

Temecula Valley Travel Impacts 2000-2015p

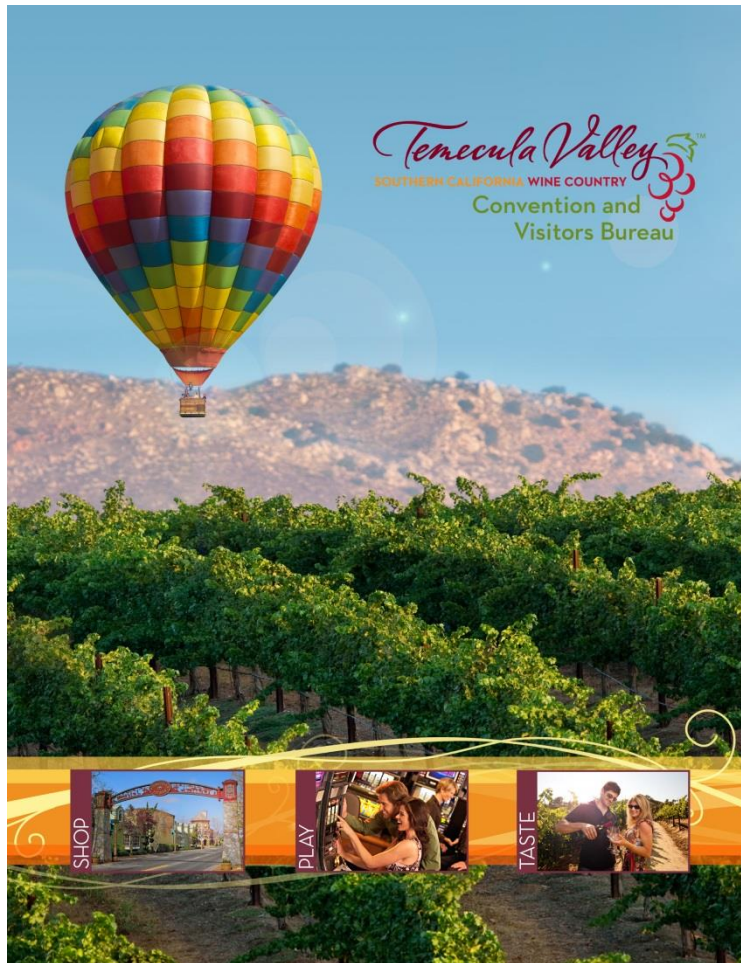


photo courtesy of Temecula Valley Convention and Visitors Bureau

June 2016

Prepared for the

Temecula Valley Convention and Visitors
Bureau
Temecula, California

**TEMECULA VALLEY
TRAVEL IMPACTS, 2000-2015P**

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TRAVEL ECONOMIC IMPACTS

This report, prepared for the Temecula Valley Convention and Visitors Bureau, documents the economic significance of the travel industry in the Temecula Valley from 2000 through 2015(preliminary). The Temecula Valley estimates for 2000 through 2015p are based on the same methodology (the Regional Travel Impact Model), and are therefore comparable to the county and statewide estimates reported in the most recent *California Travel Impacts* report.¹

INTERPRETATION OF IMPACT ESTIMATES

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

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

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

¹ *California Travel Impacts by County, 1992-2015p* (April 2016).

TRAVEL TRENDS IN TEMECULA VALLEY

Travel spending in Temecula Valley in 2015 was approximately \$696 million. This represents a 4.7 percent increase from the previous year. During 2015, travel spending in Temecula Valley directly supported nearly 7,400 jobs with earnings of approximately \$220 million.

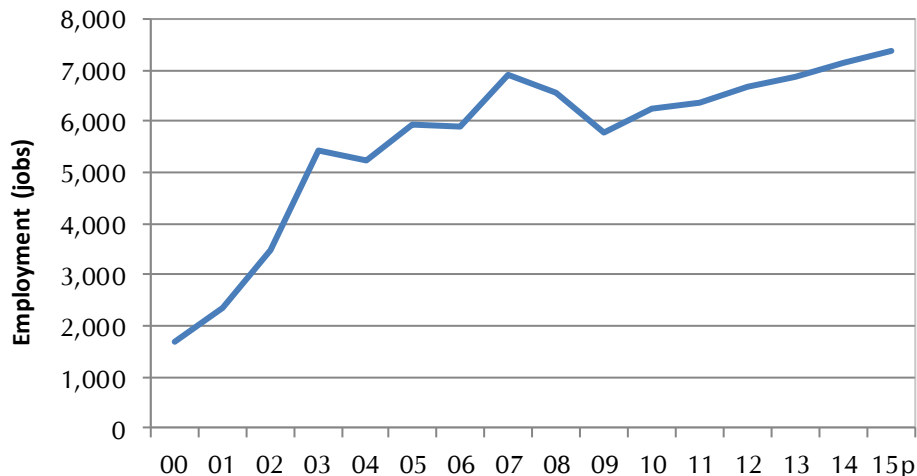
Temecula Valley Visitor Trends, 2000-2015p

(Monetary Values in Millions)

