

# Louisiana Travel Pulse

May 2007

Produced by the Louisiana Office of Tourism

## Monthly Analysis/Highlights:

- Although nationwide airport activity was stagnant for the first quarter, New Orleans, Alexandria, and Lafayette airports report solid growth over last year
- Louisiana's first quarter occupancy rate was sixth among states even with a 8.5% decline. Only Hawaii, Arizona, Nevada, Florida, and California had a higher first quarter occupancy rate.
- Even though first quarter Riverboat AGR was 12.5% lower than last year, it was still 8.1% higher than that of 2004 and 11.2% in 2005 when Louisiana tourism was steadily growing.
- Even though visits to National Parks across the nation grew by a stagnant +0.5%, visits to the Jean Lafitte National Historical Park in the first quarter grew by 54.2%. However, 2007 visits are still 40.9% below that of 2004.

## Louisiana Tourism Trends

| Airport Trends  | March<br>2007 | March<br>2006 | % +/- | (Benchmark)   |               |               | % +/-<br>2006-2007 | % +/-<br>2004-2007 |
|---|---------------|---------------|-------|---------------|---------------|---------------|--------------------|--------------------|
|   |               |               |       | YTD<br>2004   | YTD<br>2006   | YTD<br>2007   |                    |                    |
| Airport Passenger Enplanements  |               |               |       |               |               |               |                    |                    |
| Louisiana Metro Airports Total  | 413,860       | 329,103       | 25.8% | 1,367,951     | 861,493       | 1,135,870     | 31.8%              | -17.0%             |
| New Orleans   | 332,225       | 240,982       | 37.9% | 1,187,083     | 618,763       | 898,699       | 45.2%              | -24.3%             |
| Other Metro*  | 81,635        | 88,121        | -7.4% | 180,868       | 242,730       | 237,171       | -2.3%              | 31.1%              |
| * Note: Includes Baton Rouge, Monroe, Lafayette, and Alexandria metropolitan airports.  |               |               |       |               |               |               |                    |                    |
| <b>Louisiana Hotel/Motel Trends</b>   |               |               |       |               |               |               |                    |                    |
| Rooms Sold  | 1,646,037     | 1,697,164     | -3.0% | 4,393,675     | 4,934,293     | 4,380,666     | -11.2%             | -0.3%              |
| Room Supply   | 2,285,320     | 2,155,461     | 6.0%  | 6,989,912     | 6,211,090     | 6,599,324     | 6.3%               | -5.6%              |
| Occupancy Rate  | 72.0%         | 78.7%         | -8.5% | 62.9%         | 79.4%         | 66.4%         | -16.4%             | 5.6%               |
| Average Daily Rate  | \$99.27       | \$95.38       | 4.1%  | \$87.55       | \$98.09       | \$96.91       | -1.2%              | 10.7%              |
| <b>Louisiana Gaming Indicators</b>  |               |               |       |               |               |               |                    |                    |
| Riverboat AGR*  | \$159,144,208 | \$171,551,554 | -7.2% | \$412,835,797 | \$509,711,628 | \$446,070,645 | -12.5%             | 8.1%               |
| Non-Indian Land Based Casino GGR**  | \$37,350,864  | \$33,894,182  | 10.2% | \$80,054,068  | \$47,705,655  | \$99,552,245  | 108.7%             | 24.4%              |
| Slots At Racetracks GGR***  | \$33,755,006  | \$33,668,568  | 0.3%  | \$67,044,015  | \$100,095,085 | \$93,905,099  | -6.2%              | 40.1%              |
| Total   | \$230,250,078 | \$239,114,304 | -3.7% | \$559,933,880 | \$657,512,368 | \$639,527,989 | -2.7%              | 14.2%              |
| *Adjusted Gross Revenue   |               |               |       |               |               |               |                    |                    |
| **Gross Gaming Revenue from Harrah's New Orleans Casino   |               |               |       |               |               |               |                    |                    |
| ***Initiated in 2/2002 at Delta Downs, 5/2003 at Louisiana Downs, and 12/2003 at Evangeline Downs   |               |               |       |               |               |               |                    |                    |
| <b>State Welcome Center Visitors</b>  |               |               |       |               |               |               |                    |                    |
|   | 132,107       | 125,072       | 5.6%  | 359,536       | 289,200       | 323,756       | 11.9%              | -10.0%             |
| Notes: 1) I-20/Mound Welcome Center - operated out of a trailer most of 2005 due to renovation, 2) I-10/Vinton Welcome Center - closed temporarily to the public due to Hurricane Rita, and 3) N.O. Welcome Center - operating on a restricted 5-day per week schedule following Katrina. |               |               |       |               |               |               |                    |                    |
| <b>Louisiana Parks Visitors</b>   |               |               |       |               |               |               |                    |                    |
| Jean Lafitte NHP*   | 29,577        | 20,502        | 44.3% | 148,580       | 56,994        | 87,878        | 54.2%              | -40.9%             |
| Louisiana State Parks and Historic Sites  | 169,583       | 124,824       | 35.9% | 383,419       | 262,251       | 312,791       | 19.3%              | -18.4%             |
| * Recreational Visits   |               |               |       |               |               |               |                    |                    |

