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The planned expansion of the Washington State Convention Center will mean more conventions for Seattle.

Tourists, their cash, pouring into Seattle

HOSPITALITY | Growing number of visitors from the U.S. and abroad are packing hotels, spending more and staying longer, new report says.

By **BLANCA TORRES**
Seattle Times business reporter

The region's thriving tourism industry — boasting close to \$10 billion in economic impact — is driving up hotel-room rates and fueling new construction in one of the nation's most robust hotel markets.

Visitors to Seattle and King County reached 38.1 million last year, a 2.6 percent increase from 2014, according to an annual report released Monday by Visit Seattle, a nonprofit agency that promotes tourism in the region.

Those visitors spent an estimated \$6.8 billion in 2015, a 5.8 percent jump compared with the year before.

"Visitor spending has expanded by more than 7 percent a year over the past five years, significantly outpacing the rest of the U.S.,"

said Adam Sacks, president of Tourism Economics, a research firm that worked on the report. "The tourism sector is enjoying a remarkable run of success in both domestic and international visitor markets."

International visits make up 7.3 percent of total visitors to the area but account for 17.3 percent of total visitor spending because they tend to stay longer and drop more money on shopping, eating out and lodging than domestic visitors.

Total direct and indirect tourism spending generated \$9.7 billion in economic impact in the Seattle region, according to the report.

That impact includes companies like cruise-ship operator Holland America Line, which employs 1,170 people at its Seattle headquarters and plans to make 53 port

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Rachel the Pig at Pike Place Market is always a favorite of camera-toting tourists visiting one of Seattle's favorite downtown landmarks.

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calls in Seattle this year. Each time a ship docks in the city, the company spends about \$300,000 on supplies.

Another boost to tourism is that more people are choosing to spend the night — 19.7 million in 2015, up 2.3 percent — which helped pushed hotel occupancy above 80 percent. Room rates went up by 8.3 percent last year.

“2015 was the strongest year ever for the Seattle in terms of hotel occupancy,” said Chris Kraus, managing director for CBRE Hotels, a consulting and real-estate services firm. “Seattle was one of the strongest-performing hotel markets in the country.”

The national average for occupancy was around 65 percent. Seattle is particularly robust because it draws visitors for leisure, business and convention travel, Kraus said.

Plans are in the works for at least a dozen new hotels in downtown Seattle, including several that are under construction, according to data from Kidder Mathews.

Among them is the Thompson at 110 Stewart St. near Pike Place Market, scheduled to open in June.

“We definitely are opening in a very strong market,” said Amanda Parsons, the

hotel’s general manager. The 158-room hotel is already taking reservations, with rates starting at \$279 per night per room and \$679 per night for a suite.

Tom Norwalk, president and CEO of Visit Seattle, said the region’s tourism industry could be even stronger once a planned, \$1.4 billion expansion of the Washington State Convention Center is complete.

According to Visit Seattle, the convention center turns away or loses out on an average 84 events per year because it is already booked or doesn’t have enough space.

In a typical year, the convention center hosts 48 national conventions and could hold about 30 more with the extra space that’s planned. Construction on the expansion was expected to start next year, but the project is tied up in litigation.

Meanwhile, other plans to expand capacity at Seattle-Tacoma International Airport and a major redevelopment of Seattle’s waterfront area could attract thousands more visitors to the region, Norwalk said.

“Seattle and the region are well positioned for continued growth and may very well outpace many other destinations and the U.S. as a whole in 2016,” he said.

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