



Georgia Tax Council | Sept. 29, 2010

Why is Hospitality **Important?**

Revenue

Employment

Growth and Investment



The Gasoline that Runs the Engine

Hospitality At a Glance

Employs **217,000** Atlanta residents

34M visitors annually

\$10B in visitor spending

4th largest convention center in the country

Busiest airport in the world

Nearly **2,700 arrivals and departures** daily

6th largest hotel portfolio with **94,173 rooms**

ACVB Mission



Market the City

Leisure Traveler Profile

- **23.2 million** leisure visitors in 2009, down 2% from 23.6 million in 2008
- The 23.2 million leisure visitors spent **\$5.4 billion** in 2009, down from \$5.7 billion in 2008
- **12.5 million** of the 23.2 million spent at least one night in Atlanta
- Overnight leisure visitors typical characteristics:
 - Stay 2.82 nights
 - Average party size is 2.39 persons
 - Spend on average \$112 per person per day

Business Traveler Profile

- **10.9 million business visitors** in 2009, down from 11.8 million in 2008
- Business visitors spent **\$4.4 billion** in 2009
- **55** citywide conventions in 2009
- Overnight business visitors typical characteristics:
 - Average party size is 1.45 persons
 - Average stay length is 2.84 days
 - Average party spend per trip \$1078



Selling Our City

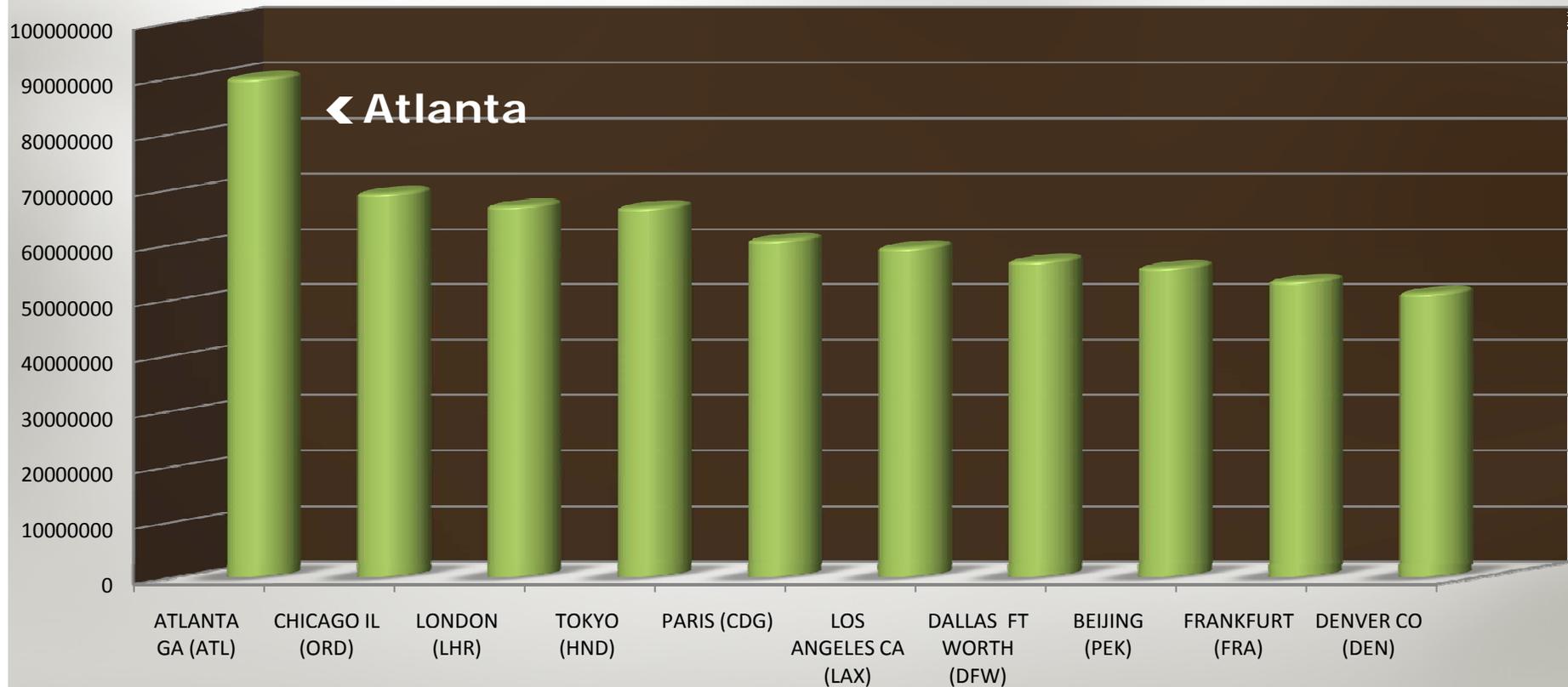


America's Most Accessible City

- **80% of the U.S. Population is within a two-hour flight**
- **Direct non-stops to more than 155 U.S. destinations**
- **2nd among U.S. airports for number of nonstop international markets**
- **Average price of a one-way domestic airline ticket: \$172**

