
THE ECONOMIC IMPACT OF THE PORTLAND ROSE FESTIVAL, 2000

December 2000



prepared for the

**Portland Rose Festival Association
Portland, Oregon**

DEAN RUNYAN ASSOCIATES

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PREFACE

The purpose of this study is to document the economic significance of the Portland Rose Festival during 2000. The principal aim is to determine the level of spending by those visiting Rose Festival events (both out-of-town visitors and Portland metropolitan area residents) and the impact this spending has on the Portland metropolitan area economy in terms of the payroll, employment and tax revenue generated by these visitor expenditures.

This study was prepared for the Portland Rose Festival Association (PRFA). Special thanks are due to Dick Clark, Executive Director and the liaison for this project; Marilyn Clint, Associate Executive Manager/Director of Special Events, Ligaya Pierson and Peter Mott, Event Managers; Teri Lorenzen, Finance Director and Vonnie Harris, Finance Assistant; and Carol Dungan, Marketing Representative, for their support and assistance.

Many individuals and agencies have contributed information and insights and we express our thanks. In particular we are grateful to Sharon Tracy, Global Events Group; Judy Willey, Hillsboro Chamber of Commerce; Tom Lasley and Tony Hobkirk, TicketMaster; and Gill Campbell, Campbell Events for providing essential data. Without their assistance this research would not have been possible.

Portland Rose Festival Association Mission:

**"A Celebration of the Greater
Portland Region's Quality of Life."**

EXECUTIVE SUMMARY

In 2000, the Portland Rose Festival marked its 94th year. The Festival, hosted each summer, attracts more than two million guests participating in 80+ events, including three colorful parades, a high-speed auto race, a waterfront festival, an internationally recognized airshow and a variety of musical performances.

- ◆ The Portland Rose Festival Association is responsible for producing 16 events each year and overseeing the sanctioning of 70 events produced by other non-profit, civic organizations. The Portland Rose Festival Association hosts nearly 2 million visitors to its 80-plus events and activities each year.
- ◆ The majority of Rose Festival events are non-ticketed events, free to the public. Non-ticketed admissions account for 86% of total attendance at the Rose Festival events.
- ◆ The total economic activity associated with the Rose Festival amounts to \$78.1 million. Of this amount \$29.2 million is direct expenditures by those visiting the Portland metro area and Rose Festival events, \$11.1 million represents expenditures by local residents, and \$2.7 million is organizational expenditures. Indirect economic impacts amount to an additional \$35.1 million.
- ◆ Total payroll and employment impacts of the Rose Festival are also substantial. Total sales of \$78.1 million generated about \$23 million in payroll income and supported 976 jobs in 2000.
- ◆ Total direct spending attributable to Rose Festival visitors and the Portland Rose Festival Association's organization spending totaled over \$43 million during 2000.
- ◆ Rose Festival visitors directly spent an estimated \$40.3 million during their visits to the Portland metro area (i.e., Clackamas, Multnomah and Washington counties). Visitor spending directly supported 481 jobs (both full- and part-time) in the Portland metro area with a payroll of over \$9 million.
- ◆ Local governments in the Portland metro area directly benefit from visitor spending at Rose Festival events. These jurisdictions collected \$583,000 in tax revenues and fees directly generated from Rose Festival visitor spending during 2000.
- ◆ The state of Oregon also benefits from Rose Festival visitor spending. In 2000, \$828,000 in state tax revenue resulted directly from this visitor spending at Portland Rose Festival events.

- ◆ The Portland Rose Festival Association is required to purchase various permits in order to hold its events. The Association pays more than \$145,000 for permits annually.
- ◆ In 2000, the Portland Rose Festival Association's expenses totaled about \$7.8 million, the majority of which was directly related to producing and operating the various Rose Festival events flowing back to local businesses in the form of payments for products or services.
- ◆ The Portland Rose Festival Association's expenses of \$7.8 million are supported in part by visitor spending on admissions, parking and retail purchases (e.g., sales of food, beverage and souvenirs).
- ◆ Each year the Portland Rose Festival Association contributes to the enhancement of the facilities it uses for Rose Festival activities and events. During 2000, the Portland Rose Festival Association made approximately \$245,000 in capital improvements at the Portland International Raceway and Tom McCall Waterfront Park.
- ◆ The Portland Rose Festival Association uses its budget and Festival as a means for other groups to benefit. During 2000, the Portland Rose Festival Association contributed nearly \$495,000 from event proceeds to local organizations, non-profit agencies and scholarship funds.
- ◆ The Portland Rose Festival Association uses various facilities throughout the Portland metro area to hold its events. The rental fees associated with the use of these facilities totaled about \$171,000 in 2000.
- ◆ The Portland Rose Festival Association launched a web site in 1996. In 2000, this site received 3.2 million hits and nearly 175,000 unique site visits. Of those visiting the site, about 40% or 70,000 of them also visited a site of a Rose Festival sponsor.
- ◆ The Portland Rose Festival Association recently adopted a new mission statement as a way to focus its energies – both economically and leadership wise – in the community. The mission statement, "A Celebration of the Greater Portland Region's Quality of Life," includes six areas of concentration: youth, events, diverse cultures, civic involvement, natural environment, and tradition and heritage.

1. INTRODUCTION

Established in 1907, the Portland Rose Festival Association (PRFA) is a private, non-profit organization. The Portland Rose Festival Association recently adopted a new mission statement as a way to focus its energies – both economically and leadership wise – in the community. The mission statement includes six areas of concentration: youth, events, diverse cultures, civic involvement, natural environment, and tradition and heritage.

The Portland Rose Festival Association commissioned Dean Runyan Associates to undertake a study to measure the economic impacts of the 2000 Portland Rose Festival. This analysis focuses on the benefits associated with visitor spending at Rose Festival events and on the PRFA's organizational spending. Dean Runyan Associates performed a similar study for the 1996 Rose Festival.

This annual Festival consists of more than 80 events and activities. The events, both those managed and those sanctioned by the Portland Rose Festival Association, are vast and varied. It was not practical to measure the attendance and the economic impact of each and every event. We therefore focused particular attention on the major “managed” events, or those produced by the Portland Rose Festival Association. The major events analyzed in this study include:

- CART* World Series
- Rose Festival Airshow
- Grand Floral Parade and Showcase of Floats
- Starlight Parade
- Fireworks Spectacular
- Waterfront Village
- Dragon Boat Races
- Rose Festival Fleet
- Portland Arts Festival
- Jazz Band Classic
- Oregon Symphony Special Concert

The remaining Rose Festival events were grouped together in “Other Managed Events” (i.e., Queen’s Coronation, Junior Parade and Milk Carton Boat Races) and “Sanctioned Events” (including 70 sanctioned events held in 2000).

* CART = Championship Auto Racing Teams

OBJECTIVES

This study is designed to measure the economic impacts of visitors attending the Portland Rose Festival during 2000. The primary objective of the study is to estimate the economic impact of the Rose Festival on the Portland metropolitan area. The Portland metropolitan area is defined for purposes of this analysis as Clackamas, Multnomah and Washington counties.

This analysis focuses on the benefits associated with visitor spending at Portland Rose Festival events and the Portland Rose Festival Association's organizational spending. The public sector costs associated with operating the Portland Rose Festival events are not included in this analysis.

Spending by all visitors to Rose Festival events – including both U.S. residents and foreign visitors – are included in this analysis. Visitors to Rose Festival events include spectators (both out-of-town visitors and Portland metro area residents), participants and volunteers.

This analysis focuses on travel, tourism and recreation as a component of the local and regional economies and, hence, focuses on destination-specific spending and new monies flowing into the local and regional economy. The spending by Portland residents (local spectators, local participants and volunteers) is not necessarily new money flowing into the economy, even though their spending is beneficial to individual businesses. Spending by these local residents is included in this analysis, but is broken out separately for this reason.

IMPACT MEASUREMENT METHODOLOGY

Information used to detail the economic impacts of the Portland Rose Festival was derived from various local, state and federal sources. To determine visitor attendance and spending patterns, Dean Runyan Associates undertook a number of tasks which included:

- reviewing existing visitor survey data to determine the most appropriate measures of spending, visitor party composition, etc. for each Rose Festival event studied
- obtaining budget information from the Portland Rose Festival Association management and its sponsors regarding the expenditures associated with planning for and executing the festival
- developing a custom economic impact model for the Portland Rose Festival Association which analyzes the direct economic impacts generated from Rose Festival visitor spending in the Portland metropolitan area.

Visitor Survey Data

In order to measure visitor impacts, specific information detailing the average spending patterns of visitors was needed. Surveys of visitors to each Rose Festival event were not possible under the time and budget constraints of this analysis. New surveys were conducted for Waterfront Village and CART, and the balance of the necessary visitor profile information was derived from existing visitor surveys. These included studies previously conducted for the Portland Rose Festival Association, Oregon Tourism Commission (OTC), and the Portland Oregon Visitors Association (POVA), as well as those conducted for similar organizations or events. If data specific to the Rose Festival was unavailable, other data was used in its absence. For instance, if no information specific to visitors to the Grand Floral Parade was available, general visitor profile information on Portland visitors was used in its place.

Portland metro area visitor information was derived from the *Oregon Visitor Profile*¹. Fortunately, this profile study contains data on visitor spending as well as activity participation. Dean Runyan Associates performed a special analysis of this data, investigating the spending profiles of visitors to Portland attending a festival or event. Using this visitor profile data has the added benefit of maintaining comparability with the travel spending and the associated economic impacts calculated for the Oregon Tourism Commission² and the Portland Oregon Visitor Association³.

In addition to average spending patterns, other visitor information needed to be determined. Estimates for certain items such as the proportion of residents versus out-of-area visitors were made for each event. These estimates were made based on survey data provided by Moore Information along with the cooperation of PRFA staff and contract event producers. In the future, as new information becomes available, it will be a simple matter to replace any of these assumptions and update these economic impact findings.

Direct Economic Impact Analysis

The direct impact estimates associated with Portland Rose Festival visitor spending were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. This proprietary, computerized model was customized to represent the

¹ "Oregon Visitor Profile, 1994/95," conducted by Davidson-Peterson Associates for the Oregon Tourism Commission (1995).

² "Oregon Travel Impacts and Visitor Volume: 1991-2000p," conducted by Dean Runyan Associates for the Oregon Tourism Commission (December 2000).

³ "Economic Impacts of Travel in Portland, Oregon: 2000p," conducted by Dean Runyan Associates for the Portland Oregon Visitors Association (January 1997).

activities and unique characteristics of visitors to Portland, Oregon and those attending the Portland Rose Festival. A description of the RTIM methodology is included in Appendix A.

Indirect Economic Impact Analysis

Indirect economic impacts refer to the economic activity generated after visitors make purchases for goods and services. These indirect impacts generally stem from purchases made by businesses as part of their operations, plus the purchases of employees to the extent that their businesses are supported by visitor expenditures. Estimating indirect impacts provides a useful picture of all economic impacts generated by travel and tourism, including both the magnitude of these impacts and the dispersion of impacts throughout the economy.

The indirect impacts were measured using an input/output model developed specifically for the Portland metropolitan area with the primary RTIM findings for the Rose Festival used as input. Dean Runyan Associates made use of an IMPLAN model available for the Portland metropolitan area, based on a combination of 528 U.S. industry sectors. This input/output model was combined with a variety of data specific to Portland and the Rose Festival that constrain and adjust the model to properly represent Portland's economic conditions.

