

TOP TAKE-AWAYS

1.

Tourism is the number one employment sector in Nassau County, which is 1.5 times as dependent on tourism as the state of Florida.

2.

In 2017, visitors to Amelia Island saved the average Nassau County household \$3,400 in local and state taxes.

3.

Every \$1 spent on marketing by the Amelia Island Tourist Development Council generates \$12.33 for the Nassau County government and \$4.10 for the Nassau County School System. Without visitors to Amelia Island, Nassau County's economic health would diminish by more than one-third.

4.

Growth in visitor spending (yield) outpaces the volume of visitor growth, reflecting AITDC's focus on the quality over quantity of visitors in its marketing efforts.

5.

Visitors are responsible for 36.3% of tax revenues for Nassau County yet only 13% of its costs, leading to a net positive impact of \$47.4 million on Nassau County government's budget.



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EXECUTIVE SUMMARY

This report details the value of visitors to Amelia Island: Their value to Nassau County's economy, to Nassau County government, and to the citizens of Nassau County. The intent of this report is to present factual data from a myriad of sources including Amelia Island Tourist Development Council (AITDC), the Florida Department of Revenue, the Nassau County Property Appraiser, the Nassau County Tax Collectors office, Smith Travel reports, various state of Florida and federal agencies, VISIT FLORIDA, and from visitors themselves. In terms of the economic impact data from visitors to Amelia Island, this study covers calendar year 2017.

This report is compiled by Downs & St. Germain Research, a full service market research firm located in Tallahassee, Florida. Downs & St. Germain Research has been serving clients since 1981 and specializes in tourism research. Downs & St. Germain Research has worked with 18 domestic marketing organizations in Florida, Louisiana, Kentucky, and Georgia to provide visitor and economic impact of tourism research (see Appendix B for more information about Downs & St. Germain Research).

Visitors to Amelia Island have a profound impact on the economy of Nassau County. Visitors to Amelia Island generated \$626.5 million¹ in direct spending in Nassau County in 2017. Visitors² spent money on:

- Hotel rooms and vacation properties
- Meals in local restaurants
- Items in general merchandise stores
- Gas
- Clothes and other retail items
- Attractions and entertainment
- Recreation

There are many other items visitors purchase in Nassau County after loading up their SUVs with luggage and children to make the trek from Atlanta, Orlando, Jacksonville, and other cities across the southeast. While 73% of visitors drive to Amelia Island, the rest fly³ in from faraway cities such as New York, Boston, Chicago, and Washington, D.C.

They spend money on the traditional vacation categories listed previously, but they also have emergency medical needs; hire architects, engineers, and contractors to build their second homes; and hire rental management and maintenance companies to rent and care for their second homes.

Sources: AITDC-generated interviews with visitors, surveys with properties to assess occupancy and daily rates, IMPLAN Economic Model, and Downs & St. Germain Research.

² Visitors include those who come for a day, a week, or up to six months. It includes people who stay in paid accommodations, stay with friends and relatives, or visit only for the day and not spend the night.

³ Most visitors who fly to Amelia Island arrive at Jacksonville International Airport (82%).

FIGURE 1: 2017 DASHBOARD FOR VISITORS TO AMELIA ISLAND

How figures in the following dashboard were determined will be explained throughout the report.

Tourism Category	Statistic	Comment
Number of visitors to Amelia Island	1,402,900	Includes day trippers & people visiting friends and family
Direct spending by visitors to Amelia Island	\$626,461,800	35.5% of all retail spending in Nassau County
Total economic impact of visitors to Amelia Island	\$826,929,500	Multiplier effect (1.32)
Jobs supported by visitors to Amelia Island - direct	13,620	36.2% of all jobs across all industry sectors
Wages for jobs supported by visitors	\$458,040,600	32.8% of all wages
Average wage for tourism-supported jobs	\$33,630	
Local & state taxes/fees paid by visitors ⁴	\$127,792,779	Saves each Nassau County household \$3,400 ⁵
Cost to Nassau County government to service visitors to Amelia Island	\$26,463,461	Infrastructure, public safety, recreation, etc.
Revenue generated for Nassau County government by visitors to Amelia Island	\$73,832,593	Property tax, sales tax, gasoline tax, etc.
Net positive impact on Nassau County government from visitors to Amelia Island	\$47,369,132	
Occupancy rate ⁶	62.3%	
Average daily rate ⁶	\$204.27	
RevPAR ⁶	\$127.35	Revenue per available room

Inside Story on Visitors to Amelia Island

- 103 visitors to Amelia Island = 1 job in Nassau County.
- Visitors spent \$105 for every \$1 spent on marketing by AITDC.
- Visitors to Amelia Island save each Nassau County household about \$3,400 in local and state taxes.
- \$1 spent on marketing by AITDC generates \$4.10 for Nassau County School System.
- \$1 spent on marketing by AITDC generates \$12.33 for Nassau County government.⁷
- The typical travel party that stayed in paid accommodations in Amelia Island in 2017 spent \$2,108.

⁴ Paid via state and local taxes to Amelia Island to Nassau County government & Nassau County Public Schools.

Net positive cash flow into Nassau County government and school system per household after calculating all state and local taxes paid by visitors to Nassau County government and Nassau Public Schools and deducting the cost to Nassau County government for servicing the infrastructure and service needs of visitors.

⁶ AITDC's 2017 Calendar Year Visitor Profile. The statistics in the table are for all housing that visitors utilize. STR data that tracks hotels only reported the following: 72.4% occupancy rate; \$223.30 ADR; and \$161.57 RevPAR.

⁷ Based on AITDC marketing budget of \$5,988,999.

FIGURE 2: HISTORIC VIEW OF VISITORS TO AMELIA ISLAND

Category	2000	2008	2017
All visitors	755,400	982,500	1,402,600
Spending - all visitors	\$267,257,900	\$378,294,700	\$626,461,8008
Total economic impact	\$352,780,400	\$499,349,000	\$826,929,500
Jobs - direct	7.5629	9,836 ⁶	13,62010
Jobs - direct + indirect	9,22111	11,583 ⁸	15,655 ⁸
Tourism jobs as a % of all jobs	34.2%6	35.9%6	36.2%
Wages - direct	\$235,135,000 ⁶	\$321,906,300 ⁶	\$458,040,600
Tourism wages as a % of all wages	29.6%6	30.7%6	32.8%
Tourism's % of retail sales	32.5%6	32.8%6	35.5%
TDT	\$1,351,649	\$1,740,008	\$5,516,895
Lodging (room revenue only)	\$67,582,450	\$87,000,420	\$138,238,185
Room nights	428,873	558,189	675,207
Occupancy	59.6%	53.5%	62.3%12
Average Daily Rate	\$132.17	\$163.30	\$204.2712
RevPAR	\$78.77	\$87.35	\$127.35 ¹²
Nassau County population	57,663	71,571	82,800

Sources: 2000 – AITDC and Downs & St. Germain Research; 2008 – Haas Center, University of West Florida, AITDC and Downs & St. Germain Research; 2017 – AITDC and Downs & St. Germain Research.

Direct Expenditures from Visitors to Amelia Island

Visitors spent \$626,461,800 in 2017 at Amelia Island restaurants, grocery stores, hotels, gift shops, convenience stores, pizza shops, jewelry stores, attractions, golf courses, beach vendors, fast food restaurants, women's clothing stores, shoe stores, art galleries, engineering firms, medical centers, toy stores, gas stations, condominiums, men's clothing stores, architects, electronics stores, athletic stores, bars, music stores, bedding stores, big box stores, home decorators, spas, beauty salons, consultants, etc. Conversely, one could argue that since visitors account for 35.5% of all retail sales in Nassau County, a significant percentage of restaurants, retail stores, etc., would not exist if not for visitors to Nassau County. Further, it should be noted that between 2008 and 2017, visitor spending increased by 66%, while number of visitors increased by 43%. That is, AITDC has been successful in growing yield from marketing efforts.

All visitors include those staying in paid accommodations, visitors staying with friends and relatives (VFRs), and those coming only for the day to shop, watch an event, go to an attraction, eat, go to the beach, etc. (day trippers). For all visitors to Amelia Island, spending on accommodations and restaurants far exceeded expenditures in other categories.

Spending data for visitors who stayed overnight in paid accommodations were collected by Amelia Island TDC. Spending data for day trippers and visitors who stayed with friends and relatives was estimated by Downs & St. Germain Research.

⁹ All jobs-related and wages-related data for 2000 and 2008 were normalized to reflect the visitors-to-jobs ratio established in 2017 and to reflect Downs & St. Germain Research's "Comparative Spending" approach for determining the impact of tourism (see page 83 in the Appendix).

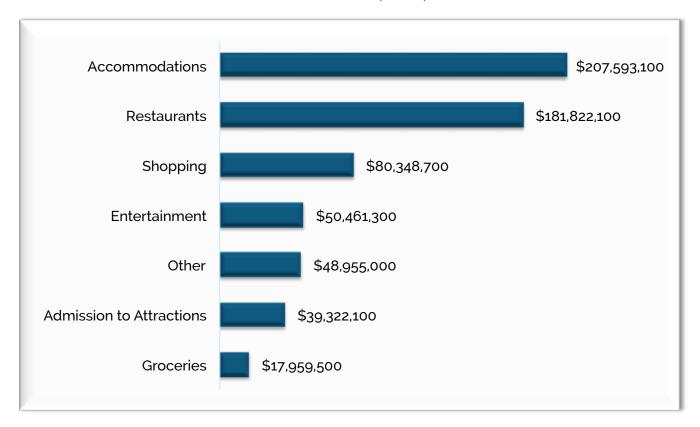
Downs & St. Germain Research count not just jobs that are within Bureau of Labor Statistics categories such as "Leisure & Hospitality" or Tourism, we count jobs from all industry sectors that directly or indirectly emanate from tourism, e.g., engineers who help engineer hotels; architects who design second homes that are rented via Airbnb to visitors; retail associates who sell clothes to visitors; bankers who finance hotels or housing for visitors, etc.

 $^{^{\}mbox{\scriptsize 11}}$ Indirect jobs are created based on induced and indirect spending by visitors.

¹² All types of properties.

FIGURE 3: ALL VISITORS TO AMELIA ISLAND SPENDING IN NASSAU COUNTY - 2017¹³





All Visitors vs. Visitors Staying in Paid Accommodations

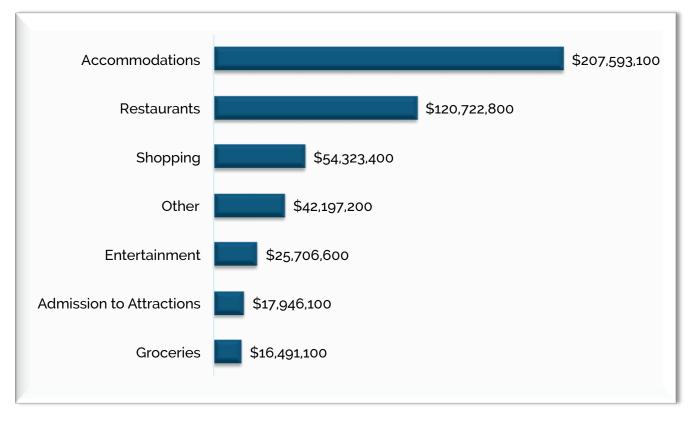
AITDC traditionally tracks spending from visitors who stay in paid accommodations. While this is a critical visitor segment, it gives only a partial description of the economic impact of visitors to Amelia Island. The following graph focuses only on spending by visitors to Amelia Island who stayed overnight in paid accommodations. Comparing Figure 4 to Figure 3 above brings the difference in tracking all visitors vs. tracking only visitors who stay in paid accommodations into focus.

¹³ Sources: AITDC and Downs & St. Germain Research.

FIGURE 4:

VISITORS TO AMELIA ISLAND STAYING IN PAID ACCOMMODATIONS: SPENDING IN NASSAU COUNTY - 2017¹⁴

TOTAL: \$485,030,700



Accommodations represent the greatest expenditure category (\$207,593,100). While money visitors paid for occupancy based on TDT collections was \$138.2 million, visitors reported paying much more for accommodations. Based on surveys with visitors to Amelia Island in 2017, visitors reported spending \$207,593,100 on accommodations in Amelia Island.



The discrepancy between the amount spent on accommodations as calculated from the Tourist Development Tax (\$138.2 million) and what visitors report spending on accommodations (\$207.6 million) is a result of food served at restaurants within hotels, meetings at resorts, and other hotel-related fees that are not subject to TDT. Hence, it is understandable that visitors reported paying more for accommodations in Amelia Island than would be justified based solely on the Tourist Development Tax.

¹⁴ Sources: AITDC and Downs & St. Germain Research.

Visitor Spending vs. Spending by Local Residents¹⁵

Based on surveys of visitors to Amelia Island in 2017, it has been documented that all visitors to Amelia Island spent at least \$626,461,800 in Nassau County during that 12-month period. Using data supplied by the U.S. Census, it is estimated that local residents of Amelia Island spent \$574,000,000 or about \$53,000 per household in Nassau County. Other residents of Nassau County spent \$564,503,800 or about \$30,500 per household in Nassau County in 2017.

FIGURE 5: LOCAL VS. RESIDENT SPENDING IN NASSAU COUNTY

Spending in Nassau County	Dollar Amount	Percentage
Amelia Island visitors	\$626,461,800	35.5%
Amelia Island residents	\$574,000,000	32.5%
Other Nassau County residents	\$564,503,800	32.0%
Total spending in Nassau County	\$1,764,965,600	100.0%

Hence, visitors to Amelia Island accounted for 35.5% of all expenditures in Nassau County in 2017. That is, Nassau County's economic health would diminish by more than one-third without visitors to Amelia Island.

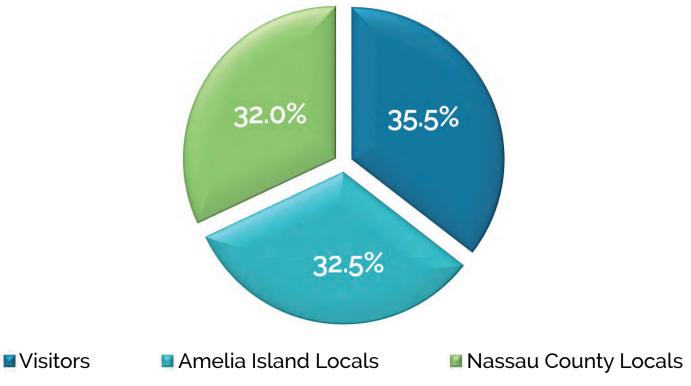


Spending in Nassau County is divided into spending by visitors to Amelia Island and spending by local residents of Nassau County. A portion of local resident spending can be attributed to people who live in other counties and work in Nassau County and people merely passing through Nassau County on highways.

FIGURE 6:

SPENDING BY VISITORS TO AMELIA ISLAND;

RESIDENTS OF AMELIA ISLAND & OTHER RESIDENTS OF NASSAU COUNTY



Sources: U.S. Census, Downs & St. Germain Research, and the Amelia Island TDC.

Total Economic Impact from Visitors to Nassau County

Each dollar spent by an Amelia Island visitor in Nassau County has greater than face value impact on the local economy. Visitors' spending has induced and indirect multiplier effects, which are explained in detail in the full body of this report. In essence, money that comes into a local economy is spent again when local employees spend wages earned via visitors' dollars and local businesses purchase supplies and merchandise for their companies from dollars that visitors spend at their establishments.

Some economic impact studies use comparatively large multipliers. In keeping with the goal of reporting a conservative estimate of the economic impact of visitors to Nassau County, this report will use a multiplier of 1.32, which is the multiplier that IMPLAN calculates for tourism in Nassau County¹⁶.

With direct spending by Amelia Island visitors of \$626,461,800, the total economic impact of visitors in Nassau County in 2017 was \$826,929,500.

¹⁶ IMPLAN Economic Modeling, the most widely used modeling software for estimating the economic impact for destinations.

FIGURE 7: TOTAL ECONOMIC IMPACT BY AMELIA ISLAND VISITORS

TOTAL: \$826,929,500



Number of Visitors to Amelia Island¹⁷

The number of visitors to Amelia Island has steadily increased over the past 17 years, nearly doubling since the beginning of the millennium. With just over 359,000 visitors staying in paid accommodations in 2000, there were over 666,000 visitors staying in paid accommodations in 2017. Likewise, the total number of visitors (including day trippers and those staying with friends and relatives) has increased commensurately. When considering not only visitors staying in paid accommodations, but also visitors from outside Nassau County who stay with friends and relatives (VFRs) and visitors from outside Nassau County who attend events and attractions, shop at local stores, go to the beach, etc. (day trippers), the total number of visitors to Amelia Island in 2017 was 1,402,600. This figure compares to only 755,400 total visitors in 2000, an increase of 85% since the beginning of the millennium.

FIGURE 8: NUMBER OF VISITORS TO AMELIA ISLAND

Visitors to Amelia Island	2000	2008	2015	2017
Staying in paid accommodations	359,121	467,404	618,200	666,300
Total visitors ¹⁸	755,400	982,500	1,297,900	1,402,600

Amelia Island has not traditionally tracked VFRs and day trippers. The number of VFRs and day trippers for Amelia Island were estimated based on modeling data from other destinations in Florida in which Downs & St. Germain Research conducts studies, plus factoring in activity by individuals who do not register to pay TDT, but rent their second and primary houses, condos, etc., via Airbnb, VRBO, and other online services. In 2017, it was estimated that VFRs totaled 219,400 and day trippers totaled 516,900.

¹⁷ Sources: Amelia Island TDC, University of West Florida, Haas Center and Downs & St. Germain Research.

Number of total visitors in 2015 and 2017 were based on AITDC's number of visitors who stayed in paid accommodations + estimates of the number of visitors staying with friends and relatives and the number of day trippers provided by Downs & St. Germain Research based on normative data from other destinations in Florida. The ratio of the number of visitors staying in paid accommodations to the total number of visitors in 2017 was applied to data for all years.

Tourism Jobs in Nassau County

When accounting for visitors' total impact on the economy, tourism is the number one industry in Nassau County; 13,620 jobs were attributed to direct spending from visitors to Amelia Island in 2017, and another 2,035 jobs were attributable to the induced and indirect effects of visitors' spending.

FIGURE 9: NASSAU COUNTY JOBS ATTRIBUTABLE TO TOURISM

	Direct	Indirect	Induced	Total
Jobs supported from visitor spending	13,620 ¹⁹	973 ²⁰	1,062 ¹⁶	15,655

It should be noted that the 13,620 job figure translates to one job for every 103 visitors. VISIT FLORIDA and Governor Scott use a slightly more aggressive figure, e.g., every 85 visitors create one job in the tourism sector, which results in a slightly higher number of jobs created by tourism.

If Nassau County used the ratio of 85 visitors to 1 job created that VISIT FLORIDA and Governor Scott use, tourism in Nassau County would generate over 16,500 jobs in Nassau County rather than the 13,620 that is used in this report. In the spirit of presenting conservative economic impact estimates for tourism, this report will use the 13,620 job figure.

To put the tourism-related employment figure in perspective, 36.2% of all jobs in Nassau County are directly attributable to tourism in Amelia Island. When including jobs created by induced and indirect effects of tourism in Amelia Island, more than two in five of all jobs in Nassau County (42%) are attributable to visitors to Amelia Island.

The total number of jobs attributable to tourism from direct visitor spending and from indirect and induced effects of visitor spending was 15,655.



Total number of employed residents within Nassau County based on The Bureau of Labor Statistics, which counts the employed as "all persons who, during the reference week (the week including the 12th day of the month), (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor management dispute job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job."

²⁰ Figures calculated from IMPLAN based on direct spending by visitors to Amelia Island.

Wages

Total wages generated by the 13,620 jobs created by direct spending from visitors are \$458,040,600 or \$33,630 per job created. After factoring in jobs created by induced and indirect effects of visitors' spending and wages generated from visitor-related construction, total wages paid from jobs generated by visitors is greater than \$525 million. It should be noted that the average wage figure includes all workers, some of whom do not work a full 40-hour week.

While certain jobs are labeled "leisure and hospitality" or "tourism" by government agencies, certain percentages of jobs in other industry sectors are dependent on visitors to Amelia Island. Since visitors to Amelia Island account for 35.5% of all spending in Nassau County, it is clear that some jobs in almost all job categories are attributed to visitors to Amelia Island. For example, because of visitors' spending in local retail shops, we estimate that 36% of jobs (and wages) in Trade, Transportation, and Utilities (which includes retail) are attributed to tourism. The table below factors in wages in all industry sectors that can reasonably be attributed to visitors to Amelia Island given the visitors' percentage (35.5%) of all spending in Nassau County. The table below allocates various percentages of wages by industry sector to visitors to Amelia Island.

