



Destination
Analysts

IRVING VISITOR INDUSTRY

2013 Economic Impact Report

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Introduction

Research Objectives

This study marks the conclusion of a year-long economic research project conducted by Destination Analysts on behalf of the Irving Convention & Visitors Bureau. Throughout calendar year 2013, Destination Analysts conducted a number of research studies designed to estimate the economic impact of the visitor industry on the City of Irving. This research was developed to gather information needed for use in Destination Analysts' Travel Industry Economic Impact Model, which produces estimates of direct visitor spending in Irving (i.e., the Gross Economic Impact of the visitor industry to Irving), tax revenues generated by tourism for the City of Irving and the number of jobs (and payroll) supported by the industry.

Methodology

Three distinct research studies were conducted to develop the data inputs needed to use the Economic Impact Model for the City of Irving. These data inputs included annual estimates of the number of visitors and the average number of days they spent in Irving (for key traveler segments), as well as estimates of per-person, per-day spending in Irving (in detail by type of spending). This information, along with other data such as hotel occupancy rates, industry payroll data and city tax receipts, were all used as inputs to our Economic Impact Model in order to derive the results presented in this report. The model is a standard price-quantity model used in economic measurement, with visitor spending estimated in detail from survey research and visitor volume estimated from the combined use of survey data and estimates of the existing stock of hotel rooms and occupied housing units in the City of Irving.

A complete list of resources used to obtain all data inputs necessary to the

Economic Impact Model is contained in Appendix I. The three research projects Destination Analysts conducted specifically to derive the data necessary for the Economic Impact Model are summarized following:

2013 Hotel Guest Survey:

The 2013 Irving Hotel Guest Survey was a 27-question survey produced as a one-page, tri-fold postage-paid printed piece. This survey was developed to obtain data from Irving’s hotel guests on direct visitor spending in various tourism-related categories, as well as other relevant information. The survey was distributed to all hotel guests at 26 participating hotels over a two-week period during each quarter of 2013. In total, 520 fully-completed surveys were collected.

2013 National-Regional Travel Survey:

The objective of the National-Regional Survey was to gather information to help develop visitor volume and spending profiles for visitors to Irving who came on day-trips, and for those who stayed overnight in Irving in private residences. This survey was conducted online of three groups of adult Americans: (1) those living in Texas (but outside the Dallas-Ft. Worth metropolitan area), (2) those living in the Dallas-Fort Worth Metroplex and (3) others living outside the state of Texas. The survey was conducted in January 2014—amongst a sample of 400 adults from each of the three geographic areas. Respondents to the survey were recruited from a national survey panel, with the survey invitation being sent to a representative sample of the adult population in each area.

2013 Survey of Irving Meeting Planners:

A survey of the City of Irving’s meeting planner clients was also conducted, primarily to develop estimates of meeting sponsors’ expenditures from holding their events in the city. This survey was collected amongst meeting planners who worked with the Irving CVB at some point to plan a meeting in 2013. Data from this short, six-question survey was collected from 138 meeting planners immediately after their meetings were held.

Executive Summary

Research Findings

- **Annual Visitor Volume:** Irving hosted a total of 3.03 million visitors in 2013, up 2.4 percent from 2012. The largest component of Irving's visitor volume is hotel guests, comprising 1.34 million visitors, or 44.3 percent of all visitors. The second largest segment of visitors are persons staying with friends or relatives in private homes either in Irving or outside the city but taking day trips into Irving. In total, 42.1 percent of Irving's visitors, or 1.3 million visitors, stayed in private homes outside Irving but in the DFW Metroplex. 8.8 percent, or 270,000, of the city's visitors stayed in homes inside the City of Irving (Figure 4.1, Page 8).
- **Visitor Days in Irving:** Visitors to Irving spent 8.7 million total person-days in the city during 2013, up approximately 11.0 percent from 2012. This implies that on an average day during the year, there were 23,949 visitors in Irving. Approximately half (49.1%) of these visitor days were comprised of persons staying in an Irving hotel or motel. In total, visitors staying in the city's commercial lodging spent 4.3 million person-days in the city during 2013 (Figure 4.2, Page 9).
- **Visitor Spending in Irving:** In 2013, the Irving visitor industry generated \$1.8 billion in direct visitor spending inside the city, an increase of 29.2 percent over 2012. Most of this spending came from local hotel guests. These visitors were responsible for \$1.4 billion in visitor spending, or 75.5 percent of the total. The disproportionately large share of visitor spending accounted for by hotel guests is driven by both their high volume (44% of all visitors and 49% of visitor days) and their relatively high per-person, per-day spending of \$309.39. By comparison, the average person staying

