



## **Estimating the Economic Impact of Mobile's Tricentennial Events**

CBER Research Report #49

## **Research Reports**

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# Estimating the Economic Impact of Mobile's Tricentennial Events

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by

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## Executive Summary

This study is intended to estimate the economic impact of the scheduled Tricentennial events on the local economy. Economic impact in this study refers to expenditures made by out-of-town visitors. As a result of the marketing campaign for the Tricentennial celebration, general tourism in Mobile County is likely to increase. Therefore it is necessary to consider the number of visitors to Tricentennial events as well as the expected increase in visitation to existing attractions and special events.

The projected number of out-of-town visitors to scheduled Tricentennial events is 110,980 for a low estimate and 226,075 for a high estimate. Based on attendance figures in 2000, attendance from areas outside of Mobile County is estimated to be 86,164 for existing attractions and 93,266 for existing special events. It will be assumed in this report that all Tricentennial efforts by Mobile Tricentennial, Inc. and the Mobile Convention and Visitors Corporation will increase the out-of-town attendance figure (861,639 for attractions and 932,655 for special events) by 10 percent for a low estimate (86,164 for attractions and 93,266 for special events) and 25 percent for a high estimate (215,410 for attractions and 233,164 for special events).

The total Tricentennial-induced direct expenditures impact is the sum of new hotel expenditures and new non-lodging expenditures. Direct expenditures impact for Tricentennial events is \$59,101,760 for a low estimate and \$133,838,940 for a high estimate.

Total economic impact of the Tricentennial celebration, including the multiplier effect, is \$103,735,409 for a low estimate and \$234,512,591 for a high estimate.

Table of Contents

Executive Summary ..... i  
Section:

    Tricentennial Celebrations in Other Cities ..... 1

        Prince George’s County, Maryland ..... 1  
        Williamsburg, Virginia ..... 2  
        Falls Church, Virginia ..... 2  
        Detroit, Michigan ..... 3  
        Cleveland, Ohio ..... 3

    Estimating Visitors to Tricentennial Events ..... 4

        Scheduled Events ..... 4  
        Visitors to Scheduled Events ..... 5  
        Efforts for Increased Visitors ..... 8  
        Estimating Increased Visitors ..... 9

    Estimating Economic Impact of Tricentennial Events ..... 13

List of Tables:

1. Mobile Tricentennial Calendar of Events ..... 4  
2. Survey of Event Organizers ..... 6  
3. Projected Out-of-Town Visitors to Scheduled Tricentennial Events ..... 7  
4. Total Attendance at Mobile County Attractions 2000 ..... 10  
5. Visitors by Origin ..... 11

Appendices:

1. Questionnaire to Event Organizers ..... 16  
2. List of CBER Research Reports ..... 17

# Estimating the Economic Impact of the Scheduled Tricentennial Events

## Introduction

The City of Mobile plans to celebrate its Tricentennial history in year 2002. Numerous Tricentennial events have been scheduled and coordinated by the Mobile Tricentennial, Inc. and the events as well as celebration are promoted jointly by many different organizations in Mobile. The promotion is spearheaded by the Mobile Tricentennial, Inc. and the Mobile Convention and Visitors Corporation.

This study is intended to estimate the economic impact of the scheduled Tricentennial events on the local economy. Understandably, a Tricentennial celebration is not unique to Mobile. Several other cities have celebrated in recent years.

## Tricentennial Celebrations in Other Cities

Several other U.S. cities have recently celebrated or are currently celebrating their Tricentennial. Among them are New York, Boston, Philadelphia, Norfolk (Virginia), Charleston (South Carolina), Prince George's County (Maryland), Williamsburg (Virginia), Falls Church (Virginia), and Detroit (Michigan). Also of interest to this study is Cleveland (Ohio), which held a celebration recently for its Bicentennial. Some of these celebrations are reviewed.

### Prince George's County, Maryland

Prince George's County's Tricentennial celebration officially began with a special ceremony held at the opening of the 1995-1996 Winter Festival of Lights. Signs displaying the Tricentennial logo were placed at all major highway entrances to the county and along county roads to remind residents and visitors of the county's 300 years of history.

A season-long exhibit held at the baseball stadium paid tribute to the Negro Leagues and Sandlot Heroes. The stadium also hosted an old-timers baseball game and a family fun day as part of the celebration. Other activities held throughout the year included various art exhibits, traveling museums and re-enactments, concerts, and history symposiums.

The founding day events began with a re-enactment, followed by a bell ringing and a parade of armed services units, veterans, ROTC and military bands, with an Air Force fly-over. The day ended with a celebration gala. Approximately 400 people attended the re-enactment, and over 2,000 people were in attendance at the black tie gala.

A keel laying ceremony was also held for a replica of one of the ships of the Chesapeake Bay Flotilla. This ship will be used for educational purposes at the Historic Bladensburg Waterfront Park.