FIGURE 10: WAGES ATTRIBUTED TO TOURISM IN NASSAU COUNTY

Natural resources and mining Construction	Average Wage \$59,655 \$35,190	Total Wages Paid \$36,587,956 \$52,729,347	% of Wages Attributed to Tourism 0% 17%	Wages Attributed to Tourism \$0 \$9,668,017
Manufacturing	\$65,819	\$114,108,400	8%	\$9,845,634
Trade, transportation, and utilities	\$32,302	\$363,863,750	36%	\$141,278,925
Information	\$45,024	\$18,018,980	8%	\$1,554,735
Financial activities	\$58,700	\$49,238.604	25%	\$13,276,446
Professional and business services	\$38,892	\$195,882,599	8%	\$16,901,371
Education and health services	\$37,981	\$146,355,465	8%	\$12,628,013
Leisure and hospitality	\$25,659	\$274,705,254	80%	\$237,024,393
Other services	\$33,374	\$38,969,772	36%	\$15,130,959
Unclassified	\$93,117	\$6,944,946	10%	\$732,107
	\$35,862	\$1,396,429,130	32.8%	\$458,040,600

Sources: Bureau of Labor Statistics, IMPLAN, and Downs & St. Germain Research.

From the 13,620 jobs created from direct expenditures by visitors to Nassau County, a total of \$458,040,600 in wages was paid in 2017. This translates to \$33,630 per job created by visitors. Note that this average wage is considerably higher than the average wage for Leisure and Hospitality jobs in the table above (\$25,659). In other words, when looking strictly at the Leisure and Hospitality industry sector, the average wage earned by servicing visitors is significantly understated. When considering all employed persons who, at least in part, service visitors in their daily jobs, the average wage earned is \$33,630.

Tourism's Impact on Nassau County Employment, Wages, & Taxes

The importance of tourism to Nassau County's economy is captured in the following two tables: Employment by Industry and Location Quotients. Florida is a tourism based state whose economy depends heavily on visitors. This is evidenced by the fact that 14.3% of the state's employment is in the leisure and hospitality sector. That is, one out of every seven jobs in Florida, the fourth largest state in the union, emanates from tourism. Nassau County's economy is more than one and a half times as dependent on tourism as Florida's economy.

FIGURE 11:
NASSAU COUNTY EMPLOYMENT BY INDUSTRY

Industry	United States	Florida	Nassau County
Base Industry: Total, all industries	100.0%	100.0%	100.0%
Natural resources	1.9%	.1%	2.1%
Construction	4.3%	5.8%	4.7%
Manufacturing	7.9%	4.3%	5.7%
Trade, transportation, and utilities	17.5%	21.2%	25.2%
Information	1.8%	1.7%	0.9%
Financial Activities	5.3%	6.6%	3.1%
Professional and business services	12.9%	15.5%	11.1%
Education and health services	14.5%	21.0%	18.3%
Leisure and hospitality	10.0%	14.3%	23.7%
Other services	4.1%	3.3%	3.9%
Unclassified	1.8%	<0.1%	<0.1%

^{*}Percentage of Employment: Ratio of industry employment to base-industry employment times 100.

*Source: Bureau of Labor Statistics

Let that sink in - Nassau County's economy is more than one and a half times as dependent on tourism as Florida's economy. More than one and a half times as dependent as Florida, the state that thrives on tourism, the state that touts that it attracts over 116 million visitors around the world. According to the Bureau of Labor & Statistics (BLS) figures, nearly one in four jobs in Nassau County (23.7%) exist because people visit Amelia Island. But keep in mind that the BLS figures only count jobs in the "Leisure & Hospitality" field, and ignore jobs in other industry sectors such as retail that also depend on tourism. Tourism is the fourth largest job producing industry in Florida (behind trade, transportation, & utilities, professional and business services, education and health services), yet we all understand that tourism is huge in Florida's economy. Tourism is Nassau County's number one industry, by far, comfortably outdistancing trade, transportation, and utilities.²¹ If professional and business services, which comprise one in every eight jobs in Nassau County, and education and healthcare, which comprise another one in eight jobs in Nassau County, were combined, they still do not generate as many jobs in Nassau County as leisure and hospitality.

Nassau County's economy is more than one and a half times as dependent on tourism as Florida's economy. More than one and a half times as dependent as Florida, the state that thrives on tourism, the state that touts that it attracts over 116 million visitors around the world.

Location Quotients

Another statistic that reflects the importance of tourism to Nassau County's economy is comparing the percentage of labor force attributable to tourism in Nassau County, the State of Florida, and across the United States. Industry location quotients (LQs) are used to make this type of comparison. LQs are ratios that compare the concentration of employment in one sector of the economy in one geographic area to another.

LQs can be used to measure the concentration of employment attributable to tourism in specific counties, states, regions, etc. Florida, in general, has a higher LQ for tourism employment than the US average.

Across the United States, the LQ for tourism is set arbitrarily and for comparison purposes at 1.00. States, counties, etc., that have LQs greater than \$1.00 have a greater concentration of workers in the tourism sector. That is, tourism is comparatively more important to the economies of counties and states that have LQs greater than \$1.00.

Florida's LQ in tourism is 1.28, that is, Florida is 28% more dependent on tourism (see Leisure and hospitality in Figure 12) than other states, and Florida's economy benefits more from tourism employment than the US average.²²

FIGURE 12: NASSAU COUNTY INDUSTRY LOCATION QUOTIENTS

Industry	Florida	Nassau County
Base Industry: Total, all industries	1	1
Natural resources	0.71	1.36
Construction	1.05	0.99
Manufacturing	0.50	0.71
Trade, transportation, and utilities	1.09	0.96
Information	0.84	0.47
Financial Activities	1.17	0.59
Professional and business services	1.10	0.92
Education and health services	0.97	0.67
Leisure and hospitality	1.28	2.21
Other services	1.05	1.28
Unclassified	0.38	0.32

*Location Quotients: Ratio of analysis-industry employment in the analysis area to base-industry employment in the analysis area divided by the ratio of analysis-industry employment in the base area to base-industry employment in the base area.

*Source: Bureau of Labor Industry [JSG2]

 $^{^{\}rm 21}\,$ Bureau of Labor Statistics (see table on page 11).

²² OPPAGA analysis of United States Bureau of Labor Statistics data.

Nassau County has an LQ for tourism of 2.21, which means compared to all other counties in the US; Nassau County has 2.21 times the number of tourism jobs. Quite simply, an LQ of 2.21 means that Nassau County's economy is dominated by tourism. It is interesting to note that nearby Duval County, which is also heavily dependent on tourism, has an LQ for tourism of 1.09. That is, Nassau County's economy is twice as dependent (2.21/1.09) on tourism than is Duval County's economy. The table on the previous page shows the LQs for various industries for the state of Florida and Nassau County.

Nassau County has LQs greater than 1.00 for leisure & hospitality (2.21), natural resources (1.36), and "other services" (1.28). The LQ for Trade, transportation, and utilities (0.96) and "other services" are directly influenced by demand from visitors.

All other sectors of Nassau County's economy have LQs less than 1.00. For example, the LQ for financial activities is only 0.59, meaning Nassau County's economy is comparatively weak in this area. Nassau County's LQ for professional and business services is 0.92, which again indicates a comparative weakness in this sector of Nassau County's economy. The LQ for manufacturing in Nassau County is 0.71, and it is 0.47 for information. Both of these figures demonstrate that Nassau County's economy is quite weak in manufacturing and information.

The bottom line for Nassau County's LQ analysis is this: Comparatively speaking, more than two times as much of the labor force in Nassau County is employed in tourism when compared to the labor force of the state of Florida, and nearly two and a half times as much of the labor force in Nassau County is employed in tourism when compared to the entire US labor force.²³

Figure 13 on the next page shows employee and wage location quotients for leisure and hospitality for all 67 counties in Florida. Nassau County ranks fourth among all counties on the employee location quotient and fifth on the total wage location quotient. That is, compared to all other counties in Florida, a state heavily dependent on tourism, Nassau County is more dependent on tourism than nearly all other

counties. Monroe County, which has very limited industry other than leisure and hospitality, is the Florida County most dependent on tourism. Orange County with Disney World, Sea World, and a whole host of complementary tourism opportunities, is only slightly more dependent on tourism, on a percentage of economy basis, for jobs than is Nassau County.



²³ US Department of Labor, US Bureau of Labor Statistics.

Other counties, such as Miami Dade, Sarasota, Bay, and Osceola that are thought of as having healthy tourism sectors, have lower employment and wage location quotients than Nassau County. Keep in mind that location quotients simultaneously reflect the strength of a given industry, such as leisure and hospitality, and the weakness of another industry such as financial activities in Nassau County.

FIGURE 13:
WAGE & EMPLOYMENT LOCATION QUOTIENTS
FOR TOURISM FOR FLORIDA COUNTIES

County	Employment LQ	Wage LQ	County	Employment LQ	Wage LQ	County	Employment LQ	Wage LQ
Monroe	3.35	6.28	Lake	1.27	1.43	Seminole	0.98	0.98
Walton	2.38	4.13	Hernando	1.24	1.36	Levy	0.91	1.19
Orange	2.26	3.33	Pinellas	1.20	1.46	Putnam	0.91	0.89
Nassau	2.15	3.17	Brevard	1.19	1.13	Holmes	0.83	0.92
Franklin	1.92	3.49	Escambia	1.19	1.21	Jackson	0.81	0.79
Osceola	1.89	2.79	Wakulla	1.19	1.21	Hendry	0.75	0.78
St. Johns	1.86	2.28	Pasco	1.17	1.28	DeSoto	0.74	0.85
Collier	1.77	2.72	Miami-Dade	1.15	1.62	Taylor	0.73	0.68
Bay	1.62	2.01	Marion	1.14	1.31	Hardee	0.72	0.72
Flagler	1.62	2.13	Bradford	1.13	1.13	Suwannee	0.70	0.80
Okaloosa	1.62	1.71	Leon	1.12	0.93	Madison	0.69	0.75
Lee	1.47	1.90	Okeechobee	1.11	1.33	Calhoun	0.66	0.71
Manatee	1.45	2.05	Gulf	1.09	1.38	Baker	0.65	0.71
Volusia	1.45	1.76	Broward	1.08	1.22	Jefferson	0.65	0.71
Charlotte	1.42	1.68	Alachua	1.07	1.05	Dixie	0.60	0.56
Santa Rosa	1.41	1.45	St. Lucie	1.07	1.30	Gilchrist	0.54	0.85
Indian River	1.40	1.89	Columbia	1.05	1.12	Gadsden	0.50	0.56
Clay	1.38	1.68	Duval	1.03	1.09	Hamilton	0.40	0.39
Martin	1.38	1.77	Highlands	1.03	1.20	Glades	0.37	0.49
Sumter	1.38	1.67	Hillsborough	1.0	1.14	Lafayette	0.34	0.32
Palm Beach	1.32	1.55	Polk	1.00	1.06	Liberty	0.30	0.33
Sarasota	1.31	1.63	Washington	1.00	1.21	Union	0.16	0.15
Citrus	1.27	1.44						

Source: Bureau of Labor Statistics.

Weakness in other sectors of Nassau County are compensated for by tourism. Another way of expressing this dependency is to examine Nassau County's unemployment rate of 4.5%, which is comparatively low for counties in the state. Without tourism, Nassau County's unemployment rate would be considerably higher.

Visitors to Amelia Island paid 36.3% of all local taxes and 37.5% of all local + state taxes in Nassau County in 2017.

Tourism's Impact on Taxes

Visitors to Amelia Island paid 36.3% of all local taxes and 37.5% of all local + state taxes in Nassau County in 2017. Amounts of various types of taxes paid by visitors are shown in figure 14. Detailed analyses of how these figures were derived are shown in the main section of the report, while brief explanations are offered here in the Executive Summary.

Visitors paid all of the Tourist Development Taxes levied in Nassau County (\$5,516,895). Visitors to Amelia Island were responsible for 38.2% of all ad valorem taxes paid in Nassau County. Hotel owners and property owners who rent their properties to visitors to Amelia Island paid \$22,169,954 in ad valorem taxes directly to Nassau County government and another \$24,560,538 to the Nassau County School District.

Visitors to Amelia Island account for 35.5% of all taxable sales in Nassau County – a detailed analysis of how this figure was derived is contained in the main section of the report. Therefore, visitors to Amelia Island paid \$23,882,754 in state sales taxes and \$44,354,119 in "other" local taxes including licenses and permits; intergovernmental revenues; charges for services; fines and forfeits; miscellaneous revenue, etc.

In summing all taxes and user fees, visitors to Amelia Island paid \$127,792,779 of the total figure of \$340,651,946 in local and state taxes and user fees generated in Nassau County.

FIGURE 14:
LOCAL & STATE TAX REVENUES GENERATED BY VISITORS
TO AMELIA ISLAND & LOCAL RESIDENTS

2017 Local & State Taxes & User Fees Levied ²⁴	Attributed to Visitors	Attributed to Local Residents	2017 Total Local & State Taxes & User Fees
Ad valorem taxes	\$22,169,954	\$35,866,575	\$58,036,529
School district ad valorem taxes ²⁵	\$24,560,538	\$39,734,063	\$64,294,601
State sales taxes	\$23,882,754	\$43,392,608	\$67,275,362
Local sales taxes	\$7,308,520	\$13,278,859	\$20,587,379
Other local revenue ²⁶	\$44,354,119	\$80,587,061	\$124,941,180
TDT taxes	\$5,516,895	\$0	\$5,516,895
Total taxes paid	\$127,792,779	\$212,859,167	\$340,651,946
% of all local & state taxes paid	37.5%	62.5%	100.0%

It should be noted that the preceding table is NOT Nassau County government's budget, rather the table above includes all taxes within Nassau County government's budget PLUS all state sales tax paid by visitors to Amelia Island that goes to the State of Florida, PLUS Nassau County School District's revenues from local ad valorem taxes.



²⁴ Sources: Florida Department of Revenue, Nassau County Tax Collector, and Downs & St. Germain Research.

²⁵ Source: Extrapolated from media coverage of Nassau County School District's budget.

²⁶ Source: Nassau County Tax Collector. Includes licenses and permits; intergovernmental revenues; charges for services; fines and forfeits; miscellaneous revenue; and cash forward.

The Economic Cost of Visitors to Nassau County Government

One indicator of the economic cost of Amelia Island visitors to Nassau County is to estimate the amount Nassau County government spends in servicing visitors. In figuring the costs to Nassau County government of serving Amelia Island visitors, Downs & St. Germain Research's methodology is based on "use" days. One local resident uses services provided by Nassau County government 365 days a year.

Therefore, one resident accounts for 365 "use" days of Nassau County government services. Total "use" days of services provided to local residents by Nassau County government would be 365 days times the population of Nassau County (estimated to be 82,800) or 30,222,000 days that local residents of Nassau County use the infrastructure and services provided by Nassau County government. We should factor in days that local residents might be on business or personal trips outside Nassau County, so we will multiply 30,222,000 times 95% (allowing for an average of 18 days outside Nassau County for the typical resident per year) resulting in 28,710,900 "use days," or days that local residents use the infrastructure and services provided by Nassau County government.

The typical visitor who stays in paid accommodations uses Nassau County government infrastructure and services for 4.1 days, resulting in 2,731,830 days of using the county's infrastructure and services. The typical visitor who stays with friends and relatives uses Nassau County government infrastructure and services for 4.7 days, resulting in 1,031,180 days using Nassau County government infrastructure and services. Other visitors (day trippers) to Amelia Island do not stay in Nassau County, but consume Nassau County government services for the single day they stay, resulting in 516,900 use days. Therefore, all visitors to Amelia Island account for 4,279,910 days of using the infrastructure and services provided by Nassau County government.

As detailed analyses in the main section of this report reveal, visitors account for 13% of the "use" days for Nassau County government infrastructure and services and residents account for 87% of the "use" days. Therefore, visitors to Amelia Island account for 13% of total costs of running Nassau County government and local residents account for 87% of these costs.

Nassau County's budget for FY2017-18 is \$203,565,088²⁷. Since visitors to Amelia Island account for 13% of the costs of Nassau County government, the total cost of providing county government services and infrastructure to visitors to Amelia Island in 2017 was \$26,463,461. Conversely, the cost to Nassau County government in 2017 for providing services and infrastructure to the 82,800 local residents who spend most of their days in the county was \$177,101,627.



²⁷ Nassau County Resolution 2017-141 & 2017-142 approved on September 25, 2017 set the FY2017-18 county budget at \$203,565,088.

FIGURE 15:
USE DAYS OF NASSAU COUNTY GOVERNMENT
INFRASTRUCTURE & SERVICES



Visitors to Amelia Island accounted for 13% of the use of Nassau County government infrastructure and services in 2017.

FIGURE 16:
COST TO NASSAU COUNTY GOVERNMENT
FOR SERVICING VISITORS & LOCALS

	2017 Cost to Nassau County government	Percentage of budget
Visitors to Amelia Island	\$26,463,461	13%
Local Residents	\$177,101,627	87%
Total Nassau County Budget	\$203,565,08828	100.0%

²⁸ Sources: Nassau County Resolution 2017-141 & 2017-142 (approved on September 25, 2017 set the FY2017-18 county budget at \$203,565,088), Nassau County Office of Management & Budget, and Downs & St. Germain Research.

FIGURE 17:
2017 COST TO NASSAU COUNTY GOVERNMENT FOR SERVICING VISITORS
TO AMELIA ISLAND & LOCAL RESIDENTS





Revenues to Nassau County Government

Total revenues for Nassau County government in 2017 were \$203,565,088. The table below shows how much revenue was generated by visitors and local residents for each major revenue generator for Nassau County government.

FIGURE 18:
NASSAU COUNTY GOVERNMENT REVENUES FROM VISITORS

Sources of Funds	Revenues Attributed to Visitors	Revenues Attributed to Locals	Total Revenues
Ad Valorem Tax	\$22,169,954	\$35,866,575	\$58,036,529
Sales & use taxes	\$7,308,520	\$13,278,859	\$20,587,379
Other local revenues ²⁹	\$44,354,119	\$80,587,061	\$124,941,180
Total sources of local revenue	\$73,832,593	\$129,732,495	\$203,565,088
% of sources of local revenue	36.3%	63.7%	100.0%

Sources: Nassau County Office of Management & Budget and Downs & St. Germain Research.

Amelia Island visitors' expenditures account for 35.5% of all taxable goods and services sold in Nassau County, therefore, 35.5% of each of the revenue sources in the table above except property taxes were allocated to visitors to Amelia Island. Via payments by hotel and rental property owners, taxes on properties inhabited by visitors pay 38.2% of all property taxes to Nassau County government.

In sum, visitors to Amelia Island generate **36.3**% of all tax revenue for Nassau County government or over **\$73 million**.

Local residents account for **63.7**% of all tax revenue accruing to Nassau County government or over **\$129 million**.



²⁹ Source: Nassau County Office of Management & Budget. Includes licenses & permits, intergovernmental revenues; charges for services; fines & forfeits; miscellaneous revenues; transfers in; and cash forward.

Return on Investment

Using Downs & St. Germain Research's Use Factor Approach, visitors generated \$73,832,593 for Nassau County government's budget in 2017, while costing county government \$26,463,461. Visitors contributed over \$47 million more to Nassau County's government than they cost local government.

Another way to interpret figures in the preceding tables is to look at Nassau County government revenues with and without visitors. With visitors, Nassau County government generated \$203,565,088 in revenues; without visitors Nassau County government generated \$129,732,495 (\$203,565,088 less \$73,832,593 from visitors).

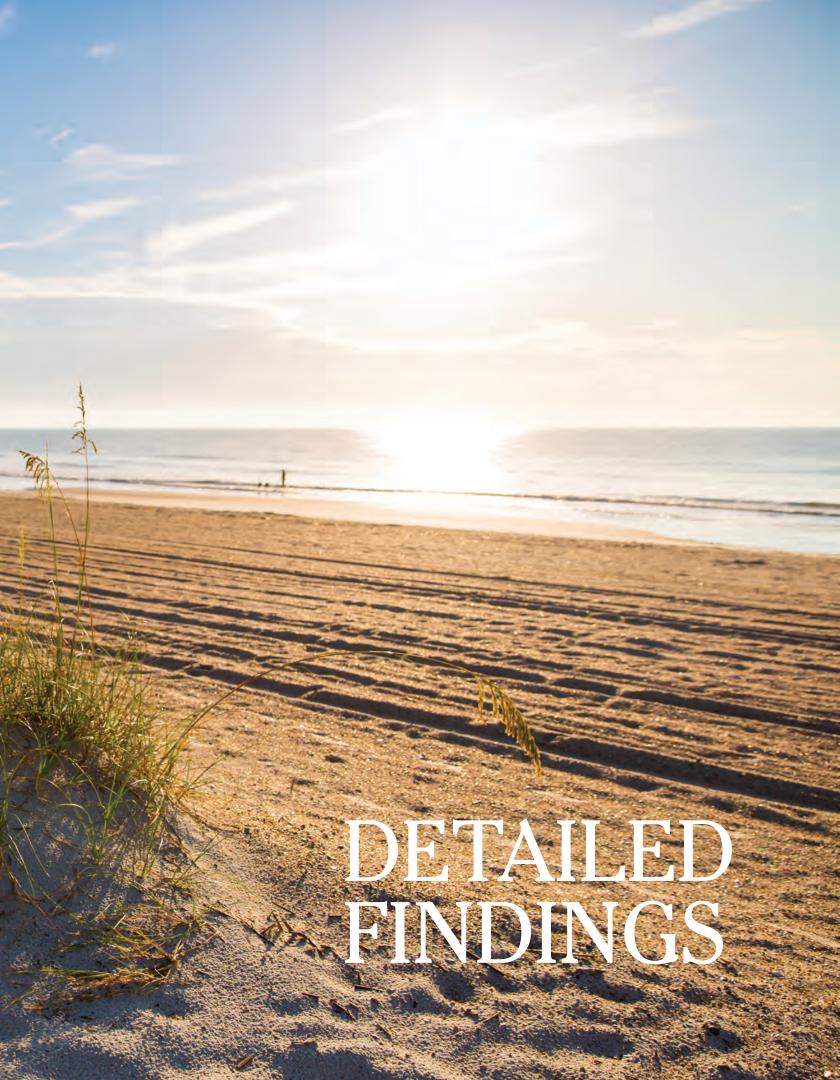
To receive the same level of services without visitors to Amelia Island contributing to Nassau County government's coffers, each family of four in Nassau County would pay an additional tax of nearly \$1,600 per year³⁰. When factoring in state sales taxes paid by visitors to Amelia Island, visitors save each household in Nassau County nearly \$3,400 per year³¹ in all local and state taxes paid to Nassau County government and Nassau County Public School District.



