




MEMORANDUM

Date: February 12, 2013

To: Chairman and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator 

Re: **Economic Development Benefits of Promoting Tourism and Specific Bond Projects
Designed to Increase Tourism Attraction**

I. INTRODUCTION

Tourism and the economic development benefits of visitor spending in our region is nearly \$2.4 billion dollars annually. Tourism and the services required by tourism provide significant employment within our region – an estimated 22,000 jobs.

In November 2012, the Pima County Board of Supervisors adopted an Economic Development Plan to improve economic activity throughout the County, to sustain and increase jobs, and increase wages paid for the wealth of the community. A pillar of this economic development strategy is to rejuvenate tourism as an economic development activity.

Tourism has suffered significantly in recent years as a result of the Great Recession, as well as self-inflicted state policy statements. During this period, hotel bed tax receipts, which are a fundamental indicator of tourism activity, decreased from \$9.15 million in Fiscal Year 2006/07 to \$5.59 million in Fiscal Year 2010/11. This is a 38 percent reduction.

II. CAPITAL BOND INVESTMENTS CAN AND DO MAKE A DIFFERENCE IN TOURISM ATTRACTION FOR OUR REGION

The Metropolitan Tucson Convention and Visitors Bureau (MTCVB) conducted a visitors survey in November 2012. This survey is instructive as to where public investments should be made to improve tourism opportunities throughout the County. The survey asked very specific questions of a number of tourists and visitors to our region. The survey indicated that 88.3 percent of the respondents stated their purpose for visiting Tucson was for leisure activities, rather than business.

The survey responses indicated the primary reasons for visiting or recommending Tucson to other travelers were:

- 29.7 percent because of the surrounding natural environment;
- 24.3 percent because of outdoor and/or desert activities;
- 12.9 percent for shopping or dining;
- 12.9 percent to visit the Arizona-Sonora Desert Museum;
- 10.9 percent for the local attractions or museums;
- 9.9 percent indicated the weather; and
- 9.4 percent for cultural activities related to Western, Spanish, Mexican and Native American heritage.

The attached graph, excerpted from the visitors survey, shows all categories of reasons indicated by survey respondents.

The survey also indicated more than 20 percent of visitors stay in Tucson longer than one week, and leisure visitors are likely to stay nearly two more nights more than a business traveler.

Finally, the survey indicated that 49 percent of the visitors interviewed planned to return to Pima County within the next 12 months, and 70 percent planned to visit Pima County multiple times within the next five years. This is indicative of having a good visitor experience and wanting to return to our community.

The economic benefits of tourism are important to our region. The survey indicated that, on average, each traveling party spends just over \$450 per day. When including only those with an overnight stay, average daily spending increases to nearly \$500 per day.

These survey results speak positively for past and future bond-related capital investments designed to promote tourism by investing in those activities tourists desire and for which they visit our region. It is likely tourism can be significantly increased within Pima County.

III. CORRELATION TO PAST AND PLANNED BOND PROGRAMS

As can be seen, past bond issues and program categories are fully consistent with the findings of the November 2012 travel survey. Our investment in open space programs; developing and expanding mountain parks surrounding the urban area; and our investments in river parks, trails and The Loop are all coincident with the top reasons given for visiting or recommending Tucson to other travelers.

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In addition, our past investments in the Arizona-Sonora Desert Museum and Pima Air and Space Museum are near the top responses associated with reasons for visiting Tucson. These responses reinforce our past bond investments in programs to preserve and create open space, protect the natural beauty of the Sonoran Desert, create outdoor and desert activities through hiking and trailheads to our mountain parks, the entire river park system and the outdoor recreational opportunities afforded by The Loop.

Regarding the specific tourism-related bond investments I recommended in the November 2012 Economic Development Plan, following are the economic development-related justifications for making these bond-related capital investments.

IV. SPECIFIC IMPROVEMENTS

A. Pima Air and Space Museum – Space Exploration and Cold War Exhibits

The Pima Air and Space Museum (PASM) is recognized as one of the nation's top aviation museums. In the visitor inquiry study, 37 percent said they visited "aircraft, missile or astronomy" attractions while staying within Pima County. The two new PASM exhibits included in the Economic Development Plan are designed to broaden the visitor experience from aircraft to include space exploration. The Cold War Exhibit has been included in the Bond Advisory Committee's (BAC's) past deliberations and approved. This allocation of \$4 million of bond funds will be matched or exceeded by private fundraising efforts of the nonprofit Arizona Aerospace Foundation, which manages the PASM.