with friends and relatives in Irving spent just \$102 per-person, per-day while in the city (Figure 4.3, Page 10).

- **Visitor Spending by Type:** Visitors to Irving spend on a diverse range of items, including lodging, food and transportation. The biggest single component of visitor spending is on lodging, which accounted for 30 percent of all spending, or \$540 million, in 2013. The second largest component was the \$406 million visitors spent in Irving restaurants. This accounted for 22 percent of all 2013 visitor spending in Irving (Figure 4.4, Page 11).
- **Conference and Meeting Expenditures:** Conferences and group meetings generated \$395 million in visitor spending for Irving in 2013. The Economic Impact Model developed for this project estimates that 88 percent of this spending was direct spending by meeting attendees in Irving. The remaining quarter of this total spending (approximately \$47 million) was in-market spending by persons sponsoring or exhibiting at these events and meetings (Figure 4.5, Page 12).
- **Jobs Supported by Irving Visitor Industry:** Irving visitor spending in 2013 supported an estimated 16,420 jobs. The majority of jobs supported by the industry are in either the hotel or restaurant industries. Visitor spending backs an estimated 4,960 hotel industry jobs and 6,771 jobs in restaurants and food-related industries (Figure 4.6, Page 13).
- **Visitor Industry Payroll:** In 2013, the 16,420 jobs supported by the Irving visitor industry had an estimated total combined payroll of \$421 million (Figure 4.7, Page 14).
- **Tax Revenues Generated:** Irving's visitor industry generated over \$47.6 million in tax revenues for the City of Irving in 2013. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property taxes paid on hotels. The hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating almost \$38.5 million in income for the city (Figure 4.8, Page 15).

Quick Facts:

The profile below shows a summary of key economic statistics emerging from this research.

Total visitors to Irving in 2013:	3.03 million
Visitors staying in Irving hotels or motels:	1.34 million
Visitors staying in private homes (inside Irving):	270 thousand
Visitors to Irving staying in private homes (other DFW area):	1.3 million
Total visitor spending in Irving in 2013:	\$1.82 billion
Spending by visitors staying in Irving hotels, motels or inns:	\$1.37 billion
Economic impact of conferences and group meetings:	\$395 million
Spending in Irving by visitors for food and restaurants:	\$406 million
Jobs supported by Irving visitor industry:	16,420
Irving visitor industry payroll:	\$421 million
Taxes generated by the visitor industry for the City of Irving:	\$47.6 million
Tax revenues generated per Irving household:	\$567
Visitors in Irving on an average day:	23,949
Visitor spending in Irving on an average day:	\$5 million
Annual visitor spending per Irving resident:	\$8,065

Graphical Presentation of Research Findings

In this section, we present the research's basic findings. A brief written analysis is included for each chart.

Annual Visitor Volume, 2013

Figure 4.1 (below) shows the proportion of 2013 Irving visitors by their place of stay. Irving hosted a total of 3.03 million visitors in 2013, up 2.4 percent from 2012. The largest component of Irving's visitor volume is hotel guests, comprising nearly 1.4 million visitors, or 44.3 percent of all visitors. The second largest segment of visitors are persons staying with friends or relatives in private homes either in Irving or outside the city but taking day trips into Irving. In total, 42.1 percent of Irving's visitors, or 1.3 million visitors, stayed in private homes outside Irving but in the DFW Metroplex. 8.8 percent, or 270,000, of the city's visitors stayed in homes inside the City of Irving.

