

Tourism



Photos by Graham Lewis

Tourism in Oregon is a \$9.6 billion industry. The tourism industry directly generates some 94,000 jobs in Oregon — and indirectly creates another 41,000 jobs. Ashland, a popular tourism destination for a century, welcomes over 300,000 visitors annually.

Visitor spending helps support the rich and diverse cultural, recreational, retail and dining opportunities. Visitors supplement local demand for goods and services which leads to more and varied kinds of businesses, from specialty boutiques and day spas to sporting goods and river-rafting companies. Visitor spending on lodging and food also contributes financially to key city services that they impact, lightening the load to some degree on locals.

The Arts, Entertainment & Recreation industry represents 33 firms and 742 jobs in Ashland.

Average annual pay is \$30,658 in visitor-related sectors in Ashland. This exceeds industry averages statewide.

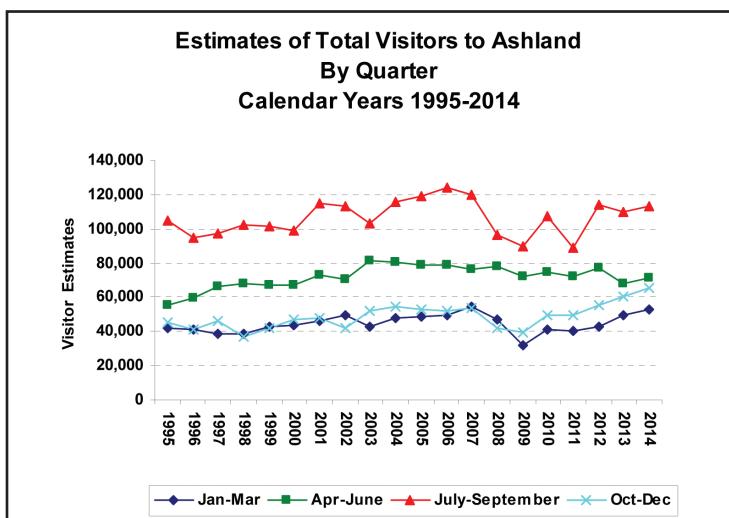
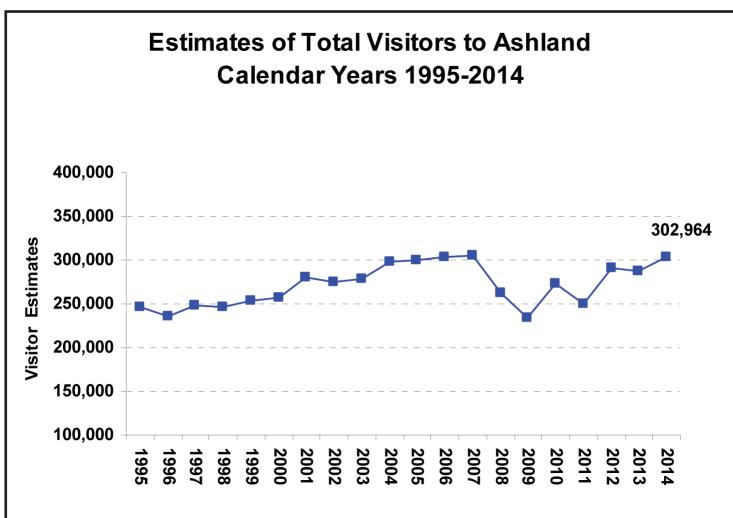
Ashland's higher-paying jobs reflect its rich cultural, historical and recreational offerings. In fact, it is likely that worker pay is understated in Ashland's AE&R industry for several reasons. Similar to the Retail Trade sector, the AE&R sector likely has numerous small businesses whose owners and their pay are not reported here. Additionally, the average wage of Ashland's AE&R sector is further damped by the volume of part-time workers hired seasonally.

“It is our pleasure to invest in Ashland and the Rogue Valley – to invite the I-5 traveler to experience all things Oregon and create growth in working together with all of you.” - as stated at the Chamber Annual Dinner upon receiving the 2014 Service Business of the Year Award.

