

ON THE ROAD AGAIN

May 30, 2004

Tourists on move as economy rises and travel itch gets scratched

By WAYNE HEILMAN THE GAZETTE

After three years of declines, the Colorado Springs tourism industry expects that a recovering U.S. and local economy will bring back good times.

Locally, hotels, attractions and tour operators report increased bookings for the summer season, which starts this weekend. Many also report that visitor numbers have been strong this spring even though gasoline prices nationwide soared to record levels.

The \$1 billion tourism industry, which employs about 16,000 in El Paso County and represents about 7 percent of the economy, hopes for good weather and no wildfires, outbreaks of West Nile virus or threats of terrorist attacks that have doomed tourism seasons in recent years.

“There is a high level of optimism that 2004 will bring the first good summer for our industry in four years,” based on an improving U.S. economy, said Terry Sullivan, president of the Colorado Springs Convention and Visitors Bureau. “We are expecting 3 percent to 4 percent growth from last year.”

Tourism was off to a strong start during the first quarter — collections from the city’s tax on hotel rooms and rental cars were up 10 percent from the same time a year ago.

Collections from that tax had declined in each of the previous three years after peaking in 2000.

National tourism forecasts released this month by AAA and the Travel Industry Association of America call for healthy gains in travel and tourism spending this summer, based on a recovering economy. Leisure and business travel are expected to post gains from a year ago, the groups say.

AAA predicts that 36.9 million Americans will travel 50 miles or more this weekend, a 3.6 percent increase from last year. The group also found that average hotel and meal costs across the nation have declined 4 percent from a year ago to \$235 a day, the biggest drop in 42 years.

In Colorado, average hotel and meal costs per day are down 5.2 percent from a year ago to \$247.33 because the average hotel rate dropped 10 percent.

Colorado Springs’ average hotel room rate dropped 3.7 percent in 2003 from the previous year. Rates have been on the rebound in 2004.

The travel industry association is equally optimistic, based on the number of people traveling so far this year. It forecasts a 3.2 percent increase in leisure travel this summer. A survey by the group ranked Colorado as the nation’s fifth-most-popular destination, up from eighth a year ago.

State officials attribute the state’s growing popularity to increased marketing — legislators boosted funding for tourism promotion to the highest level in more than a decade. Colorado Springs-based Praco Ltd. handles the state’s tourism advertising.

The Colorado Tourism Board has spent \$12 million promoting the state this year.

“A lot of places are seeing increased bookings, and inquiries about the state are up.

This comes on the heels of the biggest campaign we've done in years," said Steve Szapor, the tourism board's chairman. "People again see Colorado as a good vacation spot."

The state also will benefit from an improving national economy and growing consumer confidence, while higher gasoline prices are not expected to be a major factor, said Tucker Hart Adams, a Springs resident and chief economist for U.S. Bank in Denver.

"People are feeling more confident in the recovery and their finances and are spending more money to travel than the last few years," she said.

That is reflected in the Pikes Peak Cog Railway passenger numbers, which are "surprisingly strong" since it opened for the season on April 10, said Spencer Wren, traffic manager for the train. The cog railway ferries people to the summit of Pikes Peak.

Visitor numbers also have been strong — up 31 percent in March and up 25 percent in April compared with a year ago — at the Royal Gorge Bridge and Park, said Mike Bandera, vice president and general manager of the 75-year-old attraction near Cañon City.

Royal Gorge owners have pumped more than \$900,000 into the attraction during the past two years to build a "skycoaster" ride, wildlife park and lodge. Those additions have helped boost visitor numbers. They remain, however, below peak levels of the mid-1990s, Bandera said.

Bookings for this summer also are up about 10 percent for Gray Line Tours of Colorado Springs, the first such increase in four years, said Chuck Murphy Jr., president of the company that offers sight-seeing tours in the Pikes Peak region and charter transportation services.

Jackie Duff, president of the Pikes Peak Lodging Association, said summer reservations are up at member hotels. She expects traveler numbers in the Pikes Peak region will be up 3 percent to 5 percent this summer, based on advance reservations.

"We have great expectations for the summer season. The market is getting healthier every month," Duff said. "People are more willing to travel, and they are less resistant to rate increases. They have held back since Sept. 11 and now are starting to travel again."

CONTACT THE WRITER: 636-0234 or

wayneh@gazette.com

WHERE DO TOURISTS GO?

The Pikes Peak region attracts 6.2 million visitors a year, to more than 50 attractions. The top draws during 2003 included:

LOCATION ATTENDANCE

Garden of the Gods Visitors Center	750,000
Cheyenne Mountain Zoo	412,901
Royal Gorge Bridge	300,921
Air Force Academy Visitors Center	291,153
Pikes Peak Highway	252,552
Pikes Peak Cog Railway	230,000
Seven Falls	220,815
Focus on the Family	212,929
Flying W Ranch	138,000
Olympic Training Center	124,000

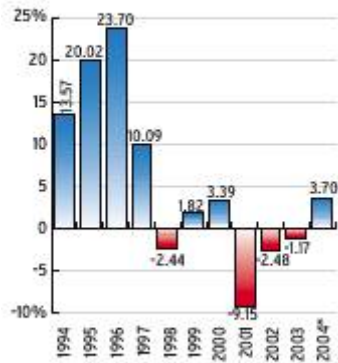
SOURCE: Colorado Springs Convention and Visitors Bureau

WHERE TOURISTS ARE FROM

Top home states of tourists visiting Colorado Springs: 1. Texas 2. Colorado 3. Kansas 4. Missouri 5. California

SOURCE: Colorado Springs Convention and Visitors Bureau VISITING THE SPRINGS

Tourism tax collections
 Collections of the city's tax on hotel rooms and rental cars are forecast to increase this year for the first time since 2000.



*Forecast
 SOURCE: Colorado Springs Convention and Visitors Bureau THE GAZETTE