The 59<sup>th</sup> Annual Maryland House and Garden Pilgrimage, which receives statewide and national exposure, provided visitors with a tour of 12 historic sites in the county, including various homes and churches.

Sponsors of the Prince George County Tricentennial events include the Maryland-National Capital Park and Planning Commission, Prince George's County Boys and Girls Club, Bowie Baysox, Rips Park, Maryland Council for the Humanities, Buck Distributing Company, Inc., Industrial Bank, N.A., PEPCO, USAir Arena, Maryland Cable, Jones Communications, Inc., Prince George's Arts Council, Bravo Network, Maryland State Arts Council, Friends of the Greenbelt Museum, and Masonic Lodges of Prince George County.

#### Williamsburg, Virginia

Colonial Williamsburg celebrated its Tricentennial in 1999. An exhibition of art and artifacts was held from May 1, 1999 through mid-February 2000 at the DeWitt Wallace Gallery, along with an archive exhibit at the John D. Rockefeller Jr. Library. A public archeological excavation of Nassau Street Tavern also began on May 1. Other events included a special 4<sup>th</sup> of July parade, concerts, interpretive programs, and a George Washington sculpture dedication.

#### Falls Church, Virginia

Falls Church also celebrated its Tricentennial in 1999. The Village Society held its 16<sup>th</sup> Annual Independence Day Readings on July 4. Information booklets provided for the readings also included background information on the Founding Fathers Portraits, which were displayed in City Council Chambers. Also on display was the Bill of Rights quilt, which later was to be preserved in a museum-quality frame and mounted on the City Council Chambers wall.

A rededication ceremony was held for Crossman Park at Four Mile Run. Visitors were given an overview of the Society's Four Mile Run Urban Forest Stream Valley Demonstration Project, along with tours of the area and nature trails.

The Tricentennial Tour of Homes, held on October 2-3, was the most successful home tour in Falls Church history. Approximately 150 people attended the tour each day. The tour included 11 homes and one garden, along with costumed docents, musicians, floral arrangements, and catered lunches. Various other parades and festivals were held in conjunction with the Tricentennial events.

Sponsors of the Falls Church Tricentennial events include Falls Church Historical Commission and the Victorian Society.

#### Detroit, Michigan

Detroit is also celebrating its 300<sup>th</sup> birthday this year. The celebration began on New Year's Eve 2000 with the opening of the 1901 time capsule.

At the heart of the year's celebration will be the Detroit 300 Festival, which will be held July 19-26. Events taking place during the festival include concerts, re-enactments, a Parade of Ships, Spiritual Day, and Sail Detroit, which is part of the Great Lakes Tall Ship Challenge 2001.

A dedication ceremony for the International Monument to the Underground Railroad will take place in mid-October. Public tours, presentations, and other events will be part of the dedication.

A black-tie gala dinner will be held in the Renaissance Center's Wintergarden in December. The gala will be the first public event to be held at the Wintergarden, a five-story atrium overlooking the Detroit River. Other Tricentennial events include a Championship Pow Wow, a Thanksgiving Day parade, exhibits, and concerts.

Sponsors of the Detroit Tricentennial events include the following: Ameritech, Clark Hill P.L.C., Crain's Detroit Business, Tiffany & Co., Color Bar Printing, Skillman Foundation, Ameritech Yellow Pages, DeRoy Foundation, Northwest Airlines, Ford Motor Company, Coca Cola Bottling Company, State of Michigan, MGM Grand Detroit Casinos, DimlerChrysler Corporation, Guardian Industries, State Farm Insurance, General Motors Corporation, AAA Michigan, 100 Black Men, Casino Windsor, Art Van Furniture, General Motors Corporation, and Delphi Automotive.

Cleveland, Ohio

Cleveland celebrated its Bicentennial in 1996. Over 100,000 people attended the kick-off celebration, Fanfare for Cleveland, in December 1996. Events in 1996 included history exhibits, neighborhood tours, garden and park dedications, festivals, holiday lightings, and parades.

Sponsors of the Cleveland Bicentennial events include the following: Bicentennial Commission, KeyBank, WEWS Newschannel 5, OfficeMax, McDonald & Company, MBNA America, Bank One, the Convention and Visitors Bureau of Greater Cleveland, M.A. Hanna Company, Case Western Reserve University, Indiana University Press, Emerson Press, WVIZ-TV25, Cinecraft Productions Inc., Ameritech, Centerior Energy Corporation, Star Bank, Playhouse Square Foundation, State of Ohio, Ohio Department of Natural Resources, BP America, City of Cleveland, Cuyahoga County, General Electric Lighting, Cleveland Public Power, Nautica Entertainment Complex, Conrail, U.S. Coast Guard, and Regional Transit Authority.