Last year was a banner year for Irving's hotel industry. While the absolute number of guests fell slightly (-2.1%), their length of stay and average daily in-market spending grew sharply when compared to the previous year. As will be shown in following pages, the economic impact of this segment on the city reached new heights in 2013.

Figure 4.1: Annual Visitor Volume, 2013 (by Place of Stay)
(in millions)

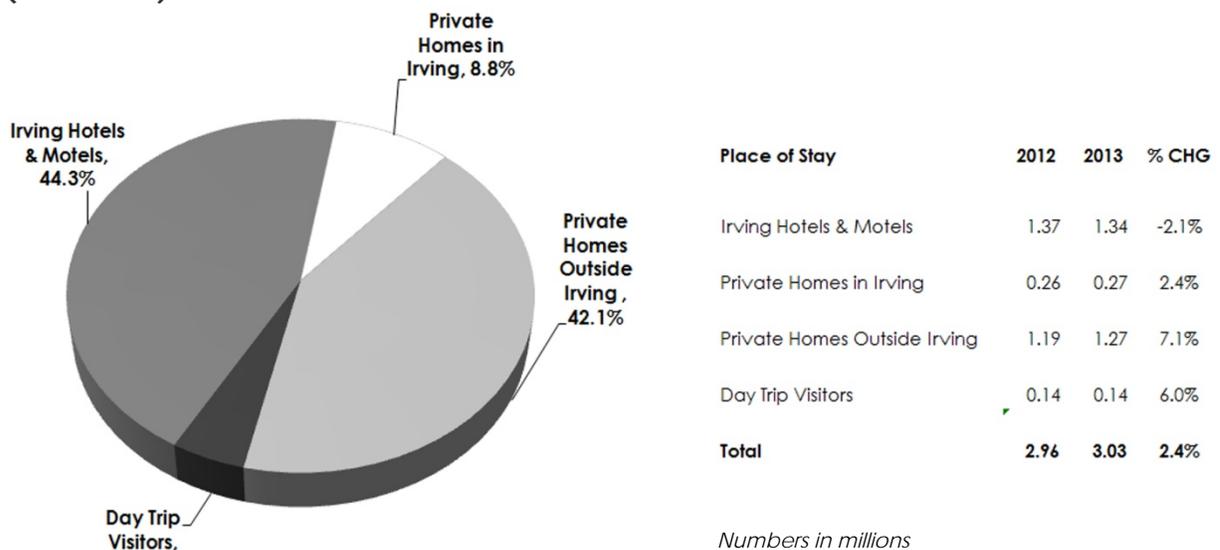


FIGURE 4.1 – Annual visitor volume in Irving defined by place of stay (2013). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Visitor Days in Irving, 2013

Visitors to Irving spent 8.7 million total person-days in the city during 2013, up approximately 11.0 percent from 2012. This implies that on an average day during the year, there were 23,949 visitors in Irving. Approximately half (49.1%) of these visitor days were comprised of persons staying in an Irving hotel or motel. In total, visitors staying in the city's commercial lodging spent 4.3 million person-days in the city during 2013.

Figure 4.2: Visitor Days in Irving, 2013
(in thousands)