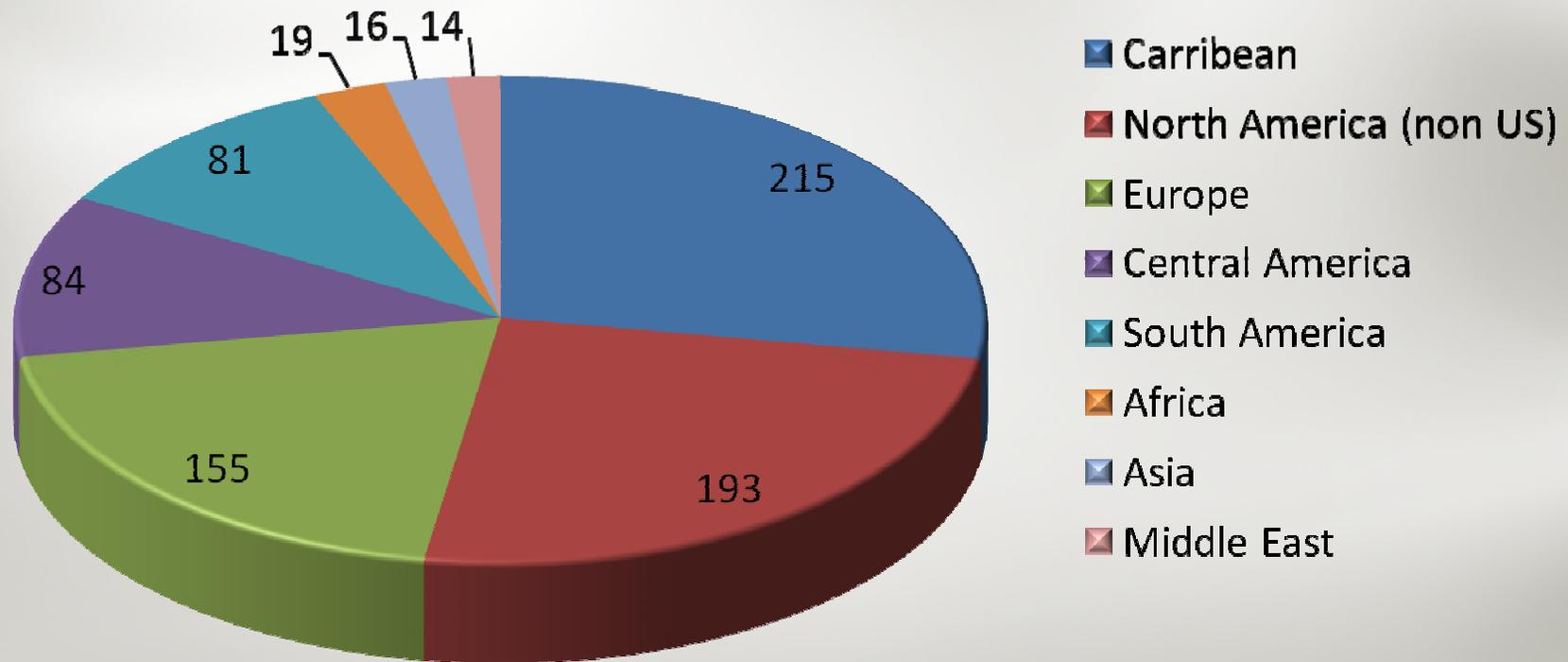


World Airport Rankings



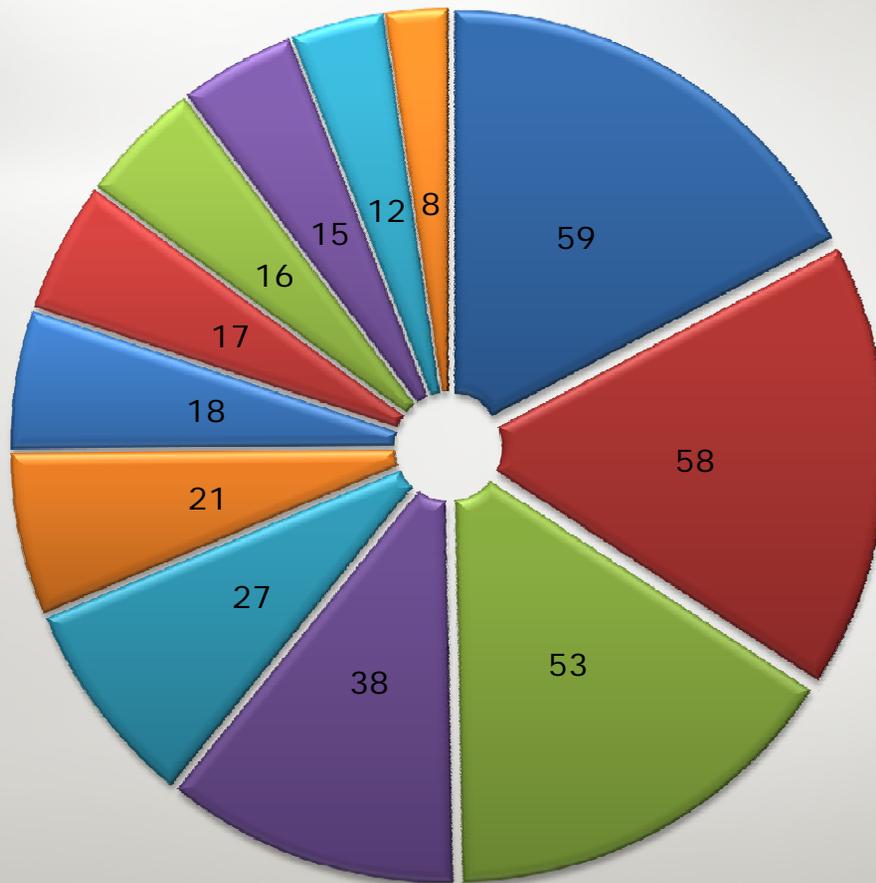
Source: Airports Council International, 2009

The U.S. Gateway to Europe and South America