## National Tourism Trends

|  | (Benchmark)   |               |       |             |             |             |                    |                    |
|--|---------------|---------------|-------|-------------|-------------|-------------|--------------------|--------------------|
|  | March<br>2007 | March<br>2006 | % +/- | YTD<br>2004 | YTD<br>2006 | YTD<br>2007 | % +/-<br>2006-2007 | % +/-<br>2004-2007 |
| <b><u>U.S. Hotel/Motel Trends</u></b>              |               |               |       |             |             |             |                    |                    |
| Rooms Sold   |               |               | 1.3%  |             |             |             | 0.3%               |                    |
| Room Supply  |               |               | 1.2%  |             |             |             | 1.2%               |                    |
| Occupancy Rate                                     | 65.8%         | 65.7%         | 0.1%  | 56.8%       | 60.1%       | 59.5%       | -0.9%              | 4.8%               |
| Average Daily Rate                                 | \$104.34      | \$98.67       | 5.7%  | \$86.89     | \$96.78     | \$102.71    | 6.1%               | 18.2%              |
| <b><u>National Park Trends</u></b>                 |               |               |       |             |             |             |                    |                    |
| Recreational Visits (000)                          | 19,120        | 18,355        | 4.2%  | 40,706      | 42,003      | 42,021      | 0.0%               | 3.2%               |
| <b><u>U.S. Consumer Confidence Index Trend</u></b> |               |               |       |             |             |             |                    |                    |
| Index (1985=100)                                   | 107.2         | 107.5         | -0.3% | 91.6        | 105.7       | 109.6       | 3.7%               | 19.7%              |

(Sources: Louisiana Metropolitan Airports, Air Transport Association, Smith Travel Research, Louisiana State Police, Travel Industry Association of America, National Park Service, The Conference Board, and DCRT)

### Glossary

**Enplanements** - a count of the number of passengers who board an airplane at one of Louisiana's metro airports.

**Average Daily Rate (ADR)** - Room revenue divided by rooms sold.

**Occupancy** - rooms sold divided by rooms available.

**Rooms available (Room Supply)** - The number of rooms times the number of days in the period.

**Room revenue** - total room revenue generated from the sale or rental of rooms.

**Rooms sold (Room Demand)** - The number of rooms sold (excludes complimentary rooms).

**Adjusted Gaming Revenue** - Net gains realized by a casino after payment of all cash paid out as losses to patrons.

**Welcome Center Visitors** - the number visitors who sign the register at Louisiana's 13 state welcome centers.

**Recreational Visits** - The entry of a person onto lands or waters administered by the NPS for recreational purposes

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## Other Louisiana Tourism Trends

