

Temecula Valley Travel Impacts 2000-2013p

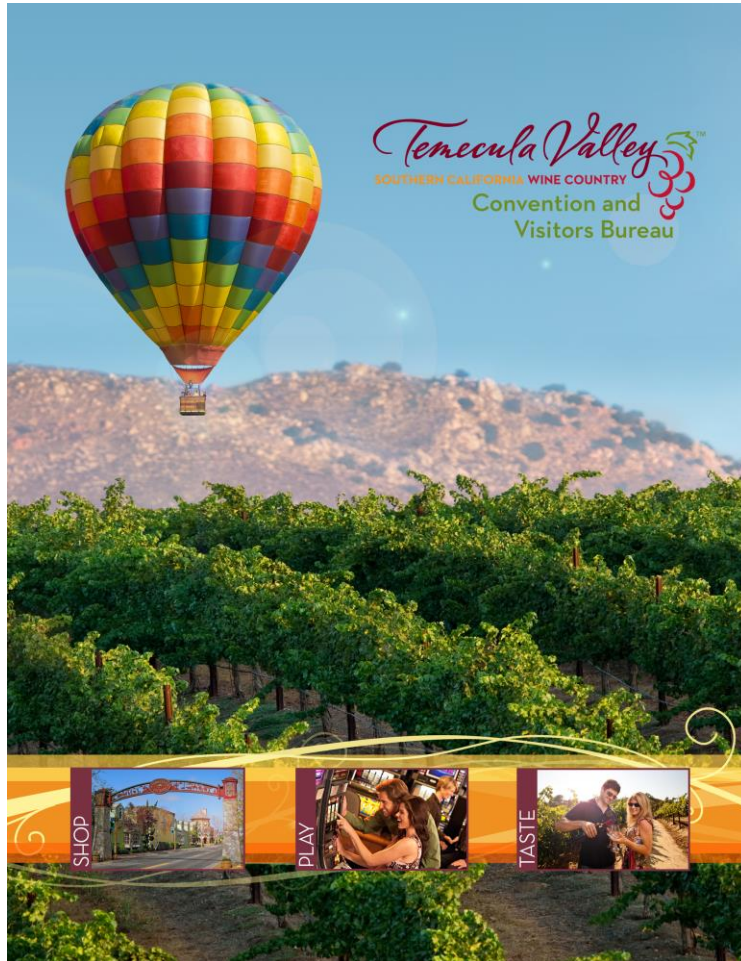


photo courtesy of Temecula Valley Convention and Visitors Bureau

June 2014

Prepared for the

Temecula Valley Convention and Visitors
Bureau
Temecula, California

**TEMECULA VALLEY
TRAVEL IMPACTS, 2000-2013P**

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TRAVEL ECONOMIC IMPACTS

This report, prepared for the Temecula Valley Convention and Visitors Bureau, documents the economic significance of the travel industry in the Temecula Valley from 2000 through 2013(preliminary). The Temecula Valley estimates for 2000 through 2013p are based on the same methodology (the Regional Travel Impact Model), and are therefore comparable to the county and statewide estimates reported in the most recent *California Travel Impacts* report.¹

INTERPRETATION OF IMPACT ESTIMATES

The three primary visitor attractions in the Temecula Valley are the Pechanga Resort and Casino, Old Town Temecula, and Temecula Valley Wine Country. It is important to emphasize that the economic impact estimates presented in this report are credible in terms of the larger Temecula economy, and consider specific information. Room sales revenue and employment data for the Pechanga Resort and Casino was provided by Pechanga.

In interpreting the findings, it should also be noted that:

- The impacts associated with both overnight and day travel are included if the travelers remain at the destination overnight or the destination is over 50 miles, one-way, from the traveler's home.
- The monetary estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- The economic impact measurements represent only direct economic impacts. Direct economic impacts include only the spending by travelers and the earnings and employment generated by that spending.
- The employment estimates in this report are estimates of the total number of full and part-time number of jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates.

¹ *California Travel Impacts by County, 1992-2012: 2013 Preliminary State and Regional Estimates* (May 2014).