Organizational Spending

The economic impact of the Portland Rose Festival goes beyond the spending of visitors attending Rose Festival events during two months each summer. The Portland Rose Festival Association contributes to many charitable organizations and lends its support to many different ventures throughout the year. In addition, the Association has contributed large sums for capital improvement projects at the Portland International Raceway and Tom McCall Waterfront Park.

Dean Runyan Associates analyzed the Portland Rose Festival Association's organizational spending by different type of activity, including operating expenses, charitable giving and capital improvements.

LIMITATIONS OF FINDINGS

Several factors should be kept in mind when reviewing and interpreting the findings that appear in this report. First, it is important to note that the estimates of visitor impacts were developed by Dean Runyan Associates for the Portland Rose Festival Association as approximate estimates based on information available.

Although visitor survey data was used to represent visitors to the Portland Rose Festival as closely as possible, certain types of visitors may not be represented in the data to the same extent that they occur in the Festival’s visitor mix. These impact estimates are therefore subject to revision as future information relating to visitation to the Portland Rose Festival and travel to the Portland metropolitan area becomes available.

In 1996, DRA performed a similar study to measure the economic impacts of visitors attending the Portland Rose Festival. Although the basic methodologies are the same, revisions based on more recent and reliable information mean that these two studies are not directly comparable. In particular, visitor profile and expenditure data was updated so that changes in economic impacts reflect new attendance estimates combined with revised assumptions.

IMPACT CATEGORIES

The specific categories of visitor impacts included in this analysis are as follows:

Impact Category	Description
Expenditures	Purchases by visitors during their trip, including lodging taxes and other applicable local and state taxes paid by the visitor at the point of sale.
Payroll	Payments to wage and salary workers by the businesses which receive visitor expenditures. Only the payroll attributable to visitor expenditures is included; this typically is only a portion of all business receipts.
Employment	Employment associated with the above payroll; this includes both full- and part-time positions. Employment of working proprietors is not included.
Local Tax Receipts	Tax receipts collected by counties and municipalities, as levied on applicable visitor purchases.
State Tax Receipts	State motor fuel taxes attributable to visitor expenditures, business taxes as levied on visitor industry firms and personal income taxes as levied on payroll income.

VISITOR CATEGORIES

Visitors to Rose Festival events include spectators (both out-of-town visitors and Portland metro area residents), participants and volunteers. Out-of-town visitors are classified according to the type of accommodation in which they stay. The types of visitors are as follows:

Type of Visitor	Description
Hotel/Motel/B&B Guest	Visitors staying in hotels, motels, resorts, bed & breakfast establishments and other commercial accommodations, excluding campgrounds, where the transient lodging tax is collected.
Camper	Visitors staying in a privately owned (i.e., commercial) campground or in a publicly managed campground, such as the Washington County Fairgrounds. Also included are RV campers at Portland International Raceway for the CART World Series and Rose Cup events.
Private Home Visitor	Visitors staying as guests with friends or relatives.
Day Visitor	Both in-state and out-of-state residents whose trip does not include an overnight stay at a destination in the Portland metropolitan area; excludes trips by Portland residents.
Resident	Residents of the Portland metropolitan area, consisting of Multnomah, Clackamas and Washington Counties, who visited or attended a Portland Rose Festival event(s).
Participant	Both Portland residents and out-of-area visitors who are participating in the event such as a race car driver, band member, parade marshal, etc.
Volunteer	Local residents who volunteered at a Portland Rose Festival event.

REPORT CONTENTS

Following the introductory chapter, Chapter 2 describes the income and expenses associated with the Portland Rose Festival Association. Visitor attendance to Rose Festival Events is found in Chapter 3. Chapter 4 provides an analysis of the direct visitor spending and associated economic impacts generated by visitors attending the Rose Festival (in aggregate). A description of each major Rose Festival managed event and its associated direct economic impacts are provided in Chapter 5. Chapter 6 details the indirect and total impacts of visitor spending at the Rose Festival.

A description of the RTIM methodology is included in Appendix A. Definitions of terms used in this report can be found in Appendix B. Appendix C lists the relevant business classifications (i.e., SIC codes) used to represent visitor industry businesses. The methodology used to measure the indirect and induced impacts is found in Appendix D.

2. PORTLAND ROSE FESTIVAL ASSOCIATION

The Portland Rose Festival Association (PRFA) is a private, non-profit organization comprised of business and professional people, residents, civic volunteers and others. Established in 1907, PRFA continues to promote Portland and the region culturally, socially and economically through its annual festival activities.

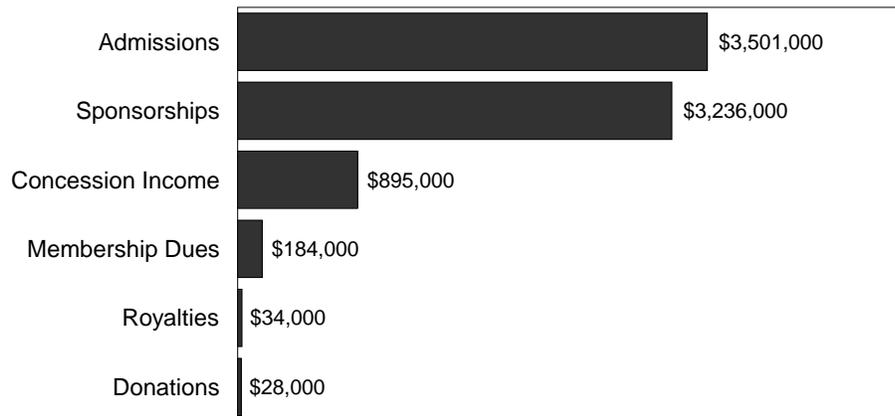
The Association is governed by its board of directors and is managed by a professional staff of 19 full-time and 27 part-time and/or seasonal employees. There are more than 150 members on the board, including honorary directors and all past presidents of the Portland Rose Festival Association. In addition, a corps of dedicated volunteers of close to 5,000 persons helps in producing the Rose Festival each year.

ASSOCIATION INCOME

The Association is entirely self-supporting, deriving most of its income from admission to events, corporate sponsorships and membership contributions.

In 2000, the Portland Rose Festival Association relied on corporate sponsorships for approximately 41% of its annual income.

**Portland Rose Festival Association
Association Income, FY 2000**



Total Income = \$7,878,000

Source: Dean Runyan Associates & Portland Rose Festival Association

The Portland Rose Festival Association is responsible for producing 16 major managed events each year. These include the CART World Series auto race, Rose Festival Airshow, Grand Floral Parade, Showcase of Floats, Starlight Parade, Fireworks Spectacular,

Waterfront Village, Rose Festival Fleet, Festival of Bands (not held in 2000 due to remodeling of Civic Stadium), Jazz Band Classic, Queen’s Coronation, Junior Parade and Milk Carton Boat Races. The Association also coordinates several high-profile community service programs, including the Rose Festival Court and Rose Festival Kids.

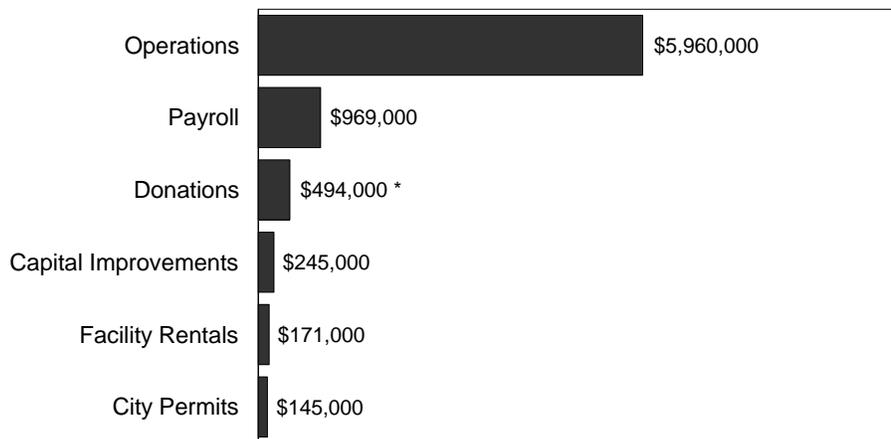
The Portland Rose Festival Association also provides an umbrella under which numerous organizations may hold sporting, cultural, special interest and fund raising events. PRFA staff oversees the sanctioning of more than 70 events produced by non-profit, civic organizations. Some of the larger Rose Festival sanctioned events include the Dragon Boat Races, Starlight Run, Tigard Festival of Balloons, Portland Rose Show, and the Ducky Derby.

A listing of sanctioned events held during 2000 and the estimated attendance levels are provided in the following chapter.

ASSOCIATION EXPENSES

The Portland Rose Festival Association produces 16 major events and sanctions more than 60 other events each year. In producing these events, the Portland Rose Festival Association incurs expenses which in turn flow into the economy in terms of sales to other businesses for items such as equipment rental, float construction, security, sanitation services, etc.

**Portland Rose Festival Association
Association Expenses, FY 2000**



Total Expenses = \$7,856,000

* Donations include \$128,000 in electrical improvements at PIR paid 1997-99 and donated in 2000.
Source: Dean Runyan Associates & Portland Rose Festival Association

In 2000, these expenses totaled about to \$7.8 million. The majority, or 75%, of the Association's expenses were directly related to producing and operating the various Rose Festival events. Staff expenses accounted for 12% of the total expense budget. Donations accounted for the remaining 6% of expenses.

Nearly 70% of the \$5.9 million in operating expenses were payments by the Portland Rose Festival Association to local businesses for services and products. This included payments for float construction, security, sanitation services, utilities, etc. The remaining approximately \$1.7 million of the PRFA's operating expenses flowed outside the local economy. The bulk of this amount was associated with the CART World Series. This payment of approximately \$1.5 million was for sanctioning fees as required by CART, NASCAR and other sanctioning bodies headquartered in other states.

Capital Improvements

Each year the Portland Rose Festival Association contributes to the enhancement of the facilities it uses for Rose Festival activities and events. During 2000, the Association made \$245,000 in capital improvements as shown in the table below. This included track and facility improvements at the Portland International Raceway, as well as improvements to Tom McCall Waterfront Park.

Since 1983, the Portland Rose Festival has provided \$4 million in improvements at Portland International Raceway (PIR), where the CART World Series and Rose Cup auto races are held. These improvements include two new scoreboards, paving new areas, new bleachers and improvements to the track.

Over the last five years, the Portland Rose Festival Association has spent \$300,000 for utility and drainage improvements at Tom McCall Waterfront park, site of the Waterfront Village. In 2000, the Association put an additional \$30,000 toward this project.

The Portland Rose Festival Association's expenditures for capital improvements have impacts beyond the targeted facility. In essence, the PRFA's contributions free up the City's budget, which may otherwise be spent on other facilities and services for Portland residents.

**PORTLAND ROSE FESTIVAL ASSOCIATION
Capital Improvements, 2000**

Location	Project	\$ Amount
CART - Autorace	Track and facility improvements	\$215,000
Tom McCall Waterfront Park	Waterfront Improvement Project	\$30,000
Total Capital Improvements		\$245,000

Contributions, Donations and Payments for Services

The Portland Rose Festival Association uses its budget and festival as a means for other groups to benefit. During 2000, the Association contributed nearly \$495,000 from proceeds from its events to local organizations, non-profit agencies and scholarship funds.