### Estimating Visitors to Tricentennial Events

In estimating the economic impact of the Tricentennial events, there are three types of impact to consider. The first type involves the operating budget for Tricentennial events, if those funds are raised outside Mobile County. Another impact is made by visitors to scheduled Tricentennial events. The third impact to consider is an overall increase in general tourism as a result of Tricentennial promotions. The visitor impact is discussed in this section and increased

tourism is discussed in the following section. Budget impact has been excluded from this study since fundraising is still in progress and final figures for amounts generated from outside Mobile County are not available. The amount of dollars that will be paid to outside groups, such as operators of tall ships, for their expenses is also not considered.

Ultimately, economic impact of Mobile’s Tricentennial celebration arises from expenditures made by out-of-town visitors. It is therefore necessary to calculate the number of visitor days and visitor nights that will be generated by scheduled Tricentennial events and their promotions.

### Scheduled Events

A number of events are scheduled specifically for celebration of Mobile’s Tricentennial. These events as well as their organizers are summarized in Table 1 in order of event dates.

Table 1. Mobile Tricentennial Calendar of Events

Dates	Events
September 29, 2001	Book Signing & Author Reception for Mobile: The New History of Alabama’s First City Dr. Michael Thomason, 434-3800
January 18, 2002	We are Mobile – The Spirit of A Place & Its People Chris Lee, 208-7806
January 20, 2002	History Mobile Ann Bedsole, 343-9747
March 6-9, 2002	Historic Mobile Homes Tour Penny Coleman, 432-1237
March 25-27, 2002	Arrival Iberville – A Reunion of Founding Families Ann Bedsole, 343-9747
April 5-7, 2002	Musical Mobile – And All That Jazz Bob Speilmann, 626-9200
May 3-5, 2002	Battle of Mobile Bay Reenactment Brien McWilliams, 661-8450
May 18-19, 2002	Tricentennial Culinary Jubilee Jay Hagerman, 208-7788
July 3-7, 2002	Sail Mobile – A Salute to the Sea Ninky Vickers, 342-4386
August 4, 2002	River Boat Days Marilyn Culpepper, 432-6161

August 5-7, 2002	Vintage Toy Show Marilyn Culpepper, 432-6161
August 8, 2002	Youth Art Show Marilyn Culpepper, 432-6161
August 9, 2002	Mobile's Singing Children Concert Marilyn Culpepper, 432-6161
August 10, 2002	Young Mobile Festival: Teddy Bear Picnic & Toy Boat Regatta Marilyn Culpepper, 432-6161
October 17-19, 2002	Historic Mobile Homes Tour Penny Coleman, 432-1237
November 1-3, 2002	Homecoming At the Homeport – Mobile's 300 <sup>th</sup> Birthday Party David Cooper, 431-6100
on-going	ReGreen Project Liz Duthie, 342-0110
on-going	ReVive Mobile Lister Thomas, 402-2950
on-going	Africa Town Art Forward, 460-2595

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Source: Mobile Tricentennial Inc., 2001.

### Visitors to Scheduled Events

In order to determine the number of out-of-town visitors to individual events, a questionnaire was faxed to organizers of all events listed in Table 1. The questionnaire is designed to find out the event budget and the number of local and out-of-town visitors. The results are summarized in Table 2. In the visitor columns, the first figure is a low estimate while the second figure is a high estimate. The questionnaire is printed in Appendix 1.

Please note that Sail Mobile, part of the tall ships program, is one of the most popular events. Norfolk displayed 50 ships which included 20 class-A and 15 class-B ships. These ships attracted 2 million visitors over four days of display. Philadelphia displayed 23 ships with 1,600 cadets and attracted 30,000 to 40,000 visitors during each of the five days of display.

Mobile's Sail Mobile program plans to display approximately 30 ships which will include 5 to 6 class-A ships and 10 to 12 class-B ships over a five-day period from July 3 to 7, 2002.

Table 2. Survey of Event Organizers

Event	Budget	Local Visitors	Other AL Visitors	Out-of-State Visitors
Book Signing & Author Reception	0	200-1,000	300-1,300	300-1,300
We are Mobile – The Spirit of A Place & People	\$120,000	1,000-1,800	200-400	0-0
History Mobile	3,700	300-400	-----	0-100
Historic Mobile Homes Tour	30,000	200-400	100-200	300-500
Arrival Iberville – Reunion of Founding Families	3,700	50-100	-----	500-1,900
Musical Mobile – And All That Jazz	191,963	2,000-8,000	1,000-3,000	1,000-3,000
Battle of Mobile Bay	13,000	3,000-5,000	4,000-5,000	1,000-2,000
Tricentennial Culinary Jubilee	50,000	1,000-1,500	500-1,000	250-500
Sail Mobile – A Salute to the Sea [per day]	1,500,000	30,000-60,000	10,000-20,000	10,000-20,000
River Boat Days/ Vintage Toy Show/Youth Art Show/ Mobile’s Singing Children Concert/Young Mobile Festival: Regatta	50,000	5,000-10,000	1,000-3,000	100-2,000
Historic Mobile Homes Tour	30,000	200-400	100-200	300-500
Homecoming At the Homeport	-----	-----	-----	-----
ReGreen Project	1,402,500	-----	0	0
ReVive Mobile	200,000	150-400	20-150	10-25
Africa Town	30,000-1,000,000	10,000-100,000	10,000-100,000	7,500-75,000

Source: Questionnaire to Event Organizers, 2001.

