

WASHINGTON STATE



Skagit Valley Tulip Festival
April 2000
Economic Impacts and Visitor Profile

Prepared:

June 2000



WASHINGTON STATE
COMMUNITY, TRADE AND
ECONOMIC DEVELOPMENT

Building Foundations for the Future

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WASHINGTON STATE

Skagit Valley Tulip Festival
April 2000
Economic Impacts and Visitor Profile

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SUMMARY

In April 2000, the Skagit County Tulip Festival attracted approximately 350,000 attendees. Festival events are very popular and attract a substantial number of visitors who reside outside the County as well as Skagit County residents. This summary highlights the characteristics of Festival visitors who reside outside of Skagit County and the economic benefits they generate for Skagit County. The complete report also includes characteristics for all festival attendees including Skagit County residents.

Profile of visitors who reside outside of Skagit County

- The majority of Festival visitors reside in the Seattle metro area and other parts of Washington State outside of Skagit County.
- Canadian residents represent most of the Festival visitors who reside outside the U.S.
- A large portion (57%) of Festival visitors attended the Festival during a previous year.
- Attending the Festival was the primary purpose of traveling to Skagit County for the vast majority (86%) of Festival visitors.
- About 18% of Festival visitors stayed overnight in Skagit County.
- Over half of overnight visitors stayed in a hotel, motel or Bed & Breakfast (B&B); most of the remainder stayed with friends and relatives or in campgrounds.
- Festival visitors traveled to or through a number of Skagit County communities including: La Conner, Mount Vernon, Anacortes, Burlington, Sedro-Woolley, and Conway.

Economic impacts of visitors who reside outside of Skagit County

- Festival visitors spent nearly \$14 million in Skagit County.
- Retail purchases (including plants and bulbs) received the largest share of visitor spending (\$5.4 million). The next highest share of visitor spending (\$4.8 million) was on purchases of food and beverages in restaurants. Visitors spent about \$1.4 million on overnight accommodations.
- Day travelers accounted for over \$8.5 million (61%) of visitor spending in the county.
- Overall visitor spending in Skagit County amounted to \$124 per party per day; spending ranges from \$230 per party per day for out-of-state visitors who stay in lodging accommodations to \$107 per party per day for day visitors.
- Other direct economic impacts include \$2.8 million in wages, \$192,000 in local tax revenue, and \$848,000 in state tax revenue.

1. INTRODUCTION AND OVERVIEW

The Skagit Valley Tulip Festival functions as one of the primary visitor attractions for Skagit County, Washington. In April 2000, the Festival attracted over 350,000 attendees, placing it among the largest attractions in Skagit County. Festival events are very popular and attract a substantial number of visitors from outside the county, in addition to an audience of Skagit County residents. Festival events are held in April each year.

Based on the results of a survey conducted during April 2000, this report provides a profile of Festival visitors who reside outside of Skagit County and the economic benefits they generate for Skagit County. In addition, this report describes characteristics for all Festival attendees including Skagit County residents.

Before proceeding it is useful to clarify a couple of terms that appear throughout this discussion:

Festival attendee refers to all persons who attended the Skagit Valley Tulip Festival.

Festival visitor refers specifically to those persons who reside outside of Skagit County and attended the Festival.

Data Collection and Sample

The survey of Festival attendees was conducted in order to gather data on visitor expenditures, location of residence, and other factors for which there are no other reliable data sources. This section describes how this survey was conducted.

The survey findings were intended to represent those who attended the Skagit Valley Tulip Festival. A survey collection schedule was developed to represent a variety of events and locations that attract Festival attendees, as well as the time of day (morning, afternoon, and evening) and day of week (week day, weekend day) during which attendees were present. The selected events and locations were:

- Albertson's Tulip Picnic
- Anacortes Art Walk
- Farm and Floral Parade
- City of La Conner
- Mount Vernon Street Fair
- Pet Parade
- Roozengaarde
- Salmon Barbeque
- Sedro-Woolley Woodfest

Skagit Valley Tulip Festival staff and volunteers conducted the survey according to a survey schedule, which specified sampling periods of between one to two hours. Those who agreed

to participate in the survey were asked a series of questions that were recorded electronically with the use of electronically programmed survey instruments. Most sampling was done while attendees entered events or were present in tulip viewing areas and other popular locations. Sampling was done at random until the specified time period had ended.

