson.

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Visit Tucson is a 501c6, nonprofit organization charged with bringing visitors and visitor spending to our region. Visit Tucson Tourism Update is an advertisement produced by Visit Tucson and paid via the organization's private-sector funds.