The number of out-of-town visitors is estimated based on figures in Table 2. For the low estimate of “Other Alabama” visitors:

$$300 + 200 + 100 + 1,000 + 4,000 + 500 + 10,000 \times 5 \text{ (days)} + 1,000 + 100 + 20 = 57,220$$

For the high estimate of “Other Alabama” visitors:

$$1,300 + 400 + 200 + 3,000 + 5,000 + 1,000 + 20,000 \times 5 \text{ (days)} + 3,000 + 200 + 150 = 114,250$$

For the low estimate of “Out-of-State” visitors:

$$300 + 300 + 500 + 1,000 + 1,000 + 250 + 10,000 \times 5 \text{ (days)} + 100 + 300 + 10 = 53,760$$

For the high estimate of “Out-of-State” visitors:

$$1,300 + 100 + 500 + 1,900 + 3,000 + 2,000 + 500 + 20,000 \times 5 \text{ (days)} + 2,000 + 500 + 25 = 111,825$$

The projected numbers of out-of-town visitors to Mobile’s scheduled Tricentennial events are summarized in Table 3.

Table 3. Projected Out-of-Town Visitors to Scheduled Tricentennial Events

	Other Alabama	Out-of-State	Total
Low estimate	57,220	53,760	110,980
High estimate	114,250	111,825	226,075
Total	171,470	165,585	

\*Note that figures from Africa Town and Homecoming at the Homeport are not included due to uncertainty of sponsor status and visitor data.

Note in Table 3 that projected out-of-town visitors are split almost equally between other Alabama and out-of-state. The 50 percent split assumption will be applied throughout the rest of this report.

## Efforts for Increased Visitors

Both the Mobile Tricentennial, Inc. and the Mobile Convention and Visitors Corporation have undertaken efforts to increase the number of visitors not only to special Tricentennial events but also to existing attractions and traditional events. For instance, promotional brochures prepared by both Mobile Tricentennial and MCVC have a long list of traditional events in addition to special events that are scheduled only for the Tricentennial year.

In addition, MCVC has prepared a special package of promotional plans for the Tricentennial celebration as summarized below.

Advertising for the Tricentennial marketing campaign will be carried out over several media. This includes placing ads in five different publications, 30-second cable television spots, per inquiry daily email leads, radio station ads, and bulletin boards.

Ads will be placed in the following three leisure publications: AAA 2001 Ala-La-Ms Tourbook, AL Vacation Guide 2001, and Southern Living Travel Directory. The AAA 2001 Ala-La-Ms Tourbook is published by the American Automobile Association, which has a circulation of 1,000,000. A quarter-page color ad will be placed in the publication in December 2001. The Tourbook will be available in 2002.

The AL Vacation Guide 2001 is published by Compass Marketing and has a circulation of 325,000. A full-page color ad will be placed in January 2002 and will appear in the 2002 issue. The publication is a co-op for Adams Mark Hotel, City of Dauphin Island, and Ramada Plaza Hotel.

The Southern Living Travel Directory will include a 1/6 page black and white ad. The directory has a full circulation of 2,500,000; 1,180,000 in the Southeast (VA, MD, NC, SC, GA, FL); and 480,000 in South Central (KY, TN, MS, AL).

Ads will also be placed in group publications such as the 2002 Motorcoach Marketer and the 2002-03 Tour Supplier/DMO Membership Directory. The 2002 Motorcoach Marketer, which is published by the American Bus Association, circulates to approximately 750 bus operators and 2,300 tour operators. The full-page color ad will be published in October 2001. This ad is a co-op for Holiday Inn I-10, Museum of Mobile, and Adams Mark Hotel.

The National Tour Association's 2002-03 Tour Supplier/DMO Membership Directory will include a half-page color ad. The directory, which will be available in June 2002, circulates to 4,500 NTA members. This ad is a co-op for Mobile Museum of Art, Adams Mark Hotel, and the Museum of Mobile.

Thirty-second television spots will also be used as advertising in 15 different markets. The total cost for all 15 markets is \$25,992 per week. The ads will air for three weeks during each of the major events, which include the launch in October 2001, the China Exhibit in January 2002, Tall Ships in July 2002, and the Lord Wellington exhibit in August 2002, along with two weeks for Bayfest in October 2002. Total cost for the 12 weeks in FY2002 is \$311,904 (\$77,976 per event) and \$51,984 for the 2 weeks in FY2003.