The Hillsboro Chamber of Commerce has been the largest charitable beneficiary of programs by the PRFA. In 2000, the Chamber earned approximately \$120,000 through concession rights granted by the Association at the Rose Festival Airshow. The Chamber uses its funds for community projects such as park improvements, drug education activities, teen parenting programs, computer equipment for the public library and a building project for the Boys & Girls Club. The North Portland Trust Fund also received \$30,000 for similar projects from proceeds at the CART World Series.

On Dolores "Dolly" Bowman Day, the Portland Rose Festival Association invites 1,000 to 1,200 special needs children from various groups to attend the Airshow. The Association provides admission, transportation, lunch and souvenirs for the children, a contribution valued at approximately \$25,000. Four \$300 scholarships were also given to groups invited to the Airshow as part of Dolly Bowman Day celebration.

In addition, the Portland Rose Festival Association awarded college scholarships to each member of the Rose Festival court amounting to \$42,000.

The Portland Police Bureau's Sunshine Division raises money and collects canned goods for families in need. "Sneak Peek" night at the Waterfront Village benefits this organization. The general public is invited to a preview of the carnival center with unlimited rides in return for a small fee and a canned-good donation. In 2000, \$6,000 was raised for this organization.

In addition, the Portland Rose Festival supports a variety of non-profit civic organizations and reimburses these organizations for services performed at various Rose Festival events. In 2000, these payments exceeded \$56,000 and included payments to the Burnside Mission, Oregon Air National Guard, Red Cross, National Missing Children and other non-profit groups. These groups were responsible for helping set up or clean up after certain events.

The following table shows contributions to the various organizations. For those donations or contributions associated with a specific event, the event is indicated in parenthesis.

**PORTLAND ROSE FESTIVAL ASSOCIATION
Contributions, Donations and Payments for Services, 2000**

Type of Donation or Contribution (Associated Event)	\$ Amount
Local Organizations and Non-Profit Agencies	
Hillsboro Chamber of Commerce (Airshow)	120,000
Burnside Mission (Waterfront Village)	33,800
North Portland Trust Fund (CART World Series)	30,000
Waterfront Village support from non-profits	15,000
Mt. Hood Kiwanis Camp	13,060
Portland Parks Bureau Youth Programs (Waterfront Village)	13,000
Portland Police (Waterfront Village)	10,000
Various Auction Packages for non-profits	10,000
Concession sales on parade routes	10,000
Program sales by non-profits at CART	10,000
Oregon Air National Guard	7,500
SOLV (Donation & in-kind publicity)	7,500
Portland Schools Art Education (Waterfront Village)	5,500
Concession Sales from Arts Festival	5,000
Miscellaneous Donations to various local non-profits	3,000
Stop Oregon Litter and Vandalism	2,500
National Missing Children (Waterfront Village)	250
Scholarships	
Rose Festival Court Scholarships	42,000
Dolores Bowman Scholarships (Airshow)	3,000
Other	
Dolores Bowman Day (Airshow)	25,000
City of Portland (Electrical Improvements at PIR)	128,000
Total Donations and Contributions	\$494,110

Please note that not all contributions made by the Portland Rose Festival Association are cash payments. For instance, each year the Portland Rose Festival Association donates approximately 80 sets of tickets for various events to non-profit agencies. These are auctioned off at various fund-raisers and the proceeds are retained by the agency.

Facility Rentals

The Portland Rose Festival Association uses various facilities throughout the Portland metro area to hold its events. The rental fees associated with the use of these facilities are shown in the table below. During 2000, the Portland Rose Festival Association paid a total of \$171,308 in facility rental fees.

In 2000, the City of Portland received \$68,800 for the use of the Portland International Raceway for the auto racing events (CART World Series and Rose Cup Races). Facilities run by the Metropolitan Exposition Recreation Commission (MERC) include the Memorial Coliseum, Oregon Convention Center, Civic Auditorium and the Arlene Schnitzer Hall. Rental fees for events held at these facilities totaled \$99,358 in 2000.

PORTLAND ROSE FESTIVAL ASSOCIATION Facility Rentals, 2000

Event	\$ Amount	Facility
City of Portland	\$68,800	
CART World Series	56,700	Portland International Raceway
Rose Cup Races	12,100	Portland International Raceway
MERC*	\$99,358	
Grand Floral Parade	67,313	Coliseum and Convention Center
Queen's Coronation	15,542	Civic Auditorium
Festival of Bands	10,605	Civic Auditorium
Jazz Band Classic	5,898	Arlene Schnitzer Hall
Portland School District	\$3,150	
OMTAAMB**	\$3,000	Lincoln High School
Grand Floral Parade	150	Lincoln High School
Total Facility Rentals	\$171,308	

* Metropolitan Exposition Recreation Commission

** One More Time Around Again Marching Band

Lincoln High School was used for band practice for both the OMTAAMB and Grand Floral Parade; the PRFA paid the Portland School District a total of \$3,150 for the use of this facility.

City Permits

The Portland Rose Festival Association is required to purchase various permits in order to hold its events. The following table shows the types of permits needed for each event as well as the amount. The Portland Rose Festival Association pays nearly \$145,000 for permits annually.

Two permits are required for the Rose Festival Airshow. The Port of Portland charges an annual permit fee of \$22,000, used for maintenance, operations and equipment needed to run the event. The City of Hillsboro also requires a permit costing \$61,000, which is used to pay for fire and police personnel.

PORTLAND ROSE FESTIVAL City Permits, 2000

Event	\$ Amount	Type of Permit
City of Hillsboro	\$61,000	
Airshow	61,000	Fire, Police
City of Portland	\$61,652	
Waterfront Village	40,000	Park Use and Restoration
CART World Series	10,875	Noise
Grand Floral Parade	4,300	Parade
Junior Parade	2,363	Parade
Starlight Parade	2,362	Parade
Milk Carton Boat Race	758	Park Use
Waterfront Village	600	Noise
Souvenir Sales	307	Vendor
Waterfront Village	268	Fire
Junior Parade	126	Park Use
Port of Portland	\$22,000	
Airshow	22,000	Airport Use
State of Oregon	\$307	
Rose Pin Sales	307	Raffle
Total City Permits	\$144,959	

In 2000, the Portland Rose Festival Association paid the City of Portland \$40,000 for the use and restoration of Tom McCall Waterfront Park. The City also required a noise permit for the CART World Series, which cost \$10,875. Other revenues generated by required city permits include funds from park permits as well as parade, noise, vendor and fire permits for other events (e.g., Grand Floral and Starlight parades). The Portland Rose Festival Association also paid the State of Oregon \$307 for a raffle permit used in conjunction with Rose Festival pin sales.

In addition to these locally levied fees, the Portland Rose Festival Association annually pays approximately \$1.5 million in sanctioning fees to host the CART and Rose Cup races as required by CART and NASCAR. However, these fees are paid to companies located outside of Oregon and are therefore not included here.

Web Site Development

The Portland Rose Festival Association launched a web site in 1996. In 2000, this site received 3.2 million hits and nearly 175,000 unique site visits. Of those visiting the site, about 40% of them also visited a site of a Rose Festival sponsor. These site visits have contributed to expanding the customer base for PRFA sponsors, many of whom have local offices and services.

3. PORTLAND ROSE FESTIVAL EVENTS AND ATTENDANCE

Rated as the top event in the United States for 1997 by the American Bus Association and one of the top 10 festivals in the world by the International Festival and Events Association, the Rose Festival offers something for everyone, attracting visitors from around the world. These designations place the Rose Festival among such internationally recognized events as the Kentucky Derby, Mardi Gras and the Pasadena Tournament of Roses.

TOTAL ROSE FESTIVAL EVENT ATTENDANCE

The Portland Rose Festival Association hosts nearly 2 million visitors to its 80-plus events and activities each year. The table below summarizes the attendance levels by type of visitor for the Rose Festival events held during 2000.

PORTLAND ROSE FESTIVAL Total Event Attendance

Name of Event	Spectators	Participants	Volunteers	Total Visitors
¹ CART World Series	114,475	10,930	3,130	128,535
¹ Rose Festival Air Show	59,336	1,713	3,400	64,449
² Grand Floral Parade	511,593	3,200	400	515,193
Starlight Parade	350,000	4,750	275	355,025
² Waterfront Village	460,000	1,800	200	462,000
Dragon Boat Races (Sanctioned event)	7,275	2,700	25	10,000
Opening Ceremonies & Fireworks Spectacular	30,000	200	36	30,236
Rose Festival Fleet	19,000	2,200	500	21,700
Jazz Band Classic	1,738	210	30	1,978
Arts Festival	67,500	350	500	68,350
Symphony Concert	2,608	600	0	3,208
³ Other In-House Events	23,500	450	0	23,950
Sanctioned Events	239,340	n.a.	n.a.	239,340
Total All Events	1,886,365	29,103	8,496	1,923,964

Notes:

n.a. = not available

¹ attendance shown is for all 3 days of the event

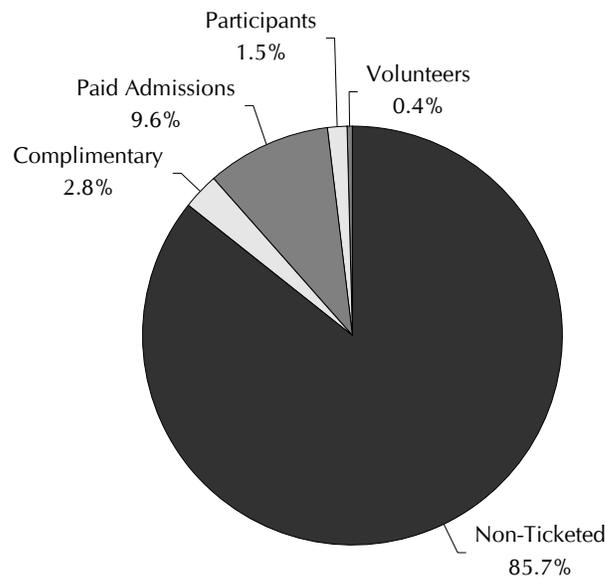
² represents attendance in 1999; attendance in 2000 was atypical due to weather

³ includes Showcase of Floats, Big Band Tribute, and 150th Symphony Celebration

Since the Portland Rose Festival covers a range of both ticketed and non-ticketed events, absolute attendance counts were not possible. Attendance estimates were compiled according to a variety of methods, including ticket sales for ticketed events, turnstile counts for donation events, and crowd control estimates for non-ticketed events.

The Rose Festival provides diverse and affordable entertainment to Portland residents and out-of-town visitors. Ticketed (paid) admission represents only a small portion (9.6%) of total attendance at the Rose Festival managed events. The majority of Rose Festival events are non-ticketed events, free to the public.

**PORTLAND ROSE FESTIVAL
Total Festival Attendance, 2000**



Source: Dean Runyan Associates and Portland Rose Festival Association

SANCTIONED EVENT ATTENDANCE

The table below provides a listing of the sanctioned events held during 2000 and the estimated 1999 attendance levels.