| <u>Visitors</u>                 | 3rd Quarter |           | % +/-  | (Benchmark) |             |             | % +/-<br>2005-2006 | % +/-<br>2004-2006 |
|---------------------------------|-------------|-----------|--------|-------------|-------------|-------------|--------------------|--------------------|
|                                 | 2006        | 2005      |        | YTD<br>2004 | YTD<br>2005 | YTD<br>2006 |                    |                    |
| U.S. Resident Visitors To La.*  | 6,200,000   | 4,700,000 | 31.9%  | 17,597,000  | 16,801,000  | 12,300,000  | -26.8%             | -30.1%             |
| Canadian Resident Vis. To La.** | 17,100      | 21,000    | -18.6% | 80,300      | 91,400      | 48,400      | -47.0%             | -39.7%             |

\* 2006 domestic estimates are preliminary and subject to change. Hurricane related recovery travel is not included in 2006 estimates.  
 \*\* The source for Canadian visitor estimates is Statistics Canada.

| <u>Intent To Visit Benchmarks</u> |                         |                        |              |                        |                        |                         |
|-----------------------------------|-------------------------|------------------------|--------------|------------------------|------------------------|-------------------------|
| <b>MDRG Survey</b>                | <b>January<br/>2007</b> | <b>August<br/>2006</b> | <b>% +/-</b> | <b>May<br/>2006</b>    | <b>March<br/>2006</b>  | <b>January<br/>2006</b> |
| Regional Sample                   | 56.3%                   | 50.7%                  | 11.0%        | 46.6%                  | 49.8%                  | 46.1%                   |
| National Sample                   | 33.9%                   | 31.5%                  | 7.6%         | 30.8%                  | 30.5%                  | 35.6%                   |
| <b>TNS Survey</b>                 | <b>Fall<br/>2006</b>    | <b>Fall<br/>2005</b>   | <b>% +/-</b> | <b>Spring<br/>2006</b> | <b>Spring<br/>2005</b> |                         |
| Regional Sample                   | 43.0%                   | 37.0%                  | 16.2%        | 31.0%                  | 53.0%                  |                         |
| National Sample                   | 13.0%                   | 13.0%                  | 0.0%         | 11.0%                  | 21.0%                  |                         |

Notes: The results shown here are primarily taken from surveys in which the following question was asked of travelers:  
 "How likely are you to take a trip to Louisiana during the next 12 months?" The choices are from 1 to 5 with 5 equals Extremely Likely and 1 equaling Not At All Likely. This is only a measurement of the attitude towards visiting La and should only be used as a gauge to measure a trend. This measurement is not used to estimate actual visitor volume.

| <b>Hospitality Industry Employment</b> | QTR                  | QTR                  | % +/- | QTR             | QTR             | QTR             | % Change<br>From<br>Prev. Qtr. | % Change<br>From<br>Prev. Year |
|--|----------------------|----------------------|-------|-----------------|-----------------|-----------------|--------------------------------|--------------------------------|
|  | 2006-3<br>Employment | 2005-3<br>Employment |       | 2006-3<br>Units | 2006-2<br>Units | 2005-3<br>Units |                                |                                |
| Arts, Entertainment, & Recreation      | 42,760               | 47,170               | -9.3% | 1,533           | 1,539           | 1,546           | -0.4%                          | -0.8%                          |
| Accommodations and Food Services       | 156,016              | 166,634              | -6.4% | 8,242           | 8,262           | 8,239           | -0.2%                          | 0.0%                           |

Notes: Units or total units, referred to in the tables of this publication, represent the number of establishments in the industry.

| <b>Audubon Golf Trail</b> | 1st Quarter | 1st Quarter | % +/- |  |
|---------------------------|-------------|-------------|-------|--|
|                           | 2007        | 2006        |       |  |
| Number of Rounds Played   | 54,888      | 50,822      | 8.0%  |  |
| Number of Courses Open    | 12          | 10          | 20.0% |  |

Notes: The TPC Louisiana reopened in July 2006; AGT also added Black Bear Golf Course and Atchafalaya Course at Idlewild in 2006.

