

*From Owensboro Messenger-Inquirer*

## Downtown Owensboro Economic Momentum Continues

By Keith Lawrence - April 12, 2015

Revenue at Owensboro hotels jumped \$3.53 million last year to \$19.59 million, the Owensboro-Daviess County Convention & Visitors Bureau reported last week. That's a 22 percent increase from 2013 — the year before the Owensboro Convention Center and the Hampton Inn & Suites Owensboro Downtown Waterfront opened.

The then-record \$16.07 million in revenues hoteliers saw in 2013 was up 7 percent from 2012's \$15 million.

"I'm tickled to death, but it really doesn't surprise me," Mayor Ron Payne said. "We've been working for years to make Owensboro a destination. Word is getting out. People are coming to visit. I spoke in Dayton, Ohio, recently, and people there are going to caravan to Owensboro for ROMP."

"The significant growth in room tax receipts during 2014 can be attributed to a couple of obvious factors," said Shannon Wetzel, the CVB's executive director. "One contributor is the opening of the Owensboro Convention Center and the return of convention groups to our community, which has increased hotel occupancy. Another is the continuing buzz about the revitalization of downtown Owensboro. Many visitors are telling us they chose to come just to see what everyone is talking about."

Sports tournaments fill hotels every weekend "for a good portion of the year," she said.

Jared Bratcher, the CVB's sports marketing director, said Owensboro had about the same number of tournaments in 2014 as it had in 2013.

"But we had more teams and more players in a lot of the tournaments," he said. "They were a huge success."

This year should be about the same, Bratcher said.

Now that the 123-room Holiday Inn Owensboro Riverfront has opened on the west side of the convention center, giving Owensboro roughly 275 rooms in downtown hotels, the CVB can start bringing in bigger tournaments — something it hasn't tried since the Executive Inn closed in 2008.

Tournament officials want a hotel to actually be open before they consider it as a factor in awarding a tournament, Bratcher said.

'Monster tournament'

"We're working on one monster tournament for next year," he said. "It's so big that Owensboro, Evansville and Henderson would be equal partners. We've never had one that big."

"As we move into late 2015, construction on the International Bluegrass Music Center will begin," Wetzel said. "Large construction projects always bring a surge in hotel occupancy, and this one will last until the facility opens in 2017. With the right programming at the center, that momentum should continue after their grand opening."

"A lot of it is just the improving economy," said Ruth Ann Dearnness, general manager of the Holiday Inn Owensboro Riverfront, which opened earlier this month. "People are traveling more. We've seen an uptick in business travel."

Daviess County didn't have any large construction projects last year — not like recent years when Owensboro Health Regional Hospital, the riverfront redevelopment, the U.S. 60 extension, the Boardwalk Pipeline Partners' office building

and the convention center were under construction.

Those construction workers filled a lot of hotel rooms for months at a time.

‘On the move’

But, Dearness said, “There were a lot of little projects that brought people to town. Owensboro is on the move.”

“It’s phenomenal,” Rick Hobgood, the CVB’s board chairman, said of the 2014 figures. “A lot of work by the whole community went into it. The new Smothers Park and the convention center both played big roles. And we’re still getting a lot of buzz around the state. Sports tournaments are still big. We had some of the biggest summer months we’ve ever had.”

“There is just such great interest in Owensboro around the state,” said Matt McCloud, assistant general manager at the Hampton Inn & Suites. “People are wanting to get back to Owensboro to see what’s going on. We’ve had conventions that haven’t been here in years. Now that we have two downtown hotels, we’re hoping to see bigger conventions and more of them. A lot of conventions require a certain number of rooms within walking distance of the convention center. We’ve seen growth so far this year, and we expect a lot of growth this year.”

“This Holiday Inn being open will allow the convention center to book larger conventions,” Dearness said. “We’re all convinced that this will be a good year. We expect this year to be as good as or better than last year.”

Dean Dennis, general manager of the convention center, said during its first year the center hosted more than 300 events, 27 conventions and more than 173,000 people.

It was responsible for filling 5,000 hotel rooms during the year and generating an economic impact of more than \$1 million, he said.

So far this year, the center has hosted the Kentucky Cattlemen’s Association, which booked nearly 600 rooms, and the Green River Firefighters Association’s Bryant Stiles Officers School, which booked nearly the same number.

“We have been very pleased with attracting Kentucky’s state association business back to Owensboro after an almost nine-year absence,” Dennis said. “This year, we are hosting several conventions that are returning to Owensboro (for the first time) since the vacancy created by the Executive Inn closing — including the Kentucky Sheriff’s Association, Kentucky League of Cities, Kentucky Association of Realtors and Kentucky Aviation Association. We project 23 conventions for fiscal year 2015-16.”