The ads will reach the following subscribers: 1,390,000 through CAMA Interconnect in Atlanta; 157,000 on Cox Cable in Baton Rouge; 127,000 on Cable One in Biloxi, Gulfport, and Pascagoula; 336,000 on WGBI Interconnect in Birmingham; 45,000 on Comcast in Hattiesburg and Laurel; 78,000 on Comcast in Huntsville and Decatur; 95,200 on Love Comm in Jackson; 60,000 on Cox in Lafayette; 31,000 on Cox in Lake Charles; 195,000 on Time Warner in Memphis; 67,000 on AT&T in Montgomery; 430,000 on Interconnect in Nashville; 275,000 on Interconnect in New Orleans; 114,000 on Cox in Pensacola and Fort Walton; and 88,000 on Comcast in Tallahassee.

During the months between advertisements on cable, per inquiry daily email leads will be taken for network cable (TV Guide Channel, Outdoor Channel, and Golf Channel) and for the local southeastern markets. The cost per call is \$6, with 60 calls per day for 30 days (1,800 calls per month) at a total monthly cost of \$10,800. Yearly totals are \$86,400 (eight months) for FY2002 and \$21,600 (two months) in FY2003.

A campaign will also cover the same 15 markets covered by cable. Radio ads will air for one week during each of the major events, which include the launch in October 2001, the China Exhibit in January 2002, Tall Ships in July 2002, the Lord Wellington exhibit in August 2002, and Bayfest in October 2002. Total cost for the 4 weeks in FY2002 is \$125,600 and \$31,400 for one week in FY2003.

Ads will also be placed on billboards in 6 cities: in Montgomery (N/S I-65 at McDonough), Greenville (I-65 S/O Greenville at Pineapple Exit), Mobile (I-65 N/O Thompson Blvd, and I-10 at Duval St), Foley (Highway 59 4.8 mi S/O Hwy 98), Gulfport (I-10 at US 49 Gulfport), and Ocean Springs (I-10 1 mi E/O Hwy 57). Total cost is \$55,026 for FY2002 and \$13,757 for FY2003.

#### Estimating Increased Visitors

Impact of these promotional efforts on the number of visitors to Mobile is expected to be significant. To have some good idea of how much increase in the number of visitors there may be to existing attractions and traditional events, we first present Table 4 in which the total numbers of visitors to existing attractions in Mobile County for year 2000 are summarized. Attendance data at special events are combined and recorded by the City of Mobile Office of Special Events.



Table 5. Visitors by Origin

<u>Bellingrath Gardens</u>			<u>Other attractions</u>		
City	Visitors	Percent	City	Visitors	Percent
Mobile, AL	30,719	0.282	Mobile, AL	1,480	0.183
Chicago, IL	6,107	0.056	Louisville, KY	111	0.014
Biloxi, MS	5,968	0.055	Pensacola, FL	109	0.013
Pensacola, FL	4,627	0.042	Saint Louis, MO	94	0.012
New Orleans, LA	3,954	0.036	Birmingham, AL	93	0.012
Atlanta, GA	2,414	0.022	Robertsdale, AL	91	0.011
Birmingham, AL	2,395	0.022	Knoxville, TN	71	0.009
Stamford, CT	2,108	0.019	Memphis, TN	68	0.008
Denver, CO	1,738	0.016	Huntsville, AL	56	0.007
Houston, TX	1,733	0.016	Fairhope, AL	56	0.007
Fort Walton Beach	1,646	0.015	Houston, TX	55	0.007
Jacksonville, FL	1,239	0.011	Cincinnati, OH	52	0.006
Trenton, NJ	1,226	0.011	New Orleans, LA	51	0.006
Montgomery, AL	1,210	0.011	Atlanta, GA	51	0.006
New York, NY	1,205	0.011	Montgomery, AL	48	0.006
Jackson, MS	1,128	0.010	Ridgeway, MO	44	0.005
Saint Louis, MO	1,098	0.010	Selma, AL	41	0.005
Baton Rouge, LA	1,072	0.010	Signal Mountain, TN	40	0.005
Memphis, TN	1,022	0.009	Little Rock, AR	38	0.004
Hattiesburg, MS	959	0.009	Nashville, TN	36	0.004
Providence, RI	865	0.008	Osgood, IN	35	0.004
Dallas, TX	860	0.008	Shelby, AL	33	0.004
Nashville, TN	858	0.008	Daphne, AL	33	0.004
Minneapolis, MN	846	0.008	Decatur, AL	30	0.004
Tampa, FL	780	0.007	Baton Rouge, LA	30	0.004
All other cities	31,160	0.286	All other cities	5,232	0.648
Total	108,937	100.0	Total	8,078	100.0

Source: USA Center for Business &amp; Economic Research.

It is indicated in Table 5 that visitors to Bellingrath Gardens are 28.2 percent from Mobile County and 71.8 percent from areas outside Mobile County, while visitors to other attractions are 18.3 percent from Mobile County and 81.7 percent from areas outside Mobile County. It is not clear from the table what percent of visitors from areas outside Mobile County are from other Alabama or outside the state.