(Sources: University of New Orleans, Statistics Canada, La. Dept. of Labor, and DCRT.)

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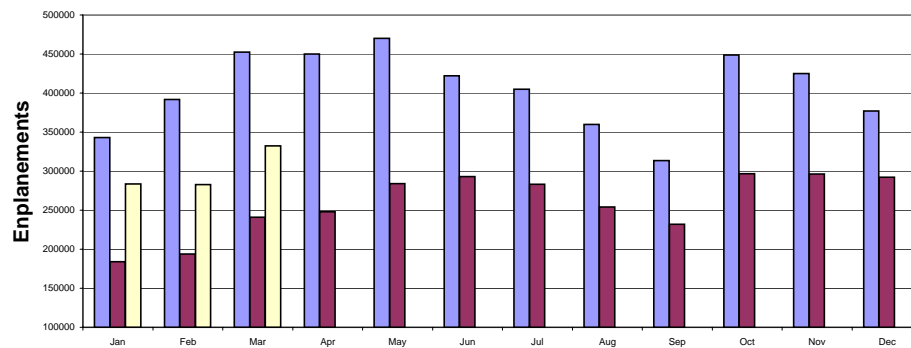
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Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

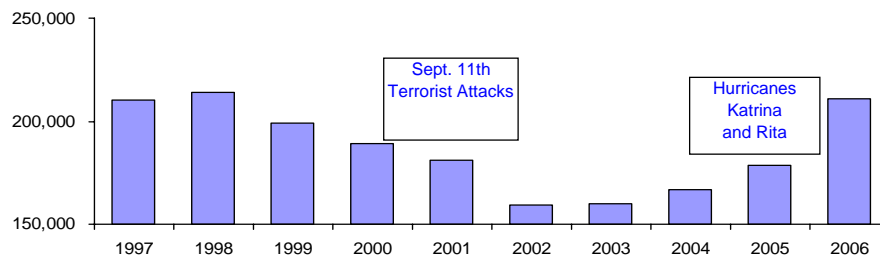
**Louisiana Airport Enplanements** - Currently, Armstrong International has service to 32 destinations on 110 daily flight departures with 13,364 seats. This number will increase to 37 destinations on 117 flights with 13,869 seats on Monday, May 14 when ExpressJet adds 7 flights to their New Orleans schedule. On a normal Sunday prior to Katrina, the Airport saw approximately 17,500 passengers depart the city. On March 27, 2007 14,996 passengers were processed through the airport because of the Cardiologist Convention. This event contributed heavily to a busy month at the airport, according to the Transportation Security Administration. According to a recent survey of passengers at the airport, the percentage of all travelers that are convention travelers have declined significantly since Katrina, but the percentage travelers coming to New Orleans for "business purposes" has nearly doubled. The percentage of convention travelers is expected to climb in future months as increased numbers of conventions return to New Orleans.

The Lafayette Metropolitan Airport is on its way to possibly having its best year ever. The number of enplanements last year were the second highest on record, second only to those recorded in 1998. Even though it is early in the year, this year's pace is 12% higher than last year's number of enplanements. Current commercial carriers serving the airport are Continental Express, American Eagle, Atlantic Southeast, and Northwest Airlink. Airports in Lafayette and Baton Rouge (see April Travel Pulse for trends in Baton Rouge Metro Airport) have seen increased traffic since the decline of the New Orleans International Airport due to Hurricane Katrina.