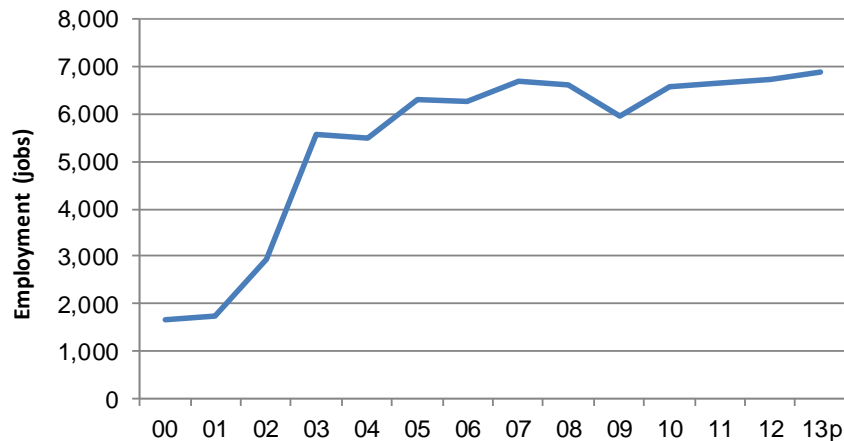
TRAVEL TRENDS IN TEMECULA VALLEY

Travel spending in Temecula Valley in 2013 was approximately \$651 million. This represents a 2.3 percent increase from the previous year. During 2013, travel spending in Temecula Valley directly supported nearly 6,900 jobs with earnings of \$196 million.

Temecula Valley Travel Trends, 2000-2013p

	Travel			Tax Receipts		
	Spending (\$Million)	Earnings (\$Million)	Employment (jobs)	Local (\$Million)	State (\$Million)	Total (\$Million)
2000	131.2	36.2	1,660	2.7	5.3	8.0
2001	144.3	40.1	1,740	3.0	5.7	8.7
2002	231.1	69.5	2,930	3.5	8.2	11.8
2003	432.5	135.8	5,560	4.6	13.3	17.8
2004	436.1	136.9	5,490	4.4	13.3	17.7
2005	508.6	159.5	6,320	5.0	15.3	20.2
2006	523.6	166.0	6,280	5.2	15.6	20.8
2007	608.3	181.5	6,680	6.5	17.7	24.2
2008	593.1	182.4	6,610	6.2	17.7	23.9
2009	514.1	163.0	5,970	5.2	17.0	22.2
2010	580.3	179.3	6,580	6.3	20.1	26.4
2011	620.2	186.3	6,650	6.9	21.0	27.9
2012	636.9	189.8	6,720	7.2	20.5	27.6
2013p	651.4	195.6	6,890	7.5	21.4	28.9
Annual Percentage Change						
12-13p	2.3	3.1	2.5	4.0	4.6	4.4
00-13p	13.1	13.8	11.6	8.1	11.3	10.3

Travel-Generated Employment in Temecula Valley 2000-2013p



Note: Employment includes all full-time and part-time positions.
Payroll employees and self-employed are both included.

VISITOR VOLUME

Visitor volume and average visitor spending estimates for Temecula Valley are shown in the table below. These estimates are derived, in part, from the total travel spending estimates. Because measures of travel party size and length of stay specific to Temecula Valley visitors are not available, both the average spending and volume estimates should be viewed as approximations.

Temecula Valley Visitor Volume, 2013p

Accommodation	Travel Parties		Persons		
	Days (Millions)	Size (persons)	Days (Millions)	Avg. Stay (days)	Trips (Millions)
Overnight	1.2	2.6	3.0	2.8	1.2
Hotel/Motel	0.7	2.0	1.4	2.0	0.7
Other Overnight	0.4	3.5	1.5	3.5	0.4
Day	0.6	2.0	1.3	1.0	1.3
Total	1.8	2.4	4.2	1.8	2.4

Temecula Valley Average Spending, 2013p

Accommodation	Total (Millions)	Travel Party		Person	
		Per Day	Per Trip	Per Day	Per Trip
Overnight	\$407.8	\$350	\$971	\$136	\$378
Hotel/Motel	\$361.3	\$499	\$999	\$250	\$499
Other Overnight	\$46.5	\$105	\$369	\$30	\$105
Day	\$165.9	\$265	\$265	\$132	\$132
Day & Overnight	\$573.8	\$320	\$562	\$135	\$237
Transportation	\$77.6				
Total	\$651.4	\$364	\$638	\$153	\$269

Note: Spending on transportation is not included in accommodation categories. (See Visitor Spending at Destination in detailed table, page 4.)

DETAILED TRAVEL IMPACTS

Detailed travel impacts for the Temecula Valley are shown below.