~ Doug and Becky Neuman
Neuman Hotel Group

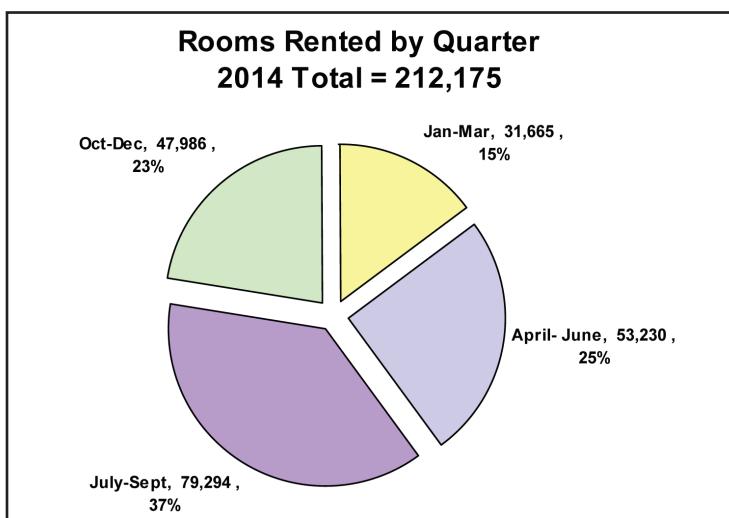
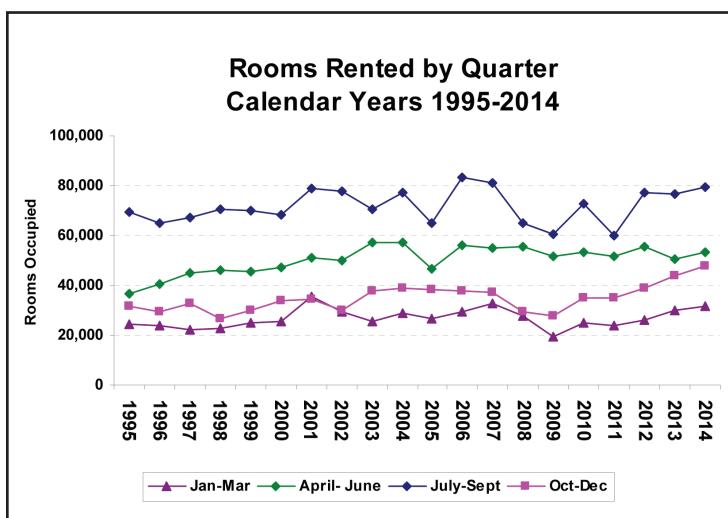
Estimates of Visitors to Ashland

Estimates of visitors to Ashland are based on the number of rooms rented in motels, hotels, bed and breakfast inns and other commercial lodging places that are reported to the City when these businesses pay their quarterly Transient Occupancy Tax. Quarterly room counts combined with estimates of nights stayed and party size yield the quarterly and annual visitor estimates.



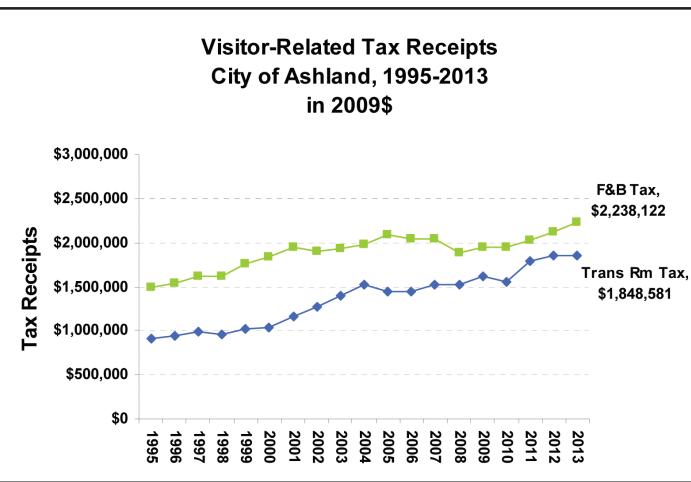
Visitors to Ashland are amazing. We are so fortunate they not only contribute significantly to our economy but enhance our community by making it vibrant and diverse.”

~ Graham Sheldon
Owner, Ashland Creek Inn

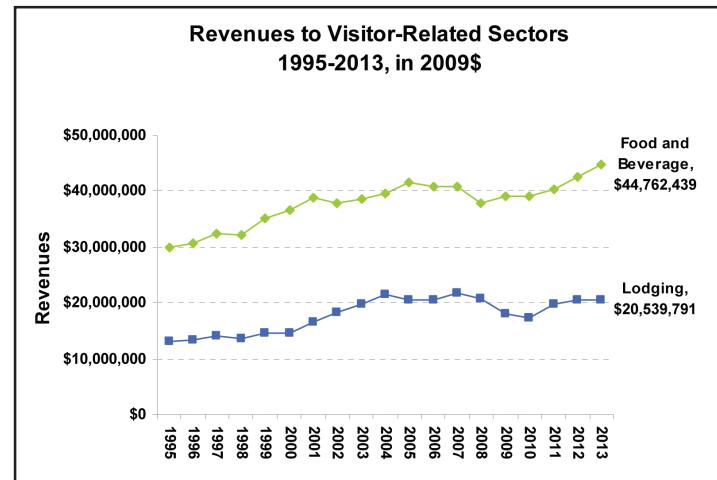


Supply & Demand for Rooms: Since 1994, the supply of available rooms has generally kept pace with room demand. Annual average occupancy rates have ranged from 45% to 56% over the past ten years. However, rates have fluctuated more in the summer quarters, from 66% to 84%, and less in the winter quarters, 26% to 34%. Room demand increased substantially between 2011 and 2014, when total rooms rented rose 25%, to over 212,000.