A total of 967 Festival attendees were intercepted and completed the questionnaire. A screening question regarding place of residence was used to identify those attendees who reside outside of Skagit County. Only visitors from outside the county were asked to answer additional questions about the expenditures they made while in Skagit County.

Attendance

Festival attendance totaled about 350,000 people, as shown in Table 1-1. This estimate is based on traffic count data taken at three locations that provide vehicle access to the primary opportunities for tulip viewing and Festival events. Traffic volumes provide a fairly direct measure of overall traffic activity and include all vehicles – automobiles, trucks, recreational vehicles, etc. In addition to counting visitors traveling through an area, traffic counts also include local area residents going to and from work, shopping, and other routine activities.

Table 1-1
Skagit Valley Tulip Festival
Estimate of Visitors and Attendees, April 2000

Number of Vehicles Attributed to Festival Visitors	66,934
Estimate for Additional Vehicles (30% of those counted)	20,080
Total Number of Vehicles	87,014
Percent Private Auto	99%
Average Occupancy per Vehicle	3.0
Number of Visitors by Private Auto	258,432
Number of Tour Buses	650
Average Occupancy per Vehicle	40
Number of Visitors by Tour Bus	26,000
Number of Vans	200
Average Occupancy per Vehicle	20
Number of Visitors by Van	4,000
Number of Visitors	288,432
Number of Residents	63,314
Total Attendees	351,746
Percent by Private Auto	90%
Percent by Tour Bus and Van	10%

Note: Number of residents may include multiple visits made by residents.
Source: Dean Runyan Associates

The number of vehicles attributed to the Festival was based on traffic data recorded during the Festival that was over and above the traffic recorded during an established baseline period -- a baseline estimate of typical traffic (i.e., non-Festival related), data was recorded one week prior to the Festival. Traffic data was recorded on the following roads between March 23 and April 23:

- Best Road
- McLean Road
- La Conner Whitney Road

Economic Impacts

Festival visitors make a wide variety of purchases for retail items, food and beverages, lodging, recreation, and transportation. The purchases made by Festival visitors generate additional economic activity within the county. These purchases help support the businesses involved and generate valuable economic benefits to communities located within Skagit County. Businesses located throughout Skagit County benefit as visitors travel to and from Festival events and activities.

Economic benefits included in the study consist of expenditures, payroll, and associated tax revenue generated by Festival visitors who reside outside of Skagit County. In order to measure the degree to which the Festival visitors generate new or additional economic activity, these impacts include only expenditures made by Festival visitors who reside outside of Skagit County. From a county-based economic development perspective, it would be inappropriate to include spending by Skagit County residents because these expenditures would not represent new money coming into the county. These detailed findings are described in the third section of this report.

2. VISITOR AND ATTENDEE PROFILES

This section provides survey findings useful for program development and marketing purposes including data related to:

- Place of Residence
- Previous Visitation
- Primary Purpose of Visit
- Visitor Lodging
- Locations Visited within Skagit County