Temecula Valley Travel Impacts, 2005-2013p

	2005	2006	2007	2008	2009	2010	2011	2012	2013p
Visitor Spending by Type of Traveler Accommodation (\$Million)									
Hotel, Motel	307	316	371	360	306	351	376	389	400
Other Overnight*	51	53	61	61	55	59	63	63	62
Day Travel	150	154	177	172	153	171	182	186	189
Spending at Destination	509	524	608	593	514	580	620	637	651
Visitor Spending by Commodity Purchased (\$Million)									
Accommodations	57	59	71	64	52	57	61	64	66
Food & Beverage Services	79	81	94	92	86	97	102	107	111
Off Premise Food & Beverage**	57	59	69	69	61	68	74	76	79
Ground Tran. & Motor Fuel	50	55	66	79	56	69	80	80	78
Arts, Entertainment & Recreation	203	208	237	223	198	222	232	238	244
Other Retail	63	63	70	66	60	67	70	72	73
Spending at Destination	509	524	608	593	514	580	620	637	651
Industry Earnings Generated by Travel Spending (\$Million)									
Leisure & Hospitality	131	137	150	151	135	148	153	156	161
All Other***	28	29	32	32	28	31	33	34	35
Total Direct Earnings	159	166	182	182	163	179	186	190	196
Industry Employment Generated by Travel Spending (Thousand Jobs)									
Leisure & Hospitality	5,300	5,250	5,560	5,500	4,980	5,510	5,540	5,590	5,730
All Other***	1,020	1,030	1,120	1,120	990	1,070	1,110	1,130	1,160
Total Direct Employment	6,320	6,280	6,680	6,610	5,970	6,580	6,650	6,720	6,890
Tax Receipts Generated by Travel Spending (\$Million)									
Local Tax Receipts	5.0	5.2	6.5	6.2	5.2	6.3	6.9	7.2	7.5
State Tax Receipts	15.3	15.6	17.7	17.7	17.0	20.1	21.0	20.5	21.4
Total Direct Tax Receipts	20.2	20.8	24.2	23.9	22.2	26.4	27.9	27.6	28.9

Notes:

Other Overnight* accommodations includes campsites, vacation homes, and unpaid overnight stays in the private homes of friends or relatives.

Spending on *Off Premise Food & Beverage*** includes wine sales.

The *Leisure and Hospitality* industry includes accommodations, food services, and all arts, entertainment and recreation establishments.

*All Other**** industries includes retail, transportation, tour and winery establishments.

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

Appendix B: Travel Impact Industries Matched to 2002 NAICS

**REGIONAL TRAVEL IMPACT MODEL (RTIM)
TRAVEL IMPACT ESTIMATION PROCEDURES**

TRAVEL SPENDING

Hotel, Motel, B&B. Spending on commercial accommodations by hotel and motel guests is estimated from transient lodging tax collections, room inventory data and other available survey data, including Smith Lodging reports. Spending by hotel and motel guests in other business categories, such as food and transportation, is estimated using spending distributions reported in visitor survey data. The spending distribution shows how travelers divide their spending between lodging and other purchases.

Campgrounds. Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites and the average daily expenditures of visitor camp parties reported in survey data. Spending in other business categories is estimated in the same way as for hotel guests.

Private Home. Spending by private home guests is determined from visitor survey data estimating the number of visitors staying as guests of friends and relatives and applying these rates to the household population base in the Temecula Valley.

Vacation Home. Estimated spending by vacation home renters and owners is based on housing data from the U.S. Bureau of the Census and visitor survey data for visitors that stay in their own vacation home or the vacation home of a friend or relative.

Day Travel. The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

RELATED TRAVEL IMPACTS

Spending by travelers generates jobs, payroll, and state and local tax revenue.

Earnings generated directly from traveler expenditures are estimated from the payroll-to-receipts ratio obtained from data published in the 2012 Economic Census and state and county estimates of earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS). Earnings include payroll and other earned benefits of employees, and proprietor income.

Employment in each business category is calculated from average earnings data derived from Bureau of Labor Statistics Covered Employment and Wages (CEW) data and the earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS).

Local Taxes consist of all local (municipality, county, special districts) point-of-sale taxes, including room taxes and sales taxes. Property taxes are not included.

State Taxes consist of all statewide point-of-sale taxes (including sales taxes and gasoline excise taxes) and personal and corporate income taxes attributable to travel-generated payroll.

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)

Notes: * Government enterprises (e.g., park systems) are included in this classification.
** Includes parts of industries in other sectors (e.g., accommodation, charter bus).
A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.