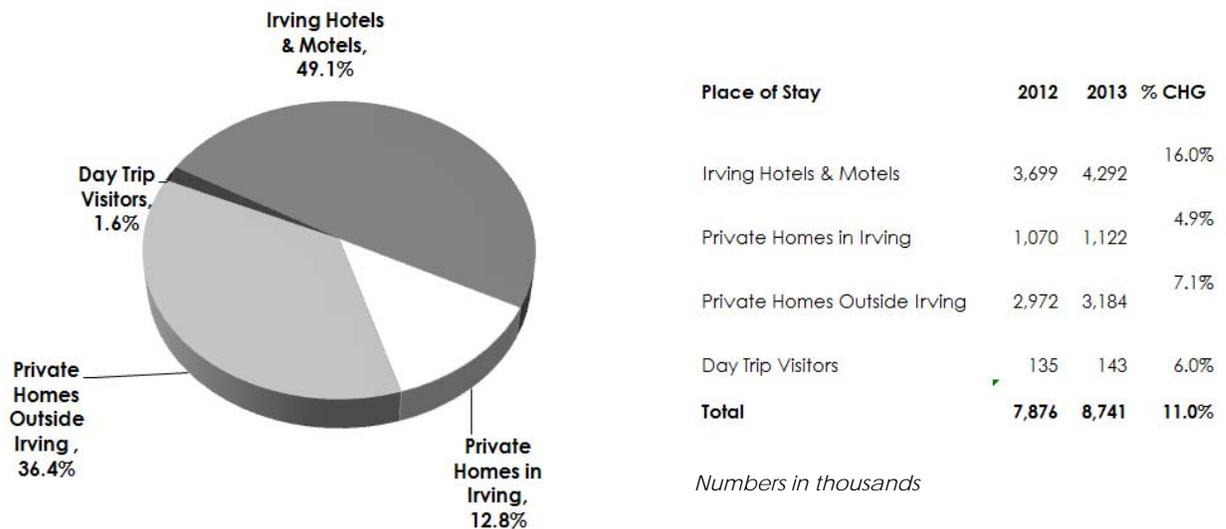


FIGURE 4.2 - Annual visitor days (person-days) spent in Irving, defined by place of stay (2013).

Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Direct Visitor Spending in Irving, 2013

In 2013, the Irving visitor industry generated \$1.8 billion in direct visitor spending inside the city, an increase of 29.2 percent over 2012. Most of this spending came from local hotel guests. These visitors were responsible for \$1.4 billion in visitor spending, or 75.5 percent of the total. The disproportionately large share of visitor spending accounted for by hotel guests is driven by both their high volume (44% of all visitors and 49% of visitor days) and their relatively high per-person, per-day spending of \$309.39. By comparison, the average person staying with friends and relatives in Irving spent just \$102 per-person, per-day while in the city.

Figure 4.3: Direct Visitor Spending in Irving, 2013

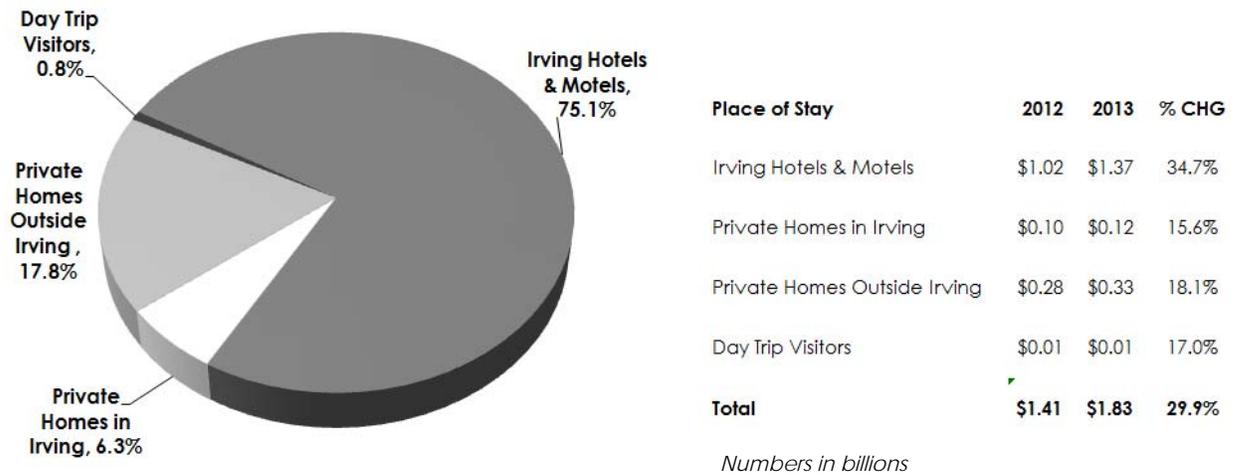


FIGURE 4.3 - Annual direct visitor spending in Irving, defined by place of stay (2013).

Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Direct Visitor Spending by Type, 2013

Figure 4.4 (below) shows the breakout by type of visitor spending. Visitors to Irving spend on a diverse range of items, including lodging, food and transportation. The biggest single component of visitor spending is on lodging, which accounted for 30 percent of all spending, or \$540 million, in 2013. The second largest component was the \$406 million visitors spent in Irving restaurants. This accounted for 22 percent of all 2013 visitor spending in Irving.

Figure 4.4: Visitor Spending in Irving by Type, 2013

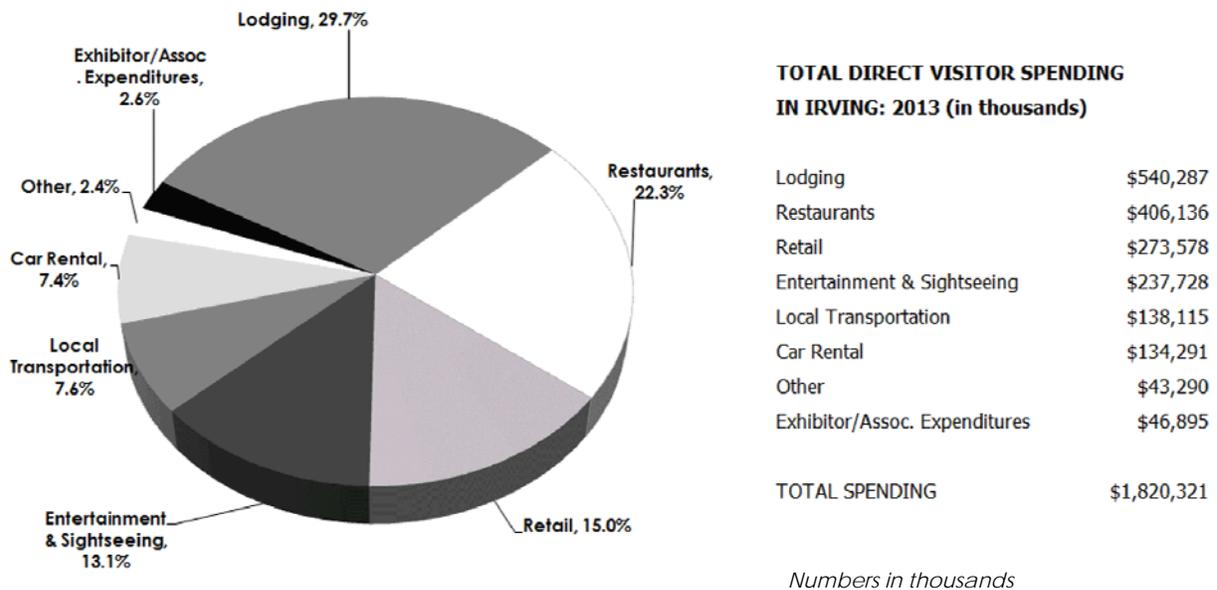


FIGURE 4.4 - Annual direct visitor spending in Irving by type (2013). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Conference and Meeting Expenditures, 2013

Conferences and group meetings generated \$395 million in visitor spending for Irving in 2013. As illustrated in Figure 4.5 (below), the Economic Impact Model developed for this project estimates that 88 percent of this spending was direct spending by meeting attendees in Irving. The remaining quarter of this total spending (approximately \$47 million) was in-market spending by persons sponsoring or exhibiting at these events and meetings.