Place of Residence

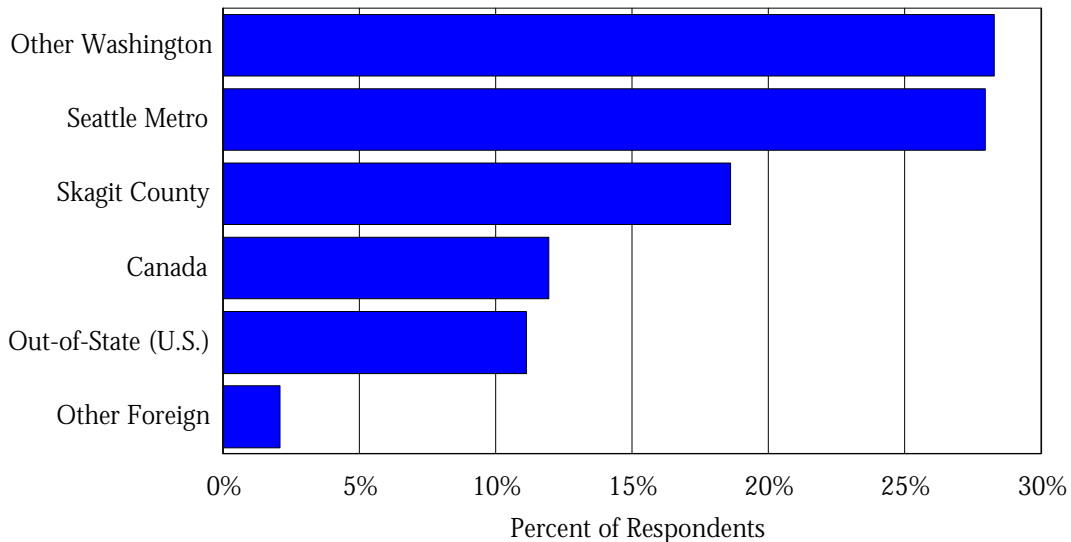
The residence of Festival attendees was determined based on survey data collected on zip codes and country of origin. These findings show the substantial extent to which the Festival attracts visitors who reside outside of Skagit County.

Residents of Skagit County make up about 18 percent of the Festival attendees, while the remaining 82 percent of attendees reside outside the county.

Of all Festival attendees, large portions reside in the Seattle metro area (27.9%) and other parts of Washington State (28.2%). Attendees who live in other U.S. states represent about 11 percent, with the largest portions from California (3.6%), followed by Oregon (1.7%).

Of all Festival attendees, those who live outside the U.S. represent about 14 percent, with Canadian residents making up most of this total. Table 2-1 shows a detailed breakout of Festival attendees by place of residence.

Figure 2-1
Skagit Valley Tulip Festival Attendees
Place of Residence, April 2000

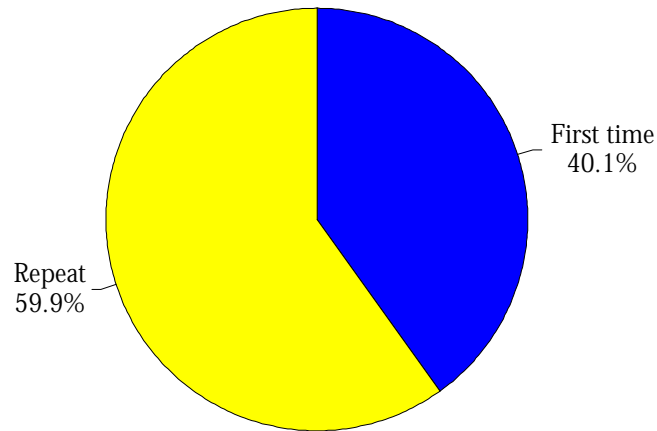


Source: Dean Runyan Associates

Previous Visitation

The Festival attracted a large proportion of repeat attendees relative to first-time visitors. Of all Festival attendees, almost two-thirds (59.9%) reported that they had attended the Festival during a previous year.

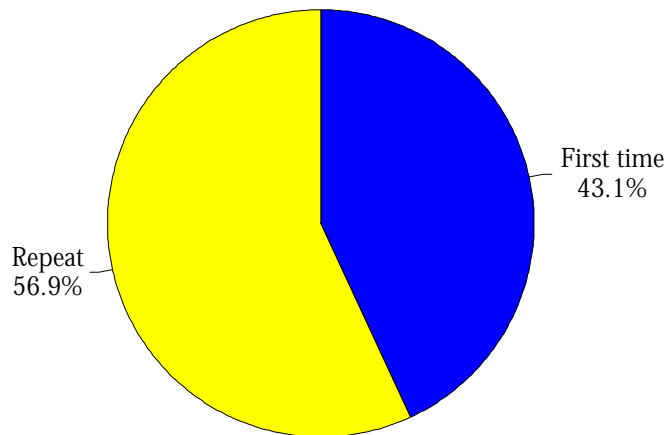
Figure 2-2
First Visit to Skagit Valley Tulip Festival
Festival Attendees, April 2000



Source: Dean Runyan Associates

Festival visitors who reside outside Skagit County were slightly less likely (56.9%) to have attended the Festival during a previous year.