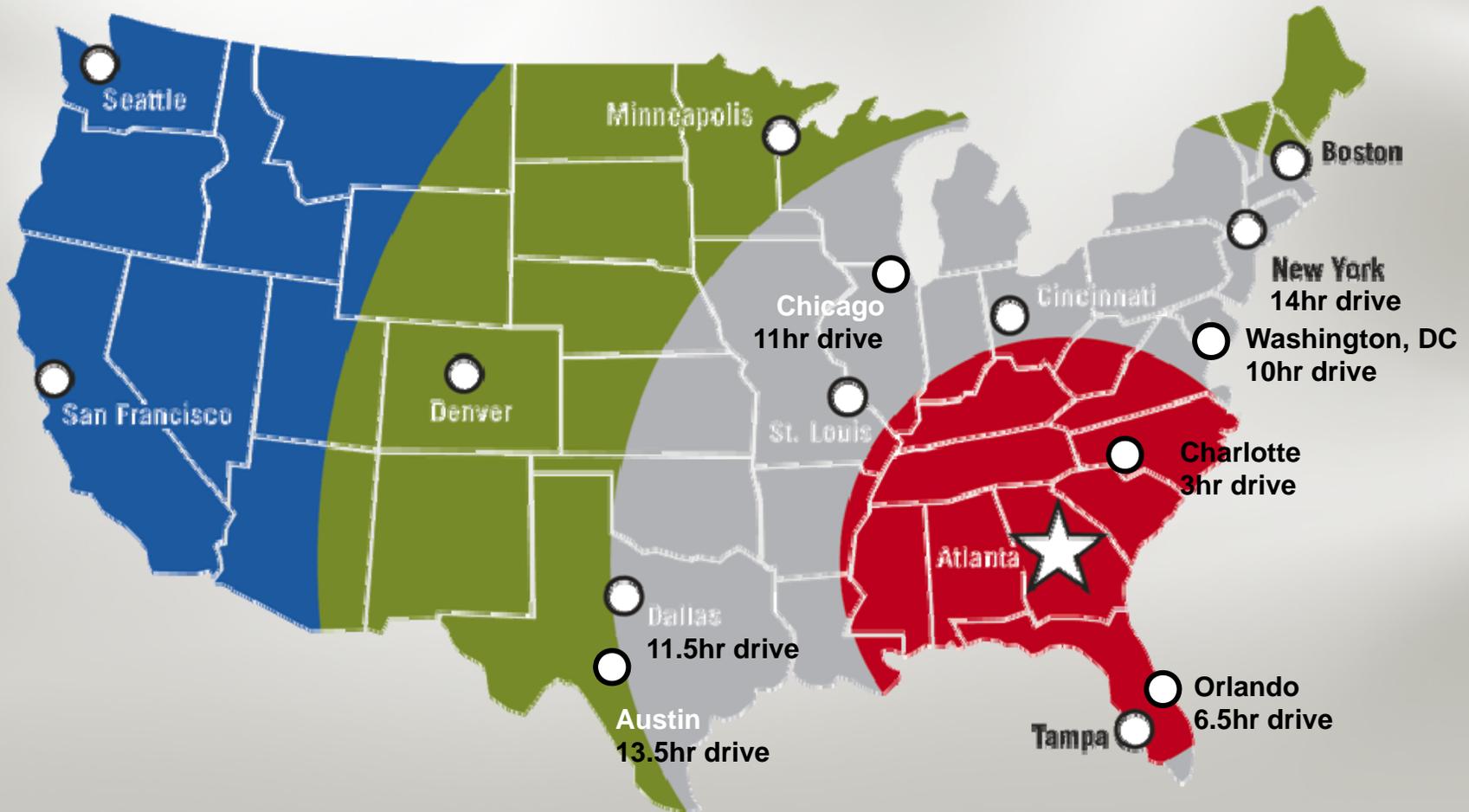
Hartsfield-Jackson Atlanta International Airport will debut a new, 1.2M square-foot international terminal in 2012