Figure 4.5: Conference and Meetings Expenditures, 2013

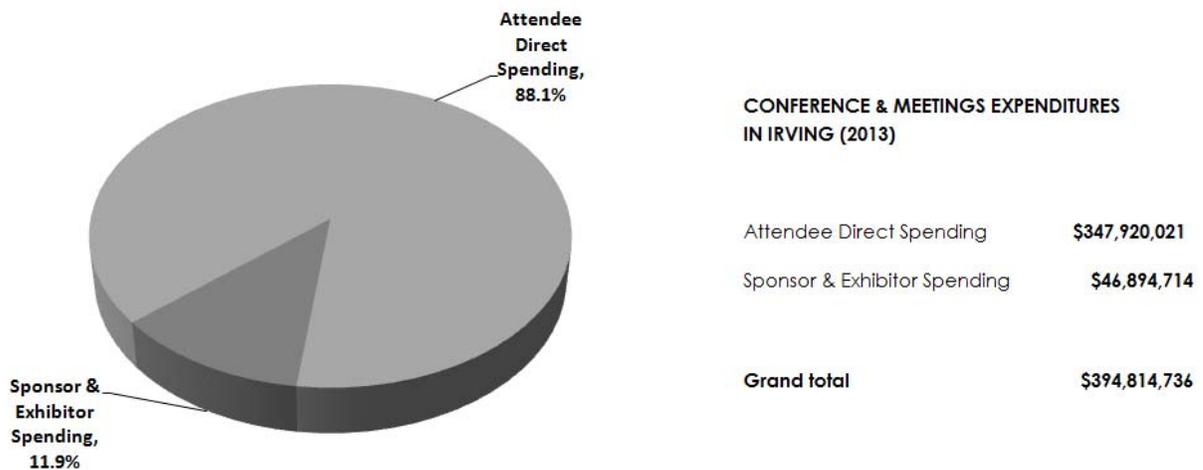


FIGURE 4.5 – Conference and meeting expenditures (2013): The two components estimated in this model are direct spending by meeting attendees and spending by a meeting’s sponsor or host for other goods and services necessary to hold a meeting. These meeting hosts include associations, businesses, churches and other organizations holding their meeting in Irving. Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Jobs Supported by Irving Visitor Industry, 2013

Irving visitor spending in 2013 supported an estimated 16,420 jobs. Figure 4.6 (below) shows the estimated number of jobs supported by visitor spending in each of several industries. The vast majority of these jobs are in either the hotel or restaurant industries. Visitor spending backs an estimated 4,960 hotel industry jobs and 6,771 jobs in restaurants and food-related industries.