³⁰ Net positive cash flow to Nassau County government of \$47.3 million from visitors to Amelia Island divided by 29,800 Nassau County households.

³¹ Net positive cash flow to Nassau County government from all state and local taxes and fees, plus ad valorem taxes distributed to Nassau County Public School System divided by 29,800 Nassau County households.





The Value of Visitors to Amelia Island - Historical Perspective

Tourism has been an increasingly important part of Nassau County's economy for the past two decades. The Amelia Island Plantation (now Omni Amelia Island Plantation Resort) was built in the 1970s and in the early 1990s The Ritz-Carlton, Amelia Island added significantly to the capacity and panache of Amelia Island's housing inventory for visitors.

Amelia Island visitors' spending not only creates jobs in Nassau County and saves local residents taxes; it also increases economic choices for local residents and visitors alike. Nassau County was created (carved out of Duval County) in 1824. The county grew slowly and had 20,626 residents in 1970. Since the early 1970s, when tourism was given a major boost by construction of Amelia Island Plantation, Nassau County's population and economy have grown commensurate with growth of visitation to Amelia Island.

After growing by fewer than 20,000 residents during its first 140 years of existence, Nassau County added over 62,000 residents in the past 50 years. In the past 8 years, Nassau County has added nearly 8,000 more residents or about 1,000 per year. This growth was aided significantly by increases in the number of visitors to Amelia Island, the jobs they created, and their economic impact.

Amelia Island visitors' spending not only creates jobs in Nassau County and saves local residents taxes; it also increases economic choices for local residents and visitors alike.



The relatively few options and quality of those options in Nassau County for shopping, restaurants, healthcare, education, professional services, etc., in 1970 have grown exponentially as tourism to Amelia Island has created jobs, consumer choices, and a higher standard of living for local residents of Nassau County over the past five decades.

FIGURE 19: AMELIA ISLAND TOURISM METRICS

2000	2008	2017
755,400	982,500	1,402,600
\$267,257,900	\$378,294,700	\$626,461,80032
\$352,780,400	\$499,349,000	\$826,929,500
7,562 ³³	9,836 ³³	13,620 ³⁴
9,221	11,583	15,655
34.2%	35.9%	36.2%
\$235,135,000	\$321,906,300	\$458,040,600
29.6% ³⁵	30.7% ³⁵	32.8% ³⁵
32.5%	32.8%	35.5%
\$1,351,649	\$1,740,008	\$5,516,895
\$67,582,450	\$87,000,420	\$138,238,185
428,873	558,189	675,207
59.6%	53.5%	62.3%
\$132.17	\$163.30	\$204.27
\$78.77	\$87.35	\$127.35
57,663	71,571	82,800
	755,400 \$267,257,900 \$352,780,400 7,562 ³³ 9,221 34.2% \$235,135,000 29.6% ³⁵ 32.5% \$1,351,649 \$67,582,450 428,873 59.6% \$132.17 \$78.77	755,400 982,500 \$267,257,900 \$378,294,700 \$352,780,400 \$499,349,000 7,562 ³³ 9,836 ³³ 9,221 11,583 34.2% 35.9% \$235,135,000 \$321,906,300 29.6% ³⁵ 30.7% ³⁵ 32.5% 32.8% \$1,351,649 \$1,740,008 \$67,582,450 \$87,000,420 428,873 558,189 59.6% 53.5% \$132.17 \$163.30 \$78.77 \$87.35

Sources: 2000 – AITDC and Downs & St. Germain Research; 2008 – Haas Center, University of West Florida, AITDC and Downs & St. Germain Research; 2017 – AITDC and Downs & St. Germain Research.

Dollars that visitors to Amelia Island infuse into Nassau County's economy have increased 234% since 2000 (\$267.3 million to \$626.5 million). These dollars circulate throughout the local economy to create an even greater economic impact. For example, Barbara, the front desk supervisor at The Ritz-Carlton, Amelia Island, uses her pay to eat lunch at 29 South Eats, to buy her Friday night high heels from Evelyne Talman, to get her hair dyed at The Beauty Bar before going to Happy Hour at The Patio Place on her way to dinner at Espana Restaurant and Tapas, after which she buys a nightcap at Bar Zin Bistro and Wine Bar. Circulation of wages is formally referred to as induced effects of direct spending. Wages attributed to tourism that were paid to employees in Nassau County totaled over \$458 million in 2017.

Dollars that visitors to Amelia Island infuse into Nassau County's economy have increased 234% since 2000 (\$267.3 million to \$626.5 million).

³² Spending data for visitors who stayed overnight in paid accommodations were collected by Amelia Island TDC. Spending data for day trippers and visitors who stayed with friends and relatives was estimated by Downs & St. Germain Research.

³³ All jobs-related and wages-related data for 2000 and 2008 were normalized to reflect the visitors-to-jobs ratio established in 2017 and to reflect Downs & St. Germain Research's "Comparative Spending" Approach for determining the impact of tourism (see page 83 in the Appendix).

³⁴ Downs & St. Germain Research count not just jobs that are within Bureau of Labor Statistics categories such as "Leisure & Hospitality" or Tourism; we count jobs from all industry sectors that directly or indirectly emanate from tourism, e.g., engineers who help engineer hotels; architects who design second homes that are rented via Airbnb to visitors; retail associates who sell clothes to visitors; bankers who finance hotels or housing for visitors, etc.

³⁵ Indirect jobs are created based on induced and indirect spending by visitors.

The owners of the establishments that Barbara patronized use visitors' dollars not only to pay their employees, but also to use visitors' dollars to buy supplies and materials for their establishments, e.g., food for their restaurants, inventory for their shoe stores, hair dye for their salons, etc. This type of circulation of money is formally referred to as indirect effects of spending by visitors. Together, induced and indirect effects of visitors' direct spending generated \$826 million in economic impact in Nassau County in 2017.

Historic Trends in Occupancy, ADR, RevPAR, and TDT

Nothing reflects the successful growth of Amelia Island's tourism more so than increases in vacation property occupancy rates and the distribution of these rates across the year. Tourism peak season in 2010 was defined as June and July as these were the only months with occupancies greater than 70%. Occupancy in low season dipped below 40% in January and December and barely achieved that figure in November.

FIGURE 20: HISTORICAL TRENDS: AMELIA ISLAND HOTEL OCCUPANCY*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	38.9%	44.5%	56.7%	67.7%	58.2%	70.3%	72.7%	55.1%	49.7%	52.6%	40.0%	34.2%	50.9%
2011	33.6%	50.9%	69.4%	76.7%	62.5%	68.9%	69.8%	49.4%	51.9%	56.8%	49.1%	38.0%	56.4%
2012	33.5%	55.3%	71.2%	75.0%	60.2%	71.2%	74.7%	57.4%	54.6%	58.4%	45.7%	40.5%	58.4%
2013	51.3%	66.0%	73.6%	72.0%	68.8%	74.3%	73.1%	66.9%	61.0%	62.7%	55.2%	41.8%	64.0%
2014	54.8%	63.7%	7 4. 1 %	78.4%	79.4%	78.6%	83.2%	70.0%	65.3%	67.9%	58.7%	48.3%	68.6%
2015	56.0%	76.4%	79.1%	77.8%	75.5%	82.9%	86.2%	72.3%	67.2%	62.6%	62.7%	56.4%	71.2%
2016	58.1%	70.5%	81.9%	78.8%	74.8%	82.0%	87.8%	73.5%	72.9%	55.9%	64.2%	51.4%	71.0%
2017	57.6%	79.1%	84.4%	86.4%	79.1%	85.7%	86.8%	69.5%	52.0%	72.7%	63.8%	51.7%	72.4%

Source: AITDC

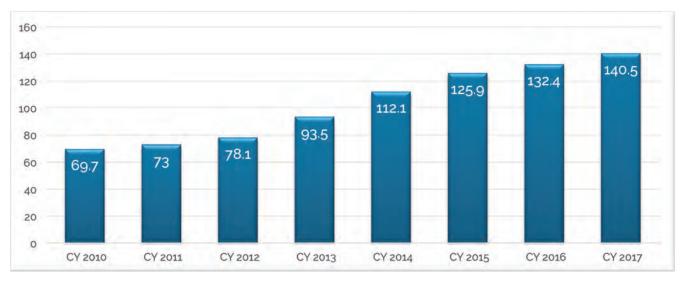
Amelia Island tourism has achieved what all "seasonal" destinations set as a goal, that is, to not be a seasonal destination.

Fast forward to 2017 when occupancy exceeded 80% not only in June and July, but also in March and April and was just shy of 80% in February and May. Not only have property occupancy percentages increased dramatically since 2010, but the "slow" months now have occupancy levels 19% points (January) to 23% points (November) higher than in 2010. February has shown the greatest increase from 44.5% in 2010 to 79.1% in 2017. In other words, Amelia Island tourism has achieved what all "seasonal" destinations set as a goal, that is, to not be a seasonal destination.

FIGURE 21:

ROOM REVENUE FOR BED TAX COLLECTIONS IN AMELIA ISLAND

BY FISCAL YEAR (MILLIONS)



Source: AITDC

The successful growth of Amelia Island tourism since FY2010 is also reflected in Tourist Development (Bed) Tax receipts, which essentially doubled from \$69.7 million in FY2010 to \$140.5 million in FY2017.

FIGURE 22: HISTORICAL TRENDS: AMELIA ISLAND HOTEL REVPAR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	\$43.77	\$66.02	\$105.23	\$118.18	\$104.31	\$128.76	\$135.96	\$86.51	\$69.73	\$83.03	\$53.86	\$48.53	\$87.04
2011	\$48.46	\$76.04	\$125.72	\$141.90	\$114.99	\$129.65	\$128.23	\$76.35	\$77.23	\$93.65	\$69.98	\$53.02	\$94.64
2012	\$40.24	\$79.00	\$143.73	\$145.39	\$118.26	\$139.02	\$138.45	\$95.66	\$86.62	\$98.35	\$70.35	\$59.50	\$101.83
2013	\$72.05	\$102.44	\$159.22	\$157.73	\$145.71	\$155.53	\$160.07	\$124.66	\$107.27	\$113.87	\$96.87	\$62.81	\$122.90
2014	\$83.70	\$102.94	\$177.22	\$186.60	\$182.15	\$177.89	\$188.62	\$138.56	\$115.40	\$136.14	\$102.53	\$79.00	\$139.63
2015	\$93.97	\$129.09	\$199.51	\$201.34	\$179.33	\$198.60	\$208.82	\$147.23	\$132.99	\$133.57	\$114.84	\$93.38	\$152.80
2016	\$97.78	\$129.74	\$223.64	\$203.59	\$178.56	\$200.73	\$214.02	\$144.45	\$149.37	\$113.67	\$120.80	\$94.60	\$156.00
2017	\$99.11	\$150.96	\$226.05	\$227.38	\$194.05	\$212.02	\$221.06	\$141.60	\$103.73	\$147.63	\$119.49	\$95.21	\$161.57

Source: AITDC

Likewise, RevPAR, which was at \$87.04 in 2010, increased 86% to \$161.57 in 2017.

FIGURE 23: HISTORICAL TRENDS: AMELIA ISLAND HOTEL ADR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	\$112.63	\$148.30	\$185.22	\$174.40	\$179.22	\$182.77	\$186.69	\$156.74	\$141.80	\$157.91	\$136.54	\$144.58	\$163.30
2011	\$146.00	\$151.60	\$183.87	\$187.19	\$186.46	\$190.36	\$185.23	\$156.58	\$150.62	\$166.03	\$144.24	\$141.57	\$169.80
2012	\$120.10	\$142.76	\$201.75	\$193.79	\$196.55	\$195.15	\$185.28	\$166.66	\$158.60	\$168.48	\$154.03	\$146.95	\$174.49
2013	\$140.44	\$155.34	\$214.41	\$217.16	\$210.15	\$206.61	\$216.29	\$186.73	\$173.61	\$181.84	\$171.39	\$148.17	\$190.09
2014	\$151.86	\$160.65	\$239.51	\$235.61	\$227.19	\$223.55	\$223.81	\$196.96	\$176.71	\$199.84	\$173.86	\$162.30	\$202.07
2015	\$167.84	\$167.90	\$251.59	\$257.55	\$237.05	\$238.55	\$240.80	\$202.83	\$196.55	\$212.63	\$180.44	\$167.06	\$213.79
2016	\$168.22	\$184.01	\$273.05	\$258.44	\$238.69	\$244.87	\$243.70	\$196.53	\$204.76	\$203.36	\$188.29	\$183.87	\$219.85
2017	\$171.92	\$190.90	\$267.92	\$263.22	\$245.30	\$247.27	\$254.71	\$208.61	\$199.47	\$203.20	\$187.17	\$184.17	\$223.30

Source: AITDC

Average daily rate at hotels in Amelia Island changed from \$163 in 2010 to \$223 in 2017, a 37% increase.



Visitor Spending vs. Spending by Local Residents

What percentage of spending in Nassau County is attributable to visitors? The broader question is what percentage of sales in any given destination is attributable to visitors. Florida TaxWatch, in a study that VISIT FLORIDA has referenced, allocates all jobs and spending in the following categories to visitors:

- Leisure & hospitality (primarily accommodations and food service)
- Travel arrangement
- Air transport

While this may offer a good estimate, it is clear that not all jobs or all spending in these categories are attributable to visitors in any destination. For example, allocating all food service spending to visitors suggests that local residents do not eat in restaurants. Certainly local residents take business trips and vacations, so allocating all travel arrangements; air transport to visitors is not accurate.

Nonetheless, this approach offers one estimate of visitor spending in a destination.

A second, related approach for tracking visitors spending as a percentage of all spending within a destination is to focus on the following categories:

- Gift, novelty, and souvenir stores
- Air transport
- Sea, coastal, and lakes transportation
- Taxi and limousine service
- Scenic and sightseeing transportation
- Passenger car rental
- Performing arts and spectator sports
- Museum, historical sites, zoos, and parks
- Amusements, gambling, and recreation
- Accommodations
- Food service and drinking places

A third, very similar approach for estimating the percentage of spending in a local destination that visitors represent is to track the following:

- Restaurants, lunchrooms, catering services
- Drinking places
- Hotel/motel accommodations, rooming houses, campgrounds
- Camera & photographic supply stores
- Gifts, cards, novelty, hobby, crafts, & toy stores
- Admissions, amusements & recreational services
- Rental of tangible personal property
- Privately owned parking lots, boat docks, and aircraft hangers



Tracking categories of spending, whether one follows the first list above or the second, assumes that all spending within these categories is strictly attributed to visitors. It is not a stretch of the imagination or logic to assume that nearly all spending for accommodations is attributable to visitors. However, it is quite a stretch of imagination and logic to assume that all spending in drinking establishments can be assigned to visitors. Same is true for several other categories such as gift cards, hobbies, etc. Nonetheless, these approaches do offer data points for estimating visitor spending, against which one could triangulate if given other estimates.

The Amelia Island TDC has tracked some of the categories listed above over the years. Most recent figures show spending in these "tourism" categories as representing 38.8% of all taxable sales in Nassau County, and this is a good data point to consider in comparison to estimates determined using other methods.

Evidence-Based Approach

Based on surveys of visitors conducted by the Amelia Island Tourist Development Council throughout the year, there is a very good estimate of the amount of money visitors to Amelia Island spend in Nassau County. Surveys show that visitors who stay in paid accommodations spent \$485,030,700 in Nassau County in 2017. Based on estimates created by Downs & St. Germain Research of spending in several destinations throughout Florida, it is estimated that spending by all visitors (including day trippers and visitors who stay with friends and relatives) in 2017 was \$626,461,800.

Surveys show that visitors who stay in paid accommodations spent \$485,030,700 in Nassau County in 2017.

According to the Florida Department of Revenue, total gross taxable sales in Nassau County in 2017 were \$2,038,714,087. Using the estimate of visitor spending provided by surveys and normative data from other Florida destinations (\$626,461,800), that means that visitors represent 30.7% of all total gross sales in Nassau County in 2017.

Downs & St. Germain Research uses a more granular method of estimating the percentage of visitors' spending that goes beyond taxable gross sales.

Based on surveys of visitors to Amelia Island who stay in paid accommodations and based on normative data from Florida destinations of expenditures by day trippers and visitors who stay with friends and relatives, all visitors to Amelia Island spent \$626,461,800 in Nassau County during 2017.

Documenting spending by local residents can be accomplished by examining the number of households and household incomes. Working with U.S. Census data, it is estimated that:

- There were approximately 32,800 local residents in Amelia Island in 2017; 2.62 persons per household, and an approximate median household income of \$65,500. It is further estimated Amelia Island, Florida²⁹ that each household spent 70% of its income in Nassau County, with the remaining part being spent outside Nassau County or saved.
- There were approximately 50,000 local residents in Nassau County who did not live in Amelia Island in 2017; 2.62 persons per household, and a median household income of \$43,500. It is further estimated that each of these household spent 68% of their income inside Nassau County.

To determine total spending by residents of Nassau County, we use the following formula to account for residents of Amelia Island and other households in Nassau County:

Number of households/Average household size X median household income X % of income spent in Nassau County. So for residents of Amelia Island we have:

• 32,800/2.62 X \$65,500 X .7 = \$574,000,000 – spending by Amelia Island local residents

For residents living outside of Amelia Island, but within Nassau County, we have:

• 50,000/2.62 X \$43,500 X .68 = \$564,503,800 – spending by Nassau County residents living outside Amelia Island

Total spending by local residents within Nassau County = \$574,000,000 + \$564,503,800 or \$1,137,503,800.

To determine the share of total expenditures in Nassau County by visitors to Amelia Island and by local residents of Nassau County, we simply add 626,461,800 (visitors) and 1,137,503,800 (locals) to get the total expenditures in Nassau County of 1,763,965,600. Hence, visitors' share of expenditures in Nassau County is 35.5% (626,461,800/1,763,965,600).

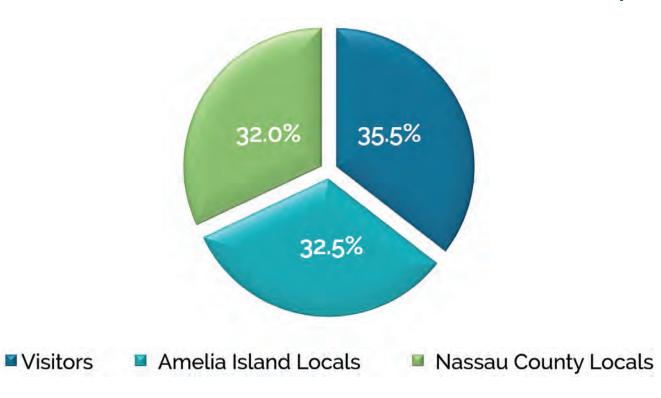


FIGURE 24: VISITORS' VS. LOCAL RESIDENTS' SPENDING IN NASSAU COUNTY

Spending in Nassau County	Dollar Amount	Percentage
Visitors	\$626,461,800	35.5%
Amelia Island Locals	\$574,000,000	32.5%
Nassau County Locals	\$564,503,800	32.0%

All three segments; visitors, Amelia Island residents, and residents living in other parts of Nassau County, are nearly equally responsible for Nassau County's economic well-being. It should be noted that there is additional economic impact from visitors beyond their direct spending. Businesses that serve visitors recirculate visitors' spending by buying goods and services to run their business from other companies in Nassau County. This is called the induced effect of visitors' direct spending in Nassau County. Employees of businesses that serve visitors spend their wages in the community, and this is called the induced effect of direct spending by visitors in Nassau County.

FIGURE 25: VISITORS CONTRIBUTION TO NASSAU COUNTY'S ECONOMY IN 2017



Total consumer spending in Nassau County is approximately 2.2 billion³⁶. That translates to over \$73,000 of spending per household in Nassau County. Of course, each household in Nassau County does not spend that much since visitors account for 35.5% of this figure, but that is the consumer purchasing power of Nassau County after factoring in the purchasing power of visitors.