New Orleans International Airport

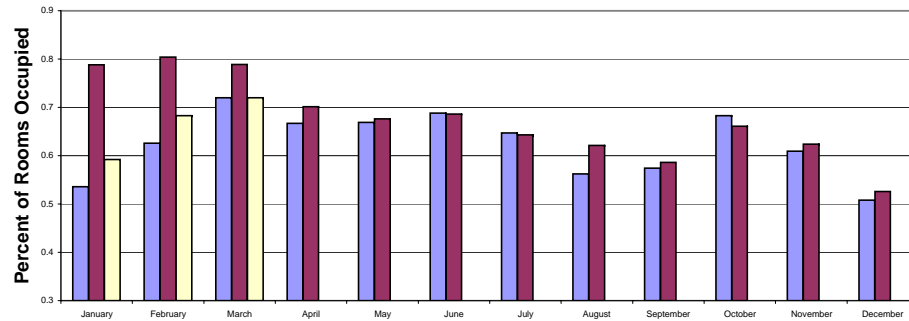


Lafayette Metro Airport Enplanements, 1997-2006

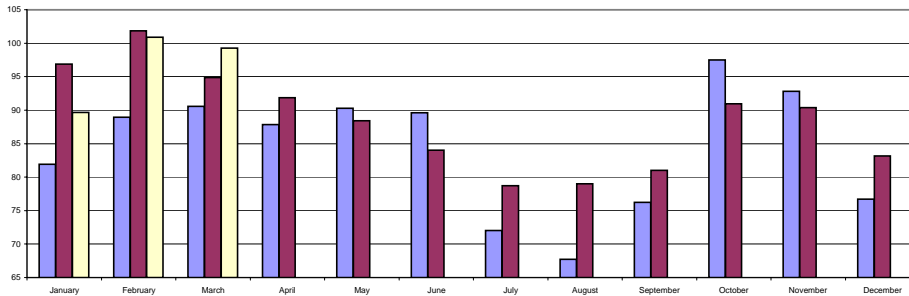


**Louisiana Lodging Trends** - March 2007 statistics were: Occupancy (72.0%); -8.5%; ADR (\$99.27): +4.1%; RevPar (\$71.50): -4.8%; Rooms Available: +6.0%; and Rooms Sold: -3.0%. The number of hotels-motels in Louisiana now number approximately 678, 94% of the 718 hotel-motel properties that existed prior to the 2005 hurricanes. The number of rooms available now number approximately 73,700, 92% of what was available in July 2005. In the first quarter, Louisiana's occupancy rate ranked sixth among all states. Only Hawaii, Arizona, Nevada, Florida, and California had higher occupancy rates than Louisiana. Louisiana ranked 16th among all states in average daily rate and 8th in revenue per available room (RevPAR). Louisiana also had the highest increase in rooms available. This increase is mainly due to the recovery from hurricane Katrina.