Figure 2-3
First Visit to Skagit Valley Tulip Festival
Festival Visitors, April 2000

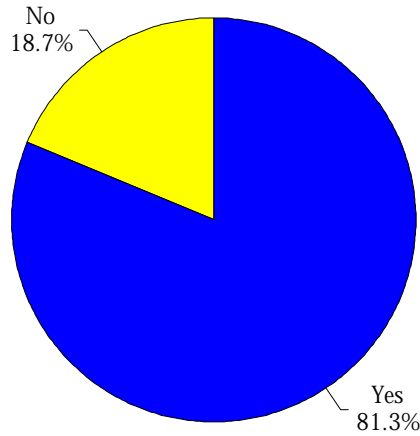


Source: Dean Runyan Associates

The Festival as a Primary Attraction

The Skagit Valley Tulip Festival was the primary purpose for traveling for most Festival attendees. Overall, the vast majority of attendees (81.3%) traveled to or through Skagit County primarily to attend the Festival.

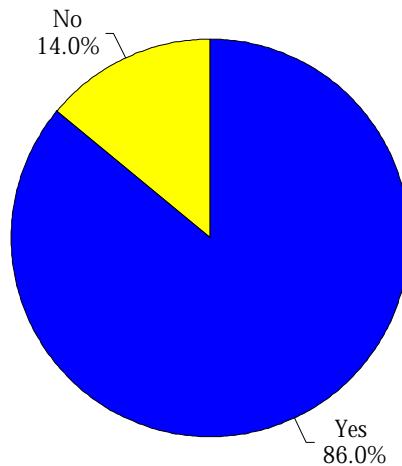
Figure 2-4
Skagit Valley Tulip Festival as Primary Reason to Travel
Festival Attendees, April 2000



Source: Dean Runyan Associates

Among Festival visitors, 86percent were visiting primarily because of the Festival. As discussed previously, a substantial portion of these visitors were from the Seattle metropolitan area and other areas in Washington State.

Figure 2-5
Skagit Valley Tulip Festival as Primary Reason to Travel
Festival Visitors, April 2000

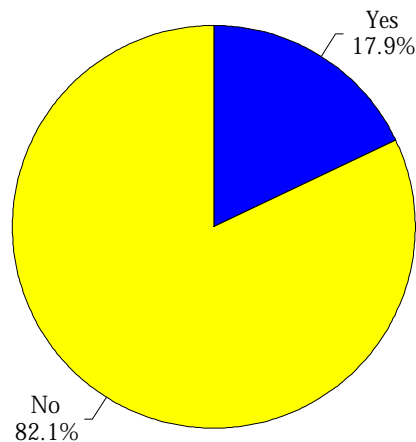


Source: Dean Runyan Associates

Visitor Lodging

About 18 percent of Festival visitors stayed overnight in Skagit County on the trip during which they attended the Festival. Among those visitors who traveled from out-of-state, overnight trips were much more common. Almost 50 percent of the out-of-state visitors stayed overnight in Skagit County.

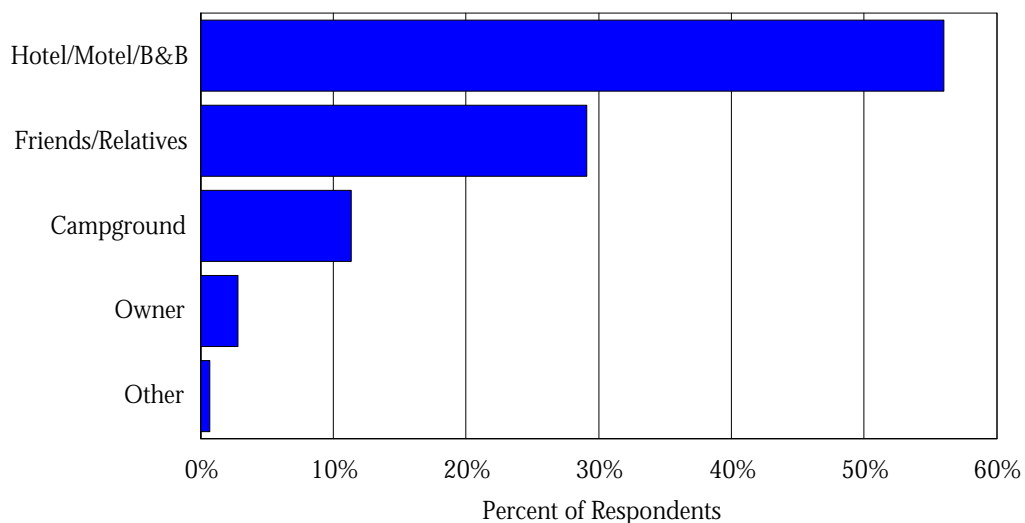
Figure 2-6
Overnight Stay in Skagit County
Festival Visitors, April 2000