The value of having greater consumer purchasing power in Nassau County is the variety, quality, and quantity of goods and services this purchasing power generates. For example, the variety of unique and excellent dining options in Amelia Island far exceeds the options available in the remainder of Nassau County and counties to the west of Nassau County such as Baker and Columbia that do not benefit from Amelia Island's tourism.

The comparative advantages of consumer purchasing power are not limited to dining and retail. Nassau County has a better healthcare network, infrastructure, school system, and more entertainment and more cultural opportunities than if there were no tourism in Amelia Island. The point is not to degrade counties without tourism, but rather to illustrate the advantages that greater consumer purchasing power based on tourism brings to a community. And, more than one-third of Nassau County's consumer purchasing power is attributable to visitors.



³⁶ Florida Department of Revenue.

Detailed Analysis of Visitor Spending in Nassau County

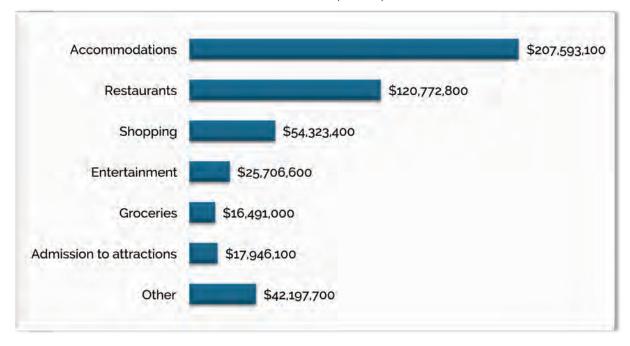
Tourism is the largest sector of Nassau County's economy. With \$626,461,800 in direct spending from visitors in 2017, and nearly \$827 million total economic impact from visitors, tourism is the lifeblood of Nassau County's economy. Visitors³⁷ spend money on:

- Hotel rooms and vacation properties
- Meals in local restaurants
- Items in general merchandise stores
- Rental cars and gas
- Clothes and other retail items
- Attractions and entertainment
- Recreation

They spend money on the traditional vacation categories listed above, but they also have emergency medical needs; hire architects, engineers, and contractors to build their second homes; and buy computers, smartphones, and other business necessities as they conduct business from their rental home, hotel room, local coffeehouse, or second home.

FIGURE 26: SPENDING IN NASSAU COUNTY: 2017 (VISITORS STAYING IN PAID ACCOMMODATIONS)

TOTAL: \$485,030,700



Accommodations are the largest single spending category as hotels, condos, property rental agencies, etc., collected over \$200 million from visitors in 2017. This figure was derived, in large part, from Tourist Development Tax (TDT) from Nassau County and from visitor reports during surveys throughout the year. The TDT is based on the daily rate that properties charge visitors.

³⁷ Visitors include those who come for a day, a week, or up to six months. It includes people who stay in paid accommodations, stay with friends and relatives, or visit only for the day and do not spend the night.

Spending by All Visitors

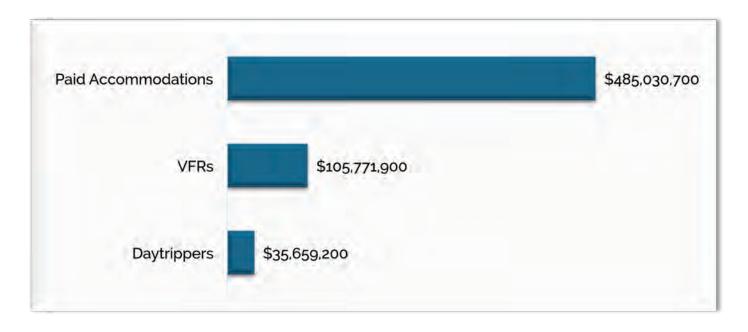
AITDC tracks spending by visitors who stay in paid accommodations. This critical segment of the total visitor market accounted for \$485 million in direct spending in 2017 in Amelia Island. AITDC does not track spending by day trippers and people who come to Amelia Island to visit friends and relatives. Downs & St. Germain Research, using data it collects in other Destination Marketing Organizations, estimated spending by VFRs and day trippers in Amelia Island to produce a complete picture of the economic impact generated by all types of visitors.

Most visitors' spending (77%) originated from people staying in paid accommodations, while people who stayed with friends and relatives within Amelia Island also spent \$105.8 million in 2017 in restaurants, local shops, attractions, events, etc. Day trippers, people who come to Amelia Island to worship the sun on the beaches or for an event such as the Isle of Eight Flags Shrimp Festival, accounted for the smallest share of the visitors spending pie (5.7% or \$35.7 million).

All types of visitors to Amelia Island spent **\$626.5 million** in 2017.



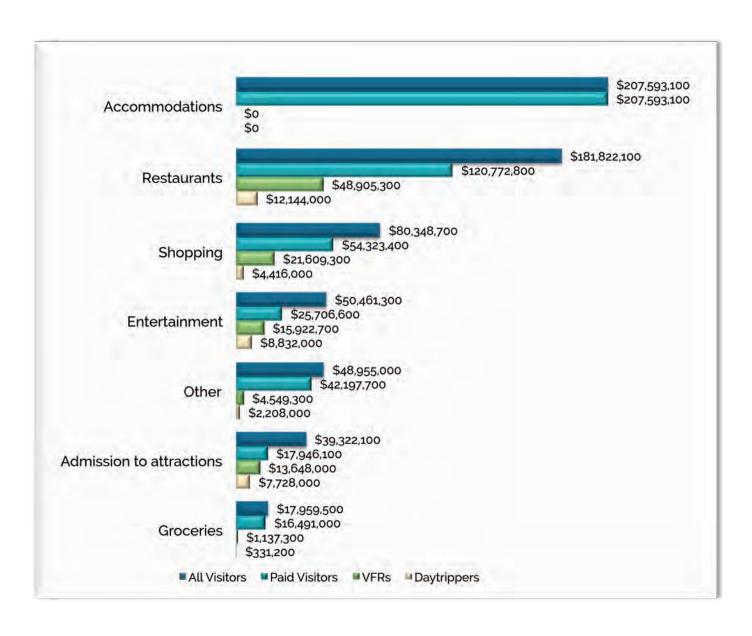
FIGURE 27: VISITORS' DIRECT SPENDING BY VISITOR TYPE



When factoring in VFRs and day trippers, spending on accommodations is still the largest single category (\$207.6 million), however, restaurant spending is not far behind (\$181.8 million) as the over seven hundred thousand VFRs and day trippers contributed over \$60 million toward the total restaurant spending figure.



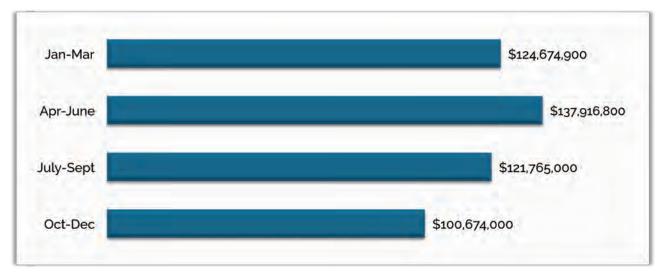
FIGURE 28: VISITOR TRAVEL EXPENDITURES BY CATEGORY



Spending by Quarter - Visitors Staying in Paid Accommodations

Visitor spending across quarters of the year is fairly uniform, but there is some seasonality with April through June being the best quarter, accounting for 27.5% visitors and 28.4% of the annual spending by visitors who stay in paid accommodations. October through December is the weakest quarter, accounting for only 21.2% of annual visitors and 20.8% of annual visitor spending.

FIGURE 29: VISITORS' DIRECT SPENDING BY QUARTER (VISITORS STAYING IN PAID ACCOMMODATIONS)



And since visitor spending is highest in the second quarter of the fiscal year (April through June), the total economic impact from visitors, when factoring in indirect and induced effects of direct spending by visitors, is also higher in the second quarter.

FIGURE 30: ECONOMIC IMPACT OF VISITORS BY QUARTER (VISITORS STAYING IN PAID ACCOMMODATIONS)



Trends in Visitor Spending

AITDC tracks spending for visitors who stay in paid accommodations. The table below shows that spending per travel party has increased steadily since 2010. Each travel party that stayed in paid accommodations spent \$2,108 in Amelia Island in 2017, 32% more than in 2010.

FIGURE 31:

TRAVEL EXPENDITURES BY YEAR

(VISITORS WHO STAYED IN PAID ACCOMMODATIONS)

Year	Per Travel Party	Per Person/Trip	Per Person/Day
2010	\$1,600	\$581	\$134
2013	\$1,859	\$675	\$155
2015	\$1,912	\$700	\$166
2017	\$2,108	\$727	\$178

As the graph below demonstrates, spending per travel party has increased since 2010 in all expense categories except groceries. Average spending on accommodations per travel party has increased from \$659 in 2010 to \$902 in 2017, a 37% increase over a seven-year time period. Spending on restaurants per travel party has increased 41% since 2010 to \$525 per trip. Spending on shopping per travel party, based on data collected by AITDC, increased from \$160 in 2010 to \$236 in 2017 or about 48%.

FIGURE 32:
TRAVEL EXPENDITURES BY CATEGORY
(VISITORS WHO STAYED IN PAID ACCOMMODATIONS)



Key Performance Indicators (KPIs) for Amelia Island

There are several Key Performance Indicators that track tourism performance:

- Number of visitors
- Direct expenditures by visitors
- Economic impact of visitors
- Occupancy rates for properties housing visitors
- Room rates for properties housing visitors
- RevPAR³⁸ for properties housing visitors
- Travel party size
- Nights spent
- Interest in returning
- Rating of experience in Amelia Island

The total number of visitors staying in paid accommodations in 2017 was 666,300.

FIGURE 33: FY2017 METRICS – VISITORS STAYING IN PAID ACCOMMODATIONS

Visitor Profile	2015	2017
Visitors staying in paid accommodations	618,200	666,300
Direct Expenditures	\$437,697,300	\$485,030,600
Economic Impact	\$577,760,400	\$626,240,500
Occupancy	71.2%	72 .4% ³⁸
Room Rates	\$213.79	\$223.30 ³⁹
RevPAR	\$152.22	\$161.57 ³⁸
Travel Party Size	3.0	2.9
Nights Spent	4.7	4.1
Will Return	84%	90%

Source: AITDC

Since 2015, the number of visitors staying in paid accommodations has increased 7.8%, and spending by these visitors has increased 10.8%. Occupancy is up slightly since 2015 (+1.2%), and ADR is up \$4.45 (+2.1%). Travel party size has decreased slightly since 2015, and nights spent has experienced a more pronounced decrease (-12.8%) since 2015.

 $^{^{38}\,}$ RevPAR is revenue per available room.

³⁹ Hotel data only.

The table below shows there was a significant increase from 2010 to 2013 as the number of visitors staying in paid accommodations went from 432,100 to 566,600. The annual increase in paid visitors during that period was nearly 10%. From 2013 through 2015, the number of visitors staying in paid accommodations continued to increase at the rate of over 25,000 per year, and the past two years have experienced increases in the number of visitors staying in paid accommodations of approximately 24,000 per year. The number of visitors staying in paid accommodations in July through September actually decreased from 2015 to 2017, presumably due to Hurricane Irma.

FIGURE 34:
NUMBER OF VISITORS STAYING IN PAID ACCOMMODATIONS BY YEAR

Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total	Percent Change
2010	108,900	120,300	113,100	89,800	432,100	
2013	137,300	153,400	160,700	115,200	566,600	31%
2015	150,100	162,500	173,100	132,500	618,200	9%
2017	170,400	183,400	171,500	141,000	666,300	8%

Source: AITDC

The Southeast is the most common origin of visitors to Amelia Island as nearly four in ten visitors (39.3%) in 2017 were from Southeastern states. Florida was the number one origin state in 2017 as 22.3% of Amelia Island visitors who stayed in paid accommodations live in Florida. The Northeast and Midwest supply significant percentages of visitors to Amelia Island who stay in paid accommodations as 15.6% of these visitors reside in the Northeast and 13.3% live in the Midwest. Over the past 7 years, the percentage of visitors from Florida and global markets who come to Amelia Island have increased 2.4% and 3.0%, respectively. Conversely, the number of visitors from the southeast who stay in paid accommodations is down 3.7%. Visitation from outside the United States has more than tripled since 2010.

FIGURE 35: NUMBER OF VISITORS STAYING IN PAID ACCOMMODATIONS BY ORIGIN

Year	Florida	Southeast	Northeast	Midwest	Foreign	West	Total
2010	86,036	186,763	62,956	63,334	11,009	21,975	432,100
2013	112,577	240,621	84,194	81,094	23,913	24,203	566,600
2015	131,974	252,174	92,050	85,553	29,602	26,847	618,200
2017	148,311	261,941	104,024	88,408	36,834	26,782	666,300

Source: AITDC

The number of visitors staying in paid accommodations does not vary across quarters of the year as much as some destinations in Florida. On the following few pages, KPIs for each quarter in 2017 are shown.

Travel party size varied from a low of 2.7 in 1st and 4th quarters to a high of 3.2 in 3rd quarter. Average nights stayed for people staying in paid accommodations varied from a low of 3.9 in 1st and 4th quarters to a high of 4.4 in April in 2nd quarter.

FIGURE 36:

JANUARY – MARCH METRICS: VISITORS STAYING IN PAID ACCOMMODATIONS

Visitor Profile	2015	2017
Visitors staying in paid accommodations	150,100	170,400
Direct Expenditures	\$103,977,300	\$124,674,900
Economic Impact	\$136,802,900	164,570,900
Occupancy	70.5%	73.7%
Room Rates	\$196.28	\$210.25
RevPAR	\$140.86	\$158.71
Travel Party Size	2.6	2.7
Nights Spent	3.0	3.9
Will Return	85.4%	87.9%
Will Recommend Amelia Island to Friends	96%	97%

Source: AITDC

The 2nd quarter experienced the most visitors staying in paid accommodations, the highest occupancy rate, the highest RevPAR, and the highest direct spending by visitors. The 4th quarter experienced the least number of visitors staying in paid accommodations, the lowest direct spending by these visitors, and the lowest ADR, occupancy, and RevPAR.

FIGURE 37: **APRIL - JUNE METRICS: VISITORS STAYING IN PAID ACCOMMODATIONS**

Visitor Profile	2015	2017
Visitors staying in paid accommodations	162,500	183,400
Direct Expenditures	\$119,925,000	\$137,916,800
Economic Impact	\$157,785,300	\$182,050,200
Occupancy	78.7%	83.7%
Room Rates	\$245.20	\$251.93
RevPAR	\$193.09	\$211.15
Travel Party Size	3.0	3.0
Nights Spent	3.7	4.4
Will Return	84.4%	87.7%
Will Recommend Amelia Island to Friends	96%	97%

Source: AITDC

Willingness to return to Amelia Island ranged from a low of 87.7% for 2nd quarter visitors who stayed in paid accommodations to a high of 91.6% of 3rd quarter visitors.

FIGURE 38:

JULY – SEPTEMBER METRICS: VISITORS STAYING IN PAID ACCOMMODATIONS

Visitor Profile	2015	2017
Visitors staying in paid accommodations	173,100	171,500
Direct Expenditures	\$119,612,100	\$121,765,000
Economic Impact	\$157,373,600	\$160,729,800
Occupancy	75.2%	69.4%
Room Rates	\$214.55	\$219.26
RevPAR	\$163.01	\$155.46
Travel Party Size	2.9	3.2
Nights Spent	3.3	4.2
Will Return	91.3%	91.6%
Will Recommend Amelia Island to Friends	96%	97%

Source: AITDC

Occupancy in the 3rd quarter in 2017 (69.4%) was considerably below the figure established in 2015 (75.4%). Conversely, occupancy in the 2nd quarter increased dramatically from 2015 (78.7%) to 2017 (83.7%).

FIGURE 39:
OCTOBER - DECEMBER METRICS:
VISITORS STAYING IN PAID ACCOMMODATIONS

Visitor Profile	2015	2017
Visitors staying in paid accommodations	132,500	141,000
Direct Expenditures	\$94,142,800	\$100,674,000
Economic Impact	\$124,798,600	\$132,889,700
Occupancy	60.6%	62.7%
Room Rates	\$187.18	\$191.51
RevPAR	\$113.86	\$120.78
Travel Party Size	2.4	2.7
Nights Spent	2.9	3.9
Will Return	88.2%	90.7%
Will Recommend Amelia Island to Friends	96%	97%

Source: AITDC

Spending by All Visitors by Quarter

The Amelia Island TDC collects visitor data throughout the year, but the focus is on visitors staying in paid accommodations. Based on normative data of visitors' spending in other destinations throughout Florida, Downs & St. Germain Research was able to estimate spending by VFRs and day trippers so a complete picture of all visitors spending could be presented. The table below shows spending for all types of visitors broken down by quarter of the year.

FIGURE 40: VISITORS' SPENDING BY QUARTER BY TYPE OF VISITOR IN 2017

Type of Visitor	January - March	April - June	July - September	October - December	2017 Totals
Commercial Lodging	\$124,674,900	\$137,916,800	\$121,765,000	\$100,674,000	\$485,030,700
Visiting Friends/Relatives	\$21,894,783	\$30,991,167	\$33,318,149	\$19,567,802	\$105,771,900
Day-Trippers	\$5,313,221	\$13,527,245	\$13,193,904	\$3,993,830	\$35,659,200
Total Spending	\$151,882,904	\$182,435,212	\$168,647,053	\$124,235,632	\$626,461,800
% of Annual Spending	24.2%	29.1%	26.9%	19.8%	100.0%

Sources: AITDC and Downs & St. Germain Research

Significantly over half of spending by all visitors to Amelia Island (56%) occurs between April and September. Nonetheless, Amelia Island is less seasonably dependent than many destinations in Florida. It is not unusual for Florida beach destinations to rely on up to half of visitor spending during three or four months of the year. Amelia Island has done an excellent job of developing events that attract visitors from January to March, which accounts for nearly one-fourth of annual spending (24.2%) by all visitors. Only the last quarter of the year contributes appreciably less to overall visitor spending (19.8%).

Amelia Island is less seasonably dependent than many destinations in Florida.





Employment, Wages, & Taxes

When accounting for visitors' total impact on the economy, tourism is the number one industry in Nassau County; 13,620 jobs were attributed to direct spending from visitors to Amelia Island in 2017, and another 2,035 jobs were attributable to the induced and indirect effects of visitors' spending.

FIGURE 41:

CY2017 EMPLOYED PERSONS IN NASSAU COUNTY

ATTRIBUTABLE TO AMELIA ISLAND TOURISM

	Direct	Indirect	Induced	Total
Employed persons supported by visitor spending	13,620	973	1,062	15,655

Sources: Bureau of Labor Statistics, IMPLAN, and Downs & St. Germain Research.

It should be noted that the 13,620 job figure translates to one job for every 103 visitors. VISIT FLORIDA and Governor Scott use a slightly lower figure, e.g., every 85 visitors create one job in the tourism sector, which results in a slightly higher number of jobs created by tourism.

If Nassau County used the ratio of 85 visitors to 1 job created that VISIT FLORIDA and Governor Scott use, tourism in Nassau County would generate over 16,500 jobs in Nassau County rather than the 13,620 that is used in this report. In the spirit of presenting conservative economic impact estimates for tourism, this report will use the 13,620 job figure.

Determining the Number of Jobs Supported by Tourism

When examining Bureau of Labor Statistics data, the number of jobs attributed to "leisure and hospitality" is 11,547 as the table below shows:

FIGURE 42: CY2017 TOTAL NUMBER OF JOBS IN NASSAU COUNTY

Sector	Total number of employed persons in Nassau County
Natural resources and mining	672
Construction	1,613
Manufacturing	1,790
Trade, transportation, and utilities	11,460
Information	361
Financial activities	1,048
Professional and business services	3,713
Education and health services	3,977
Leisure and hospitality	11,547
Other services	1,288
Unclassified	125
Total Jobs	37,594

Source: University of Florida Bureau of Economic and Business Research, Bureau of Labor Statistics, and Downs & St. Germain Research

This table obscures the economic fact that visitors spend money that impacts most other job categories. For example, visitors to Amelia Island account for 35.5% of all spending in Nassau County. This spending pervades nearly all industry categories. For example, a certain percentage of construction in Nassau County is attributed to visitors; new hotel and motel construction is nearly all attributed to visitors to Amelia Island, and certainly a significant percentage of retail and restaurant construction is attributable to visitors to Amelia Island. We attributed 17% of all construction jobs in Nassau County to tourism.

"Trade, transportation, and utilities" includes retail store sales, which are heavily dependent on tourism dollars in Nassau County. Utilities paid by hotels that serve visitors, by restaurants that serve visitors, and by retailers that serve visitors make up a significant percentage of total utilities paid in Nassau County. Since visitors account for 35.5% of all spending in Nassau County, we assigned 30% of jobs in trade, transportation, and utilities to tourism.