The weighted average of out-of-town visitors to both Bellingrath Gardens and other attractions combined is 72.5 percent:

$$1 - (30,719 + 1,480)/(108,937 + 8,078) = 1 - 0.275 = 0.725$$

The total attendance figures shown in Table 4 are multiplied by 0.725 to obtain attendance from areas outside Mobile County:

$$\begin{aligned} \text{attractions:} & \quad 1,188,467 \times 0.725 = 861,639 \\ \text{special events:} & \quad 1,286,421 \times 0.725 = 932,655 \end{aligned}$$

It will be assumed in this report that all Tricentennial efforts by Mobile Tricentennial and MCVC will increase the attendance figure by 10 percent for a low estimate (86,164 for attractions and 93,266 for special events) and 25 percent for a high estimate (215,410 for attractions and 233,164 for special events).

## Estimating Economic Impact of Tricentennial Events

Estimation of the economic impact is limited to additional expenditures that are induced by Tricentennial activities and their promotions. It will be assumed that all additional visitors are leisure visitors, although it is highly likely that at least some of these visitors are convention visitors and especially motor coach visitors. The total projected number of out-of-town visitors, found earlier in this report, is summarized:

	Low	High
Visitors to scheduled Tricentennial events	110,980	226,075
Attendance to existing attractions	86,164	215,410
Attendance to existing special events	93,266	233,164
total	290,410	674,649

According to the Alabama Bureau of Travel and Tourism, the average nights of stay for leisure visitors is 3.8. According to visitor data at Ft. Conde Welcome Center, 51.7 percent of leisure visitors stayed at hotels and motels. In Mobile County, there are two sources of leakages in that some visitors stay in Eastern Shore hotel/motels while others stay in coastal Mississippi's casino hotels. It will be assumed that the leakage is 25 percent of all visitors. The following will also be assumed: that two persons share a room; visitors will visit two attractions on the average; and visitors to special events are all day outers. The total number of room nights to be generated then is:

### Tricentennial Events

Low estimate:  $110,980 \times 3.8 \times 0.517 \times (1 - 0.25) \times 0.5 = 81,762$

High estimate:  $226,075 \times 3.8 \times 0.517 \times (1 - 0.25) \times 0.5 = 166,555$

### Existing Attractions

Low estimate:  $86,164 \times 3.8 \times 0.517 \times (1 - 0.25) \times 0.5 \times 0.5 = 31,470$

High estimate:  $215,410 \times 3.8 \times 0.517 \times (1 - 0.25) \times 0.5 \times 0.5 = 79,349$

Total hotel room expenditures are obtained by multiplying the total room nights by the average daily room rate for Mobile in 2000, which is \$56.59 according to the CBER Newsletter. Total hotel room expenditures are:

### Tricentennial Events

Low estimate:  $81,762 \times 56.59 = \$4,626,912$

High estimate:  $166,555 \times 56.59 = \$9,425,347$

### Existing Attractions

Low estimate:  $31,470 \times 56.59 = \$1,796,167$

High estimate:  $79,349 \times 56.59 = \$4,490,360$

To estimate non-lodging expenditures of these visitors, it is necessary to determine the total number of visitor days, which is the number of visitors multiplied by 3.8 days per visitor. Since visitors staying in Eastern Shore hotel/motels and in coastal Mississippi's casino hotels will spend at least some of their visitor dollars out of Mobile County, we again assume that the leakage is 25 percent of all visitors. The number of Mobile County visitor days then is obtained:

Tricentennial Events

Low estimate:  $110,980 \times 3.8 \times (1 - 0.25) = 316,293$

High estimate:  $226,075 \times 3.8 \times (1 - 0.25) = 644,314$

Existing Attractions

Low estimate:  $86,164 \times 3.8 \times (1 - 0.25) = 245,567$

High estimate:  $215,410 \times 3.8 \times (1 - 0.25) = 613,919$

According to the SouthCoast USA, the daily sum of leisure visitor expenditures is \$137. Subtracting the average daily room rate of \$56.59 from \$137, we obtain \$80.41 non-lodging daily expenditures. Non-lodging expenditures of Tricentennial-induced leisure visitors are obtained:

Tricentennial Events

Low estimate:  $316,293 \times \$80.41 = \$25,433,120$

High estimate:  $644,314 \times \$80.41 = \$51,809,289$

Existing Attractions

Low estimate:  $245,567 \times \$80.41 = \$19,746,042$

High estimate:  $613,919 \times \$80.41 = \$49,365,227$

Existing Special Events

Low estimate:  $93,266 \times \$80.41 = \$7,499,519$

High estimate:  $233,164 \times \$80.41 = \$18,748,717$

The total impact of Tricentennial-induced economic impact is the sum of hotel expenditures and non-lodging expenditures:

Tricentennial Events

Low estimate:  $\$4,626,912 + \$25,433,120 = \$30,060,032$

High estimate:  $\$9,425,347 + \$51,809,289 = \$61,234,636$

Existing Attractions

Low estimate:  $\$1,796,167 + \$19,746,046 = \$21,542,209$

High estimate:  $\$4,490,360 + \$49,365,227 = \$53,855,587$

Existing Special Events

Low estimate:  $\$0 + \$7,499,519 = \$7,499,519$

High estimate:  $\$0 + \$18,748,717 = \$18,748,717$

Total direct expenditures impact of Mobile's Tricentennial celebration is obtained by adding expenditures of visitors to Tricentennial events, increased visitors to existing attractions, and increased attendance to special events:

Low estimate

Tricentennial Events:	\$30,060,032
Existing Attractions:	\$21,542,209
Existing Special Events:	<u>\$7,499,519</u>
Total:	\$59,101,760

High estimate

Tricentennial Events:	\$61,234,636
Existing Attractions:	\$53,855,587
Existing Special Events:	<u>\$18,748,717</u>
Total:	\$133,838,940

Total direct expenditures impact is \$59,101,760 for a low estimate and \$133,838,940 for a high estimate.

Finally, there is a multiplier effect through turnover of visitor expenditures. The multipliers are developed by the U.S. Department of Commerce, Bureau of Economic Analysis and are known as RIMS II multipliers. The multiplier employed in this report is the RIMS II average output multiplier for Mobile County in hotels (1.7381), eating & drinking (1.7715), and retail excluding eating (1.7559). The average is 1.7552. Total economic impact is obtained by multiplying the total direct expenditures by the multiplier:

$$\text{Low estimate: } \$59,101,760 \times 1.7552 = \$103,735,409$$

$$\text{High estimate: } \$133,838,940 \times 1.7552 = \$234,512,591$$

Total direct and indirect impact expenditures is \$103,735,409 for a low estimate and \$234,512,591 for a high estimate.

Appendix 1:

Questionnaire to Event Organizers

Name of Event:

Dates:

We are estimating an economic impact of the scheduled Tricentennial events for the Mobile Tricentennial, Inc. Your response to the following three questions at your earliest convenience would be appreciated.

1. What is the total projected budget of your event?

Estimated budget: \$

Source if known:

2. According to your best estimate, how many visitors, which include event participants, tourists, and family members, do you expect to come from the following areas for your event?

	Low estimate	High estimate
	-----	-----
Mobile County only	[            ]	[            ]
Other Alabama counties		
including Baldwin County	[            ]	[            ]
Outside Alabama		
including other countries	[            ]	[            ]

3. Do you have any information of comparable events in Mobile or other communities that may help us in estimating the economic impact? If you do, please fax or mail it to us at your earliest convenience.

Thank you,  
Center for Business & Economic Research

FAX Number: 460-6246

Mail Address: Dr. Semoon Chang

Department of Economics

University of South Alabama

Mobile Alabama 36688

TEL for questions: Shelia or Megan at 460-6156

Appendix 2:

CBER RESEARCH REPORTS

The following is a list of publications published by the Center for Business and Economic Research at the University of South Alabama.

1. Siting Plans for the Establishment of Artificial Reefs in the Gulf of Mexico:  
An Economic Analysis  
Semoon Chang, 12/09/85
2. An Analysis of Unemployment in the Southern Counties of Alabama,  
James Swofford, 12/16/85
3. Estimating Savings in Transportation Costs from Use of the  
Tennessee-Tombigbee Waterway  
Semoon Chang and Philip Forbus, 02/01/86
4. Wage Survey for the Mobile Area CBER and Mobile Chamber of  
Commerce, 08/01/86
5. Survey of Visitors to Battleship Park and Ft. Conde  
CBER, Convention & Visitor Dept., & Mobile Chamber of Commerce  
09/15/86
6. Wage Survey for Small Areas: Methodology  
Semoon Chang and Miriam Stout, 10/15/86
7. Economic Data for the Mobile Area  
CBER, 11/01/86
8. Survey of Visitors to the Gulf Shores Area  
Miriam Stout, Beth Cerovsky, J. Kris Enzor and Chris Parker, 11/15/86
9. Composite Visitor Index for Mobile  
CBER, 03/16/87
10. Composite Business Index for Mobile  
CBER, 03/16/87
11. Shrimp Processing Industry in Bayou La Batre, Alabama