**Louisiana Hotel-Motel Occupancy Rate**

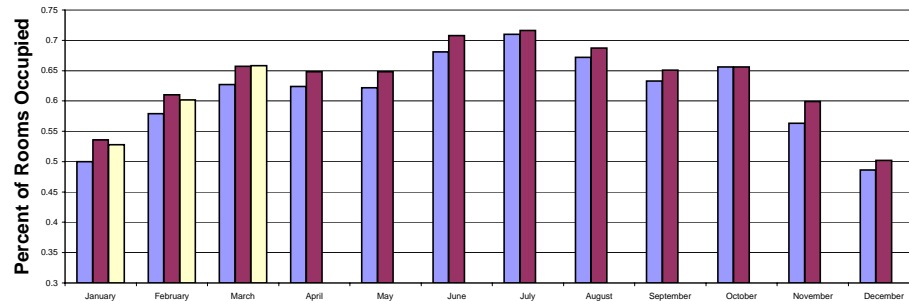


**Louisiana Average Daily Rate**

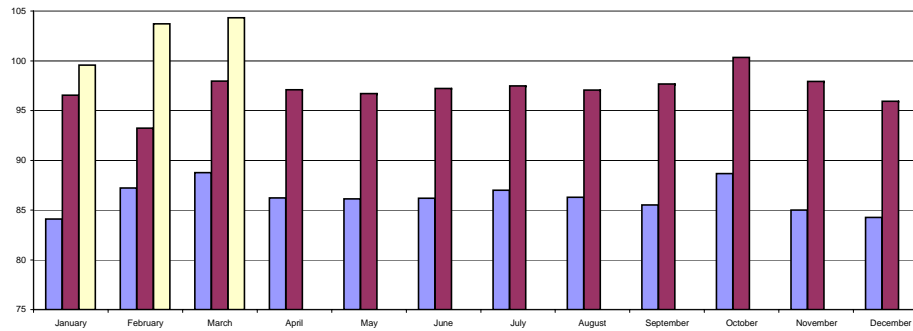


**U.S. Lodging Trends** - According to Smith Travel Research, an analysis of the first quarter of 2007 shows a relatively poor performance when compared to the past ten years. The economy has been sluggish, the steadily rising cost of energy, and a poor housing market have continued to impact the leisure travel market in the U.S. Even with these adverse influences, the continued growth in ADR and the growth in the number of available rooms will have produced room revenue of over \$107 billion, an increase of more than 7 percent from a year ago and the highest Smith Travel has ever reported. Based on the first quarter results, Smith is forecasting a 63.6% occupancy rate nationwide for 2007 and an ADR of \$102.02. Room demand for the year is expected to increase by 1.2% over last year and room supply will increase by 0.8%.

**U.S. Occupancy Rates**

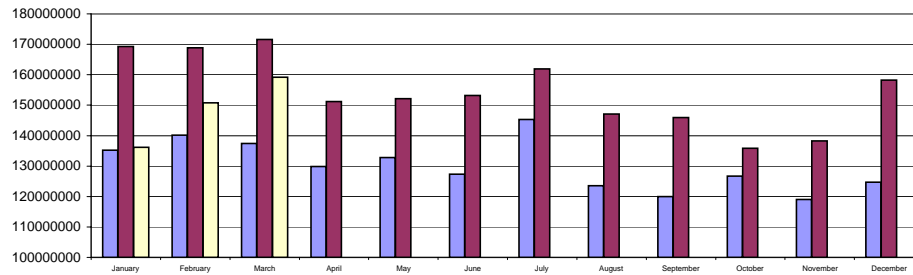


**U.S. Average Daily Rate**



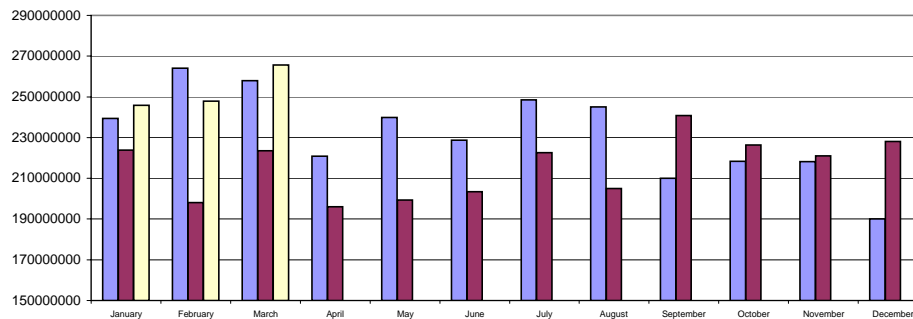
**Louisiana Gaming Indicators** - March AGR was 7.2% below last year's levels as riverboat gaming traffic continued to be below last year's record pace. Even though the first quarter AGR was 12.5% lower than last year, first quarter 2007 AGR was still 8.1% higher than that of 2004 and 11.2% in 2005 when Louisiana tourism was steadily growing. Harrah's and Louisiana's racinos continue to show positive growth as well. A boost in the statewide AGR totals could occur when additional riverboat casinos open in south Louisiana. Pinnacle Entertainment is requesting the approval to build a new gaming and entertainment complex in the Baton Rouge area; and the Amelia Belle Casino will soon be open in the Morgan City area. These additions could push AGR monthly totals past those of last year.