Source: Dean Runyan Associates

Of those Festival visitors who stayed overnight in Skagit County, most (56%) were likely to use a hotel, motel or B&B. Most of the remainder stayed with friends and relatives (29%) or in campgrounds (11%).

Figure 2-7
Overnight Festival Visitors by Accommodation Type, April 2000

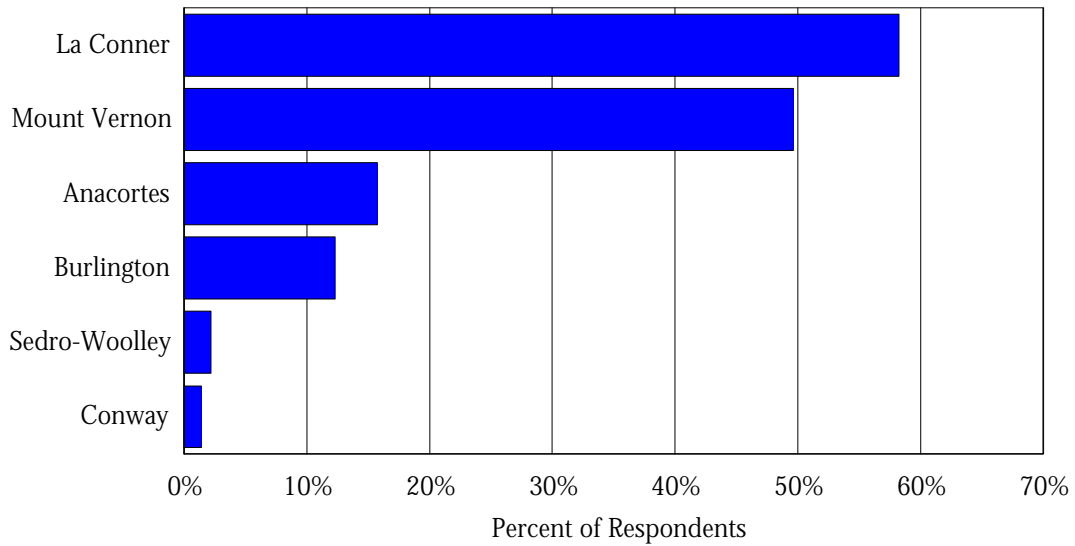


Source: Dean Runyan Associates

Travel within Skagit County

Festival visitors were asked whether they had visited selected locations within Skagit County. The results provide an indication of the degree to which specific communities within Skagit County may benefit from visitor spending. As shown in Figure 2-8, Festival visitors traveled to or through a number of Skagit County communities, with La Conner and Mount Vernon receiving the highest proportions of visitors.

Figure 2-8
Communities Visited in Skagit County
Festival Visitors, April 2000



Source: Dean Runyan Associates

3. ECONOMIC IMPACTS

Festival visitors attending the Skagit Valley Tulip Festival generate economic benefits in Skagit County, both at Festival events and elsewhere in Skagit County. The Festival generates these benefits for Skagit County to the extent that its attractions and events draw visitors who reside outside Skagit County and who would otherwise not travel to the county. The focus of this analysis is on the expenditures made by those Festival visitors who reside outside Skagit County and the associated payroll and tax receipts they generate.

