

Temecula Valley Travel Impacts 2000-2017p



photo courtesy of Temecula Valley Convention and Visitors Bureau

May 2018

Prepared for the

Temecula Valley Convention and Visitors
Bureau
Temecula, California

**TEMECULA VALLEY
TRAVEL IMPACTS, 2000-2017P**

Prepared for the

Temecula Valley Convention and Visitors Bureau
Temecula, California

Prepared by

Dean Runyan Associates
833 S.W. 11th Avenue, Suite 920
Portland, Oregon 97205
503.226.2973
www.deanrunyan.com

May 2018

EXECUTIVE SUMMARY

This report provides detailed travel impact estimates for Temecula Valley from 2000 to 2017p. The estimates for 2017 are preliminary. The report also provides estimates of visitor volume from 2015 through the 2017p.

THE TEMECULA VALLEY TRAVEL INDUSTRY CONTINUES TO EXPAND

The Temecula Valley travel industry grew for the eighth consecutive year following the 2007-2009 recession.

- **Spending.** Total direct travel spending in Temecula Valley was \$724 million in 2017p. This represents a 2.5 percent increase over 2016 in current dollars.
- **Employment.** Direct travel generated employment was 7,330 in 2017p, a 0.5 percent increase over 2016. Travel-generated employment has increased at a 2.9 annual rate since 2009.
- **Tax Revenues.** Travel-generated state and local tax revenue was \$30.3 million in 2017p, an increase of 2.0 percent over the preceding year.¹ Over ninety percent of these tax revenues were paid by visitors (e.g., lodging, sales, and motor fuel taxes). The remainder was paid by travel industry employees and businesses (e.g., personal and business income taxes).
- **Visitor Volume.** The number of day and overnight Person-Trips increased from 2,581,656 to 2,626,803, an increase of over 45,000 trips, resulting in an additional 83,000 Person-Days.

¹ Transient Occupancy Tax (TOT) receipts sum to \$3.4 million in calendar year 2017.

TEMECULA VALLEY TRAVEL IMPACTS, 2000-2017P

TRAVEL ECONOMIC IMPACTS

This report, prepared for the Temecula Valley Convention and Visitors Bureau, documents the economic significance of the travel industry in the Temecula Valley from 2000 through 2017 (preliminary). The Temecula Valley estimates for 2000 through 2017p are based on the same methodology (the Regional Travel Impact Model), and are therefore comparable to the county and statewide estimates reported in the most recent *California Travel Impacts* report.²

INTERPRETATION OF IMPACT ESTIMATES

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

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

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

² *California Travel Impacts by County, 1992-2017p* (May 2018).

TRAVEL TRENDS IN TEMECULA VALLEY

Travel spending in Temecula Valley in 2017 was approximately \$724 million. This represents a 2.5 percent increase from the previous year. During 2017, travel spending in Temecula Valley directly supported over 7,300 jobs with earnings of approximately \$235 million.

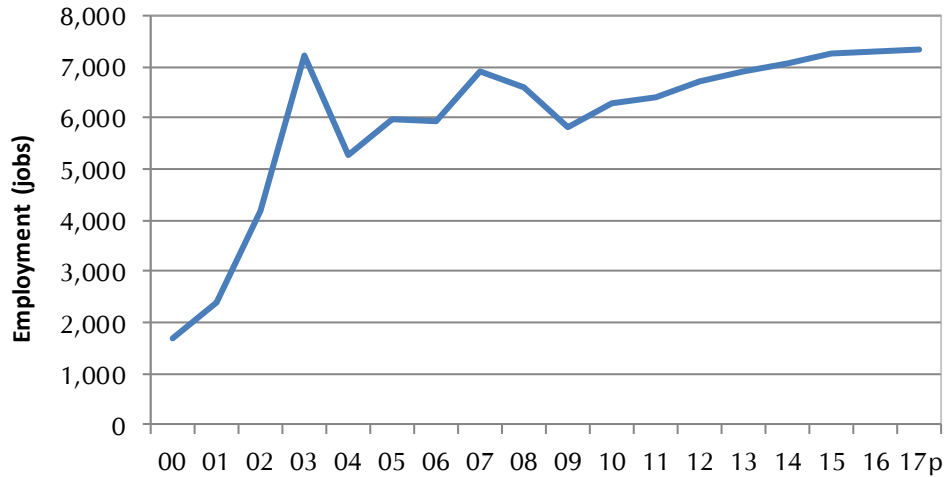
Temecula Valley Visitor Trends, 2000-2017p

