



# Attachment 2 – Benefits-Cost Analysis

## City of Natchez

### Natchez River Cruise Docking Facility Project

**PROJECT TYPE:**

Multi-Modal Transportation

**LOCATION:**

Natchez, Mississippi  
Adams County  
Congressional District 3

**AREA:**

Rural

**REQUESTED AMOUNT:**

\$7,596,960

**CONTACT:**

Mayor Darryl V. Grennell  
City of Natchez, Mississippi  
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Natchez, MS 39120  
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## **Benefit/Cost Estimation Methodology**

The estimation of economic benefits which would accrue to the Natchez River Cruise Docking Facility Project are based upon the increase in tourism spending within the local economy annually. Once the docking facility is constructed, the City of Natchez would become a port of call for several river cruise ships which would drastically increase the number of guests who visit Natchez each year. Below is a summary of the projected increase in visitors as well as the direct economic impact these guests would bring to the local economy annually:

### **Current Riverboats landing in Natchez**

- American Queen - 218 cabins with a total of 432 passengers.
  - 33 Dockings in Natchez during 2018 = 11,418 Current passengers arriving annually.
  - Projected to increase to 40 dockings per year = 2,419 Projected new passengers arriving annually.
- American Duchess - 83 cabins with a total of 166 passengers.
  - 30 Dockings in Natchez during 2018 = 3,984 Current passengers arriving annually.
  - Projected to increase to 40 dockings per year = 1,328 Projected new passengers arriving annually.
- Queen of the Mississippi - 150 passengers.
  - 14 Dockings in Natchez during 2018 = 1,680 Current passengers arriving annually.
  - Projected to increase to 30 dockings per year = 1,920 Projected new passengers arriving annually.
- The America - 185 passengers
  - 36 Dockings in Natchez during 2018 = 5,328 Current passengers arriving annually.
  - Projected to increase to 40 dockings per year = 592 Projected new passengers arriving annually.

### **Future/Projected Riverboats landing in Natchez**

- The American Harmony – 190 passengers beginning in August 2019
  - Projected 20 Natchez dockings per year = 3,040 Projected passengers arriving annually.
- The American Jazz – 190 passengers beginning in 2020
  - Projected 20 Natchez dockings per year = 3,040 Projected passengers arriving annually.

- American Cruise Line Unnamed vessel – 195 passengers beginning in 2121
  - Projected 20 Natchez dockings per year = 3,120 Projected passengers arriving annually.
- Viking - 300 passengers beginning in 2025
  - Projected 20 Natchez dockings per year = 4,800 Projected passengers arriving annually.

**Total current passengers arriving annually = 20,890**

**Total future/projected passengers arriving annually = 20,259**

**GRAND TOTAL PASSENGERS ARRIVING ANNUALLY = 41,149**

Note: Annual passenger projections assumes 80% occupancy on each vessel docking.

Using \$100 per visitor per day as onshore spending (supported by Thomas E. Van Hying, Tourism Economist & Data Analyst, Mississippi Development Authority below) you can calculate an annual direct economic impact of **\$4,114,900 annually**.

When projected over the 20 year horizon the grand total direct economic impact is **\$82,298,000**.



STATE OF MISSISSIPPI  
PHIL BRYANT, GOVERNOR  
MISSISSIPPI DEVELOPMENT AUTHORITY  
GLENN MCCULLOUGH, JR.  
EXECUTIVE DIRECTOR

October 5, 2017

Re: Potential Economic Contribution Statement for Mississippi River Cruise Day Visitors to Natchez

To Whom It May Concern:

The city of Natchez, Mississippi stands to benefit from potential day-travelers in the future from Mississippi River Cruise Stops. A "Reasonable Economic Contribution Scenario" could be, on average, \$100 per person. This is an economic assumption based on **potential** visitor spending, as follows:

- Possible \$45 spent at city attractions, estimating three (3) attractions visited at \$15 apiece
- Possible \$25 spent on retail, e.g., souvenirs, per person
- Possible \$20 spent per person for lunch at a Natchez restaurant
- Possible \$10 spent per person for snacks/miscellaneous expenditures
- The sum of these components is \$100. Again, this is a **reasonable educated guess**.

The above possible spending estimates should not be construed to be definitive dollar amounts. They do reflect what a day-traveler might realistically spend during their Natchez stay. These estimates do not include, nor reflect, overnight accommodations in Natchez, since the visitors overnight on a cruise ship.

I have been employed by the Mississippi Development Authority since February 14, 1994. Some of my current responsibilities include analyzing the state's overall economy and preparing the state's annual travel and tourism economic contribution report. My career includes positions such as an Economist, City Planner, Management Consultant, Researcher, and now Tourism Economist & Data Analyst.

Sincerely,

**Thomas E. Van Hying**  
*Tourism Economist & Data Analyst*  
*Marketing & Communications Division*  
*Mississippi Development Authority*  
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Total Benefit-Cost Comparison

The total direct benefits for the Natchez River Cruise Docking Facility Project listed above is **\$82,298,000** vs a total project cost of **\$9,496,200** for a benefit-cost ratio of **8.67 to 1**.