Typical expenditures include purchases of food, lodging, transportation, and retail items including plants, flowers, and bulbs. Respondents were instructed to report the expenditures made in Skagit County as part of the trip during which they attended the Festival.

Methodology Overview

This analysis draws on data collected from the survey of those who attended the Skagit Valley Tulip Festival and on attendance data derived with the use of traffic data provided by the Skagit County Public Works Department, as previously discussed. In addition, the study makes use of other economic data on Skagit County available from additional research projects conducted in the State of Washington by Dean Runyan Associates. The primary emphasis is on expenditures, payroll and tax receipts that are directly attributable to Festival visitors. These expenditures represent purchases made in Skagit County while on a visit during which a person/travel party attended the Festival.

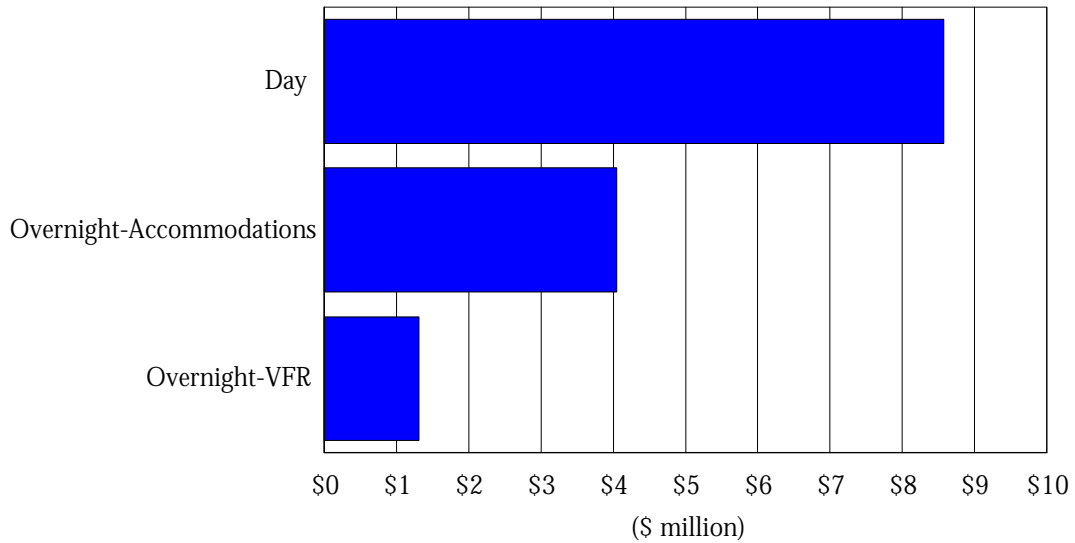
The Primary Findings

Direct Economic Impacts

The Skagit Valley Tulip Festival generated nearly \$14 million in direct expenditures made by Festival visitors. Figure 3-1 shows a breakout of Festival visitor spending by type of visitor. Day visitors accounted for \$8.5 million or almost two-thirds of total expenditures. Visitors spending the night in lodging accommodations and campgrounds spent about \$4 million, while visitors spending the night with friends and relatives (VFR) spent about \$1.3 million. These direct expenditures supported a total of \$2.8 million in wages and about \$192,000 in local government revenue. An additional \$848,000 in revenue accrued to the State of Washington primarily as a result of the state sales tax revenue.