The CVB is funded by a 3 percent tax on hotel room rentals.

Revenue up 29 percent

For the first nine months of the current fiscal year, receipts are up 29 percent — from \$363,555 to \$470,468.

March saw a 40 percent increase over the same month last year — from \$33,220 to \$48,352.

During Fiscal Year 2014-15, the agency collected \$496,853 from the tax.

With three months to go this year, receipts are already at \$470,468.

Rising prices for hotel rooms are one reason for the revenue growth.

The massive Executive Inn Rivermont, which had 641 rooms at its peak and 413 when it closed in June 2008, kept prices down all over town.

A CVB report from 2008 said that hotel rooms in the community ranged for \$22 to \$80 a night the year before.

Monday, RoomKey.com listed 10 hotels in Owensboro with rates ranging from \$76 to \$139.

A year earlier, prices had ranged between \$70 and \$149.

Inflation is also a factor.

The \$9 million local hotels took in back in 1990 is worth about \$16.05 million today.

In 2006, the Owensboro-Daviess County Tourist Commission — the CVB’s predecessor — issued a report citing a “hotel room crisis,” saying that the city had only 1,369 hotel rooms.

The total dipped below 1,000 when the Executive Inn closed in 2008.

Today, the number is back up to 1,331.

The years when the total number of rooms was down helped raise occupancy rates for local hotels.

Occupancy rate down slightly

But the 2014 occupancy rate of 57.57 percent was down slightly from the 58.5 percent in 2013 and 57.85 in 2012.

The CVB recently hired Bohan Advertising of Nashville to promote the city nationally and “make Owensboro-Daviess County a destination,” Hobgood said.

That should help lift occupancy rates, he said.

And Hobgood expects the \$15.3 million International Bluegrass Music Center to bring thousands of tourists to town after it opens at Second and Frederica streets in the summer of 2017.

“We’re already seeing an increase from bluegrass,” Hobgood said. “ROMP ticket sales are up 40 percent this year.”

The ROMP: Bluegrass Roots & Branches Festival at Yellow Creek Park each June attracts more than 20,000 people to the community from all over the world.

“We have about 25,000 people a year visit the bluegrass museum now,” Terry Woodward, the museum’s board treasurer who spearheaded the fund drive for the new center, said last week. “I think we’ll have 50,000 visitors the first year the new center is open. After a couple of years, when we get the weekly Bluegrass Jamboree going, I expect it to reach 100,000.”

In 2014, he said, the museum drew visitors from 54 other countries.

Hobgood said the Kentucky Department of Travel & Tourism estimates that overnight visitors spend an average of \$173 a day in a community.

The CVB is also expecting a boost in international tourism starting in May when the Americana Music Triangle’s website — [AmericanaMusicTriangle.org](http://AmericanaMusicTriangle.org) — goes live.

The Triangle promotes itself as a 1,500-mile tour through the “birthplaces” of nine genres of roots music — blues, jazz, country, rock ‘n’ roll, rockabilly, bluegrass, Cajun, zydeco and gospel.

Owensboro, the northern entrance to the trail, is listed as a side trip from Nashville.

The CVB expects travelers from the north to enter the trail in Owensboro.

And it hopes they stay a day or two.

Local hotel revenues and occupancy rates since 1990:

Year Receipts Occupancy

2014: \$19.59 million, 57.57 percent

2013: \$16.07 million, 58.5 percent

2012: \$15 million, 57.85 percent  
2011: \$12.38 million, 53.16 percent  
2010: \$12.19 million, 53.52 percent  
2009: \$12.87 million, 50.67 percent  
2008: \$13.937 million, 48.7 percent  
2007: \$13.93 million, 51.9 percent  
2006: \$15 million, 45.5 percent  
2005: \$13.93 million, 45.7 percent  
2004: \$12.87 million, 40.99 percent  
2003: \$12.47 million, 39 percent  
2002: \$12.25 million, 40 percent  
2001: \$11.8 million, 42.12 percent  
2000: \$11.5 million, 42.68 percent  
1999: \$11.1 million, 43.22 percent  
1998: \$13.1 million, 52.73 percent  
1997: \$9.8 million, 44.33 percent  
1996: \$8.9 million, 48.66 percent  
1995: \$11.4 million, 55.17 percent  
1994: \$10.8 million, 59.63 percent  
1993: \$9.9 million, 52.79 percent  
1992: \$8.6 million, 45.51 percent  
1991: \$8.5 million, 49.43 percent  
1990: \$9 million, 56.77 percent