**PORTLAND ROSE FESTIVAL
Sanctioned Event Attendance, 2000**

Name of Sanctioned Event	Dates	City	1999 Attendance
11th Annual Tualatin Riverkeepers Discovery Day	June 24	Hillsboro	270
Western Woodcarvers Rose Festival Woodcarving Show	June 2-4	Portland	1,200
Water/Safety Awareness Presented by American Society of Safety Engineers	June 10	Portland	150
¹ Northwest Newschannel 8 Tigard Festival of Balloons	June 16-18	Tigard	30,000
The Boys & Girls Aid Society of Oregon's Rose Festival Ball	June 2	Portland	380
Royal Rosarian Rose Garden Contest 2000	June 4-5	Portland	75
Royal Rosarian Knighting Ceremony	June 9	Portland	400
Roses for Parents Gala	June 10	Portland	350
Race Across Oregon 2000	June 11-12	Ontario to Astoria	100
Quarter Midget Auto Racing for Kids	June 10,24	Portland	20
32nd Annual Portland Rose Festival Hockey Tournament	June-8-11,15,18	Vancouver, WA	500
Titanic (Broadway Musical)	June-7-18	Portland	48,000
Pioneer Living & Trail Tales	June-17-18	Oregon City	450
PGE Electron Run / Northwest Invitational-PIR	June-17	Portland	250
¹ Peninsula Park Family Day	June-3	Portland	1,200
	May-20-June-30	Portland	700
Oregon Society of Artists - Rose Art Show Opening Day at the Portland Rockies	June-22	Portland	14,000
Nor'Wester Beer Co. 4th Annual Home Brewers Competition	June-10	Portland	500
Northwest All Ford Car Show and Swap Meet	June-3	Hillsboro	4,300
National Football Alliance International Exhibition Game of American Football	June-4	Hillsboro	3,000
National Cancer Survivors Day Celebration	June-4	Portland	500
Metropolitan Youth Symphony POPS! 2000	June-18	Portland	1,400
2000 Motorsports Breakfast Presented by Market Transport Ltd.	June-22	Portland	600
Lil' Briches Rodeo	June-3-4	Portland	850
Jammin 95.5 3V3 Shoot-out	June-16-18	Beaverton	1,750
Hood River Classic Hunter/Jumper Horse Show	June-14-18	Mt. Hood	1,400
Ferret Fun Fair	June-11	Portland	200

(continued on next page)

**PORTLAND ROSE FESTIVAL
Sanctioned Event Attendance, 2000
(continued)**

Name of Sanctioned Event	Dates	City	1999 Attendance
Dedication of the Jackson and Perkins Rose Garden at Oregon Garden	June-25	Silverton	1,000
2000 Rose Festival Racquetball Championships	June-1-4	Portland	625
32nd Annual City of Roses Delta Park Powwow and Encampment	June-16-18	Portland	12,000
13th Annual "Kiwanis for Kids" Golf Tournament	June-20	Banks	140
Portland Rose Society 112th Annual Spring Rose Show	June-8-9	Portland Multiple locations	5,000
Make the Town Clean	June-3	in Tri-County	300
Oregon Symphony: The Stars of Lawrence Welk	June-10-11	Portland	2,700
adidas Oregon Track Classic	June-25	Portland	2,500
Portland Youth Philharmonic Rose Festival Concert	June-4	Portland	1,000
Portland - Kaohsiung Sister City Dragon Boat Races	June-10-11	Portland	15,000
Starlight Run	June-3	Portland	3,000
Rotary District 5100 Ducky Derby	June-24	Portland	300
"The Resurrection" Mahler Symphony No. 2, PSU Orchestra and Chorus	June-4	Portland	1,800
Estacada Volunteer Fire Fighters Assn. MDA Assn. Muster & Pump-In 2000	June-16-18	Estacada	2,000
¹ Sogetsu Ikebana Exhibition	June-10-11	Portland	3,000
Oregon Truck Driving Competitions	June-17	Gresham	450
Portland's Best Rose	June-11	Portland	1,000
Portland Fire Womens Basketball Games	May-31-June-23	Portland	60,000
Good in the 'Hood Multicultural Music and Food Festival	June-23-25	Portland	7,500
17th Annual Open Wheel Spectacular	June-23	Portland	4,500
¹ Mock's Crest Light Opera Company Presents Gilbert and Sullivan's The Gondoliers	June-9-25	Portland Eagle	2,600
Rose Festival Shooting Matches	June-10-11,18	Creek/Sherwood	80
Sing It! Barbershop 4 A Cappella Show	June-17	Vancouver, WA	300
Total Sanctioned Events			239,340

4. THE DIRECT ECONOMIC IMPACTS OF THE ROSE FESTIVAL

EXPENDITURES

The largest portion of direct economic impacts associated with Portland Rose Festival is generated by visitors attending the various Rose Festival events. These visitors spent over \$40 million in the Portland metro area. Out-of-town visitors were responsible for generating over half, or nearly \$24 million. Local residents also attended Rose Festival events and activities, generating more than \$11 million in spending.

Expenditures made by the Portland Rose Festival Association represent another source of direct spending. PRFA's expenses flow into the economy in terms of sales to other businesses for items such as equipment rental, float construction, printing, marketing, security, sanitation services, etc.

The Portland Rose Festival Association supports \$7.8 million in expenditures by the income derived from admissions, concession revenue, sponsorships, donations and royalties (See Chapter 2). However, the PRFA income associated with ticket sales and concession income is already captured in the visitor spending estimates. Therefore, to avoid double-counting, this visitor-related income is not included as organizational spending. Organization spending of about \$2.7 million represents sponsorships and donations during 2000.

PORTLAND ROSE FESTIVAL ASSOCIATION Direct Expenditures of Rose Festival Visitors

Direct Expenditures	(in thousands \$)
Visitor Spending	\$40,305
Out-of-Town Visitors	23,853
Residents	11,142
Participants	5,186
Volunteers	125
Organizational Spending	\$2,721
Total Direct Spending	\$43,026

Note: Details may not add to totals due to rounding.

Total direct spending attributable to Rose Festival visitors and the PRFA's organizational spending totaled over \$43 million during 2000.

VISITOR EXPENDITURES BY TYPE OF BUSINESS

Visitor spending broken out by type of business reveals where visitors make the bulk of their purchases. Visitors to the Portland Rose Festival spent nearly \$7.7 million at eating and drinking establishments such as restaurants and bars. Spending at retail establishments for items such as clothing, gifts, souvenirs and other items totaled over \$7.6 million. Visitor spending on air transportation to Portland contributed \$7.5 million. Spending on recreation including admission (if any) to Rose Festival events, as well as other tourist attractions, totaled \$6.2 million. Spending on lodging accommodations totaled \$5.1 million, with additional spending on ground transportation and food stores contributing \$3.4 and \$2.9 million, respectively.

**PORTLAND ROSE FESTIVAL
Visitor Spending by Type of Business, 2000**



Source: Dean Runyan Associates

VISITOR-GENERATED EMPLOYMENT AND PAYROLL

Spending at Rose Festival events during 2000 directly supported 481 jobs (both full- and part-time) in the Portland metro area, with a total payroll of over \$9 million. In addition to the employment and payroll generated from Rose Festival visitor spending in the community, the Portland Rose Festival Association employs a professional staff of 19 full-time and 27 part-time and seasonal employees with a total payroll of approximately \$969,000 including salary and benefits.

The number of jobs supported by visitor expenditures was the greatest at eating and drinking establishments, numbering 171 directly supported jobs. Visitor spending at firms providing entertainment and recreation opportunities to visitors supported an

additional 114 jobs. This spending includes that supported by ticket sales to Rose Festival events, as well as other recreation and entertainment spending. Approximately 67 people were employed in lodging establishments. Air transportation at Portland International Airport employed 55 people as a result of visitor-related air travel. Additional jobs were found in retail establishments, food stores and ground transportation.

**PORTLAND ROSE FESTIVAL
Employment Generated by Visitor Spending, 2000**



Source: Dean Runyan Associates

LOCAL TAX REVENUES GENERATED BY VISITOR SPENDING

Local governments in the Portland metro area (i.e., Clackamas, Multnomah and Washington counties) directly benefit from visitor spending at Rose Festival events. Cities and counties in the Portland metro area received \$563,000 in tax revenues and fees directly generated from Rose Festival visitor spending during 2000.

Local tax revenue consists of transient lodging taxes and local car rental taxes. The average transient lodging tax rate for the Portland metro area is 8.59%. Local jurisdictions received an estimated \$384,000 in transient lodging taxes collected from Rose Festival visitors staying in commercial accommodations. Multnomah County also levies a local tax of 10% on the rental of automobiles. An estimated \$63,000 was collected in car rental tax revenues for the County.

In addition to tax revenue, local governments also collect permit fees, facility rental charges and concession income. Concession income is generated from contracts with vendors at city-owned facilities, such as the Portland International Raceway and

Memorial Coliseum. Concession income attributable to Rose Festival visitor spending amounted to \$105,000 in 2000. This amount flows to the City of Portland in its entirety.

A business tax is also levied in both the City of Portland and in Multnomah County. The business income tax in Multnomah County is 1.45% of the net business income for all businesses operating in the county. In Portland this tax, the “business license tax,” is 2.2% of the net business income and results in a combined tax rate of 3.65% within the Portland city limits. Sales to Rose Festival visitors resulted in approximately \$12,000 in business tax revenue for these two jurisdictions.

**PORTLAND ROSE FESTIVAL
Local Tax Revenues Generated
by Rose Festival Visitor Spending**

Type of Tax	(in thousands \$)
Transient Lodging Tax	\$384
Car Rental Tax	63
Concession Income	105
Business License Fee	12
Total Local Taxes	\$563

In addition to the local taxes listed above, the City also received facilities rental charges and revenues from permit fees (see Chapter 2).

The City of Portland and Multnomah County receive the largest share of local taxes, fees and permits collected from Rose Festival spending (by visitors, visitor-industry businesses and the Portland Rose Festival Association). As shown in the table below, the City of Portland received more than \$355,000 in 2000 as a result of the Portland Rose Festival, while Multnomah County received payments in excess of \$100,000.

In the City of Portland, the majority of this revenue came in the form of transient lodging taxes of approximately \$114,000. The City of Portland also received \$105,000 in concession income, generated from vendors at events such as the CART World Series (at PIR), and the Grand Floral Parade (at Memorial Coliseum). Other revenues came directly from the Portland Rose Festival Association in the form of permits and facility rentals.

**PORTLAND ROSE FESTIVAL
Revenues Generated for Local Governments, 2000**

Type of Tax or Fee	City of Portland	Multnomah County
Local Taxes & Fees	\$226,200	\$99,800
Transient Lodging Tax	114,000	56,000
Car Rental Tax	0	63,000
Concession Income	105,000	0
Business License Fee	7,200	800
Permits	\$68,600	\$0
Facility Rentals	\$60,497	\$3,488
Total Local Revenues	\$355,297	\$103,288

Multnomah County also benefited with more than \$103,000 in revenue, the majority of which came from the 10% tax levied on automobile rentals.

It is interesting to note that both the City of Portland and Multnomah County received more than two-thirds of their combined revenues associated with the Rose Festival from taxes levied on visitor purchases. Visitor spending at Rose Festival events directly benefits both of these governments.