**Louisiana Riverboat Adjusted Gross Revenue**



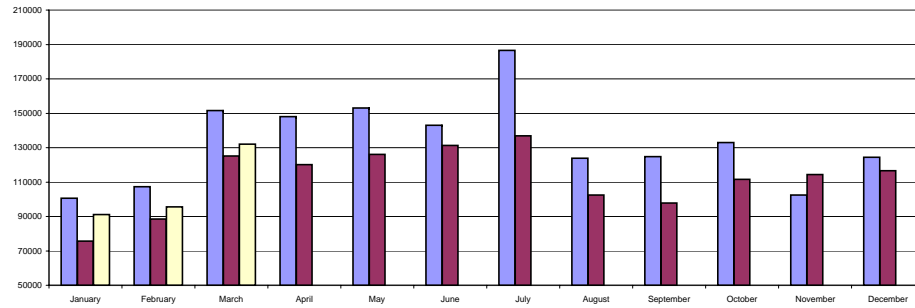
For the seventh straight month Mississippi's riverboat gaming revenue rose past the previous year's totals. First quarter totals were higher (+18%) than last year, but slightly lower than the record levels of 2005 and 2004. With this kind of growth, Mississippi might wind up with a record year in gaming revenue while still recovering from Hurricane Katrina. Mississippi currently has 27 state-licensed casinos with 10 located on the Mississippi Gulf Coast and more being proposed.

**Mississippi Riverboat Gross Gaming Revenue**



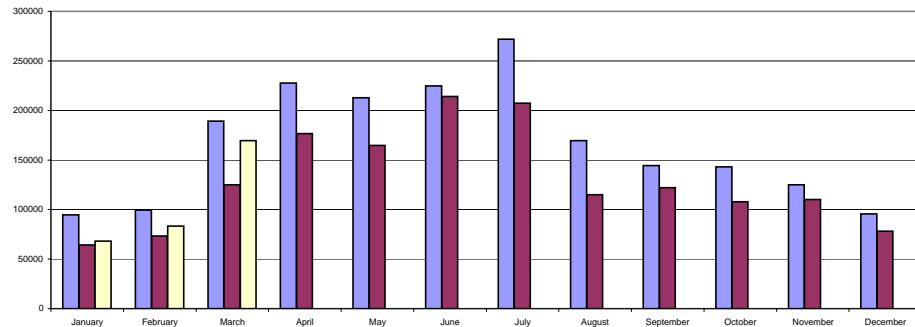
**State Welcome Center Visitors** - For the seventh straight month welcome center visitation increased over the same months of the previous year. This trend will likely continue through the summer under normal conditions. In September the Slidell Welcome Center, the most popular center with nearly 300 thousand visitors annually, will begin renovations. While undergoing renovations, the center staff will operate a temporary center at a nearby location. In similar situations with other centers, the result has been a great reduction in visitor traffic. Because the Slidell Center represents 20% of all visitor traffic, these renovations will have a huge effect on the total monthly visitor traffic. Therefore the monthly totals will be lower than previous years as long as the Slidell Center is undergoing renovations. According to the latest plans, renovations are expected to take almost one year to complete.