FIGURE 43: 2017 TOTAL NUMBER OF JOBS ATTRIBUTED TO TOURISM IN NASSAU COUNTY

	Total Number of Employed Persons in Nassau County by Sector	% of Employed Persons Attributed to Tourism	Employed Persons Attributed to Tourism
Natural resources and mining	672	0%	0
Construction	1,613	17%	280
Manufacturing	1,790	8%	145
Trade, transportation, and utilities	11,460	30%	3,440
Information	361	8%	30
Financial activities	1,048	25%	270
Professional and business services	3,713	8%	320
Education and health services	3,977	8%	280
Leisure and hospitality	11,547	73%	8,450
Other services	1,288	30%	390
Unclassified	125	10%	15
	37,594	36.2%	13,620

Sources: Bureau of Labor Statistics, IMPLAN Economic Model, UF BEBR, and Downs & St. Germain Research

For some industry categories, we assigned very few jobs to tourism. For example, in information, professional and business services, and education/health services, we assigned only 8% of the jobs to tourism. To substantiate assigning jobs to tourism from these categories, consider the following: All construction for hotels, motels, B&Bs, restaurants, attractions, etc., is financed, and thus a certain percentage of activity, i.e., jobs, is attributed to tourism. We have indicated that only 25% of all financial activities in Nassau County are attributed to tourism. All hotels, motels, B&Bs, restaurants, attractions, etc., require professional and business services. Hence, we have assigned 8% of all professional and business services jobs to tourism.

While one might argue with the specific percentage of each industry category that is attributed to visitors, a sensitivity analysis would show that the total number of jobs attributed to tourism would change only slightly as one decreased or increased the percentages of job attributed to tourism in the table above. For example, if we change the percentage of "other services" jobs attributed to tourism from 30% to 35%, there would be an increase of only 60 jobs from our total number of jobs of 13,620.

According to the Bureau of Labor Statistics, the number of employed persons in Nassau County in 2017 was 37,594. If we take the number of jobs generated by visitors' direct spending (13,620) without factoring in the job impacts of indirect and induced effects of visitors' spending, then tourism accounted for 36.2% of all jobs in Nassau County.

Yet, we must note that another 2,035 jobs were created via the induced and indirect effects of visitors' direct spending. Given the number of jobs generated by visitors direct, indirect, and induced spending according to IMPLAN Economic Modeling, tourism accounted for more than two-fifths (41.6%) of the jobs in Nassau County (15,655/37,594 = 42.9%).

Employment Data

Another indicator of the strength of Nassau County's economy, thanks in part to visitors to Amelia Island, is the county's 2015 unemployment rate, 4.5%, which is lower than the state average for 2017 of 5.0%. In February 2018 Nassau County's unemployment rate was 3.4%, a one-half percentage point below the state average.

For the past six months, Nassau County's unemployment rate has been lower than the average for Florida, as the difference between Florida's and Nassau County's unemployment rate has ranged from 0.3% to 0.8% in Nassau County's favor.

FIGURE 44: UNEMPLOYMENT RATE IN 2017-2018

	September	October	November	December	January	February
Nassau County	3.2%	3.2%	3.5%	3.3%	3.8%	3.4%
Florida	4.0%	3.9%	3.8%	3.7%	4.1%	3.9%

Source: Bureau of Labor Statistics

FIGURE 45:

CY2017 LABOR STATISTICS FOR NASSAU COUNTY

Nassau County	2017
Labor Force	37,594 ⁴⁰
Labor Force % of County Population	56.4%
Number in County Unemployed	1,706
Unemployment Rate	4.5%

Source: US Census; Bureau of Labor Statistics



⁴⁰ Higher than figure presented by the Bureau of Labor Statistics.

Tourism creates a wide array of jobs ranging from cashiers at fast food restaurants and housekeepers at hotels to small business owners and General Managers at major properties. According to the Florida Office of Economic and Demographic Research and the US Department of Labor, tourism was the number one industry in Nassau County.

FIGURE 46: CY2017 WAGE & JOB DATA FOR NASSAU COUNTY BY SECTOR

	Number of Employed Persons by Sector	Average Wage	Total Wages Paid	% of Wages by Sector
Natural resources and mining	672	\$59,655	\$36,508,860	1.6%
Construction	1,613	\$35,190	\$56,761,470	4.3%
Manufacturing	1,790	\$65,819	\$117,816,010	4.8%
Trade, transportation, and utilities	11,460	\$32,302	\$370,180,920	30.5%
Information	361	\$45,024	\$16,253,664	1.0%
Financial activities	1,048	\$58,700	\$61,517,600	2.8%
Professional and business services	3,713	\$38,902	\$144,443,126	9.9%
Education and health services	3,977	\$38,067	\$151,392,459	10.6%
Leisure and hospitality	11,547	\$25,659	\$227,428,222	30.7%
Other services	1,288	\$33,457	\$43,092,616	3.4%
Unclassified	125	\$55,224	\$6,903,000	0.3%
Total	37,594	\$37,145	\$1,396,429,130	100%

Sources: University of Florida Bureau of Business Research and the Bureau of Labor Statistics.



FIGURE 47: LABOR FORCE BY INDUSTRY FOR NASSAU COUNTY, FLORIDA, AND THE US

2012 Employee Statistics by NAICS Code	US Total	Florida 2016	Nassau County2016
Forestry, etc.	1.5%	0.9%	2.1%
Mining	0.4%	0.05%	2.1%
Utilities	0.4%	0.3%	<0.1%
Construction	4.3%	5.8%	4.7%
Manufacturing	7.9%	4.3%	5.7%
Wholesale trade	3.8%	4.1%	2.4%
Retail trade	10.1%	13.3%	14.5%
Transportation & warehousing	3.2%	3.0%	4.0%
Information	1.8%	1.7%	0.9%
Finance & insurance	5.3%	4.4%	1.7%
Real estate & rentals	1.9%	2.2%	1.3%
Professional, scientific, technical	12.9%	6.4%	3.1%
Management	2.5%	1.2%	0.05%
Administrative	6.4%	7.9%	5.1%
Educational	2.3%	7.1%	0.7%
Healthcare	12.2%	13.9%	10.3%
Arts, entertainment, recreation	1.8%	2.8%	2.7%
Accommodation & food service	10.3%	11.4%	20.5%
Other services	4.1%	3.3%	3.9%

Sources: CLRsearch.com, US Department of Labor and the Office of Economic and Demographic Research, FL

North American Industry Classification System (NAICS): NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing and publishing statistical data related to the U.S. business economy.

The Office of Economic and Demographic Research (OEDR) figures and the US Department of Labor (USDOL) figures do not factor in other jobs that service visitors, but are not strictly classified as jobs within the leisure and hospitality sector. For example, the leisure and hospitality sector includes hotels, meeting facilities, restaurants, bars, etc., but this section does not include retail shops and services that sell to visitors.

OEDR's and USDOL's figures do not include retail employees who serve visitors; personal service providers such as hair stylists and massage therapists who service visitors; grocery store employees who service visitors; people who work at gasoline stations and automotive service shops who service visitors; employees at attractions, entertainment and recreation businesses who service visitors; employees of general merchandise stores who service visitors, etc.

Given that nearly 36% of spending in Nassau County is attributable to visitors to Amelia Island, it is safe to conclude about two-fifths of retail trade and restaurants in Nassau County are a result of direct spending by visitors to Amelia Island. A significant percentage of construction activity consists of building rental properties for visitors, building business establishments that cater to visitors in Amelia Island, and building second homes for part-time residents whose legal residences are outside of Nassau County.

Finally, a certain percentage of professional services, financial services, and miscellaneous services are directed at visitors. For example, a portion of housing and business construction in the past few decades serve visitors directly or indirectly. Some of residential and commercial lending by local financial institutions goes to finance these structures. Likewise, professional services, e.g., architecture and engineering, are closely tied to visitor-fueled construction. Percentages of miscellaneous services such as landscaping, beach vendors, fishing expeditions, etc., are consumed by visitors to Amelia Island.

Wages Paid by Visitors

The table below shows wage data by industry sector for Nassau County. In 2017, employed persons in Nassau County earned a total of \$1,396,429,130 in wages. The average wage was \$37,145. Average wages in Manufacturing (\$65,819), Natural Resources and Mining (\$59,655) were the highest paying jobs. Jobs that were classified strictly as Leisure and Hospitality had an annual average wage of \$25,659.

FIGURE 48: CY2017 WAGES PAID IN NASSAU COUNTY

	Average wage	Total wages paid
Natural resources and mining	\$59,655	\$36,508,860
Construction	\$35,190	\$56,761,470
Manufacturing	\$65,819	\$117,816,010
Trade, transportation, and utilities	\$32,302	\$370,180,920
Information	\$45,024	\$16,253,664
Financial activities	\$58,700	\$61,517,600
Professional and business services	\$38,902	\$144,443,126
Education and health services	\$38,067	\$151,392,459
Leisure and hospitality	\$25,659	\$227,428,222
Other services	\$33,457	\$43,092,616
Unclassified	\$55,224	\$6,903,000
All industries	\$37,145	\$1,396,429,130

Source: Office of Economic and Demographic Research: State of Florida

As stated previously in this report, certain percentages of jobs in other industry sectors are dependent on visitors to Amelia Island. We estimate, for example, that 37% of wages, in Trade, Transportation, and Utilities are attributed to tourism. The table below factors in jobs in all industry sectors that can reasonably be attributed to tourism. Using the same percentages that were previously used for allocating jobs to industry sectors, the table below allocated various percentages of wages by industry sector to tourism.

It should be noted that when factoring in jobs from other industries that are partially dependent on visitors, the average wage of workers who service visitors increases to \$32,970. It should also be noted that not all of these jobs are 40-hour a week jobs and that wages for some of these jobs are supplemented by tips.

FIGURE 49: CY2017 WAGES ATTRIBUTED TO TOURISM IN NASSAU

	Average Wage	Total Wages Paid	% of Wages Attributed to Tourism	Wages Attributed to Tourism
Natural resources and mining	\$59,655	\$36,508,860	0%	\$ 0
Construction	\$56,761,470	\$52,729,347	17%	\$9,668,017
Manufacturing	\$117,816,010	\$114,108,400	8%	\$9,845,634
Trade, transportation, and utilities	\$32,302	\$370,180,920	36%	\$141,278,925
Information	\$16,253,664	\$18,018,980	8%	\$1,554,735
Financial activities	\$61,517,600	\$49,238.604	25%	\$13,276,446
Professional and business services	\$38,892	\$144,443,126	8%	\$16,901,371
Education and health services	\$37,981	\$151,392,459	8%	\$12,628,013
Leisure and hospitality	\$25,659	\$227,428,222	80%	\$237,024,393
Other services	\$43,092,616	\$38,969,772	36%	\$15,130,959
Unclassified	\$6,903,000	\$6,944,946	10%	\$732,107
	\$1,396,429,130	\$1,396,429,130	32.8%	\$458,040,600

Sources: Office of Economic and Demographic Research, State of Florida; Bureau of Labor Statistics; IMPLAN; and Downs & St. Germain Research.

From the 13,620 jobs created from direct expenditures by visitors to Nassau County, a total of \$458,040,600 in wages was paid in 2017. This translates to \$33,600 per job created by visitors. Note that this average wage is considerably higher than \$25,659, which is the average wage for Leisure and Hospitality jobs. In other words, when looking strictly at the Leisure and Hospitality industry sector, the average wage earned by servicing visitors is significantly understated. When considering all employed persons who, at least in part, service visitors in their daily jobs, the average wage earned is \$32,970.

According to the Bureau of Labor Statistics, the average wage in Nassau County in 2017 was \$37,145, which was 82% of the state average wage of \$45,562. Nassau County lagged the state average in most industries, but the average wage in tourism related jobs in Nassau County kept pace with the figure for Florida.

FIGURE 50: CY2017 AVERAGE WAGE BY INDUSTRY

Florida	Nassau County
\$47,060	\$38,884
\$31,501	\$35,190
\$48,616	\$38,067
\$69,701	\$58,700
\$77,256	\$45,024
\$28,399	\$25,659
\$57,824	\$65,819
\$31,501	\$59,655
\$33,996	\$33,457
\$56,930	\$38,902
\$52,022	\$55,224
\$41,939	\$32,302
	\$47,060 \$31,501 \$48,616 \$69,701 \$77,256 \$28,399 \$57,824 \$31,501 \$33,996 \$56,930 \$52,022

Source: Office of Economic & Demographic Research



Tourism's Impact on Nassau County Government Taxes

Visitors to Amelia Island paid 37.5% of all local and state taxes in Nassau County in 2017, and 36.3% of all local taxes for Nassau County Government. Amounts of various types of state and local taxes paid by visitors are shown in the table below.

Visitors paid all of the Tourist Development Taxes levied in Nassau County in 2017 (\$5,516,895). Visitors to Amelia Island were responsible for 38.2% of all ad valorem taxes paid in Nassau County. Hotel owners and property owners who rent their properties to visitors to Amelia Island paid \$22,169,954 in ad valorem taxes directly to Nassau County government and another \$24,560,538 to the Nassau County School District.

Visitors to Amelia Island account for 35.5% of all taxable sales in Nassau County. Therefore, visitors to Amelia Island paid \$23,882,754 in state sales and use taxes and \$7,308,520 in local option sales and gas taxes.

In summing all local and state taxes and user fees, visitors to Amelia Island paid \$127,792,779 of the total figure of \$340,651,946 local and state taxes and user fees generated in Nassau County. Local and sales taxes paid by visitors amount to nearly \$4,300 per household in Nassau County. Yet, there is a cost of about \$900 per household in taxes to serve visitors.

The net effect for local tax payers is they save about \$3,400 in local and state taxes based on what visitors pay and what it cost to provide government services to visitors.

FIGURE 51: CY2017 LOCAL & STATE TAX REVENUES GENERATED BY VISITORS TO AMELIA ISLAND & LOCAL RESIDENTS

Local & State	Attributed to	Attributed to	Total Local &
Taxes Levied ⁴¹	Visitors	Local Residents	State Taxes
Ad valorem taxes	\$22,169,954	\$35,866,575	\$58,036,529
School district ad valorem taxes	\$24,560,538	\$39,734,063	\$64,294,601
State sales & use taxes	\$23,882,754	\$43,392,608	\$67,275,362
Local option sales & gas taxes	\$7,308,520	\$13,278,859	\$20,587,379
TDT taxes	\$5,516,895	\$ 0	\$5,516,895
Total taxes paid	\$127,792,779	\$212,859,167	\$340,651,946
% of all local & state taxes paid	37.5%	62.5%	100.0%

It should be noted that this table is NOT Nassau County government's 2017 budget, rather it includes totals from this budget PLUS all state sales tax collected in Nassau County PLUS Nassau County School District's revenues from ad valorem taxes.

⁴¹ Sources: Florida Department of Revenue, Nassau County Tax Collector, and Downs & St. Germain Research.

Total Taxable Sales & Tourism Taxable Sales for Florida & Nassau County

Florida's reliance on tourism is substantial as 22.6% of the \$336.8 billion in total taxable sales in the state, or \$76.1 billion in taxable sales, were attributable to tourism in 2013. Nassau County is even more dependent on tourism for its sales tax receipts. In 2017, gross taxable sales in Nassau County were \$949,454,523, of which \$374,392,200 was attributable to tourism. That is, 39.4% of all taxable sales in Nassau County in 2017 were attributed to tourism.

FIGURE 52:

CY2017 TOTAL TAXABLE SALES & TOURISM TAXABLE SALES:

FLORIDA & NASSAU COUNTY (MILLIONS)

		tal e Sales		Tourisn	n Taxable Sales	
	Florida	Nassau	Florida	Nassau	Florida	Nassau
	Dollars	Dollars	Dollars	Dollars	% by Quarter	% by Quarter
January-March	\$108,453	\$239.3	\$26,257	\$86.4	27%	23%
April-June	\$110,309	\$299.3	\$24,929	\$104.8	26%	28%
July-September	\$102,344	\$260.3	\$22,484	\$97.5	24%	26%
October-December	\$102,689	\$245.6	\$21,880	\$82.1	23%	23%
Total	\$423,795	\$1044.5	\$95,550	\$370.8	100.0%	100.0%

Sources: Florida Department of Revenue and Downs & St. Germain Research

FIGURE 53:

CY2017 SALES TAX COLLECTIONS & AMOUNT ATTRIBUTED TO TOURISM:

NASSAU COUNTY (MILLIONS)

	2017 Gross Taxable Sales	2017 Sales Tax Collections	2017 Sales Tax Collections Attributed to Tourism
	Dollars	Dollars	Dollars
Winter	\$239.3	\$14.8	\$5.5
Spring	\$299.3	\$18.6	\$6.8
Summer	\$260.3	\$16.2	\$6.0
Fall	\$245.6	\$15.3	\$5.6
Total	\$949.5	\$64.9	\$23.9

Sources: Office of Economic and Demographic Research, Florida Department of Revenue, and Downs & St. Germain Research

In total, \$23.9 million in sales taxes in Nassau County in 2017 was attributed to tourism.

Industry Location Quotients

Another statistic that reflects the importance of Amelia Island tourism to Nassau County's economy is comparing the percentage of labor force attributable to tourism in Nassau, the State of Florida, and across the United Sates. Industry location quotients (LQs) are used to make this type of comparison.

LQs are ratios that compare the concentration of employment in one sector of the economy in one geographic area to another. LQs can be used to measure the concentration of employment attributable to tourism in specific counties, states, regions, etc. Florida, in general, has a higher LQ for tourism employment than the US average.

Across the United States, the LQ for tourism is set arbitrarily and for comparison purposes at 1.00. States, counties, etc., that have LQs greater than 1.00 have a greater concentration of workers in the tourism sector. That is, tourism is comparatively more important to the economies of counties and states that have LQs greater than 1.00. Florida's LQ in tourism is 1.27, that is, Florida is 27% more dependent on tourism than other states, and Florida's economy benefits more from tourism than other state's economies.⁴²

Nassau County has an employment LQ for tourism of 2.15, which means compared to all other counties in the US; Nassau County has 2.15 times the number of tourism jobs. Quite simply, an LQ of 2.15 means that Nassau County's economy is impacted tremendously by tourism. It is interesting to note that nearby St. Johns County, which is also heavily dependent on tourism, has an employment LQ for tourism of 1.86. That is, Nassau County's economy is 16% more dependent (2.15/1.86) on tourism for employment than is St. Johns County's economy. Duval County, which also has a significant tourism sector in its economy, has

an employment LQ for tourism of 1.03. The tourism employment LQ for Duval County reflects the diversity of Duval County's economy vis-à-vis the diversity of Nassau County's economy. That is, Nassau County's economic health is heavily dependent on tourism not only because of the number of visitors to Amelia Island and the money they spend, but also because Nassau County's economy is not very diversified.

Figure 54 shows the LQs for various industries for the US, the state of Florida, and Nassau County. Nassau County's highest LQ is for Forestry and Logging (30.27), and Accommodations, fueled almost entirely by tourism to Amelia Island, is second at 6.34. That is, Nassau County's economy has 6.34 times the number of jobs in the Accommodations sector compared to typical counties in the US. Nassau County also has high employment LQs for Scenic & Sightseeing Transportation (3.09), Amusement, Gambling, and Recreation (2.30),



⁴² OPPAGA analysis of United States Bureau of Labor Statistics data.

Food & Beverage Stores (1.79), and Food Services and Drinking Places (1.58), all driven by tourism on Amelia Island.

Most sectors of Nassau County's economy have employment LQs less than 1.00. For example, the LQ for Professional & Technical Services is only 0.66, meaning Nassau County's economy is comparatively weak in this area. Nassau County's LQ for Telecommunications is 0.35, which again indicates a comparative weakness in this sector of Nassau County's economy. The LQ for Educational Services in Nassau County is 0.36, and it is 0.35 for Insurance Carriers. These and other low figures demonstrate that Nassau County's economy is not robustly diverse.

The bottom line for Nassau County's tourism employment LQ analysis is this: Comparatively speaking, nearly two times as much of the labor force in Nassau County is employed in tourism when compared to the labor force of the state of Florida, and over two times as much of the labor force in Nassau County is employed in tourism when compared to the entire US labor force.⁴³

Wage LQs

Wage LQs indicate the extent to which a geographic area is dependent on wages for a specific industry sector. While Nassau County's tourism employment LQ is 2.15 (indicating that the county has 2.15 times as many tourism jobs as a typical county), the wages LQ for tourism in Nassau County is 3.17, indicating that Nassau County has 3.17 times as much tourism wages than the typical county in the US. That is, while Nassau County is two times more dependent on tourism jobs than the typical US county, it is more than three times as dependent on wages from tourism.



North American Industry Classification System (NAICS)

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

NAICS is a 2- through 6-digit hierarchical classification system, offering five levels of detail. Each digit in the code is part of a series of progressively narrower categories, and the more digits in the code signify greater classification detail. The first two digits designate the economic sector, the third digit designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry, and the sixth digit designates the national industry.

⁴³ US Department of Labor, US Bureau of Labor Statistics.

The 5-digit NAICS code is the level at which there is comparability in code and definitions for most of the NAICS sectors across the three countries participating in NAICS (the United States, Canada, and Mexico). The 6-digit level allows for the United States, Canada, and Mexico each to have country-specific detail. The following table shows critical NAICS codes for Nassau County and the corresponding LQ.