STATE TAX REVENUES GENERATED BY VISITOR SPENDING

The state of Oregon also benefits from Rose Festival visitor spending. In 2000, \$828,000 in state tax revenue resulted directly from this visitor spending at Portland Rose Festival events.

State taxes consist of the following:

- \$382,000 in personal income taxes resulting from travel-generated employment and payroll,
- \$362,000 in state motor fuel taxes levied on visitors' purchases of gasoline and
- \$84,000 in corporate income taxes generated from sales made in visitor industry businesses.

**PORTLAND ROSE FESTIVAL
State Tax Revenues Generated
by Rose Festival Visitor Spending**

Type of Tax	(in thousands \$)
Personal Income Tax	\$382
Fuel Tax	362
Corporate Income tax	84
Total State Taxes	\$828

The table on the following page provides detailed breakouts of the direct economic impacts of visitor spending at Rose Festival events. These findings are provided in aggregate for both for 13 major events along with the 70 sanctioned events, plus a grand total. The direct economic impacts of individual events (each of the eleven major events studied) are provided in the following chapter.

**PORTLAND ROSE FESTIVAL ASSOCIATION
Direct Economic Impacts, 2000**

	PRFA Managed Events	PRFA Sanctioned Events	Grand Total
Spending by Type of Visitor			
(in thousands \$)			
Out-of-Town Visitors	23,708	146	23,853
Hotel, Motel, B&B	12,254	27	12,282
Campground	297	0	297
Private Home	7,880	10	7,890
Day Travel	3,276	108	3,384
Residents	9,893	1,249	11,142
Participants	4,447	739	5,186
Volunteers	123	2	125
Total	38,170	2,136	40,305
Spending by Type of Business			
(in thousands \$)			
Lodging	5,008	74	5,083
Eating & Drinking	6,818	847	7,665
Food Stores	2,701	218	2,919
Ground Transport	3,100	254	3,353
Entertainment/Recreation	5,917	247	6,164
Retail	7,124	496	7,620
Air Transportation	7,502	0	7,502
Total	38,170	2,136	40,305
Payroll Generated by Visitor Spending			
(in thousands \$)			
	8,625	455	9,080
Employment Generated by Visitor Spending			
(Jobs)			
	451	30	481
Tax Revenues Generated by Visitor Spending			
(in thousands \$)			
<i>Local Taxes & Fees</i>	555	8	563
Transient Lodging Tax	378	6	384
Car Rental Tax	61	1	63
Concession Income	105	0	105
Business License Fee	11	1	12
<i>State Taxes</i>	771	58	828
Fuel Tax	329	33	362
Personal Income Tax	363	19	382
Corporate Income Tax	78	6	84

5. PORTLAND ROSE FESTIVAL ASSOCIATION MANAGED EVENTS

Each and every event produced by the Portland Rose Festival Association is unique. Each has a different mix of visitors and each impacts the local economy to a different extent. A description of the major Rose Festival events, and the visitor spending associated with each, follow. A table providing the direct economic impact findings for each event follows at the end of this chapter.

CART WORLD SERIES

In June, the Portland International Raceway (PIR) hosts a CART (Championship Auto Racing Teams) World Series as part of the Portland Rose Festival celebration. In addition to the Champ Car race, the three-day racing schedule (June 16-18, 2000) also included the Dayton Indy Lights Championships (the “Official Development Series” for the Indy Car World Series), the American City Racing League/North American Touring Car Championships (a one-class, sprint race featuring factory-backed teams and well-known drivers in high profile sedans) and the NASCAR Northwest Tour (stock car racing).

In 2000, an estimated daily crowd of 40,000-45,000 spectators lined the 1.95 mile road course at PIR to cheer on their favorite drivers and race car teams. The total three-day event attendance reached nearly 130,000 including participants and volunteers. The CART World Series generated more than \$11 million in direct visitor spending for the Portland metro area economy.

The largest share of spending was generated by visitors from outside the local area. These out-of-town visitors spent nearly \$7.3 million on lodging, food, transportation, entertainment and retail purchases while in the Portland metro area.



Portland area residents spent close to \$2.4 million on food and beverages, entertainment (including auto race tickets) and retail purchases. An additional \$1.4 million was spent by participants (i.e., drivers, race crews and media) while in Portland. Volunteers spent another \$28,000, mainly on food and beverages while at the event.

Worldwide media attention is focused on Portland as this event is telecast to an audience of millions. Worldwide the CART World Series was televised to 180 countries. Other supporting races, Indy Lights, NASCAR and the North American Touring Car Championships (NATCC) were also covered on tape-delayed telecasts.

**CART WORLD SERIES
Spending by Type of Visitor**

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$7,283
Hotel, Motel, B&B	4,238
Campground	114
Private Home	2,457
Day Travel	384
Residents	\$2,337
Participants	\$1,394
Volunteers	\$28
Total	\$11,043

ROSE FESTIVAL AIRSHOW



The Airshow is a major highlight event of the Portland Rose Festival, held during a three-day weekend (July 21-23, 2000) at the Hillsboro Airport. The Airshow annually attracts between 60,000 to 80,000 people and is ranked as one of the top ten airshows in North America. The major elements of the Airshow include a military jet demonstration team, civilian aerobatic and stunt performers, a pyrotechnics display, static ground displays, an entertainment center featuring a multi-media pavilion, vendor booths, and hospitality chalets. In 2000, the jet team performing in this event was the U.S. Navy Blue Angels.

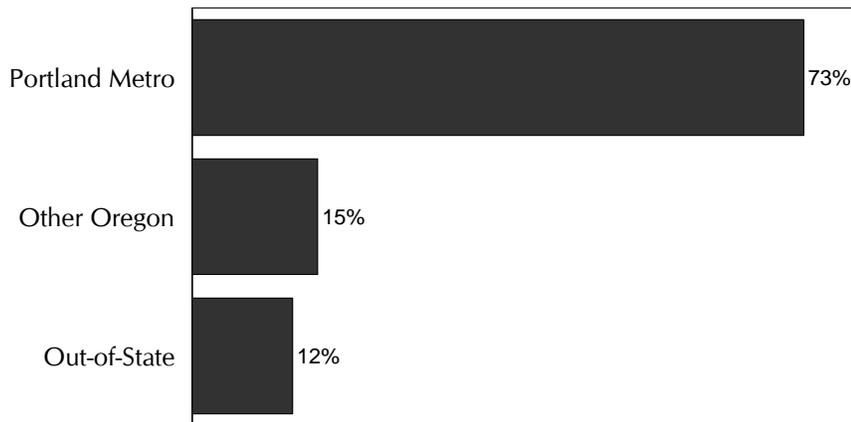
The Rose Festival Airshow generated over \$2.7 million in overall spending, including that by spectators (both residents and non-residents), participants and volunteers working at the Airshow.

**ROSE FESTIVAL AIRSHOW
Spending by Type of Visitor**

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$1,226
Hotel, Motel, B&B	391
Campground	103
Private Home	328
Day Travel	405
Residents	\$1,400
Participants	\$98
Volunteers	\$17
Total	\$2,741

A zip code analysis of ticket sales to the Airshow shows that 73% of visitors to the Airshow were Portland residents. Residents of other areas in Oregon accounted for approximately 15% of all visitors to the Airshow and out-of-state visitors accounted for the remaining 12%.

**ROSE FESTIVAL AIRSHOW
Ticket Sales by Area of Residence**



Percent of Total Visitors

Sources: Dean Runyan Associates, TicketMaster and Campbell Productions

GRAND FLORAL PARADE

The Grand Floral Parade is the largest parade in the Pacific Northwest and the second largest all-floral parade in the nation. It was rated as the fourth best parade in the United

States by *USA Today Newspaper* in 1999. The parade includes 25 themed floats, 16 marching bands and 100 equestrian units, that wind their way along a 5-mile parade route through the central Downtown and Lloyd Center areas of Portland. Estimates by the Portland Police Bureau place the Grand Floral Parade crowd size at 500,000, including both spectators and participants.

The Grand Floral Parade is a community event, free and open to the public. In 2000, about 9,500 tickets were sold, mainly to tour groups, for reserved seating inside the Memorial Coliseum and outside at both the Coliseum and the Oregon Convention Center.



Visitors to the Grand Floral Parade spent nearly \$10 million in the Portland metro area. The majority of spending was by out-of-town visitors. These visitors, for the most part, stayed in commercial lodging or with friends and relatives.

GRAND FLORAL PARADE Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$8,488
Hotel, Motel, B&B	4,079
Campground	0
Private Home	3,376
Day Travel	1,033
Residents	\$1,333
Participants	\$86
Volunteers	\$5
Total	\$9,912

Based on a Grand Floral Parade attendance profile and analysis prepared by DRA in 1998, about 70% of the visitors to the Grand Floral Parade are Portland area residents, with another 6% from elsewhere in Oregon. Visitors from out of state make up the remaining 18% including those visiting from Vancouver, Washington.

Grand Floral Parade Televised Broadcast

The reach of the Portland Rose Festival extends far beyond Portland and even the state of Oregon. The Portland Rose Festival Association, in conjunction with KOIN-TV, produces a telecast of the Grand Floral Parade, which is televised to many western states. In addition to broadcasting to 1 million television households in Oregon, the

parade is broadcast to another 20 million television households in a wide range of states including California, Washington, Arizona, Nevada, Idaho, Texas, Alaska, Nebraska, and Minnesota also watched the parade.

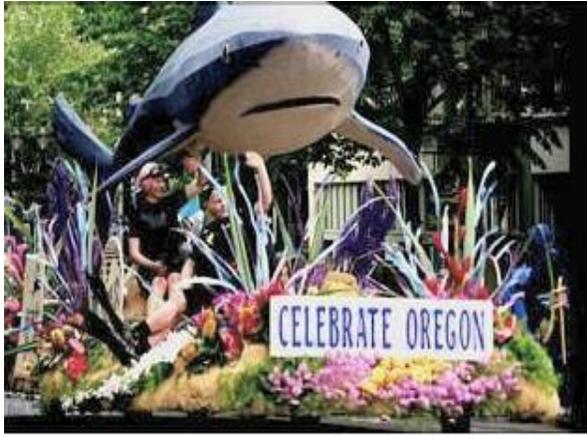
GRAND FLORAL PARADE, 2000 TELECAST

Potential TV Coverage	
Oregon	
Portland, Oregon	1,004,140
Eugene, Oregon	209,790
Medford, Oregon	154,310
Klamath Falls	33,000
Washington	
Seattle, Washington	1,591,000
Spokane Washington	366,250
Yakima, Washington	199,850
California	
Los Angeles, California	5,324,690
San Francisco, California	2,423,120
Sacramento, California	1,159,820
San Diego, California	980,620
Bakersfield, California	171,520
Eureka, California	56,650
Other States	
Dallas, Texas	2,018,120
Minneapolis, Minnesota	1,481,050
Phoenix, Arizona	1,390,750
Albuquerque, New Mexico	568,650
Las Vegas, Nevada	521,200
Omaha, Nebraska	373,320
Tucson, Arizona	380,900
Reno, Nevada	228,880
Boise, Idaho	199,760
Anchorage, Alaska	128,280
Fairbanks, Alaska	30,000
Juneau, Alaska	30,000
Total	21,025,670

The largest audiences reached outside of the Portland metro area were Los Angeles with 5.3 million, San Francisco with 2.4 million and Dallas with 2 million television households tuned into the parade. The television exposure benefits the Portland Rose Festival Association, the city of Portland and the state of Oregon.