Figure 4.6: Jobs Supported by Irving Visitor Industry, 2013

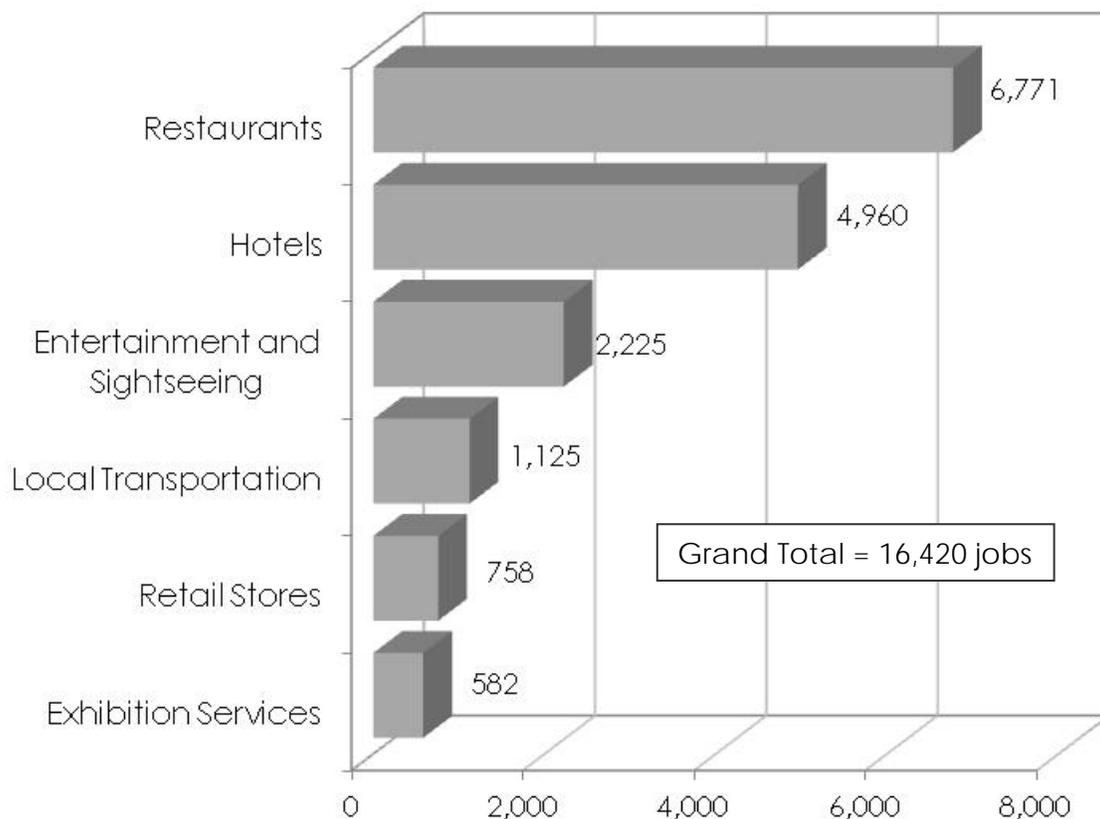


FIGURE 4.6 – Jobs supported by the Irving Visitor Industry (2013). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Irving Visitor Industry Payroll, 2013

In 2013, the 16,420 jobs supported by the Irving visitor industry had an estimated total combined payroll of \$421 million.