More Domestic Flights Each Day



- New York City
- South Florida
- Washington, D.C.
- Chicago
- Dallas
- Boston
- Los Angeles
- Denver
- Minneapolis
- St. Louis
- Phoenix
- San Francisco

Ground Accessibility



One of only five cities in the United States with three interstate highways.



200-acre entertainment complex | 3.9 million-square-foot convention center
with 1.4 million square feet of prime exhibit space



21-acre Centennial Olympic Park and 71,250-seat Georgia Dome

Who's Meeting in Atlanta?



Flexible Hotel Portfolio

Metro Atlanta **93,945**

Downtown/Midtown **16,122**

Airport **10,534**

Buckhead **7,528**

Upscale/Luxury **46,926**

Midprice **21,073**

Economy/Budget **25,946**



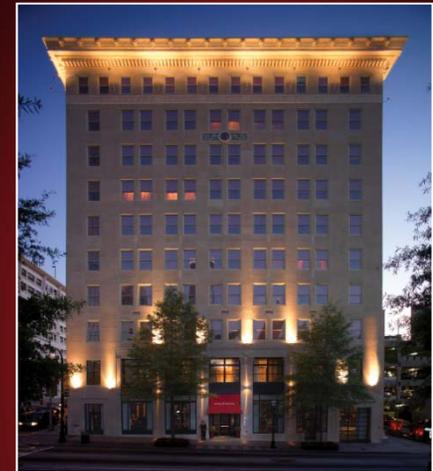
New Hotels From 2008-2012

New additions:

- Loews Hotel, Midtown
- W Hotel, Downtown
W Hotel, Midtown
W Hotel, Buckhead
- Hotel Palomar
- St. Regis, Buckhead
- The Mansion on Peachtree