Showcase of Floats

The Showcase of Floats is an opportunity for visitors to see the floats up close for two days after the Grand Floral Parade has finished.



The event includes live entertainment, food and activities, presented in a festive atmosphere. A \$3 donation is asked of visitors, although admission is included with the purchase of Grand Floral Parade reserved seating tickets. The event is held in conjunction with the International Showcase, an event held in the Memorial Coliseum, featuring performances by the many international and cultural associations who participate in the parade.

ROSE FESTIVAL FLEET WEEK

The Rose Festival Fleet consists of visiting service vessels, including ships from the U.S. Navy, the U.S. Coast Guard and foreign navies. The 18-20 vessels, including guided missile cruisers, destroyers, cutters, mine sweepers, and Army dredges, arrive in Portland over a two-day period amidst much fanfare. Traffic stops as the City's bridges raise and pedestrians stop to watch the fireboats shooting large colorful sprays of water and the accompanying flotilla of private craft tooting their boat horns.

More than 2,000 crew members arrive in the Portland area. Once in town, the crews enjoy liberty in the Portland area – a home port for many crew members. For those from out-of-town, residents provide many of the sailors with a temporary home or family/friend through the Host-A-Sailor program.



Many of the ships are open for public tours during the Rose Festival celebrations. Approximately 20,000 visitors take advantage of these free tours while the fleet is in town.

**ROSE FESTIVAL FLEET
Spending by Type of Visitor**

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$53
Hotel, Motel, B&B	31
Campground	1
Private Home	7
Day Travel	15
Residents	\$47
Participants	\$1,264
Volunteers	\$42
Total	\$1,407

STARLIGHT PARADE

The Starlight Parade began in the 1930's as an "electrified" night parade, running on Portland's electric streetcar network. It currently is the second largest lighted parade in the Northwest. The parade features illuminated floats, marching bands, fire engines and clowns.



The Portland Police Bureau estimates crowd size at 350,000 spectators, participants and parade volunteers. These visitors spent nearly \$4 million in the Portland metro area.

The Starlight Parade is kicked off with the Starlight Run, a 3.1-kilometer race along the Starlight Parade route. Thousands of runners participate in this "fun run," where the competition is great for individual and group costume awards.

**STARLIGHT PARADE
Spending by Type of Visitor**

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$2,687
Hotel, Motel, B&B	1,124
Campground	0
Private Home	1,199
Day Travel	363
Residents	\$1,103
Participants	\$204
Volunteers	\$3
Total	\$3,997

WATERFRONT VILLAGE

Waterfront Village was introduced in 2000 and received rave reviews by community and participants. The 11-day celebration held in downtown Portland’s Tom McCall Waterfront Park. With carnival rides, games, entertainment on 5 stages, food and beverages, the Waterfront Village represents one of the largest amusement centers in the Northwest, attracting approximately 500,000 festival-goers annually.

Visitors to the Waterfront Village can participate in various recreation amusements, purchase food, beverages and many retail items. More than 150 exhibitors showcase products from around the country in the Marketplace.



Entertainment is also provided at the Waterfront Village. More than 200 local, regional and national groups provide musical performances covering county, jazz, blues and easy-listening music.

Other special attractions include the Rose Festival Fleet, including Navy and Coast Guard ships and crews from the United States, Canada and various other countries, a special daytime arts education program for 300 school children, a children’s kingdom featuring local dance groups, a petting zoo & pony rides, and a thrill ride area.

WATERFRONT VILLAGE Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$3,271
Hotel, Motel, B&B	1,891
Campground	68
Private Home	409
Day Travel	904
Residents	\$2,915
Participants	\$847
Volunteers	\$24
Total	\$7,057

OPENING CEREMONY AND FIREWORKS SPECTACULAR



The Opening Ceremony and Fireworks Spectacular are held on the first night of Waterfront Village and serves as a kickoff for the Festival. In 2000, it was estimated that 30,000 persons viewed the Fireworks Spectacular, held in the amphitheatre located on the south end of Waterfront Park adjacent to Waterfront Village, in addition to those already downtown for the latter.

The event was broadcast via live television to 15,000 viewers throughout Oregon, Washington, Idaho, and Montana, viewed a television broadcast by NWCN (Northwest Cable News). Portland's KGW aired a replay broadcast later in the week, with more than 100,000 households within Oregon viewing the fireworks display.

FIREWORKS SPECTACULAR Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$162
Hotel, Motel, B&B	94
Campground	3
Private Home	20
Day Travel	45
Residents	\$144
Participants	\$0
Volunteers	\$0
Total	\$306

PORTLAND ARTS FESTIVAL

Added to the Rose Festival Association's calendar of events in 1998, the Portland Arts Festival was ranked as one of the top juried fine arts and crafts festivals in the nation. This free, open-air festival showcases the work of more than 125 local, regional and national artists representing a diverse group of visual arts media. Artists compete for \$10,000 in prizes and in several award categories, as well as provide demonstrations. Artists' booths are complemented by a performance stage featuring local and regional

dance, theatre and performing arts, and a culinary arts courtyard, as well as a Kids' Zone with hands-on, family-oriented free activities and "kid priced" (\$1-\$10) original artwork pieces.



Estimated attendance in 2000 was 68,350, including participants and volunteers. The Portland Arts Festival generated \$739,000 in direct visitor spending for the Portland metro area economy. Out-of-town visitors generated nearly half of the total visitor spending.

**PORTLAND ARTS FESTIVAL
Spending by Type of Visitor**

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$364
Hotel, Motel, B&B	210
Campground	8
Private Home	45
Day Travel	100
Residents	\$324
Participants	\$51
Volunteers	\$1
Total	\$739

JAZZ BAND CLASSIC



The Jazz Band Classic features eight to nine high school bands, performing in 15-minute sets. It provides entertainment and competition for local and out-of-state high school jazz and stage bands. This event is also part of the Rose Festival's music education program and is used to kick-off the three-day high school band competition, Festival of Bands (not held in 2000 due to remodeling of the Civic Auditorium). In 2000, the Arlene Schnitzer Concert Hall hosted over 1,900 persons attending the Jazz Band Classic.

JAZZ BAND CLASSIC
Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$5
Hotel, Motel, B&B	3
Campground	0
Private Home	1
Day Travel	0
Residents	\$10
Participants	\$10
Volunteers	\$0
Total	\$25

DRAGON BOAT RACES

The Dragon Boat Races, held on the Willamette River, are a series of boat races involving teams crewing Taiwanese-built decorative dragon boats. The dragon boats are 42-foot long hull-shaped craft, with a dragon’s head in front and a tail in the back, oared by 18-person teams. Approximately 90 teams participated in these races during 2000.



This event is co-sponsored with Portland’s Kaoshiung Sister City Association.

DRAGON BOAT RACES
Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$39
Hotel, Motel, B&B	23
Campground	1
Private Home	5
Day Travel	11
Residents	\$35
Participants	\$284
Volunteers	\$1
Total	\$359

OREGON SYMPHONY SPECIAL CONCERT

Special concerts with guest artists are featured each year as part of the Rose Festival celebration. In 2000, 3,200 persons attended the Portland Rose Festival sponsored Symphony performance featuring Stars of Lawrence Welk.

OREGON SYMPHONY
Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$50
Hotel, Motel, B&B	34
Campground	0
Private Home	13
Day Travel	2
Residents	\$49
Participants	\$44
Volunteers	\$0
Total	\$143

SANCTIONED EVENTS

In addition to its 13 managed events, the Portland Rose Festival Association also provides an umbrella under which numerous organizations may hold sporting, cultural,

special interest and fundraising events. The Association oversees the sanctioning of 70 events sponsored by other non-profit, civic organizations. Some well known of these events include the Rose Show, the Symphony Concert, and the Starlight Run.

In terms of marketing and promotion, the Rose Festival Association is very important as an umbrella organization for these sanctioned events; however, the total attendance at all events is not entirely due to efforts by the Portland Rose Festival Association. As reported by the Portland Rose Festival Association, data from these events held in 1999 made it possible for Dean Runyan Associates to calculate a "typical year" impact for 2000. No effort was made to determine the portion of attendance attributable solely to the efforts of the Portland Rose Festival Association.

SANCTIONED EVENTS
Spending by Type of Visitor

Direct Expenditures	(in thousands \$)
Out-of-Town Visitors	\$146
Hotel, Motel, B&B	27
Campground	0
Private Home	10
Day Travel	108
Residents	\$1,249
Participants	\$739
Volunteers	\$2
Total	\$2,136

The following tables provide detailed economic impact findings for each of the managed Rose Festival events described above. The impact estimates include visitor spending and the payroll, employment and tax revenues generated by this spending.

**PORTLAND ROSE FESTIVAL ASSOCIATION
PRFA Managed Events
Economic Impact Estimates, 2000**

	CART World Series	Airshow	Grand Floral Parade	Starlight Parade
Spending by Type of Visitor				
(in thousands \$)				
Out-of-Town Visitors	7,283	1,226	8,488	2,687
Hotel, Motel, B&B	4,238	391	4,079	1,124
Campground	114	103	0	0
Private Home	2,457	328	3,376	1,199
Day Travel	384	405	1,033	363
Residents	2,337	1,400	1,333	1,103
Participants	1,394	98	86	204
Volunteers	28	17	5	3
Total	11,043	2,741	9,912	3,997
Spending by Type of Business				
(in thousands \$)				
Lodging	1,991	169	1,195	232
Eating & Drinking	1,669	379	1,357	677
Food Stores	477	243	751	273
Ground Transport	742	198	609	319
Entertainment/Recreation	2,834	770	681	172
Retail	1,523	663	1,564	714
Air Transportation	1,807	319	3,754	1,609
Total	11,043	2,741	9,912	3,997
Payroll Generated by Visitor Spending				
(in thousands \$)				
	2,759	632	2,302	911
Employment Generated by Visitor Spending				
(Jobs)				
	147	34	103	41
Tax Revenues Generated by Visitor Spending				
(in thousands \$)				
<i>Local Taxes & Fees</i>	272	12	118	23
Transient Lodging Tax	150	9	94	18
Car Rental Tax	20	2	15	4
Concession Income	98	0	7	0
Business License Fee	4	1	2	1
<i>State Taxes</i>	202	37	208	89
Fuel Tax	67	6	85	45
Personal Income Tax	116	27	97	38
Corporate Income Tax	19	4	26	6

**PORTLAND ROSE FESTIVAL ASSOCIATION
PRFA Managed Events
Economic Impact Estimates, 2000**

	Symphony	Jazz Band Classic	Portland Arts Festival	Navy Fleet
Spending by Type of Visitor				
(in thousands \$)				
Out-of-Town Visitors	50	5	364	53
Hotel, Motel, B&B	34	3	210	31
Campground	0	0	8	1
Private Home	13	1	45	7
Day Travel	2	0	100	15
Residents	49	10	324	47
Participants	44	10	51	1264
Volunteers	0	0	1	42
Total	143	25	739	1,407
Spending by Type of Business				
(in thousands \$)				
Lodging	14	3	86	263
Eating & Drinking	25	7	214	366
Food Stores	8	2	68	112
Ground Transport	11	3	85	156
Entertainment/Recreation	50	3	97	191
Retail	22	6	188	319
Air Transportation	12	0	0	0
Total	143	25	739	1,407
Payroll Generated by Visitor Spending				
(in thousands \$)				
	36	5	154	301
Employment Generated by Visitor Spending				
(Jobs)				
	2	0	10	19
Tax Revenues Generated by Visitor Spending				
(in thousands \$)				
<i>Local Taxes & Fees</i>	1	0	8	26
Transient Lodging Tax	1	0	7	21
Car Rental Tax	0	0	1	5
Concession Income	0	0	0	0
Business License Fee	0	0	0	1
<i>State Taxes</i>	3	1	18	29
Fuel Tax	1	0	10	13
Personal Income Tax	2	0	6	13
Corporate Income Tax	0	0	2	4