FIGURE 54: NUMBER OF JOBS BY NAICS CODE

NAICS	Industry	United States ⁴⁴	Florida	Nassau County
11	Natural Resources/ Mining	2,000,781	79,202	449
21	Mining, quarrying, and oil and gas extraction	751,865	4,176	-
22	Utilities	553,601	28,924	87
23	Construction	6,420,928	478,222	981
31-33	Manufacturing	12,290,293	355,455	1,210
41	Trade	26,666,131	1,764,065	3,902
42	Wholesale Trade	5,875,265	339,138	496
44-45	Retail Trade	15,639,034	1,764,065	3,061
51	Information	2,753,844	339,138	194
53	Real estate and rental and leasing	2,091,547	182,798	283
54	Professional and technical services	8,618,042	531,840	664
55	Management of companies and enterprise	2,197,747	100,353	20
56	Administrative and waste services	8,784,770	656,120	1,662
61	Educational services	2,709,185	589,636	142
62	Health care and social assistance	18,369,442	1,159,064	2,176
71	Arts, entertainment, and recreation	2,159,818	231,304	570
72	Accommodation and food services	12,934,553	958,903	4,433
721	Accommodation	1,916,325	190,514	1,830
722	Food services and drinking places	11,018,228	768,389	2,531
81	Other services	4,306,413		822



 $^{^{\}rm 44}~$ 2014 data for the US; 2017 data for Florida and Nassau County.

FIGURE 55:
PERCENTAGE OF JOBS BY NAICS CODE

NAICS	Industry	United States	Florida	Nassau County
11	Natural Resources/ Mining	1.69%	1.15%	2.10%
21	Mining, quarrying, and oil and gas extraction	0.64%	0.06%	0%
22	Utilities	0.47%	0.32%	0.51%
23	Construction	5.43%	6.16%	5.24%
31-33	Manufacturing	10.39%	4.89%	7.50%
41	Trade	22.54%	23.93%	23.28%
42	Wholesale Trade	4.97%	4.78%	2.61%
44-45	Retail Trade	13.22%	15.44%	17.47%
51	Information	2.33%	1.94%	0.93%
53	Real estate and rental and leasing	1.77%	2.54%	1.58%
54	Professional and technical services	7.28%	7.24%	4.79%
55	Management of companies and enterprise	1.86%	1.38%	0.12%
56	Administrative and waste services	7.43%	8.83%	7.06%
61	Educational services	2.29%	2.08%	0.83%
62	Health care and social assistance	15.53%	14.83%	12.46%
71	Arts, entertainment, and recreation	1.83%	3.08%	3.21%
72	Accommodation and food services	10.93%	13.08%	25.01%
721	Accommodation	1.62%	2.55%	10.27%
722	Food services and drinking places	9.31%	10.52%	14.74%
81	Other services	3.64%	3.74%	3.97%

Source: US Department of Labor, US Bureau of Labor Statistics.

There is no NAICS code for tourism, yet Accommodation and Food Service (NAICS 72), Retail Trade (NAICS 44 & 45), Construction (NAICS 73), Real Estate and Rental and Leasing (NAICS 53), Professional and Technical Services (NAICS 54) and Arts, Entertainment & Recreation (NAICS 71) all are part of tourism. Together, these NAICS codes account for nearly 62% of jobs in Nassau County. It would not be appropriate to allocate all of these jobs to tourism, yet as other metrics in this report attest, a significant percentage of these NAICS codes are attributable to tourism.



FIGURE 56: WAGE & EMPLOYMENT LOCATION QUOTIENTS FOR LEISURE & HOSPITALITY BY FLORIDA COUNTY

County	Employment Location Quotient Relative to U.S.	Total Wage Location Quotient Relative to U.S.	County	Employment Location Quotient Relative to U.S.	Total Wage Location Quotient Relative to U.S.
Alachua	1.07 ⁴⁵	1.05 ⁴⁶	Lake	1.27	1.43
Baker	0.65	0.71	Lee	1.47	1.9
Bay	1.62	2.01	Leon	1.12	0.93
Bradford	1.13	1.13	Levy	0.91	1.19
Brevard	1.19	1.13	Liberty	0.3	0.33
Broward	1.08	1.22	Madison	0.69	0.75
Calhoun	0.66	0.71	Manatee	1.45	2.05
Charlotte	1.42	1.68	Marion	1.14	1.31
Citrus	1.27	1.44	Martin	1.38	1.77
Clay	1.38	1.68	Miami-Dade	1.15	1.62
Collier	1.77	2.72	Monroe	3.35	6.28
Columbia	1.05	1.12	Nassau	2.15	3.17
DeSoto	0.74	0.85	Okaloosa	1.62	1.71
Dixie	0.6	0.56	Okeechobee	1.11	1.33
Duval	1.03	1.09	Orange	2.26	3.33
Escambia	1.19	1.21	Osceola	1.89	2.79
Flagler	1.62	2.13	Palm Beach	1.32	1.55
Franklin	1.92	3.49	Pasco	1.17	1.28
Gadsden	0.5	0.56	Pinellas	1.2	1.46
Gilchrist	0.54	0.85	Polk	1	1.06
Glades	0.37	0.49	Putnam	0.91	0.89
Gulf	1.09	1.38	St. Johns	1.86	2.28
Hamilton	0.4	0.39	St. Lucie	1.07	1.3
Hardee	0.72	0.72	Santa Rosa	1.41	1.45
Hendry	0.75	0.78	Sarasota	1.31	1.63
Hernando	1.24	1.36	Seminole	0.98	0.98
Highlands	1.03	1.2	Sumter	1.38	1.67
Hillsborough	1	1.14	Suwannee	0.7	0.8
Holmes	0.83	0.92	Taylor	0.73	0.68
Indian River	1.4	1.89	Union	0.16	0.15
Jackson	0.81	0.79	Volusia	1.45	1.76
Jefferson	0.65	0.71	Wakulla	1.19	1.21
Lafayette	0.34	0.32	Walton	2.38	4.13
Lake	1.27	1.43	Washington	1	1.21

Source: US Department of Labor, US Bureau of Labor Statistics

 $^{^{\}rm 45}\,$ Nassau County has 1.07 times as many tourism related jobs as the typical county in the US.

 $^{^{46}}$ Nassau County has 1.05 times as much wages related to tourism as the typical county in the US.

Industry Location Quotients Greater than 1.0.

The following table features LQs greater than 1.00 for Nassau County. Many of the LQs greater than 1.00 relate directly to visitors to Nassau County. Visitors to Amelia Island account for 35.5% of all spending in Nassau County. Many of the industry categories in the table below directly or indirectly involve serving visitors to Amelia Island or providing the infrastructure for serving visitors.

FIGURE 57: LOCATION QUOTIENTS GREATER THAN 1 IN NASSAU COUNTY

NAICS 113 Forestry and logging NAICS 721 Accommodation NAICS 321 Wood product manufacturing NAICS 562 Waste management and remediation services NAICS 487 Scenic and sightseeing transportation NAICS 713 Amusements, gambling, and recreation NAICS 72 Accommodation and food services NAICS 444 Building material and garden supply stores NAICS 445 Food and beverage stores NAICS 71 Arts, entertainment, and recreation 1.76
NAICS 321 Wood product manufacturing NAICS 562 Waste management and remediation services NAICS 487 Scenic and sightseeing transportation NAICS 713 Amusements, gambling, and recreation NAICS 72 Accommodation and food services NAICS 444 Building material and garden supply stores NAICS 445 Food and beverage stores 3.90 NAICS 713 Amusement and remediation services 2.30 NAICS 72 Accommodation and food services 1.90 NAICS 445 Food and beverage stores
NAICS 562 Waste management and remediation services NAICS 487 Scenic and sightseeing transportation NAICS 713 Amusements, gambling, and recreation NAICS 72 Accommodation and food services NAICS 444 Building material and garden supply stores NAICS 445 Food and beverage stores 3.46 2.30 1.90 1.79
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NAICS 72 Accommodation and food services NAICS 444 Building material and garden supply stores NAICS 445 Food and beverage stores 1.79
NAICS 444 Building material and garden supply stores 1.90 NAICS 445 Food and beverage stores 1.79
NAICS 445 Food and beverage stores 1.79
·
NAICS 71 Arts entertainment and recreation
NAICS / LAITS, entertainment, and recreation
NAICS 112 Animal production and aquaculture 1.60
NAICS 452 General merchandise stores 1.60
NAICS 722 Food services and drinking places 1.58
NAICS 488 Support activities for transportation 1.57
NAICS 811 Repair and maintenance 1.55
NAICS 453 Miscellaneous store retailers
NAICS 44-45 Retail trade
NAICS 484 Truck transportation 1.29
NAICS 236 Construction of buildings
NAICS 22 Utilities 1.09
NAICS 81 Other services, except public administration 1.09
NAICS 221 Utilities 1.09
NAICS 813 Membership associations and organizations 1.04
NAICS 446 Health and personal care stores 1.00

 $^{^{\}rm 47}$ Nassau County has 30.27 times Forestry & Logging jobs as the typical county in the US.

FIGURE 58: NAICS CODES : U.S., FLORIDA, & NASSAU COUNTY

Industry	U.S.	Florida	Nassau County	Industry	U.S.	Florida	Nassau County
NAICS 113 Forestry and logging	1.0	0.70	30.27	NAICS 493 Warehousing and storage	1.0	0.67	0.10
NAICS 721 Accommodation	1.0	1.58	6.34	NAICS 551 Management of companies and enterprises	1.0	0.74	0.07
NAICS 321 Wood product manufacturing	1.0	0.56	3.90	NAICS 512 Motion picture and sound recording industries	1.0	0.59	0.07
NAICS 562 Waste management and remediation services	1.0	0.90	3.46	NAICS 111 Crop production	1.0	1.47	ND¹
NAICS 487 Scenic and sightseeing transportation	1.0	1.45	3.09	NAICS 114 Fishing, hunting and trapping	1.0	0.89	ND
NAICS 713 Amusements, gambling, and recreation	1.0	1.85	2.30	NAICS 314 Textile product mills	1.0	0.59	ND
NAICS 444 Building material and garden supply stores	1.0	1.10	1.90	NAICS 322 Paper manufacturing	1.0	0.41	ND
NAICS 445 Food and beverage stores	1.0	1.20	1.79	NAICS 311 Food manufacturing	1.0	0.34	ND
NAICS 112 Animal production and aquaculture	1.0	0.41	1.60	NAICS 443 Electronics and appliance stores	1.0	1.38	ND
NAICS 452 General merchandise stores	1.0	1.11	1.60	NAICS 327 Nonmetallic mineral product manufacturing	1.0	0.84	ND
NAICS 722 Food services and drinking places	1.0	1.13	1.58	NAICS 333 Machinery manufacturing	1.0	0.40	ND
NAICS 488 Support activities for transportation	1.0	1.44	1.57	NAICS 334 Computer and electronic product manufacturing	1.0	0.66	ND
NAICS 811 Repair and maintenance	1.0	1.07	1.55	NAICS 335 Electrical equipment and appliance mfg.	1.0	0.42	ND
NAICS 453 Miscellaneous store retailers	1.0	1.13	1.53	NAICS 336 Transportation equipment manufacturing	1.0	0.41	ND
NAICS 484 Truck transportation	1.0	0.59	1.29	NAICS 533 Lessors of nonfinancial intangible assets	1.0	1.41	ND
NAICS 236 Construction of buildings	1.0	1.05	1.10	NAICS 622 Hospitals	1.0	0.98	ND
NAICS 221 Utilities	1.0	0.68	1.09	NAICS 624 Social assistance	1.0	0.59	ND
NAICS 813 Membership associations and organizations	1.0	0.90	1.04	NAICS 447 Gasoline stations	1.0	0.81	ND
NAICS 446 Health and personal care stores	1.0	1.30	1.00	NAICS 485 Transit and ground passenger transportation	1.0	0.57	ND
NAICS 238 Specialty trade contractors	1.0	1.20	0.94	NAICS 492 Couriers and messengers	1.0	0.89	ND
NAICS 531 Real estate	1.0	1.51	0.94	NAICS 518 Data processing, hosting and related services	1.0	1.00	ND
NAICS 621 Ambulatory health care services	1.0	1.12	0.93	NAICS 519 Other information services	1.0	0.44	ND
NAICS 448 Clothing and clothing accessories stores	1.0	1.41	0.90	NAICS 532 Rental and leasing services	1.0	1.24	ND
NAICS 623 Nursing and residential care facilities	1.0	0.95	0.89	NAICS 711 Performing arts and spectator sports	1.0	1.43	ND
NAICS 237 Heavy and civil engineering construction	1.0	0.97	0.88	NAICS 712 Museums, historical sites, zoos, and parks	1.0	0.84	ND
NAICS 441 Motor vehicle and parts dealers	1.0	1.19	0.88	NAICS 211 Oil and gas extraction	1.0	0.01	NC ²
NAICS 561 Administrative and support services	1.0	1.19	0.83	NAICS 211 Oit and gas extraction NAICS 212 Mining, except oil and gas	1.0	0.01	NC
NAICS 812 Personal and laundry services	1.0	1.14	0.82	NAICS 213 Support activities for mining	1.0	0.29	NC
NAICS 423 Merchant wholesalers, durable goods	1.0	0.97	0.68	NAICS 312 Beverage and tobacco product manufacturing	1.0	0.70	NC
NAICS 451 Sports, hobby, music instrument, book	1.0	1.04	0.68	NAICS 312 Develope and tobacco product mandiacturing	1.0	0.70	NC
stores							
NAICS 541 Professional and technical services	1.0	0.99	0.66	NAICS 315 Apparel manufacturing	1.0	0.44	NC NC
NAICS 115 Agriculture and forestry support activities	1.0	0.85	0.65	NAICS 316 Leather and allied product manufacturing	1.0	0.64	
NAICS 814 Private households	1.0	0.87	0.65	NAICS 324 Petroleum and coal products manufacturing	1.0	0.39	NC
NAICS 339 Miscellaneous manufacturing	1.0	0.90	0.63	NAICS 325 Chemical manufacturing	1.0	0.40	NC
NAICS 442 Furniture and home furnishings stores	1.0	1.33	0.57	NAICS 326 Plastics and rubber products manufacturing	1.0	0.30	NC
NAICS 511 Publishing industries, except Internet	1.0	0.73	0.53	NAICS 331 Primary metal manufacturing	1.0	0.19	NC
NAICS 337 Furniture and related product manufacturing	1.0	0.56	0.50	NAICS 481 Air transportation	1.0	1.35	NC
NAICS 522 Credit intermediation and related activities	1.0	1.05	0.46	NAICS 482 Rail transportation	1.0	1.86	NC
NAICS 424 Merchant wholesalers, nondurable goods	1.0	1.03	0.44	NAICS 483 Water transportation	1.0	3.09	NC
NAICS 999 Unclassified	1.0	0.47	0.41	NAICS 486 Pipeline transportation	1.0	0.11	NC
NAICS 332 Fabricated metal product	1.0	0.42	0.38	NAICS 491 Postal service	1.0	0.91	NC
manufacturing			0	NAICC B I I' II-I I			NO
NAICS 611 Educational services	1.0	0.91	0.36	NAICS 515 Broadcasting, except Internet	1.0	0.94	NC
NAICS 517 Telecommunications	1.0	1.08	0.35	NAICS02 516 Internet publishing and broadcasting	NC	NC	NC
NAICS 524 Insurance carriers and related activities	1.0	1.12	0.35	NAICS 521 Monetary authorities - central bank	1.0	ND	NC
NAICS 523 Securities, commodity contracts, investments	1.0	0.83	0.25	NAICS 525 Funds, trusts, and other financial vehicles	1.0	ND	NC
NAICS 454 Nonstore retailers	1.0	1.04	0.22				
NAICS 425 Electronic markets and agents and brokers	1.0	0.80	0.21				
NAICS 323 Printing and related support activities	1.0	0.66	0.16				

Source: Bureau of Labor Statistics: Location Quotients calculated from Quarterly Census of Employment and Wages Data

¹ ND = not disclosable

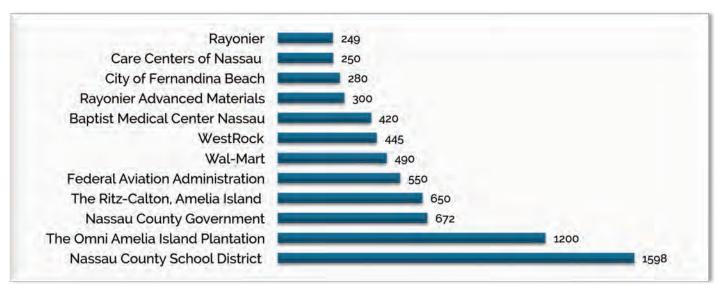
 $^{^{\,2}}$ $\,$ Not calculable, the data do not exist or are 0

Since visitors purchase 35.5% of goods and services in Nassau County, it is logical that the LQ for industries such as Accommodations; Scenic & Sightseeing Transportation; Amusements, Gambling, & Recreation; Arts, Entertainment & Recreation; General Store Merchandise; Retail Trade; Food & Beverage Stores; and Food Services & Drinking Places are greater than 1.00. Industries such as Wood Product Manufacturing; Building Material & Garden Supply; and Construction of Buildings have LQs greater than 1.00 in Nassau County because of the infrastructure needed to service visitors to Amelia Island.

Employers

Another view of tourism's impact on the jobs in Nassau County is to examine the major private sector employers. The major employers in Nassau County are shown below.

FIGURE 59: MAJOR EMPLOYERS IN NASSAU COUNTY



Sources: Nassau County Economic Development Board and Downs & St. Germain Research.

The Omni Amelia Island Plantation and The Ritz-Carlton, Amelia Island, are the two largest private sector employers. The impact of Amelia Island tourism on employment in Nassau County is much greater than the preceding table suggests. Since visitors to Amelia Island account for 35.5% of all spending in Nassau County, it is logical to assume that visitors account for high percentages of sales at Walmart, the third largest private sector employer in Nassau County.

The Omni Amelia Island Plantation and The Ritz-Carlton, Amelia Island, are the two largest private sector employers.

Tourist Development Taxes

In addition to state sales and use tax and discretionary sales surtax, Florida law allows counties to impose local option transient rental taxes on rentals or leases of accommodations in hotels, motels, apartments, rooming houses, mobile home parks, RV parks, condominiums, or timeshare resorts for a term of six months or less.

The revenues may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the approved uses vary according to the particular levy. Depending on a county's eligibility, the maximum tax rate varies from 3 to 6 percent. These local option taxes can be administered by the Department of Revenue or by one or more units of local government.

In Nassau County, the Tourist Development Tax (TDT) rate is 4% and applies to rentals of properties located south of the Intracoastal Waterway. The following table tracks the amount of money collected by hotels and other types of vacation rental properties by month since 2012.

FIGURE 60:

NASSAU COUNTY ROOM REVENUE COLLECTIONS

BY MONTH BY FISCAL YEAR

Month	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017	FY2018
October	\$5,873,108	\$5,993,912	\$7,475,837	\$8,825,683	\$9,071,000	\$8,004,857	\$10,033,381
November	\$4,083,078	\$4,252,420	\$6,034,530	\$6,296,108	\$7,228,216	\$7,920,339	\$7,804,652
December	\$3,224,742	\$3,048,178	\$4,166,409	\$5,161,284	\$6,394,566	\$6,228,205	\$6,726,088
January	\$2,732,955	\$3,744,771	\$5,565,369	\$6,116,785	\$6,789,618	\$7,028,403	\$7,507,735
February	\$4,600,703	\$5,098,560	\$6,515,370	\$8,198,689	\$8,508,848	\$9,634,435	
March	\$9,471,861	\$10,724,414	\$12,374,283	\$13,685,610	\$15,822,132	\$16,040,637	
April	\$8,896,159	\$10,388,492	\$12,550,221	\$13,547,538	\$13,706,887	\$15,611,677	
May	\$7,524,447	\$9,925,245	\$12,039,768	\$12,378,353	\$12,461,790	\$13,478,363	
June	\$9,654,444	\$11,911,552	\$12,963,890	\$14,913,734	\$15,209,784	\$15,698,386	
July	\$10,416,601	\$12,710,654	\$14,986,010	\$16,387,766	\$17,501,019	\$18,932,545	
August	\$6,309,424	\$8,908,306	\$9,814,050	\$10,972,556	\$10,522,989	\$10,027,764	
September	\$5,300,489	\$6,817,183	\$7,623,141	\$9,427,872	\$10,223,465	\$7,354,342	
Total	\$78,088,012	\$93,523,687	\$112,108,878	\$125,911,979	\$133,440,314	\$135,959,953	

In Fiscal Year 2017, the total hotel room revenues subjected to TDT tax collected exceeded \$135 million, nearly double the amount \$69 million collected in FY2010. There was some leveling off in growth in FY2017 due primarily to slow September revenue based in large part to Hurricane Irma.

