
Measuring Economic Impact Is a Win-Win for Developers and Municipalities.

Introduction: At a time when financing for hospitality development projects is challenging for developers, it can often mean that some projects won't ever come to fruition. At the same time, municipalities would like to increase their hotel or resort offerings to attract travelers to their destinations while remaining fiscally responsible. When developers seek government assistance for development projects, state and local authorities must balance the needs of developers in the community with the financial realities of the project. Commissioning an economic impact study will provide important data for stakeholders to understand the economic benefits of a project and assess its desirability and its overall economic impact on the local or regional economy. The case study presented in this report shows the occupancy impact that Kalahari Resorts has caused in the markets where they have been developed in Ohio, Pennsylvania, and Texas over the past 20 years. The statistical data shows strong positive growth in market occupancy levels caused by the addition of these themed resorts with high room counts and multiple attractions. An economic impact study can similarly provide developers and government representatives with financial information to forecast the economic impact of a proposed development.

PURPOSE OF ECONOMIC IMPACT STUDY
An economic impact study estimates the total benefits of a project, including tax revenues, employment changes, additional spending impacts during the construction and operational phases, revenues from increased commercial activity and tourism, and other changes in the community. It will also measure the impact on other local businesses in the area that may benefit from a new hospitality property. The results of this study are often used to calculate financial incentives that municipalities are willing to offer a development project based on the projected impact on the local economy. In addition, the study can also be used to demonstrate benefits that may persuade communities to support a project.

Resources: H&LA utilizes the following resources when preparing economic impact studies:

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hospitality.net

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