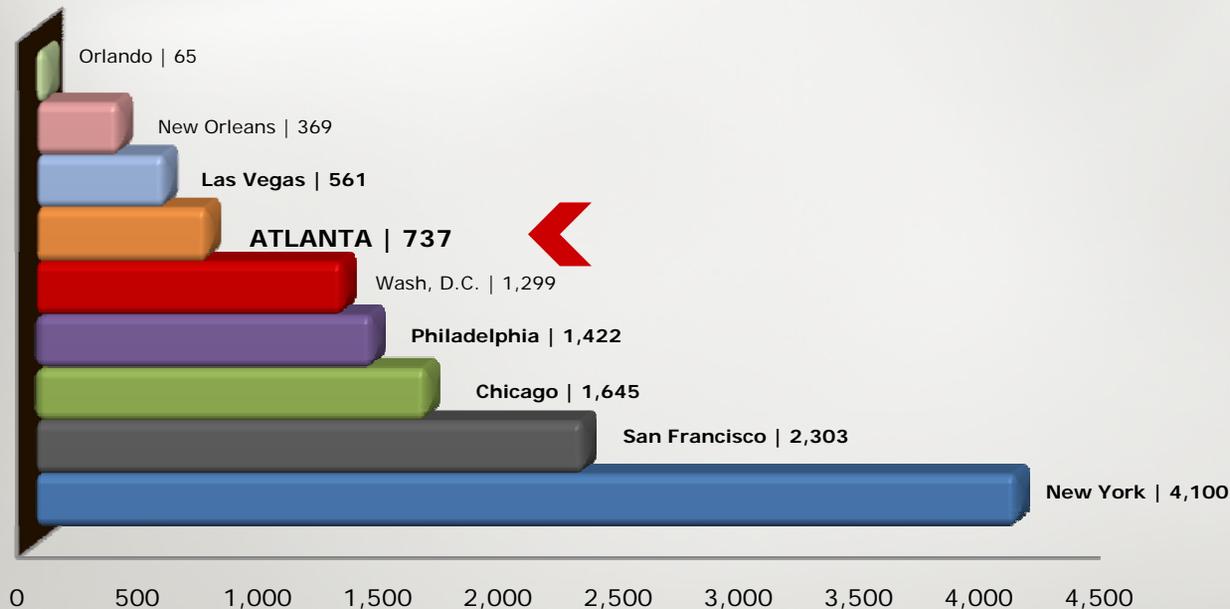
On the horizon:

- Hotel Indigo, Downtown
- Hard Rock Hotel, Atlanta
- Hotel Indigo, College Park
- Marriott Gateway Center

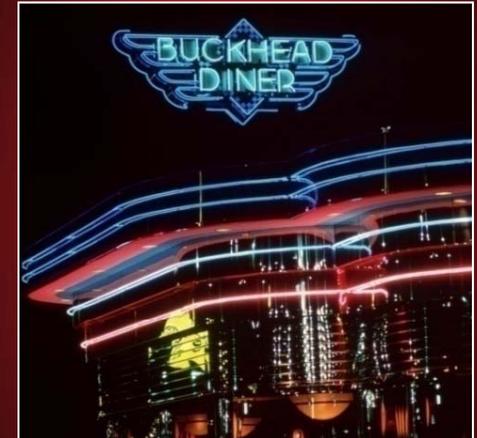


Dining in Atlanta

- Home to more than 700 Zagat-Rated restaurants



- Average meals = \$31.35
(below the national average of \$35.25)



Award-winning Chefs and Restaurants

- **Two Iron Chef contestants**
- **Five Top Chef contestants**
- **Twelve James Beard Foundation nominations in 2009**
- **3,000 restaurants in Metro Atlanta**
 - 45 new restaurants opened downtown in the last two years



Retail Sells

- *Southern Living* readers consistently rate Atlanta as the top destination in the South for shopping.
- Atlanta is the number two city in the U.S. for shopping space per capita and one of the top 10 retail markets in the U.S.
- Shopping is the top activity for international travelers.
- 40% of the expenditures in Buckhead are made by visitors from 100 miles away or more.