PORTLAND ROSE FESTIVAL ASSOCIATION
PRFA Managed Events
Economic Impact Estimates, 2000

	Fireworks Spectacular	Dragon Boat Races	Waterfront Village	Other Managed Events
Spending by Type of Visitor				
(in thousands \$)				
Out-of-Town Visitors	162	39	3,271	16
Hotel, Motel, B&B	94	23	1,891	3
Campground	3	1	68	0
Private Home	20	5	409	1
Day Travel	45	11	904	12
Residents	144	35	2,915	140
Participants	0	284	847	88
Volunteers	0	1	24	2
Total	306	359	7,057	246
Spending by Type of Business				
(in thousands \$)				
Lodging	38	56	915	16
Eating & Drinking	74	122	1,796	72
Food Stores	30	26	666	28
Ground Transport	38	36	847	33
Entertainment/Recreation	43	44	975	33
Retail	84	75	1,858	64
Air Transportation	0	0	0	0
Total	306	359	7,057	246
Payroll Generated by Visitor Spending				
(in thousands \$)				
	62	79	1,446	50
Employment Generated by Visitor Spending				
(Jobs)				
	4	5	90	3
Tax Revenues Generated by Visitor Spending				
(in thousands \$)				
<i>Local Taxes & Fees</i>	4	6	87	2
Transient Lodging Tax	3	4	72	1
Car Rental Tax	0	1	12	0
Concession Income	0	0	0	0
Business License Fee	0	0	2	0
<i>State Taxes</i>	8	8	174	7
Fuel Tax	4	3	97	4
Personal Income Tax	3	3	61	2
Corporate Income Tax	1	1	17	1

6. THE TOTAL ECONOMIC IMPACTS OF ROSE FESTIVAL SPENDING

INDIRECT ECONOMIC IMPACTS

Direct expenditures and other impacts associated with the Rose Festival are of primary importance, in that they occur immediately and directly from Rose Festival visitor and participant spending. However, there are other economic impacts that occur subsequently to these direct expenditures, consisting of indirect sales generated by the direct expenditures of visitors to the Portland metro area. These indirect sales are important to businesses in the tri-county area and throughout the state, and also generate additional payroll and employment, spreading the benefits of the Rose Festival beyond those who benefit directly from it.

Before proceeding it is useful to review a few of the terms that appear in this discussion.

Direct impacts occur through purchases of goods and services by visitors and the Rose Festival organization among businesses located in the tri-county area. These businesses, in turn, provide direct employment and wages. The state government collects taxes on the employees' personal income and the businesses' corporate income, as well as taxes on some of the sales of goods and services to the traveler. Local governments also collect taxes generated from traveler spending such as the transient lodging tax.

Indirect impacts occur when the businesses that make direct sales associated with the Rose Festival then buy the supplies and services they need to operate. Most of these purchases are made from businesses not directly connected to the travel or recreation industry, such as the wholesale, manufacturing, construction and financial sectors. In turn, these other businesses also purchase goods and services; as this series of purchases continues in an area, income and employment are produced indirectly.

Induced effects occur when the employees in the businesses that receive direct and indirect expenditures make purchases throughout the area for food, housing, transportation, recreation, and other goods and services. This household spending represents the induced benefits resulting from the original Rose Festival spending and the associated payroll.

Multipliers provide a summary of the total of all direct, indirect and induced impacts. The ratio of the total impact to the direct yields a multiplier value which shows the extent to which visitor expenditures stay in the local economy and produce additional indirect and induced economic impacts. For purposes of this analysis, it is appropriate to consider only the portion of all visitor expenditures that derive from outside the Portland metro area.

For purposes of discussion, indirect and induced impacts are collectively called indirect impacts; direct, indirect and induced impacts taken together are called total impacts.

TOTAL ECONOMIC IMPACTS

Of the total \$43 million in spending that is associated with the Rose Festival, \$29.2 million can be attributed to visitors from outside the three-county area who attended one or more events. The remaining \$11.1 million represents spending by local residents (i.e., local spectators, local participants and volunteers). The spending from outside the metropolitan area represents new money that can be attributed to the Rose Festival; this “outside” money is what generates desirable indirect economic effects.

In order to estimate these indirect impacts it is necessary to develop an economic model for the Portland metro area that properly represents the relationships between direct expenditures and the appropriate measurers of total economic activity. For this study the IMPLAN methodology and data provided by the Minnesota IMPLAN Group were used to develop such a model. Appendix D describes this model and its application in more detail.

The table below summarizes the direct, indirect and total economic activity associated with the Rose Festival.

**PORTLAND ROSE FESTIVAL
Total Economic Impacts, 2000**

Impact Component	Business Sales (\$ Million)	Payroll Income (\$ Million)	Employment (Jobs)
Direct Impacts	43.0	10.0	525
Non-Resident Spending	29.2	6.2	327
Resident Spending	11.1	2.9	154
Organizational Spending	2.7	0.9	44
Indirect Impacts	35.1	13.0	451
Total Economic Activity	78.1	23.0	976
Economic Multiplier	1.8	2.3	1.9

The total economic activity associated with the Rose Festival amounts to \$78.1 million. Of this amount \$29.2 million is direct expenditures by those visiting the Portland metro area and Rose Festival events, \$11.1 million represents expenditures by local residents, and \$2.7 million is organizational expenditures that are not accounted for in the other two figures. Indirect economic impacts amount to an additional \$35.1 million.

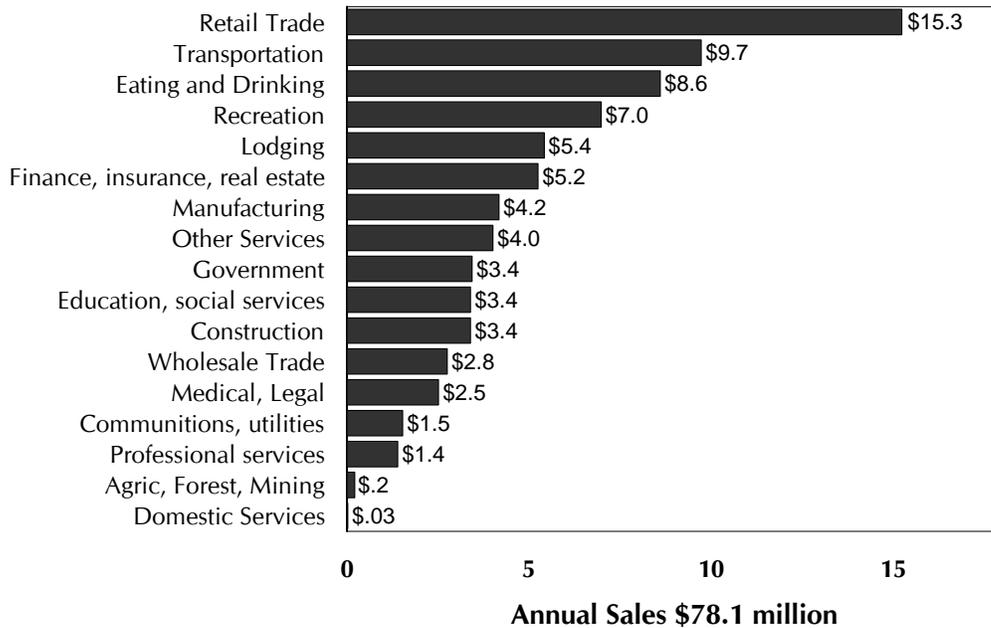
Total employee compensation amounts to about \$23 million, of which \$10 million is a direct impact of travel expenditures. The payroll generated as a direct result of travel spending includes only wage and salary income. However, the indirect and induced employee compensation figures as calculated using the methodology employed here includes wages and salaries, as well as benefits such as health and life insurance, retirement payments, and other non-cash compensation.

Total employment attributable to travel amounts to approximately 976 people. The direct employment portion of this figure amounted to 525 full- and part-time wage and salary workers. An additional 451 workers are indirectly employed as a result of spending associated with the Portland Rose Festival.

An analysis of direct, indirect and total impacts also demonstrates the linkages between industries. The linkages are strongest where substantial dollars flow from the direct spending, such as retail trade, eating and drinking establishments, recreation and transportation. This is also the case in the total outputs. However sales are also generated in the finance, insurance and real estate industries to a large degree.

As shown in the figure below, these industries represent broad sectors of the Oregon economy, and show the degree to which a wide range of industries are connected to Rose Festival activities and to those businesses and employees that are directly and indirectly involved in its operation.

**PORTLAND ROSE FESTIVAL
Distribution of Total Impacts, 2000**



Source: Dean Runyan Associates and Minnesota Implan Group

MULTIPLIER EFFECTS

The direct expenditures by event visitors and by the Portland Rose Festival Association contribute to increased business activity in the Portland metro area. These indirect impacts are first felt by those industries that supply goods and services to the Portland Rose Festival Association or to Rose Festival visitors. These businesses in turn purchase other goods and supplies, and their employees make purchases in the local economy. Ultimately this process of spending and re-spending, typically termed the “multiplier effect,” produces additional business income, payroll and employment in the regional economy.

A sales multiplier represented by these findings amounts to 1.8, which indicates that for every \$1 spent in direct sales by visitors and the PRFA, an additional \$.80 is generated in indirect sales generated by businesses and government in the three-county area.

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

APPENDIX B. DEFINITION OF TERMS

APPENDIX C. TRAVEL INDUSTRY BUSINESS CLASSIFICATIONS

APPENDIX D. INPUT-OUTPUT (IMPLAN) MODELING SYSTEM

REGIONAL TRAVEL IMPACT MODEL (RTIM) TRAVEL IMPACT ESTIMATION PROCEDURES

EXPENDITURES

Hotel, Motel, B&B. Spending by hotel and motel guests is determined from visitor survey data estimates of the percentage of all visitors staying in commercial accommodations and the average spending levels of these visitors. Spending by hotel and motel guests in each business category, such as food and transportation, is estimated using spending distributions reported in visitor survey data. The spending distribution shows how visitors divide their spending between lodging and other purchases. Hotel/motel tax revenues are calculated based on the transient lodging tax rate applicable in the Portland metropolitan area.

Camping. Camping use statistics were gathered from local campgrounds. In many cases this information consisted of a count of the available sites, average rental rates and estimates of the number of sites occupied during particular Rose Festival event weekends. Spending for these visitors was estimated by applying average spending to the total number of camp parties associated with Rose Festival events. This category also includes sales to motorhomes at Portland International Raceway for the CART World Series.

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 average daily expenditures of homestay visitors reported in visitor survey data.

Day Travel. The share of day visits as a percentage of total visits is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending. Only the day travel associated with out-of-town visitors is included.