FIGURE 61:

AMELIA ISLAND REVENUES BY PROPERTY TYPE

Туре	FY2015	FY2017	% Change
B&B	\$4,239,975	\$3,801,399	-10.3%
Condo	\$3,606,853	\$4,752,623	+31.8%
Hotel	\$59,515,146	\$63,483,163	+6.7%
Property Management	\$58,745,569	\$64,138,421	+9.2%
Single Family	\$1,953,758	\$1,746,653	-10.6%
Total	\$128,061,300	\$137,922,259	+7.7%

Hotels and property management companies represent the bulk of room revenues, and hence, tourist development tax (TDT) collections in Amelia Island. Together, they represent 95% of room revenues and TDT. Both categories had healthy increases from 2015 to 2017: Hotel room revenue increased 6.7%, while property management revenue increased 9.2%. Room revenues from B&Bs and single family rentals decreased from 2015 to 2017.

FIGURE 62:

AMELIA ISLAND BED TAX COLLECTIONS BY PROPERTY TYPE

Туре	FY2015	FY2017	% Change
B&B	\$169,599	\$152,056	-10.3%
Condo	\$144,274	\$190,105	+31.8%
Hotel	\$2,380,606	\$2,539,327	+6.7%
Property Management	\$2,349,823	\$2,565,537	+9.2%
Single Family	\$78,150	\$69,866	-10.6%
Total	\$5,122,452	\$5,516,890	+7.7%



FIGURE 63:
AMELIA ISLAND PROPERTY ROOM REVENUE GENERATED BY FISCAL YEAR

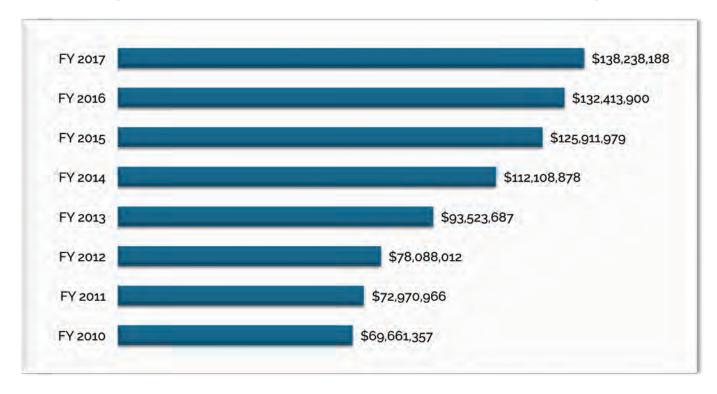
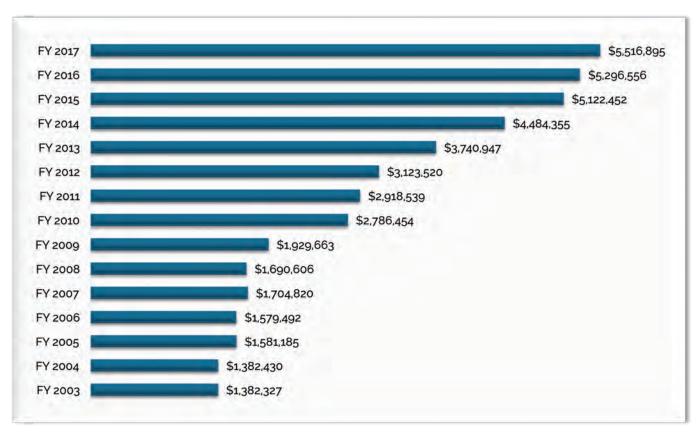


FIGURE 64:
AMELIA ISLAND TOURIST DEVELOPMENT TAX COLLECTIONS BY FISCAL YEAR





The Economic Argument for Visitors from Nassau County Government's Perspective

The intent of this study is not to make a case for or against tourism or for or against growth in tourism. The objective of the study is to simply document statistics about tourism's economic impact in Nassau County. This section of the report examines the economic impact that tourism has on Nassau County government revenues and costs.

Typically, in destinations with significant numbers of visitors, some local residents maintain that visitors create negative impacts on the local government budget. That is, they require law enforcement services, they use streets and roads, they require garbage and recycling services, they use public spaces, beaches, etc. There is no denying that growth in the number of visitors to Nassau County over the past two decades has enhanced the need for planned growth of infrastructure and county services.

Conversely, tourism certainly has its advocates who cite revenues that visitors provide directly to Nassau County government. For example, owners of buildings that are rented to visitors pay property taxes, visitors pay sales taxes on retail purchases, visitors pay a range of use taxes, and visitors pay all of the Tourist Development Tax. These local government revenues are used to provide services and build infrastructure for local residents as well as for visitors.

What has seldom been documented is the true "economic cost" of tourism to the Nassau County government vs. the economic benefit of tourism to the Nassau County government. This discussion is independent of other costs (wait times for restaurants, traffic, congestion, noise, etc., created by visitors) and other economic benefits (direct spending by visitors at restaurants, grocers, retail shops, etc., jobs created by these direct expenditures, and marketplace choices created for local residents, in large part, by visitors' demand) created by visitors. Since visitors to Amelia Island account for 35.5% of all spending in Nassau County, it is logical to attribute 35.5% of all revenue sources to Nassau County government, except property tax to visitors to Amelia Island. The following section illustrates how property tax revenues should be attributed to local residents vs. visitors to Amelia Island.

Property Tax Attributed to Tourism

In determining the amount of property tax that is attributable to visitors to Amelia Island, it is clear that the appraised value of hotels and motels on Amelia Island, plus the appraised value of restaurants and other commercial properties along Amelia Island that serve visitors should be included. In addition to these properties, there are over 1,000 condominiums, rental houses, B&Bs, etc. that house visitors.

Taking a ballpark estimate of \$210,000 for each of these properties results in \$210,000,000 additional property valuation directly attributable to visitors to Amelia Island. Plus, there is tangible personal property for the properties that house and feed visitors on Amelia Island. If we set a figure of \$35,000 in tangible property per 1,000 condominiums, rental houses, B&Bs, etc., that results in an additional \$35,000,000 in tangible personal property related to visitors to Amelia Island.

It is appropriate to attribute 38.2% of property tax paid in Nassau County to tourism.

FIGURE 65: **2017 PROPERTY APPRAISALS ATTRIBUTED TO TOURISM**

In addition, 35.5% of all spending and 38.2% of all jobs in Nassau County are attributable to visitors to Amelia Island. Spending by visitors drives the success of businesses throughout Nassau County as money is circulated. Likewise, the impact of wages directly associated with tourism contributes to the presence and success of most businesses in Nassau County, tourism related and otherwise. Hence, it is appropriate to attribute part of the valuation of other businesses and residences to tourism. We have taken a conservative approach and allocated 30% of other businesses' and residences' valuations to tourism. When this value is added to the value of businesses directly serving visitors, the total appraised value of properties directly and indirectly related to tourism is \$2,987,302,580, which is 38.2% of all appraised property value in 2017 in Nassau County (\$7,820,163,822). Hence, it is appropriate to attribute 38.2% of property tax paid in Nassau County to tourism.

Appraised Values	Explanation
\$645,057,678	Appraised value of commercial properties that serve visitors on Amelia Island
\$210,000,000	Estimate of appraised value of over 1,000 rental houses and condos used by visitors
\$35,000,000	Estimate of the tangible personal property of businesses that serve visitors
\$2,097,244,902	Estimate of the appraised value of businesses and residences indirectly impacted by tourism ⁴⁸
\$2,987,302,580	Estimate of the total appraised value of businesses and residences directly and indirectly impacted by tourism

Sources: Nassau County Property Appraiser and Downs & St. Germain Research.

Based on these calculations, \$2,987,302,580 of the total appraised value of all properties in Nassau County in 2017 is attributed to visitors to Amelia Island. That is, 38.2% of all appraised value, and therefore, all property tax paid in Nassau County, is attributable to visitors to Amelia Island.

⁴⁸ Since tourism accounts for 35.5% of all spending in Nassau County and since tourism-related jobs account for 37.3% of all jobs in Nassau County, the value of businesses that do not directly serve visitors and residences owned by individuals, two-fifths of whom work in tourism related jobs, it is appropriate to attribute a portion of the appraised value, and thus, property tax paid, for these structures to tourism.

Since 38.2% of all appraised property in Nassau County is used in some fashion to house, feed, clothe, entertain, etc., visitors, 38.2% of the ad valorem tax that Nassau County government receives emanates from visitors. As the table below shows, \$22.2 million of ad valorem taxes paid in Nassau County are attributable to visitors. Since 35.5% of all retail purchases in Nassau County are transacted by visitors, 35.5% of sales taxes and local option taxes, fuel taxes, etc., are attributable to visitors. As the table below shows, \$7.3 million in local sales and use taxes are attributable to visitors, and \$44.4 million in "other" revenue that went into Nassau County's coffers in 2017 is attributable to visitors.

FIGURE 66: **REVENUES TO NASSAU COUNTY GOVERNMENT FROM VISITORS**

Sources of Funds	Revenues Attributed to Visitors	Revenues Attributed to Locals	Total Revenues
Ad Valorem Tax	\$22,169,954	\$35,866,575	\$58,036,529
Sales & use taxes	\$7,308,520	\$13,278,859	\$20,587,379
Other local revenues ⁴⁹	\$44,354,119	\$80,587,061	\$124,941,180
Total sources of local revenue	\$73,832,593	\$129,732,495	\$203,565,088
% of sources of local revenue	36.3%	63.7%	100.0%

In sum, visitors to Amelia Island pay \$73.8 million of Nassau County government's \$203.6 million budget or 36.3%. Local residents, on the other hand, pay 63.7% or \$129.7 million.

Cost to Nassau County Government of servicing visitors – Use Factor Approach

In figuring the costs to Nassau County government of serving Amelia Island visitors, Downs & St. Germain Research's methodology is based on "use" days. One local resident uses services provided by Nassau County government 365 days a year. Therefore, one resident accounts for 365 "use" days of Nassau County government services.

Total "use" days of services provided to local residents by Nassau County government would be 365 days times the population of Nassau County (estimated to be 82,800) or 30,222,000 days that local residents of Nassau County use the infrastructure and services provided by Nassau County government.

We should factor in days that local residents might be on business or personal trips outside Nassau County, so we will multiply 30,222,000 times 95% (allowing for an average of 18 days outside Nassau County for the typical resident per year) resulting in 28,710,900 "use days," or days that local residents use the infrastructure and services provided by Nassau County government.

⁴⁹ Source: Nassau County Office of Management & Budget. Includes licenses & permits, intergovernmental revenues; charges for services; fines & forfeits; miscellaneous revenues; transfers in; and cash forward.

Likewise, the typical visitor who stays in paid accommodations stays in Amelia Island for 4.1 days, and the typical visitor who stays with friends and relatives in Nassau County stays for 4.7 days. Other visitors (day trippers) to Amelia Island do not stay in Nassau County, but consume Nassau County government services for the single day they stay.

There were 666,300 visitors who stayed in paid accommodations. Therefore, they accounted for the following number of "use days" of Nassau County government services:

666,300 X 4.1 days = 2,731,830 use days of Nassau County government infrastructure and services

There were 219,400 visitors to Amelia Island who stayed with friends and relatives for an average of 4.7 days.

Therefore, they accounted for the following number of "use days" of Nassau County government services:

219,400 X 4.7 days = 1,031,180 use days of Nassau County government infrastructure and services

There were 516,900 day trippers, so they accounted for 516,900 use days of Nassau County government infrastructure and services.

The total number of use days of Nassau County government infrastructure and services for visitors to Amelia Island is shown in the table below:

FIGURE 67: USE DAYS OF NASSAU COUNTY GOVERNMENT INFRASTRUCTURE AND SERVICES IN 2017

Types of visitors	Use days of Nassau County government infrastructure and services
Visitors who stay in paid accommodations	2,731,830
Visitors who stay with friends and relatives	1,031,180
Day trippers	516,900
Total use days by visitors to Amelia Island	4,279,910

FIGURE 68: % OF USE DAYS OF NASSAU COUNTY GOVERNMENT INFRASTRUCTURE AND SERVICES IN 2017

Users of Nassau County Infrastructure & Services	Use days of Nassau County government infrastructure & services	% of Use Days
Visitors to Amelia Island	4,279,910	13%
Local residents	28,710,900	87%
Total use days by visitors to Amelia Island	32,990,810	100%

Visitors to Amelia Island account for 13% of the "use" days for Nassau County government infrastructure and services and residents account for 87% of the "use" days, i.e., visitors to Amelia Island account for 13% of total costs of running Nassau County government and local residents account for 87% of these costs.

Since visitors to Amelia Island account for 13% of the costs of Nassau County government, the total cost of providing county government services and infrastructure to visitors to Amelia Island in 2017 was \$26,463,461. Conversely, the cost to Nassau County government in 2017 for providing services and infrastructure to the 82,800 local residents who spend most of their days in the county was \$177,101,627.

FIGURE 69: 2017 COST TO NASSAU COUNTY GOVERNMENT FOR SERVING VISITORS TO AMELIA ISLAND AND LOCAL RESIDENTS



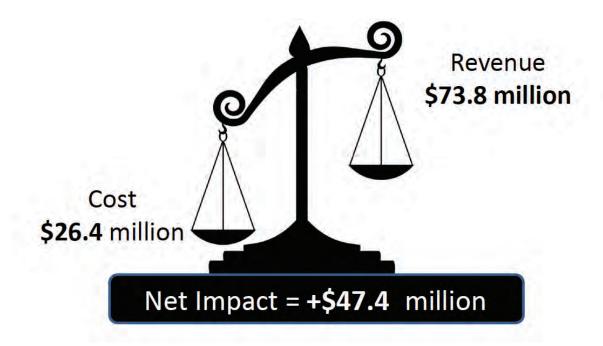
FIGURE 70:
USE DAYS OF NASSAU COUNTY GOVERNMENT
INFRASTRUCTURE & SERVICES



Costs of Serving Visitors vs. Revenue Visitors Generate

In Figure 66 on page 68 we determined that visitors generate \$73,832,593 in revenues for Nassau County government. In Figure 69 we show that the cost to Nassau County government for providing infrastructure and services to visitors is \$26,463,461.

FIGURE 71: COST VS. REVENUE IN 2017



Visitors to Amelia Island have a net positive impact of **\$47.4 million** on Nassau County government's budget.





Visitors save each Nassau County household about \$3,400 in local and state taxes and user fees.

Nassau County Government's Return on Investment from Tourism

Using Downs & St. Germain Research's Use Factor Approach, visitors generated \$73,832,593 for Nassau County government's budget in 2017, while costing county government \$26,463,461. Visitors contributed over \$47.4 million more to Nassau County's government than they cost local government.

To receive the same level of services without visitors to Amelia Island contributing to Nassau County government's coffers, each family in Nassau County would pay an additional tax of \$1,600 to county government per Nassau County government.

While visitors save Nassau County households \$1,600 in taxes to Nassau County government, when all local and state taxes and user fees are considered, visitors save each Nassau County household about \$3,400 in local and state taxes and user fees.

Number of Visitors to Florida and Amelia Island⁵⁰

Tourism is a huge industry in Florida, and the state exceeded 116 million visitors in 2017. There has been steady growth in the number of visitors since 2009 when 80.9 million visitors came to Florida. Tourism growth has averaged 3.6% each year since 2009, or about 5.5% growth per annum.

The number of visitors to Amelia Island has increased significantly over the past 17 years. The number of visitors has increased by 86% since 2000. The number of visitors to Amelia Island has increased 8.1% in each of the past two years.

There is a trend toward increased visitation in what were once low months. January and November, two notoriously slower visitor months have shown significant increases in hotel occupancy in the past decade.

FIGURE 72: NUMBER OF VISITORS TO AMELIA ISLAND

Visitors to Amelia Island	2000	2013	2015	2017
Staying in paid accommodations	359,121	519,400	618,200	666,300
Total visitors	755,400	1,092,500	1,297,900	1,402,900

During the first decade of the 21st century, Florida experienced uneven performance in attracting visitors with an increase of nearly 13 million visitors during the first half of the decade, but then losing 3 million of that growth as the great recession of 2008 and 2009 damaged Florida's tourism business. The BP Deep Horizon oil spill in 2010 created further havoc for Florida's tourism, yet visitor numbers have grown 33.8 million since 2000, or a total of 60%. Florida's tourism growth since 2000 (60%) has been slower than Amelia Island's tourism growth (86%).

Amelia Island has not traditionally tracked VFRs and day trippers. The number of VFRs and day trippers for Amelia Island were estimated based on modeling data from other destinations in Florida in which Downs & St. Germain Research conducts studies, plus factoring in activity by individuals who do not register to pay TDT, but rent their second and primary houses, condos, etc., via Airbnb, VRBO, and other online services. In 2017, it was estimated that VFRs totaled 219,400 and day trippers totaled 516,900.

⁵⁰ Sources: Amelia Island TDC and Downs & St. Germain Research.

FIGURE 73: NUMBER OF VISITORS TO FLORIDA

Year	Total Visitors (millions)	Annual Increases
1990	38.0	
1998	48.7	1.6%
1999	58.9	20.9%
2000	72.8	23.6%
2001	69.5	-4.5%
2002	73.9	6.3%
2003	74.6	1.0%
2004	79.7	6.8%
2005	85.5	7.3%
2007	84.5	-0.6%
2009	80.9	-2.1%
2010	82.3	1.7%
2011	87.3	6.1%
2012	91.5	4.8%
2013	94.1	2.8%
2014	98.8	5.0%
2015	106.6	8.2%
2016	112.4	5.4%
2017	116.5	3.4%

Source: VISIT FLORIDA

Seasonality of Visitors

FIGURE 74: VISITORS BY SEASON: FLORIDA VS. AMELIA ISLAND

Season ⁵¹	% of Visitors Florida 2016	2017% of TDT Amelia Island	2017 % of Visitors Amelia Island ⁵²
January – March	24%	21.8%	25.6%
April – June	29%	31.8%	27.5%
July – September	28%	28.6%	25.7%
October - December	17%	17.7%	21.2%

Amelia Islands visitor counts are fairly stable across quarters of the year, peaking in April to June at 27.5% of total annual visitors and ebbing in October to December at 21.2% of annual visitors.

 $^{^{\}rm 51}\,$ Sources: VISIT FLORIDA, Amelia Island TDC

⁵² Visitors staying in paid accommodations.

Florida's busiest season is January through March, during which 26.7% of the state's visitors come to enjoy the weather and attractions, while Amelia Island attracts 25.6% of its annual visitors during this season.

FIGURE 75: 2017 AMELIA ISLAND VISITORS WHO STAYED IN PAID ACCOMMODATIONS BY QUARTER





Characteristics of Amelia Island Visitors⁵³

Florida's visitors and visitors who stay in paid accommodations in Amelia Island both stay 4.1 nights on their vacations.

FIGURE 76: LENGTH OF STAY: FLORIDA VS. AMELIA ISLAND

Length of stay ⁵⁴	Florida 2016	Amelia Island 2017
Average number of nights	4.1 nights	4.1 nights ⁵⁵

Amelia Island visitors are much more likely to drive to their vacations than Florida visitors.

FIGURE 77: MODE OF TRANSPORTATION: FLORIDA VS. AMELIA ISLAND

Type of Transportation	Florida 2016	Amelia Island 2017
Air	43%	28%
Non-air	57%	72%

Visitors to Amelia Island are slightly older than typical visitors to Florida.

FIGURE 78: VISITORS' AGES: FLORIDA VS. AMELIA ISLAND

	Florida	Amelia Island 2017
Median Age of Visitors	48	50

Amelia Island hosts larger travel parties (3.0) compared to Florida (2.1).

FIGURE 79: TRAVEL PARTY SIZE: FLORIDA VS. AMELIA ISLAND

Travel Party Size	Number of People
Florida	2.1
Amelia Island 2017	3.0

 $^{^{\}rm 53}\,$ Sources: 2017 Amelia Island Calendar Year Report, 2014 VISIT FLORIDA Visitor Profile.

⁵⁵ Visitors staying in paid accommodations. VFRs stay 4.7 nights in Amelia Island.

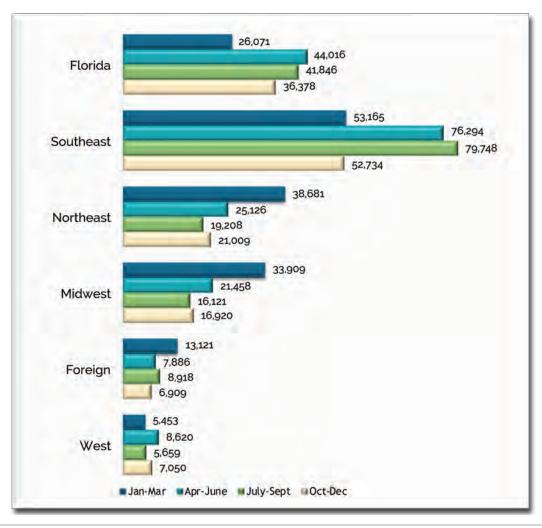
Nassau County visitors are wealthier than visitors to the sunshine state. The estimated median household incomes for visitors to Amelia Island who stay in paid accommodations and Florida are \$134,080 and \$110,600, respectively.

FIGURE 80: VISITORS' INCOME: FLORIDA VS. AMELIA ISLAND

	Florida 2017	Amelia Island 2017 ⁵⁶
Median Household Income of Visitors	\$110,600	\$134,080

Amelia Island's visitors emanate from southeastern states for the most part, while Florida visitors are much more dispersed throughout the United States and the world. For example, 41% of Amelia Island's visitors who stay in paid accommodations come from the southeast. Only 4% of Amelia Island visitors live outside the US, while 20% of Florida visitors emanate from international origins.