(Monetary Values in Millions)

	Spending	Earnings	Employment	Tax Receipts		
				Local	State	Total
2000	\$142	\$37	1,700	\$1.9	\$4.1	\$6.0
2001	\$194	\$54	2,380	\$2.4	\$6.2	\$8.6
2002	\$335	\$99	4,200	\$3.1	\$9.7	\$12.8
2003	\$599	\$177	7,210	\$4.4	\$16.9	\$21.2
2004	\$462	\$132	5,280	\$3.8	\$14.2	\$18.0
2005	\$541	\$151	5,990	\$4.2	\$17.1	\$21.3
2006	\$552	\$157	5,960	\$4.7	\$17.7	\$22.4
2007	\$642	\$187	6,930	\$6.0	\$20.6	\$26.6
2008	\$612	\$181	6,590	\$5.5	\$19.8	\$25.3
2009	\$527	\$158	5,830	\$4.7	\$18.4	\$23.0
2010	\$594	\$170	6,280	\$5.7	\$21.3	\$27.0
2011	\$640	\$178	6,400	\$6.1	\$22.1	\$28.2
2012	\$655	\$188	6,710	\$6.4	\$21.4	\$27.8
2013	\$659	\$195	6,910	\$6.6	\$22.2	\$28.8
2014	\$674	\$203	7,070	\$7.1	\$22.3	\$29.3
2015	\$702	\$216	7,260	\$7.7	\$22.4	\$30.1
2016	\$707	\$228	7,290	\$7.8	\$21.9	\$29.7
2017p	\$724	\$235	7,330	\$8.3	\$22.1	\$30.3
Average Annual Percentage Change*						
16-17p	2.5	3.4	0.5	5.4	0.8	2.0
00-17p	10.1	11.4	9.0	9.0	10.4	10.0

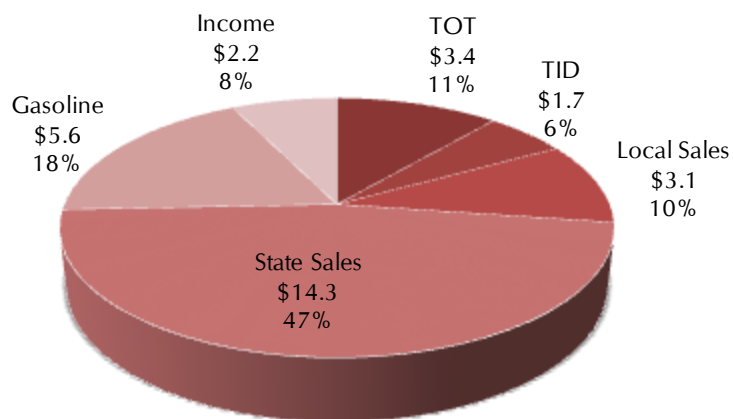
Estimates for 2017 are preliminary. Earnings include payroll, other earned income and proprietor income. Employment includes payroll employees and proprietors. *Annual Change for 2000-2017p is the average annual percentage change.

Travel-Generated Employment in Temecula Valley 2000-2017p



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

Travel-Generated State and Local Government Tax Revenues, 2017p (Millions)



VISITOR VOLUME

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

Temecula Valley Visitor Volume, 2017p

	Person-Days			Party-Days		
	2015	2016	2017p	2015	2016	2017p
Hotel, Motel, STVR	1,500,770	1,498,420	1,517,050	750,380	749,210	758,530
Other Overnight	1,745,550	1,740,100	1,780,430	498,730	497,170	508,690
All Overnight	3,246,320	3,238,520	3,297,480	1,249,110	1,246,380	1,267,220
Day	1,338,490	1,335,274	1,359,584	669,245	667,637	679,792
Day & Overnight	4,584,810	4,573,794	4,657,064	1,918,355	1,914,017	1,947,012
Annual Percentage Change		-0.2%	1.8%		-0.2%	1.7%

	Person-Trips			Party-Trips		
	2015	2016	2017p	2015	2016	2017p
Hotel, Motel, STVR	750,385	749,210	758,525	375,190	374,600	379,260
Other Overnight	498,729	497,171	508,694	142,490	142,050	145,340
All Overnight	1,249,114	1,246,381	1,267,219	517,690	503,990	524,600
Day	1,338,490	1,335,274	1,359,584	669,245	667,637	679,792
Day & Overnight	2,587,604	2,581,656	2,626,803	1,186,935	1,171,627	1,204,392
Annual Percentage Change		-0.2%	1.7%		-1.3%	2.8%