Residents. The number of residents from the Portland metro area (i.e., Clackamas, Multnomah and Washington counties) was determined from visitor survey data, zip code analyses or PRFA/contractor staff estimates. Average daily spending estimates were then applied to the volume estimates. Daily spending was prorated based on the length of time (in hours) residents were estimated to have attended the event.

Participants. Portland Rose Festival Association records tracked the number of participants and support staff for most of the PRFA managed events. These volume estimates were then multiplied by appropriate spending levels based on the geographic origin of the visitor (i.e., local participant or non-local participant), type

of accommodations in which the participants were staying and their length of stay in the Portland metro area.

Participant estimates for the PRFA sanctioned events were estimated at 20 percent of total attendance. Only 10% of these sanctioned event participants were estimated to have originated outside the local area; 90% were thought to be Portland area residents.

Volunteers. The number of volunteers were converted to volunteer-days, since the average volunteer worked only a portion of the day at any particular event. The spending associated with volunteers was estimated to have been, for the most part, purchases of food and/or beverages. This was estimated at approximately \$3-\$5 per day on average.

Note: The visitor survey data referenced in this study was gathered from a variety of sources. Except for Waterfront Village and the CART auto race event, no specific data on Rose Festival visitors was gathered as part of this contract.

RELATED TRAVEL IMPACTS

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

Payroll generated directly from visitor expenditures is estimated from the payroll-to-receipts ratio obtained from data published in the *Oregon Census of Service Industries, Census of Retail Trade and Census of Transportation* publications for each business category.

Employment in each business category is calculated from average wage data derived from information supplied by the Oregon Employment Department.

Local Taxes consist of local room taxes, (transient lodging taxes) as well as local sales taxes as levied on visitor purchases of applicable goods and services. In the Portland metro area, the average room tax rate was 8.44% during fiscal year 1995-96. A 10% car rental tax is also levied by Multnomah County.

In addition, both the City of Portland and Multnomah County levy business taxes (called business income taxes or business license taxes). Only the tax revenues generated by those businesses operating within the city and/or county boundaries are included in this analysis.

State Taxes consist of corporate income taxes and state fuel taxes attributable to visitor spending plus personal income taxes based on the associated travel-generated payroll income.

State sales taxes are not applicable in Oregon and are not included in this analysis. In addition, the sales made directly by the Portland Rose Festival Association (e.g., concession income, souvenir sales and admission to ticketed events) is not subject to state corporate income tax due to the Association's status as a private, non-profit tax organization.

DEFINITION OF TERMS

Accommodation: Spending for lodging by hotel and motel guests and campers.

Air Transportation: Air passenger spending attributable to visitors to the Portland Metro Area. Only the air transportation spending associated with in-bound travelers (as opposed to residents flying elsewhere) is included.

Campers: Travelers staying at RV parks and commercial campgrounds or at public campgrounds such as Washington County Fairgrounds. Also included in this category is spending associated with visitors staying in motorhomes at Portland International Raceway for the CART World Series and Rose Cup auto racing events.

Day Visitor: A visitor whose trip does not include an overnight stay and who travels out of his/her local area (50+ miles one way).

Eating, Drinking: Businesses serving food and beverages for immediate consumption. In addition to table service restaurants, this category includes fast-food outlets and refreshment stands.

Employment: Industry employment (jobs) associated with the travel-generated payroll; this includes both full- and part-time positions. However, employment of working proprietors is not included.

Expenditures: Purchases by visitors during their trip, including lodging taxes and other applicable local and state taxes paid by the visitor at the point of sale.

Food Stores: Grocery stores, supermarkets, fruit stands, retail bakeries and other businesses selling food for consumption off the premises.

Ground Transport: Spending on car rentals, gasoline and other vehicle operating expenses and on local transportation such as taxis, buses and trains.

Hotel and Motel Guests: Travelers staying in hotels, motels, bed & breakfast establishments, condominiums and other lodging places where the transient lodging tax is collected.

Local Tax Receipts: Tax revenue collected by counties and municipalities, as levied on applicable travel-related purchases. Includes the transient lodging tax and automobile rental tax in Multnomah County. Also included are any locally levied business taxes.

Payroll: Wages and salaries paid to workers by the businesses that receive travel expenditures. Only the payroll attributable to travel expenditures is included. Does not include proprietors' income.

Private Home Guests: Travelers staying as guests with friends or relatives.

Receipts: Travel expenditures less the sales and excise taxes imposed on those expenditures. Also referred to as business receipts.

Recreation: Spending on amusement and recreation, such as admissions to Rose Festival events and other tourist attractions.

Retail Sales: Spending for gifts, souvenirs and other items. Excludes spending listed separately, such as food stores or recreation.

Spending Distributions: Information from visitor surveys showing how spending by each type of visitor is divided between various business categories.

State Tax Receipts: State corporate income taxes and motor fuel taxes attributable to travel expenditures and personal income taxes based on the associated travel-generated employment.

Transient Lodging Tax: A local tax charged on lodging. Also referred to as room tax, transient occupancy tax, hotel tax or bed tax.

Travel: A day or overnight trip that is not of a local or commuting nature. Travel may be for business or pleasure purposes.

Visitor: A visitor to the Portland Rose Festival. A visitor may be an out-of-town visitor, Portland resident, participant or a volunteer attending Rose Festival events.

**TRAVEL EXPENDITURE CATEGORIES AND RELATED TYPES OF BUSINESS
BY STANDARD INDUSTRIAL CLASSIFICATION (SIC CODE)**

Expenditure Category	Type of Business	SIC Code
Accommodations (Hotel, motels and other lodging places)	Hotels, Motels and B&B Inns	701
	Camps and Recreation Vehicle Parks	703
Eating & Drinking (Food and drink purchased for on-premise consumption)	Eating and Drinking Places	58
Food & Beverages (Food and drink purchased for off-premise consumption)	Food Stores	54
Amusement/Recreation (Admissions, recreation fees, recreation equipment rentals, etc.)	Amusement and Recreation Services	79
Automobile Rental	Passenger Car Rental	7514
Motor Fuel (Fuel and other vehicle expenses during trip)	Gasoline Service Stations	554
Air Passenger Transportation	Transportation by Air	45
Local Transportation (Taxi, bus and other local transportation)	Local Passenger Transportation	411
	Taxicabs	412
	Intercity and Rural Bus Transportation	413
	Bus Charter Service	414
Water Transportation (Cruise ships, ferries, excursion and sightseeing boats)	Deep Sea Passenger Transportation	4481
	Ferries	4482
	Other Water Transportation of Passengers	4483
Travel Arrangement	Arrangement of Passenger Transportation	472
Retail Trade (Personal items, gifts and other miscellaneous purchases)	General Merchandise Stores	53
	Miscellaneous Retail Stores	59

INPUT-OUTPUT (IMPLAN) MODELING SYSTEM⁴

IMPLAN is a widely used, nationally recognized economic impact model, first developed by the U.S. Forest Service. IMPLAN provides estimates of the additional economic activity associated with a sale of a good or service, as to a traveler. This methodology has been packaged, along with the necessary data files, as IMPLAN/Q by the Minnesota IMPLAN Group, Inc. (MIG) of Stillwater, Minnesota, and is the basis for the analysis in this report.

TYPES OF MULTIPLIERS

IMPLAN/Q generates two types of multipliers, “Type I” and “Type III”. The Type I multiplier takes into account the direct and indirect spending, not including the effects of spending by employees. The Type III multiplier also takes into account spending by households employed in both the direct and indirect businesses within the Oregon economy. It is possible to estimate “Type II” multipliers, but IMPLAN/Q does not provide them as they generally overestimate the impacts of a change in final demand. The difference between the three types of multipliers and how they are calculated is described below.

Leontief Inverse

Derivation of the multipliers is done by calculating the $(I-A)$ inverse, where I is the identity matrix, and A is the transactions matrix. The result is a matrix of “total requirements coefficients,” or the amount each industry in the economy is required to produce (directly and indirectly) in order for the purchasing industry to deliver one dollar’s worth of output to final demand. The Leontief Inverse calculated in IMPLAN/Q is an “Open Model;” that is, household consumption is included as a component of final demand rather than as an industry. This means that the induced effects are not explicit within the model and must be calculated by some method other than the inversion technique.

Type I Multipliers

The Leontief Inverse is a matrix of Type I multipliers – the direct effect (produced by a change in final demand) plus the indirect effect divided by the direct effect. Increased demands are assumed to lead to increased employment and population, with the average income level remaining constant.

⁴Minnesota IMPLAN Group, Inc., “Micro IMPLAN Users Guide,” version 91-F, March 1994.

Type II Multipliers

The sum of the direct, indirect, and induced effects divided by the direct effect yields Type II multipliers. This is done for a “Closed Model” – households are brought into the transactions matrix as an industry, and the resulting matrix is inverted in the same manner as the Open Model. The total requirements coefficients for the Closed Model, therefore, include induced effects in addition to direct and indirect effects. Since households are defined as a production sector, the relationship between changes in final demand and household expenditures is linear, in the same way as industrial production functions are linear. The assumption is that an increase in output will raise income levels, and therefore increase household spending proportionately.

Population is assumed stable. Thus, if household income doubles, all household purchases (“inputs” to the household sector) will also double. Since this multiplier tends to overestimate economic impacts, IMPLAN/Q does not calculate it.

Type III Multipliers

The IMPLAN/Q Type III multiplier is a modification of the Type III multiplier developed by Miernyk in The Elements of Input-Output Analysis (1965). The IMPLAN/Q Type III compares direct, indirect, and induced effects to the direct effects generated by a change in final demand (direct + indirect + induced, all divided by direct). The Type III (Open Model) induced effects are quite different from the induced effects of a Type II multiplier. To minimize the over-estimation that occurs with a linear consumption function, IMPLAN/Q estimates Type III induced effects based on the changes in employment and population. The resulting multipliers are typically five to fifteen percent smaller than Type II multipliers. To estimate induced effects, IMPLAN/Q first converts direct and indirect effects to changes in employment based on each sector’s employment-to-output ratio. Employment change is then multiplied by the region’s population-to-employment ratio, converting it into population change. Population change is multiplied by average regional per-capita consumption rates by sector to estimate the regional household consumption generated by the initial final demand changes. This change in household consumption is treated as an additional set of final demand changes and are multiplied by the Leontief Inverse matrix to generate the first round of induced (additional direct and indirect) effects. In order to capture successive rounds of induced effects, the procedure is repeated until the population changes by fewer than 10 people. Often, induced effects are larger than indirect effects.

Output Multipliers

A Type III output multiplier represents the value of production (from direct, indirect and induced effects) required from all sectors by a particular sector to deliver one dollar's worth of output. Note that the size of the multiplier is not a measure of the amount of activity or the importance of a given industry for the economy, rather it is an estimation of what would happen if that industry's sales to final demand increased or decreased. In this way, output multipliers can be used to gauge the interdependence of sectors; the larger the output multiplier, the greater the independence of the sector on the rest of the regional economy.

Personal Income Multipliers

A Type III personal income multiplier is the direct, indirect, and induced employee compensation divided by the direct employee compensation (generated by one dollar of final output).

Employment Multipliers

The Type III employment multiplier estimates the direct, indirect, and induced effects on employment from the production of one dollar of output. Employment figures are in terms of the number of jobs.