Rates: Since 1995, average annual room rates have increased by 80%, or 27% adjusted for inflation. In general, rates have generally increased along with room demand, although average annual room rates have declined from the 2009 high of \$118 per night to the 2013 rate of \$109.



Visitor-Related Taxes: In addition to purchases of Ashland's goods and services, visitors also contribute to the City's tax revenues by paying for surcharges on expenditures for accommodations, food and beverages through Ashland's Transient Room Tax and its Food and Beverage Tax. In 2013 (calendar year), the City collected nearly \$4 million from the two visitor-oriented taxes. Since its inception in 1975 Ashland's Transient Room Tax has raised over \$32 million in taxes. Between calendar years 1995 and 2013 Transient Room Tax receipts increased by 188%, or 103% adjusted for inflation. Transient Room Tax receipts average \$97 per resident, which is nearly 4 times greater than statewide average

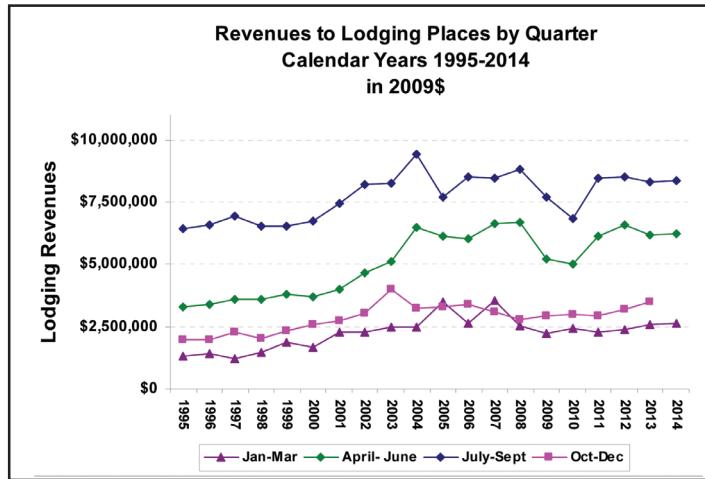


Food and Beverage Tax Receipts and Revenues

Ashland has levied a 5% tax on all prepared food and served beverages sold (excluding alcohol) within the City's boundaries since July 1994. The tax receipts are dedicated to the purchase and development of Open Space Parkland and to offset the costs of the municipal wastewater treatment plant that serves Ashland. While principally, visitors and business travelers pay the City's lodging tax, both local and out-of-town customers of restaurants and bars contribute to its Food and Beverage Tax.

Over the past twenty years, the Food and Beverage Tax has cumulatively collected nearly \$35 million. Tax receipts were 15% higher than the lodging tax receipts, and totaled \$2.3 million (\$117 per capita) in the 2013. Since 1995, the first full fiscal year in which they were collected, Food and Beverage Tax receipts have more than doubled (up 113%), or increased by 50% in inflation-adjusted dollars.

Growth in Food and Beverage Tax receipts mirrors the growth in sales of prepared food and beverages in Ashland over a time frame in which the City's population grew by 13%. While Ashland residents may have been spending more on prepared food, it is more likely that much of the increase relates to increased consumption of locally-prepared food by out-of-towners. This likelihood is consistent with the decisive increase in lodging tax receipts, which were up 188% (124% in inflation-adjusted terms) since 1995.



Trends in Revenues to Lodging Places

Between 1995 and 2013 revenues earned by lodging places rose steadily, increasing 58% in inflation-adjusted terms. However, between 2007 and 2010 lodging revenues declined by 21% to their lowest level since 2001, but by 2013 revenues regained all that loss. Overall, since 1995 revenues to Ashland lodging establishments have increased by 124%, or 58% when adjusted for inflation. Inflation adjustment is important to correct for increases in revenues related only to the general rise in the national price level rather than real increases in revenues to lodging places.

Source: City of Ashland Data
Rebecca Reid, Consultant

Ashland Employment & Payroll, 2013

	Ave. Payroll	As of % of state ave	Jobs	% Ashland Jobs	Total payroll
Average Ashland payroll	\$33,147	74% of state average	10,073		\$333,887,031
Arts, Ent, Rec	\$30,658	126% of state average	742	7%	\$22,750,721
Accomm/Food sector	\$16,945	98% of state average	2,020	20%	\$34,225,117
Retail	\$28,671	105% of state average	1,424	14%	\$40,830,766

Source: Oregon Employment Department