	Spending	Earnings	Employment	Tax Receipts		
				Local	State	Total
2000	\$142	\$37	1,700	\$1.9	\$4.1	\$6.0
2001	\$192	\$53	2,350	\$2.4	\$5.9	\$8.3
2002	\$281	\$82	3,500	\$2.9	\$8.3	\$11.2
2003	\$457	\$133	5,450	\$3.9	\$13.4	\$17.2
2004	\$459	\$131	5,250	\$3.8	\$13.8	\$17.6
2005	\$537	\$150	5,960	\$4.2	\$16.7	\$20.9
2006	\$547	\$156	5,920	\$4.7	\$17.2	\$21.9
2007	\$637	\$186	6,900	\$6.0	\$20.0	\$26.0
2008	\$606	\$180	6,560	\$5.5	\$19.2	\$24.7
2009	\$522	\$158	5,800	\$4.7	\$17.8	\$22.5
2010	\$588	\$169	6,240	\$5.7	\$20.7	\$26.4
2011	\$634	\$178	6,370	\$6.1	\$21.4	\$27.5
2012	\$648	\$187	6,670	\$6.4	\$20.8	\$27.2
2013	\$652	\$194	6,880	\$6.6	\$21.5	\$28.1
2014	\$665	\$205	7,130	\$7.0	\$21.5	\$28.6
2015p	\$696	\$219	7,390	\$7.7	\$21.8	\$29.6
Average Annual Percentage Change*						
14-15p	4.7	6.9	3.6	9.7	1.4	3.4
00-15p	11.2	12.5	10.3	9.8	11.8	11.2

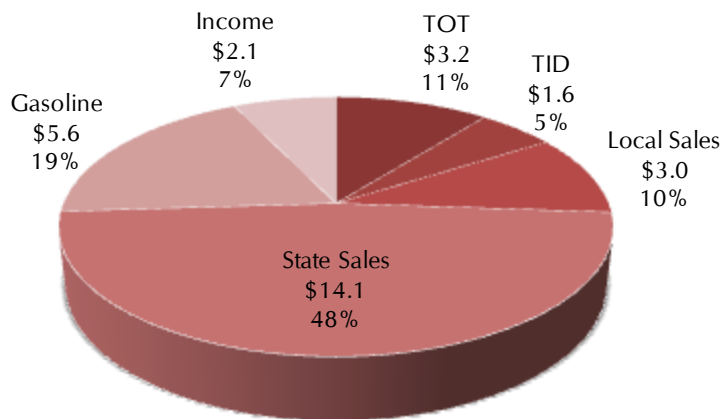
Estimates for 2014 are preliminary. Earnings include payroll, other earned income and proprietor income. Employment includes payroll employees and proprietors. *Annual Change for 2000-2014p is the average annual percentage change.

Travel-Generated Employment in Temecula Valley 2000-2015p



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, 2015p (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, 2015p

Accommodation	Travel Parties		Persons		
	Days (Millions)	Size (Persons)	Days (Millions)	L.O.S (Days)	Trips (Millions)
Overnight	1.3	2.6	3.2	2.4	1.3
Hotel/Motel	0.8	2.0	1.5	2.0	0.8
Other Overnight	0.5	3.5	1.8	3.5	0.5
Day	0.7	2.0	1.3	1.0	1.3
Day & Overnight	1.9	2.4	4.6	1.7	2.7

Temecula Valley Average Spending, 2015p

Accommodation	Total	Travel Party		Person	
	(Millions)	per day	per trip	per day	per trip
Overnight	\$496	\$397	\$958	\$153	\$403
Hotel/Motel	\$434	\$578	\$1,155	\$289	\$578
Other Overnight	\$62	\$136	\$475	\$39	\$147
Day	\$200	\$299	\$299	\$149	\$149
Day & Overnight	\$696	\$363	\$619	\$152	\$259

DETAILED TRAVEL IMPACTS

Detailed travel impacts for the Temecula Valley are shown below.

Temecula Valley Visitor Impacts, 2008-2015p

	2008	2010	2011	2012	2013	2014	2015p
Visitor Spending by Type of Traveler Accommodation (\$Million)							
Hotel, Motel	368	356	384	396	401	410	434
Other Overnight*	62	58	63	63	62	62	62
Day	176	174	186	189	189	193	200
Total Visitor Spending	606	588	634	648	652	665	696
Visitor Spending by Type of Commodity Purchased (\$Million)							
Accommodations	64	57	61	64	66	69	75
Food & Beverage Services	99	103	107	111	112	116	126
Off Premise Food & Beverage**	76	74	81	80	81	84	90
Arts, Entertainment & Recreation	225	222	234	241	244	249	264
Retail	68	69	71	73	73	74	77
Local Transportation**	74	64	79	80	77	71	64
Total Visitor Spending	606	588	634	648	652	665	696
Industry Earnings Generated by Visitor Spending (\$Million)							
Leisure & Hospitality	148	139	146	155	161	171	184
All Other***	32	31	32	33	33	34	36
Total Earnings	180	169	178	187	194	205	219
Industry Employment Generated by Visitor Spending							
Leisure & Hospitality	5,390	5,170	5,280	5,550	5,750	5,970	6,210
All Other***	1,170	1,070	1,080	1,120	1,130	1,160	1,180
Total Employment	6,560	6,240	6,370	6,670	6,880	7,130	7,390
Tax Revenue Generated by Visitor Spending (\$Million)							
Local Tax Receipts	5.5	5.7	6.1	6.4	6.6	7.0	7.7
State Tax Receipts	19.2	20.7	21.4	20.8	21.5	21.5	21.8
Total Local & State Tax Revenue	24.7	26.4	27.5	27.2	28.1	28.6	29.6

Notes:

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

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

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

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

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

Appendix B: Travel Impact Industries Matched to 2002 NAICS

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

TRAVEL SPENDING

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

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

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

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

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

RELATED TRAVEL IMPACTS

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

Earnings: 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>.