- J. Stephen Thomas, and Cecelia M. Formichella 10/87
12. Population & Income Projections for Municipalities in Mobile and Baldwin Counties  
Semoon Chang and Miriam Stout, 10/15/87
  13. The Mobile Economy: The Structure of Employment and the Erosion of the Real Wage  
James Bobo and Carla Bobo, 10/87
  14. Intermodal Competition in Water Transportation Under the Shipping Act of 1984  
Philip Forbus, 12/01/87
  15. Economic Impact of the Alabama State Docks  
Philip Forbus, Miriam Stout & Semoon Chang, 12/01/89
  16. 1988-89 Wage Survey for the Mobile Area  
CBER & Mobile Chamber of Commerce, 10/01/88
  17. Financial Analysis of Selected Public School System in Alabama: An Interim Report  
Semoon Chang and J. Ronnie Davis, 03/10/89
  18. Economic Data for the Mobile Area (2nd Edition)  
CBER, 03/17/89
  19. The Future of the Gulf Coast Economy: The Role of Gulf Ports and Water Transportation (Proceedings of the 1988 Conference on Business and Transportation)  
ed. Philip Forbus, 04/15/89
  20. The Commercial Seafood Industry in Alabama  
Philip Forbus, Stephen Thomas, Wm. Hosking, Richard Wallace, Jeanne Maes and Semoon Chang, 06/15/89
  21. A Guide to Regional Economic Data of the U.S. Bureau of Economic Analysis  
Philip Forbus, 11/01/89

22. Preparing for Business Opportunities with Navy Homeports (Mobile, Pensacola, Pascagoula, & Ingleside) (Proceedings of the 1989 Conference on Business and Transportation)  
ed. Philip Forbus, 05/01/90
23. 1990-91 Wage Survey of Mobile and Baldwin Counties  
Philip Forbus and Jeanne Croom, 10/01/90
24. A Survey of Future Manpower Needs by Skill & Education in the Mobile Area  
Philip Forbus, Steve Woolley and Semoon Chang, 1991  
  
A Survey of Future Manpower Needs by Skill & Education in the Mobile Area: Executive Summary
25. 1992-93 Wage Survey of Mobile and Baldwin Counties  
Philip Forbus, Terry Ashley and Carol Meurer, 07/01/92
26. The Economic Impact of the University of South Alabama on the Mobile Area  
Semoon Chang and Philip Forbus, 09/01/92
27. Socio-Economic Data for Southwest Alabama  
Semoon Chang, Philip Forbus and Carol Meurer, 03/15/93
28. An Economic Analysis of Mobile Automobile Dealerships and Local Tax Structure  
Philip Forbus and A. K. Barakeh, 03/94
29. Health Needs Assessment of the Porch Band of Creek Indians  
Philip Forbus and Semoon Chang, 12/93
30. Opportunities for Economic Development in Alabama Based on Natural Gas Production in Mobile Bay (Long Version)  
Semoon Chang, 05/95
31. 1994-95 Wage Survey of Mobile and Baldwin Counties  
Philip Forbus and Cynthia Harbour, 12/94

32. Opportunities for Economic Development in Alabama Based on Natural Gas Production in Mobile Bay (Short Version)  
Semoon Chang, 05/95
33. Projecting Population Increases in the Mobile Metro by Census Tract  
Semoon Chang, 07/24/95
34. Current Economic Trends of Southwest Alabama  
CBER, 02/15/96
35. Midyear Graphic Update of Mobile Economy  
CBER, 08/01/96
36. A Market Survey of Mitsubishi Car Buyers  
C. M. Kochunny, 1996
37. 1997-98 Wage Survey for the Mobile Area  
Philip Forbus, 03/97
38. Impact of the Alabama State Docks on Alabama's Economy  
Semoon Chang, 03/14/97
39. Social Benefit-Cost Analysis of Juvenile Boot Camps: The Case of the Environmental Youth Corps of Mobile, Alabama (Long Version)  
Semoon Chang, 02/14/98
40. An Analysis of the Environmental Youth Corps of Mobile: Executive Summary  
Semoon Chang, 02/18/98
41. Measuring the Local Economic Impact of the Gulf Coast Boat and Sportsman's Show  
Semoon Chang, 04/27/98
42. Measuring the Economic Impact of the Great Emperors Exhibit on Mobile County  
Semoon Chang, 09/01/98
43. Estimating the Economic Impact of the Mobile County Public Schools Construction Expenditures  
Semoon Chang, 10/15/98

44. Toward Valuation of the Mobile Bay: A Study  
Semoon Chang and Shelia Canode, 06/30/99
45. Estimating Economic Costs of Automobile Crashes in Mobile and Baldwin Counties  
Semoon Chang and Shelia Canode, 02/00
46. Impact of the Nicholas & Alexandra Exhibition on the Local Economy  
Semoon Chang, 02/15/00
47. Estimating the Potential Economic Impact of the USA Football Program  
Semoon Chang and Shelia Canode, 12/21/00
48. Economic Impact of the United Way of Southwest Alabama & its Agencies on Mobile County  
Semoon Chang, Megan Farrell, and Shelia Canode, 06/11/01
49. Estimating the Economic Impact of the Mobile's Tricentennial Events  
Semoon Chang, Shelia Canode, and Megan Farrell [in progress]