The Space Exploration component identified in the Economic Development Plan is a new consideration totaling \$8 million. One of the unrecognized assets of our region, particularly in the area of space exploration, is The University of Arizona's Department of Planetary Sciences Lunar and Planetary Laboratory (LPL). They have been involved in the very earliest missions associated with space exploration such as the Viking Mission to Mars in 1976, the Voyager Program (using ultraviolet spectrometers to study Jupiter and Saturn since 1977), the Messenger Mission to Mercury in 2004, and the Phoenix Mars Mission – the first in NASA's Scout Program, launched in 2007. They will also be included in an upcoming mission known as the OSIRIS-REx, involving travel to and sampling of a near-Earth asteroid. Finally, there is a private asteroid collection of worldwide significance. Combining the role of The University of Arizona's Department of Planetary Sciences/LPL with the asteroid collection will substantially and significantly broaden the visitor attraction for the PASM; hence, my recommendation that full funding of \$8 million be included in the next County bond issue for this proposal.

B. Tumamoc Hill Regional Visitors Center

Tumamoc Hill is one of Pima County's most beautiful and historic landmarks, dating to the earliest time of human occupation in the valley, and containing the longest scientifically monitored research facility begun by the Carnegie Foundation in 1902. Any new regional visitors center would not be located on Tumamoc Hill; it would be located adjacent to this asset with connectivity via low-impact tours. The most likely location for a regional visitors center would be along the Santa Cruz River in the vicinity of downtown Tucson, as well as other emerging historic and cultural facilities associated with Mission Garden. The Mission Garden project is a re-creation of the Spanish Colonial walled garden that was part of the historic San Agustin Mission. A living agricultural museum, the Garden will feature heirloom plants and living and timeline gardens, interpreting 4,000 years of Tucson agriculture. Located at the base of A Mountain and very close to the Santa Cruz River, Mission Garden is planned to expand in phases through public/private partnerships.

Creating a Tumamoc Hill regional visitors center adjacent to the Santa Cruz River will provide the opportunity to showcase all other attractions in southern Arizona and provide visitors a one-stop point of access to information related to these other attractions. In addition, based on how important desert attractions and activities are to luring travelers to Pima County, this facility would be an amenity to the 60 percent of visitors engaging in outdoor desert activities while visiting our region.

C. Arizona-Sonora Desert Museum

The Arizona-Sonora Desert Museum (ASDM) is a world-renowned destination. ASDM is a key tourism venue of the County's Economic Development Plan. The BAC had tentatively approved \$2 million in bond funds for ASDM's education facility bond project proposal. Additionally, in the Economic Development Plan, I had recommended that we augment the scope of the project to include a water exhibit for a total funding allocation of \$4 million. Through private donations and other contributions, ASDM has been able to construct and complete the education facility, and more recently, the aquarium exhibit. ASDM representatives met with me recently and expressed interest in pursuing other attendance and revenue generating venues for their facility. Their proposal consists of a series of significant exhibit expansions that will continue to make this facility stand out as one of our region's most important tourism destinations. I recommend a future bond allocation of \$4 million, to be matched by fundraising by ASDM, for exhibit expansions and facility development.

D. Tucson Children's Museum and Tucson Museum of Art

Two well-known and established area museums are the Tucson Children's Museum (TCM) and the Tucson Museum of Art (TMA). The MTCVB's visitor survey showed that 56.5 percent of visitors visited area museums, and museums were given consistent high marks under reasons for visiting and recommending to other visitors. The TMA features original and traveling exhibitions, as well as tours, education programs, studio art classes and a gift shop. TMA proposes to develop the themes and interpretive materials for the Museum's Art of the American West collection and link its significance to Arizona. It will be a showplace for Arizona history and art and celebration of the Southwest. This project will attract other fine art collections that may want to participate in this new showcase opportunity. Expanded exhibits will attract more visitors to the area as a destination. This is why I support the \$5 million allocation approved by the BAC.

The TCM has been providing interactive and hands-on learning experiences for children and their families for 25 years. The Museum has served as an important community resource. In 2011 alone, over 125,000 children and adults visited the museum. The Museum is currently seeking a new location to accommodate their growing space needs. An expanded TCM will allow the Museum to nearly double in size, which will offer new hands-on experiences, galleries, an outdoor public play area, an indoor/outdoor restaurant, performance hall, and more educational and interactive exhibits to make TCM even more attractive to visitors to Tucson and southern Arizona. Greater attendance at the TCM will bring more visitors to downtown Tucson, which will help area restaurants, shops and other area attractions; hence, my recommendation to increase the TCM bond allocation by \$1 million, bringing the total allocation to TCM's original full funding request of \$6 million.

CHH/mjk

Attachment

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Hank Atha, Deputy County Administrator for Community & Economic Development
Tom Moulton, Director, Economic Development and Tourism
Nicole Fyffe, Executive Assistant to the County Administrator
Diana Durazo, Special Staff Assistant to the County Administrator

The natural environment, and the exploration of and activities surrounding it, is Tucson's greatest attraction

Primary reason for recommending Tucson to other travelers