Momentum Moves Markets



Georgia Aquarium Opens | 2005



International Terminal Opens | 2012



Center for Civil and Human Rights Opens | 2013

Boutique Hotel Development '06- '09

Growth of Residential Life Downtown '08- '11



Downtown Restaurant Boom '07- '09

Midtown Mile Development '08- '12

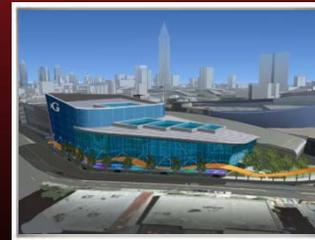
Peachtree Streetcar '14- '15



World of Coca-Cola Opens | 2007



Luckie Marietta District Opens | 2008



Dolphin Habitat Opens | 2010



College Football Hall of Fame Opens | 2013



Georgia Aquarium

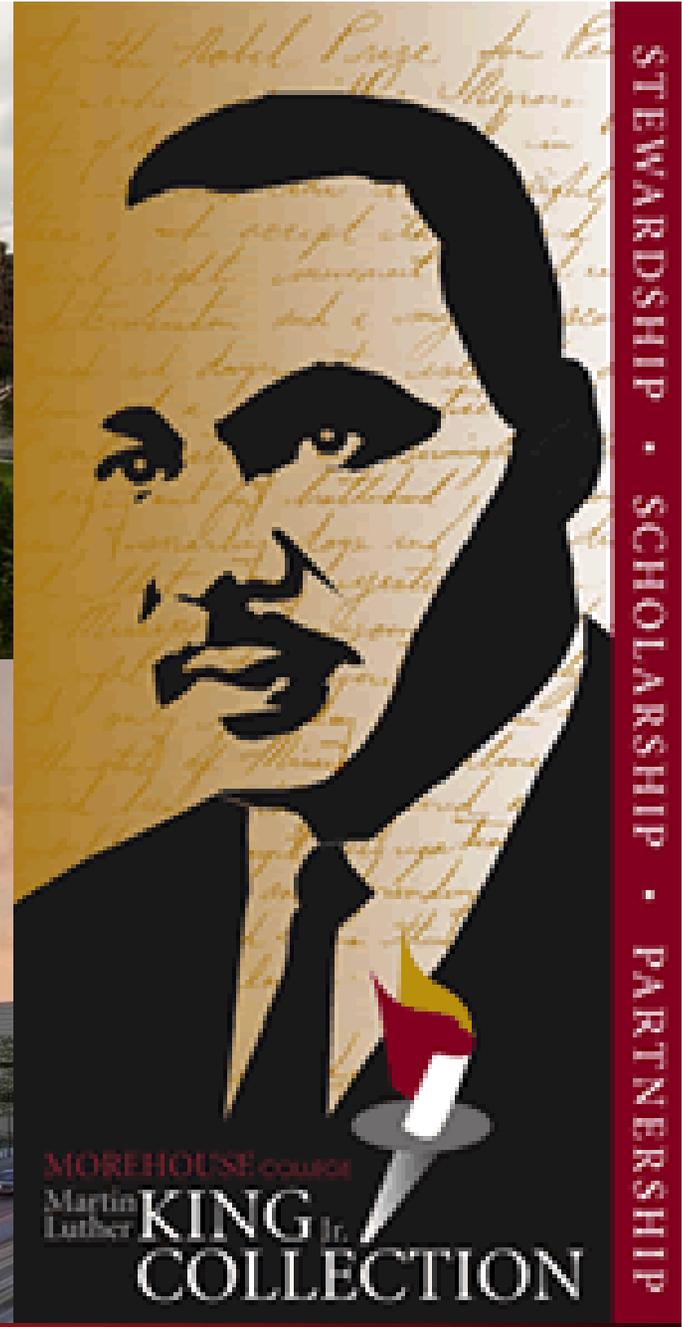


1.3 Million Gallon Exhibit | 84,000 Square Foot Space | \$110 Million



CENTER FOR
CIVIL & HUMAN RIGHTS

Breaking ground in 2010, Opening in 2012



Center for Civil and Human Rights



College Football Hall of Fame

Atlanta room tax Structure

Total room tax: **15%**

- 8% sales tax
- 7% occupancy tax
 - 39.3%- Georgia Dome debt service
 - 28.56%- local government entity general fund
 - 22.5% - Atlanta CVB
 - 9.64%- Georgia World Congress Center operations

Total Room Tax Rate: Competitive Set

- **ATLANTA- 15%**

- **Chicago- 15%**

- **Dallas- 15%**

- **Orlando- 13%**

Portion of room tax distributed to CVBs:

- **ATLANTA**- 22.5%
- **Chicago**- unknown
- **Dallas**- 25.4%
- **Orlando**- 21%

Total funding for CVBs

Public and Private

- **ATLANTA:** \$20,420,870
- **Chicago:** \$14,189,817
- **Dallas:** \$13,812,541
- **Orlando/Orange County:** \$50,147,688

Total public funding for CVBs

Generated from room tax

- **ATLANTA:** \$8,822,263
- **Chicago*:** \$8,416,000
- **Dallas:** \$11,444,077
- **Orlando/Orange County:** \$30,100,000

**Chicago's public funding is primarily based on "secondary state/providence funding."
Approximately 12% of their public funding comes from the hotel room tax*

Total Funding: Competitive Set

Relative to our competitors, Atlanta has the lowest percentage of funding coming from public sources and therefore the highest percentage of funding coming from private sources.

Total Public Funding:

Dallas: 82.9%
Orlando: 60%
Chicago: 59.3%
Atlanta: 43.2%

Total Private Funding:

Atlanta: 57%
Chicago: 41%
Orlando: 40%
Dallas: 17%

The Challenge

Perception

More Competition

Market is Shifting

Economy is Driving Factor



Thank You