**Louisiana Welcome Center Visitors**



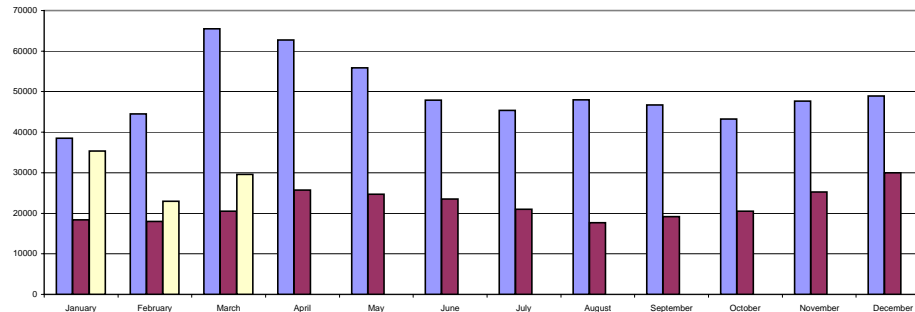
**Louisiana State Park Trends** - March is the beginning of the outdoor season for State Parks and Historic Sites in Louisiana, when warmer weather allows citizens and visitors to increasingly go fishing, camping, picnicking, and many other activities. Overall visitation increased by 35.9%. This increase was mainly due to increased day use at State Parks (+21,720) and increased visitors to State Historic Sites (+2,334). Overnight visitors also grew substantially by 20,551 (+30.5%). One in five visitors were from out-of-state (30,957), while day visitors and overnight visitors were nearly equal (81,739 and 87,844 respectively). 2007 looks to be a much busier year than 2006 as 19.3% more visitors have been recorded (312,791), but still well below (-18.4%) that of the first quarter of 2004 (383,419).

**La State Park and Historic Site Visitors**



**Jean Lafitte NHP Trends** - Attendance at Jean Lafitte NHP rose again for the seventh straight month. Each of the six units including Eunice, Thibodaux, French Quarter, Barataria, Lafayette, and Chalmette) reported increased visitors over March 2006 and +44.3% overall. The Barataria unit, located south of Westwego in the New Orleans area, remains the busiest unit and largest part of the Jean Lafitte NHP. This unit reported over 32 thousand visitors of all types. Since this unit is primarily an outdoor center with trails and exhibits, visitation will likely increase over the next few months as weather conditons improve.

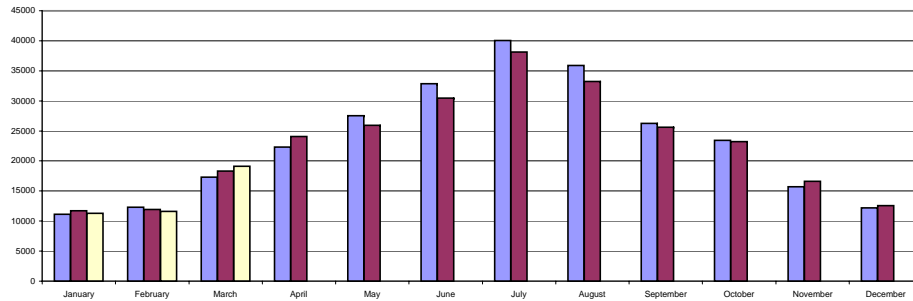
**Jean Lafitte NP Recreational Visits**





The National Park Service reported visitation to parks and historic sites nationwide had increased in March 2007. Attendance is expected to rise over the next four to five months as Spring turns into Summer, the high season for National Park Service visits. National Historical parks, like Jean Lafitte NHP, make up 10% of all visits to National Parks. Louisiana had over 333 thousand visits in 2006, 49% less than 2005 which was primarily due to hurricanes Rita and Katrina during the Fall of 2005. Visits to all national parks last year declined by 0.3%. The National Park Service forecasts a further decline in 2007 of 0.5%.

**National Park Service Visitors Nationwide**



**U.S. Consumer Confidence Index Trend** - The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board by TNS. TNS is the world's largest custom research company. The recent turmoil in financial markets coupled with the run-up in gasoline prices may have contributed to consumers' heightened sense of uncertainty and concern. The direction of the index over the next few months bears watching to determine whether this decline is just a bump in the road or something more substantial.

**U.S. Consumer Confidence Index**