FIGURE 81:
2017 VISITORS' ORIGINS: AMELIA ISLAND
(VISITORS STAYING IN PAID ACCOMMODATIONS)



⁵⁶ Source for all Amelia Island data on this page is AITDC.

Although Florida has 35 counties with coastlines, all of which attract visitors to beaches and water related activities, Florida visitors are much less likely to go to the beach (41%) than Amelia Island visitors who stay in paid accommodations (79%). Likewise, Amelia Island visitors, who are more upscale socioeconomically speaking, are more likely to go to restaurants (83%) on vacations as compared to Florida visitors (32%).

FIGURE 82: VISITORS' ACTIVITIES: FLORIDA VS. AMELIA ISLAND

Primary Visitor Activities	Florida	Amelia Island
	2016	2017
Art galleries, museums, cultural events	6%	16%
Bars, nightclubs	15%	18%
Beach	41%	79%
Biking, running, etc.	6%	15%
Golf or tennis	6%	8%
Hiking, nature walks, bird watching, eco tours	7%	25%
Restaurants	32%	83%
Shopping, antiquing	30%	59%
State parks	11%	32%

Sources: AITDC and Visit Florida.



Population Growth: Florida & Nassau County

Florida's population has doubled since 1980 and surpassed 20 million in 2015, and approaching 21 million in 2017. While the rate of growth slowed between 2010 and 2015, it has regained strength and grown at nearly 3% per annum since 2015 adding nearly 300,000 in each of the last two years.

FIGURE 83: POPULATION GROWTH 1980 – 2020: FLORIDA & NASSAU COUNTY

Year	Florida	Nassau County
1830	34,730	1,511
1900	528,542	9,654
1950	2,771,305	12,811
1970	6,789,443	20,626
1980	9,746,961	32,894
1990	12,938,071	43,941
2000	15,982,824	57,663
2010	18,801,332	73,314
2017	20,984,400	82,800
2020 (est.)	21,744,098	84,492

Source :US Census.

Nassau County's population grew slowly until the 1970s, but then more than doubled from 1970 to 1990. Nassau County added over 13,000 residents in the 1990s and another 15,000+ residents in the 2000s. Population growth from 2010 to 2015 slowed, but picked up steam again in the past two years adding over 3,000 residents per year. Nassau County's population is expected to grow faster not quite as fast as Florida's population through the year 2020.

FIGURE 84: FLORIDA POPULATION GROWTH (1830-2020)

Year	Population	Annual Growth
1830	34.730	
1900	528,542	7,054
1950	2,771,305	44,855
1970	6,789,443	200,906
2000	15,982,824	306,446
2010	18,801,332	281,850
2017	20,984,400	311,866
2020 (est.)	21,744,098	253,233

Source :US Census.

FIGURE 85: NASSAU COUNTY POPULATION GROWTH (2000-2020)

Year	Population	Years	Change	Annual Growth Rate
2000	57,663			
2010	73,314	2000-2010	15,651	27.1%
2015	76,536	2010-2015	3,222	4.4%
2017	82,800	2010-2017	9,486	12.9%
2020 (est.)	84,492	2015-2020	7,956	10.4%

Source : US Census.

Information in the following two tables shows population and economic figures for Nassau County vis-àvis neighboring counties. Duval has grown by nearly 40,000 residents in the past 4 decades as the county has diversified its economy. Clay and St. Johns counties have grown tremendously since 1980, fueled by their proximity to Duval County and development of bedroom communities and satellite businesses to Jacksonville. Compared to Duval, Clay, and St. Johns counties, Nassau's population growth over the past few decades have been less dramatic, which reinforces the fact that tourism has been, and will continue to be, a critical driver of the economy. Nassau County added about 50,000 residents during this forty year stretch.

FIGURE 86: NASSAU COUNTY POPULATION GROWTH (2000-2020)

Population Growth of Selected Northeast Florida Counties: 1980 - 2020							
Year	Nassau	Duval	Baker	Clay	St. Johns	Putnam	Bradford
1980	32,894	571,003	15,289	67,052	51,303	50,459	20,023
1990	43,941	672,971	18,486	105,986	83,829	65,070	22,515
2000	57,663	778,879	22,259	140,814	123,135	70,423	26,088
2010	73,314	864,263	27,115	190,865	190,039	74,364	28,520
2015	76,536	905,574	27,017	201,277	213,566	72,756	27,310
2017	82,800	937,934	28,283	212,230	243,812	73,464	27,038
2020 (est.)	84,492	959,630	29,046	224,885	253,643	73,242	27,998

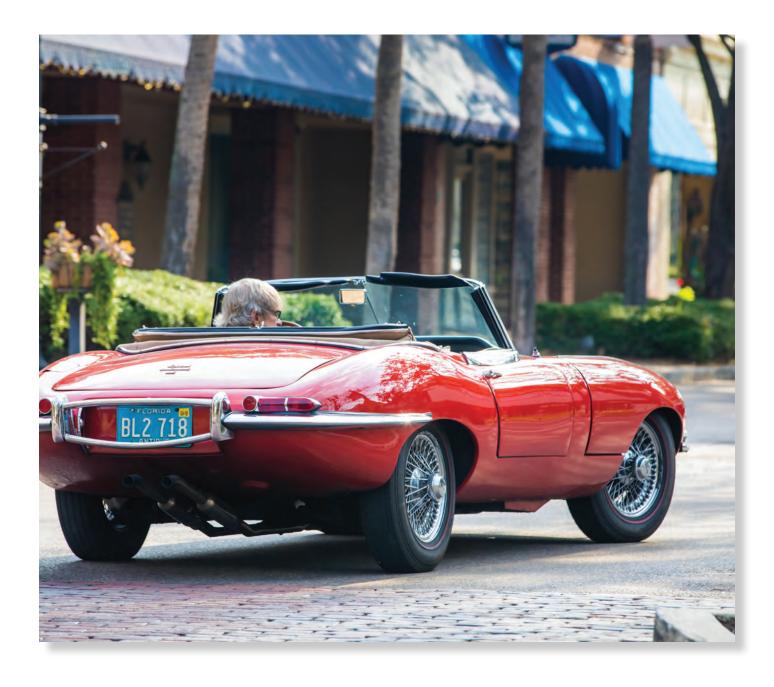
Source : US Census.

Driven by tourism, Nassau County's household income, poverty level, and median house value compare favorably to its neighboring counties. St. Johns County leads the way in terms of household income with a median value of \$69,523, while Nassau (\$59,196) and Clay (\$59,179) are second and third, respectively, in northeast Florida. These same three counties have the lowest percentage of their residents below the poverty line as Nassau County is at 10.3% on this metric. Finally, Nassau County's median house value is \$192,600, which trails only St. Johns County (\$259,900) in northeast Florida.

FIGURE 87: **ECONOMIC METRICS FOR NORTHEAST COUNTIES**

Household Financial Metrics of Selected Northeast Florida Counties							
2017	Nassau	Duval	Baker	Clay	St. Johns	Putnam	Bradford
Median HH Income	\$59,196	\$49,196	\$53,327	\$59,179	\$69,523	\$33,003	\$40,481
% Below Poverty Level	10.3%	14.5%	17.2%	9.6%	7.7%	21.5%	22.6%
Median House Value	\$192,600	\$146,400	\$108,600	\$157,600	\$259,900	\$84,100	\$92,000

Source: US Census.



Amelia Island Property Data

The profile of the housing inventory for visitors impacts both the occupancy rate and average daily rate in Nassau County. While half of the housing inventory for visitors in Florida is comprised of hotel rooms, a significant percentage of "rooms" for visitors are in friends' and relatives' houses.

Nearly 1,200 units on Amelia Island are contained within upscale resorts, and more than 700 units are located within mid-level hotels.

Condominiums, bed and breakfasts, and campgrounds comprise the remainder of the housing units for visitors. Figure 88 shows the complete housing inventory available for visitors to Amelia Island.

There are 3,633 housing units available for visitors to Amelia Island ranging from upscale hotels and resorts such as The Ritz-Carlton, Amelia Island, to mid-level hotels such as the Breakwater Hotel to condominiums to bed and breakfast facilities.



FIGURE 88: HOUSING UNIT COUNTS IN AMELIA ISLAND

Due in a why A Name	Link	T		
Property Name	Unit	Туре		
	Count			
Amelia Hotel at the Beach	89	Hotel		
Beachside Motel	20	Hotel		
Comfort Suites	50	Hotel		
Breakwater Hotel	134	Hotel		
Elizabeth Point Lodge	25	B&B		
Hampton Inn & Suites	122	Hotel		
Residence Inn	133	Hotel		
Seaside Amelia Inn	47	Hotel		
The Surf	7	Hotel		
Total Hotel	708			
Addison on Amelia	14	B&B		
Blue Heron Inn	6	B&B		
Fairbanks House	12	B&B		
Florida House	17	B&B		
Hoyt House	10	B&B		
Williams House	11	B&B		
Total B&B	70			
Omni AIP	404	Resort		
The Ritz-Carlton, Amelial sla		Resort		
Villas of AIP	350	Resort		
Total Resort	1200			
Amelia By the Sea	35	VRBO		
Al Resort Rentals	75	VRBO		
Al Vacation	18	VRBO		
Amelia Rentals & Summer	250	VRBO		
Beach	-30	25		
Amelia South Condo	35	VRBO		
Amelia Surf & Racquet	42	VRBO		
Amelia Vacations	173	VRBO		
Atlantis on Amelia	14	VRBO		
Ketch Courtyard	24	VRBO		
Oceans of Amelia	21	VRBO		
Pelican Condominium	27	VRBO		
Sand Dollar	42	VRBO		
Total VRBO	756			
Ft. Clinch Campground	69	Camping		
Miscellaneous	900	- carripinig		
Grand Total	3,633			
GIGIN I VIAL	21.022			

Source: AITDC

Occupancy rates are highest for hotel rooms (77.8%) and lowest for B&Bs (43.0%).

FIGURE 89: 2017 OCCUPANCY RATE, ADR & REVPAR BY PROPERTY TYPE

Property Type	Occupancy Rate	ADR	RevPar
B&B	43.0%	\$256.25	\$109.93
Hotel	77.8%	\$202.99	\$157.87
Property management	55.3%	\$204.19	\$112.83
Single family	44.4%	\$197.88	\$87.87
Condo	48.1%	\$170.41	\$81.93
Total	62.3%	\$204.27	\$127.35

Vacancy Rates, Average Daily Rates, & RevPAR

While Amelia Island experienced a record number of visitors who stayed in paid accommodations in 2017, there is considerably more room capacity than demand seasonally. July (83.7%) and March (80.7%) occupancy rates are higher than rates for other months, while demand bottoms out during September (45.7%) and December (41.0%) when occupancy levels fall into the 40 percent range.

Occupancy in spring months is very good averaging 70.2% for the quarter. The fourth quarter has the lowest average occupancy rate, by far (49.8%).

Average daily rates vary from lows of \$178.94 in the fourth quarter to a high of \$233.67 in the second quarter.

RevPAR⁵⁷ peaks in the second quarter at around \$164; conversely, RevPar in the fourth quarter falls below \$90.

FIGURE 90: AMELIA ISLAND QUARTERLY OCCUPANCY, DAILY RATE, & REVPAR 2017

	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR	2017
Occupancy rate	68.8%	70.2%	60.9%	49.8%	62.3%
Average daily rate	\$180.35	\$233.67	\$217.27	\$178.94	\$204.27
RevPAR	\$124.12	\$163.93	\$132.24	\$89.17	\$127.35

Sources: AITDC

⁵⁷ RevPAR is revenue per available room.

Appendix A - Research Methodology

Two critical issues are addressed in this report:

- 1. The impact that visitors to Amelia Island have on the economy of Nassau County, and
- 2. The impact that visitors to Amelia Island have on the budget of Nassau County government, that is, county government revenues generated by visitors and costs incurred by county government because of visitors to Amelia Island.

Downs & St. Germain Research "Comparative Spending" Approach

Downs & St. Germain Research developed a process for documenting jobs created and sales impacted by visitors that examines expenditures by visitors in comparison to expenditures by local residents. Downs & St. Germain utilized this approach first in a study for Visit South Walton, and documented this approach in a presentation at the Florida Association of Destination Marketing Organizations Marketing Summit in May 2016.

AITDC has been tracking spending by visitors to Amelia Island for years, so these data are available. Throughout this report, Downs & St. Germain Research used the comparative spending levels of visitors and local residents to determine the impact of tourism on Nassau County's economy.

Downs & St. Germain Research "Use Factor" Approach

Traditional approaches to determining the impact of visitors on local governments' budgets involve allocating an arbitrary percentage of expense categories that seemingly relate to tourism such as parks and recreation, public safety, emergency services, and road maintenance.

Downs & St. Germain Research's approach for documenting the cost to local governments for servicing local residents and visitors is called the "Use Factor" Approach. Downs & St. Germain Research's method for allocating costs of local government to visitors and local residents is based on the comparative use of local government services by each group.

Working with the total number of days that local residents and visitors use local government infrastructure and services, the "Use Factor" approach is a data-driven approach for allocating cost of local governments to local residents and to visitors to the community. We know how many residents live in Nassau County, and therefore, we can calculate how many days they use Nassau County government's infrastructure and services. We also know, based on data collected from AITDC on visitors who stay in paid accommodations, and from normative data of VFRs and day trippers based on Downs & St. Germain Research's studies across many destinations in Florida, how many days visitors spend in Nassau County during which they use Nassau County government's infrastructure and services.

Summary

Throughout this report, the Comparative Spending Approach and the Use Factor Approach drive analyses and conclusions. Additionally, the impact of spending by all visitors to Amelia Island drives analyses and conclusions throughout the report. Traditionally, AITDC's analyses of visitors has focused on visitors who stay in paid accommodations. This report not only includes this very important visitor segment, but also examines the impact of visitors who stay with friends and relatives (VFRs) and visitors who come to enjoy Amelia Island's attractions just for the day and return to their homes outside Nassau County (day trippers).

Traditional Approach to Documenting the Impact of Visitors

Most previous studies for documenting the impact of tourism on a local economy have focused on examining selected Kind Codes⁵⁸ or NAICS⁵⁹ and allocating all revenue in these selected industries to tourism.

For example, to determine the impact that Amelia Island visitors have on Nassau County's economy, Amelia Island Tourist Development Council (AITDC) has tracked "common" tourism NAICS and Kind Codes such as "Restaurants, Lunchrooms, Catering Services," or 'Drinking Places," or "Gifts, Cards, Novelty, Hobby, Crafts & Toy Stores". These Kind Codes are displayed in Figure 91 on the next page. As shown on the next page, the percentage of taxable sales in Nassau County in 2017 attributed to these Kind Codes was 38.8%.



⁵⁸ The Florida Department of Revenue uses Kind Codes as business categories for specifying sales tax data. For example, Kind Code 39 includes Hotel & Motel Accommodations; Kind Code 8 includes restaurants.

⁵⁹ NAICS stands for the North American Industry Classification System, which is the standard used by federal statistical agencies, including the U.S. Census Bureau, classify businesses. For example, NAICS 721 is Accommodations; NAICS 722 is Food Services & Drinking Places.

FIGURE 91:

TRADITIONAL APPROACH FOR DETERMINING TOURISM'S IMPACT ON SALES TAXES SALES TAX COLLECTIONS TRADITIONALLY ASSOCIATED WITH TOURISM: NASSAU COUNTY 2017

Kind Code	FY Total
Restaurants, Lunchrooms, Catering Services	\$8,990,422
Drinking Places (Alcoholic beverages served on premises)	\$462,715
Hotel/Motel Accommodations, Rooming Houses, Camps & Other	\$14,892,210
Camera & Photographic Supply Stores	\$43,321
Gifts, Cards, Novelty, Hobby, Crafts & Toy Stores	\$351,077
Admissions, Amusement & Recreation Services	\$1,755,095
Rental of Tangible Personal Property	\$294,792
Privately Owned Parking Lots, Boat Docks & Aircraft Hangars	\$ 0
Total Local Tourism Sales Taxes Collected	\$22,487,547
Percentage Growth of Tourism Sales	7.3%
Total of All Kind Codes	\$72,172,011
Percentage of Sales Tax Attributable to Tourism	38.8%

Sources: Florida Department of Revenue & Amelia Island Convention & Visitors Bureau (AICVB)

Traditionally, this type of calculation has been used to indicate the impact of tourism in a local economy. Florida TaxWatch used a similar approach in developing a ratio that VISIT FLORIDA and Governor Scott have used to indicate the number of jobs created in Florida from tourism. All individuals in Florida tourism are familiar with the maxim that resulted from Florida TaxWatch's studies: "85 visitors to Florida create 1 job."

However, in creating the 85 visitors-to-1 job ratio, Florida TaxWatch attributed all spending in Food Service to tourists. While it is true that visitors eat in restaurants twice as frequently as local residents, it is also true that local residents eat meals in restaurants, drink alcohol in bars, and purchase gifts, cards, hobbies, etc., in local stores. In other words, allocating all spending in these Kind Codes to visitors is not a fair way to measure the impact of tourism on Nassau County's economy, and it is not a fair approach for estimating the impact of tourism on Florida's economy, which is heavily dependent on tourism.

Conversely, traditional approaches for documenting the impact of tourism on a local economy leave out the impact of tourism on other Kind Codes (or industries). Attractions, event venues, hotels, vacation rental condos and houses, gift stores, restaurants, etc., that serve visitors must be designed (architects), engineered (engineers), developed (developers), and constructed (contractors), and perhaps, lobbied for during the development process (lobbyists). Planning departments, property appraisers, tax collectors, attorneys, etc., in local governments get involved in this process as well. Employees of all of these establishments and organizations owe their jobs, in part, to tourism in the local economy.

Recent presentations at the 2016 Florida Governors Conference and at the Florida Association of Destination Marketing Organizations Annual Meeting⁶⁰ demonstrate that Finance, Insurance and Real Estate, typically not included in calculations of tourism's impact on local economies, does, in fact, have a tourism-related impact. For example, land for a tourism attraction needs to be purchased (real estate), must be financed, and must be insured. The same is true for hotels, rental condos, gift stores, etc., that sell part of their merchandise to tourists; food stores that sell part of their merchandise to tourists; restaurants that sell part of their meals to tourists, etc.

So, traditional approaches for documenting the impact of tourism on local economies, whether they are used for counting jobs created or for assessing the percentage of total taxable sales attributable to tourism, have overstated the impact of visitors in certain sectors of the economy, while ignoring the impact of tourism in other sectors. That is why Downs & St. Germain Research developed the "Use Factor Approach" and the "Comparative Spending Approach" for documenting the impact of tourism on local economies.



⁶⁰ Presentations based on data from Tourism Economics.

Appendix B - Downs & St. Germain Research Information

Downs & St. Germain Research is a full service market research firm that conducts all research activities in-house. Founded in 1983, we are unique in that our senior staff (Phillip Downs, Joseph St. Germain and Roger Formisano) all have Ph.D.s. We combine academic training and rigor with real world "street smarts" gained in the course of conducting over 1,000 research studies for Fortune 500 firms (e.g., BellSouth, Boeing, Delta Air Lines, FedEx), governments (FEMA, US Army Corps of Engineers, New York City, several departments of state governments) and associations (e.g., Academy of General Dentistry, the American Bar Association, and the American Society of Association Executives).

Downs & St. Germain Research has extensive experience in tourism having conducted its first study in 1991 with Christopher Thompson, then Executive Director of Leon County TDC and now President & CEO of Brand USA. A listing of our tourism clients and the types of studies we conduct for them is shown below.

Selected tourism & hospitality clients

Amelia Island TDC
American Society of Travel Agents
British Virgin Islands
Charles Hotel (Boston)
Club Med
Colonial Williamsburg
Crystal Coast Tourism Authority
Delta Air Lines
Explore Ocala/Marion County
Grand Bahama Island
Grand Lucaya Golf & Beach Resort
Indian River Plantation

Interstate Hotels & Resorts

Kentucky Department of Tourism
Louisiana Office of Tourism
Marriott Hotels
Okaloosa Tourist Development
Council
Peter Islands
Roosevelt Hotel (New York)
South Seas Island Resort
Space Coast Office of Tourism
St. Lucie County TDC
St. Johns County TDC
The Boeing Company
The Don Cesar

The Zimmerman Agency United Airlines Vancouver Tourism Visit Central Florida Visit Delaware VISIT FLORIDA, Inc. Visit Pasco County Visit Sarasota County Visit South Walton Visit Tallahassee Visit Tampa Bay

Types of tourism and hospitality studies

Branding and positioning studies
Tracking studies
Visitor satisfaction studies
Conversion studies
Economic impact studies
Segmentation studies
Demand analyses
Creative and advertising asset testing
Industry Partner Research

Visitor Profile Survey Occupancy & ADR Survey Visitation Trend Analysis Industry Barometer Analysis Advertising Effectiveness Events Visitor Research Focus groups Local Residents Studies