Temecula Valley Average Spending, 2017p

Accommodation	Spending (Millions)	Travel Party		Person		Party Size	Length of Stay (nights)
		per day	per trip	per day	per trip		
Overnight	\$518	\$409	\$988	\$157	\$415	2.6	2.4
Hotel/Motel/STVR	\$448	\$591	\$1,183	\$296	\$591	2.0	2.0
Other Overnight	\$70	\$144	\$504	\$41	\$155	3.5	3.5
Day	\$206	\$307	\$307	\$154	\$154	2.0	1.0
Day & Overnight	\$724	\$373	\$640	\$156	\$268	2.4	1.7

Notes: Party size refers to the average number of persons in the travel party. Length of Stay refers to the average number of nights visitors stayed within Temecula Valley. Spending refers to visitor spending made at businesses located in Temecula Valley. STVR refers to short-term vacation rental.

DETAILED TRAVEL IMPACTS

Detailed travel impacts for the Temecula Valley are shown below.

Temecula Valley Visitor Impacts, 2008-2017p

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
Visitor Spending by Type of Traveler Accommodation (\$Million)										
Hotel, Motel, STVR	368	313	356	384	396	401	412	434	435	448
Other Overnight*	68	58	64	70	70	68	69	68	66	70
Day	176	156	174	186	189	189	193	200	206	206
Total Visitor Spending	612	527	594	640	655	659	674	702	707	724
Visitor Spending by Type of Commodity Purchased (\$Million)										
Accommodations	64	52	57	61	64	66	70	75	77	79
Food & Beverage Services	99	91	103	107	111	112	117	126	131	136
Off Premise Food & Beverage**	76	67	74	81	80	81	85	90	90	89
Arts, Entertainment & Recreation	225	199	222	234	241	244	250	264	269	274
Retail	68	62	69	71	73	73	74	78	78	78
Local Transportation**	80	57	69	86	87	83	77	70	61	68
Total Visitor Spending	612	527	594	640	655	659	674	702	707	724
Industry Earnings Generated by Visitor Spending (\$Million)										
Leisure & Hospitality	148	129	139	146	155	161	168	179	191	199
All Other***	33	29	31	33	34	34	35	36	36	36
Total Earnings	181	158	170	178	188	195	203	216	228	235
Industry Employment Generated by Visitor Spending										
Leisure & Hospitality	5,390	4,780	5,170	5,280	5,550	5,750	5,870	6,080	6,160	6,200
All Other***	1,200	1,060	1,110	1,120	1,150	1,160	1,200	1,180	1,130	1,130
Total Employment	6,590	5,830	6,280	6,400	6,710	6,910	7,070	7,260	7,290	7,330
Tax Revenue Generated by Visitor Spending (\$Million)										
Local Tax Receipts	5.5	4.7	5.7	6.1	6.4	6.6	7.1	7.7	7.8	8.3
State Tax Receipts	19.8	18.4	21.3	22.1	21.4	22.2	22.3	22.4	21.9	22.1
Total Local & State Tax Revenue	25.3	23.0	27.0	28.2	27.8	28.8	29.3	30.1	29.7	30.3

Notes:

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

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

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

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

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

Appendix B: Travel Impact Industries Matched to 2002 NAICS

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

TRAVEL SPENDING

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

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

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

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

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

RELATED TRAVEL IMPACTS

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

Earnings: Earnings include wage and salary disbursements, other earned income or benefits, and proprietor income. Only the earnings attributable to travel expenditures are included.

Employment: Industry employment (jobs) associated with travel-generated earnings includes both full-time and part-time positions, and salaried or self-employed individuals. Employment is reported as an average for a time period, typically annual. The employment estimates refer to establishment or industry employment at place of work, not the employment status or residence of the individual.

Local Taxes: Lodging and sales taxes imposed by cities, counties and other regional tax jurisdictions in California. These taxes are levied on sales to visitors. Property taxes are not included.

State Taxes: Lodging, sales, motor fuel, and business and personal income taxes imposed by the state of California. These taxes are levied on sales to visitors.

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	<ul style="list-style-type: none"> Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	<ul style="list-style-type: none"> Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	<ul style="list-style-type: none"> Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	<ul style="list-style-type: none"> Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)

Notes: *Government enterprises (e.g., park systems) are included in this classification.

**Includes parts of industries in other sectors (e.g., accommodation, charter bus).

A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.