Figure 4.7: Irving Visitor Industry Payroll (in millions), 2013

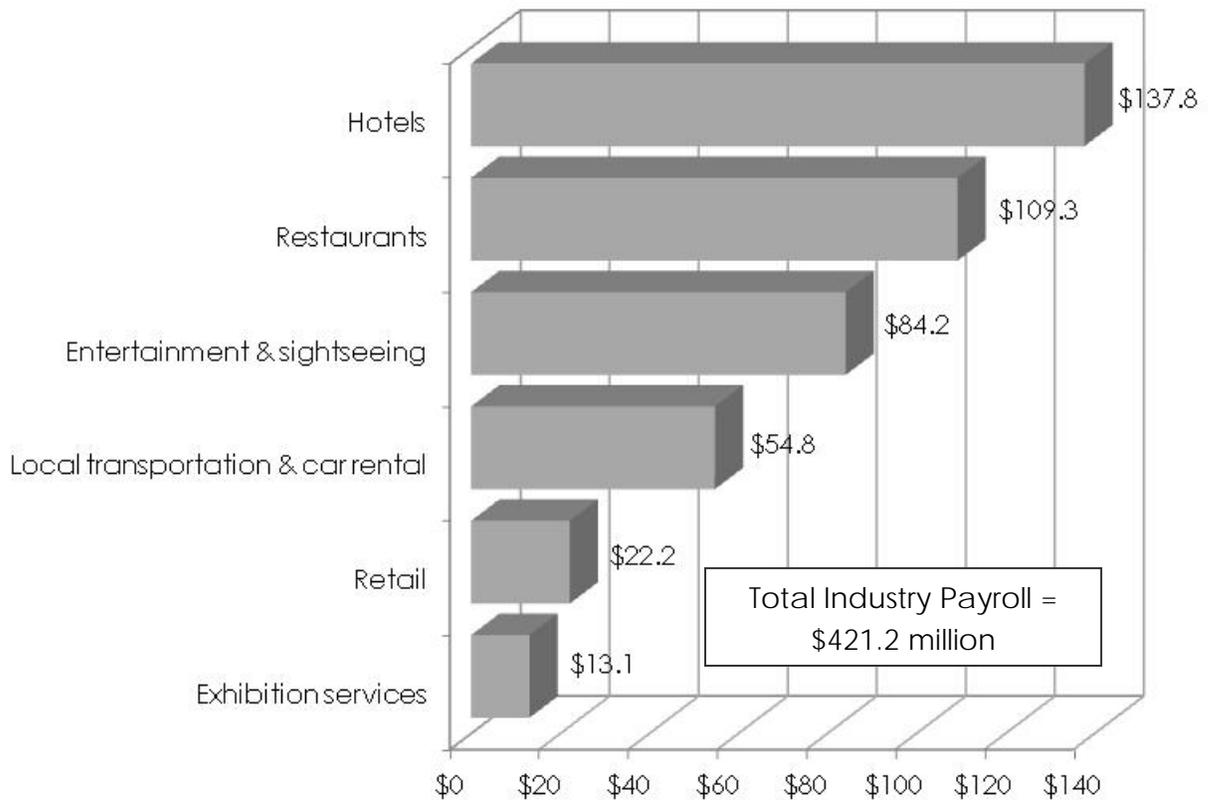


FIGURE 4.7 – Irving Visitor Industry Payroll (2013). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Tax Revenues Generated for the City of Irving, 2013

Irving's visitor industry generated \$47.6 million in tax revenues for the City of Irving in 2013. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property taxes paid on hotels. As Figure 4.8 (below) shows, the hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating almost \$38.5 million in income for the city.

Figure 4.8: Tax Revenues Generated for the City of Irving, 2013

IRVING CITY REVENUES PAID DIRECTLY BY VISITOR INDUSTRIES: 2013		Total Annual Direct Revenue in 2013 \$1,000s
MAJOR REVENUE SOURCES		
HOTEL TAX		
Visitor Spending on Lodging	\$540,287	
Tax Rate (Local)	9.0%	
Factor for Non-Taxable Room Sales	43.5%	
Hotel Tax Collected by the City		\$21,136
HOTEL PROPERTY TAX		
Property Taxes Paid to the City by Hotels		\$17,319
SALES TAX		
Visitor Spending (including 8.25% tax)		
Retail	\$270,766	
Restaurants (less 15% tips)	\$407,646	
Entertainment & Sightseeing	\$246,181	
Tax Rate (net to City and County)	1.00%	
Sales Tax Returned to the City		\$9,154
DIRECT CITY REVENUES FROM VISITOR INDUSTRY		\$47,610

Source: Destination Analysts, Inc., model developed for the Irving Convention & Visitors Bureau

FIGURE 4.8 – Tax Revenues Generated for the City of Irving (2013). Source: City of Irving, Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau. Property taxes included are for hotels and motels in Irving.

Appendix I: References

The following resources were used in the preparation of these estimates.

1. 2013 Irving Hotel Guest Survey, Final Project Report. Research conducted by Destination Analysts, Inc. for the Irving Convention & Visitors Bureau
2. National-Regional Travel Survey, 2013 Survey of Adult Americans, Report of Findings. Research conducted by Destination Analysts, Inc., for the Irving Convention & Visitors Bureau
3. 2013 Survey of Irving Meeting Planners, Final Project Report. Research conducted by Destination Analysts, Inc. for the Irving Convention & Visitors Bureau
4. Irving citywide hotel occupancy & hotel tax data provided by the Irving Convention & Visitors Bureau
5. U.S. Census Bureau, Economic Census
6. U.S. Census Bureau, County Business Patterns
7. U.S. Bureau of Labor Statistics, Employment Cost Index
8. U.S. Census Bureau, population estimates
9. Travel Industry Association of America, Travel Price Index