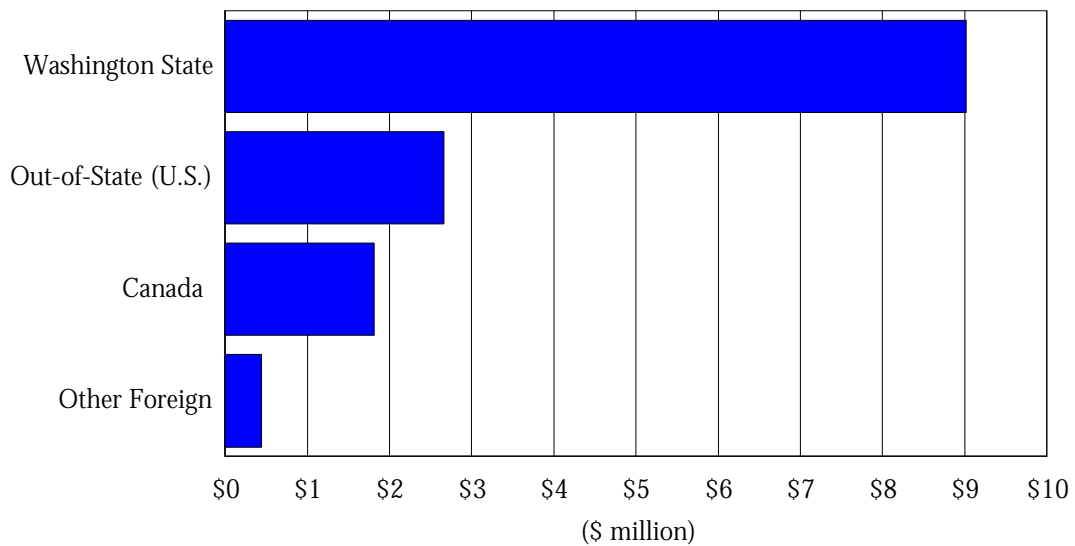
Figure 3-2 shows a breakout of Festival visitor expenditures by residence. Festival visitors from Washington State spent about \$9 million. Visitors from other U.S. states spent about \$2.6 million and Canadian visitors spent about \$1.8 million. Spending by visitors from other foreign countries accounts for a relatively small portion of visitor spending.

Figure 3-1
 Festival Visitor Expenditures
 by Type of Visitor, April 2000



Source: Dean Runyan Associates

Figure 3-2
 Festival Visitor Expenditures
 by Residence, April 2000



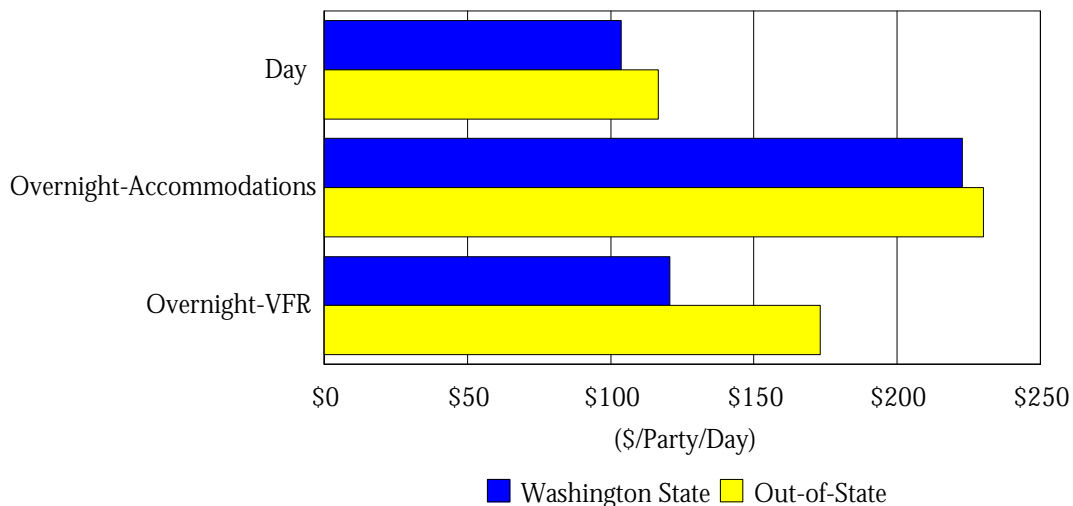
Source: Dean Runyan Associates

Detailed Data and Analysis

Average Daily Expenditures

Average daily expenditures made by Festival visitors varied with respect to where the individual/travel party resides and whether they stayed overnight in Skagit County. The highest expenditures were by out-of-state visitors who stayed overnight in commercial lodging, averaging \$230 per party per day. About \$78 of this amount was for accommodations and another \$76 for food and beverage purchases at restaurants. Spending by visitors from Washington State who stayed in overnight accommodations was slightly lower, averaging about \$223 per party per day.

Figure 3-3
Average Daily Expenditures (\$/party/day)
by Type of Visitor, April 2000

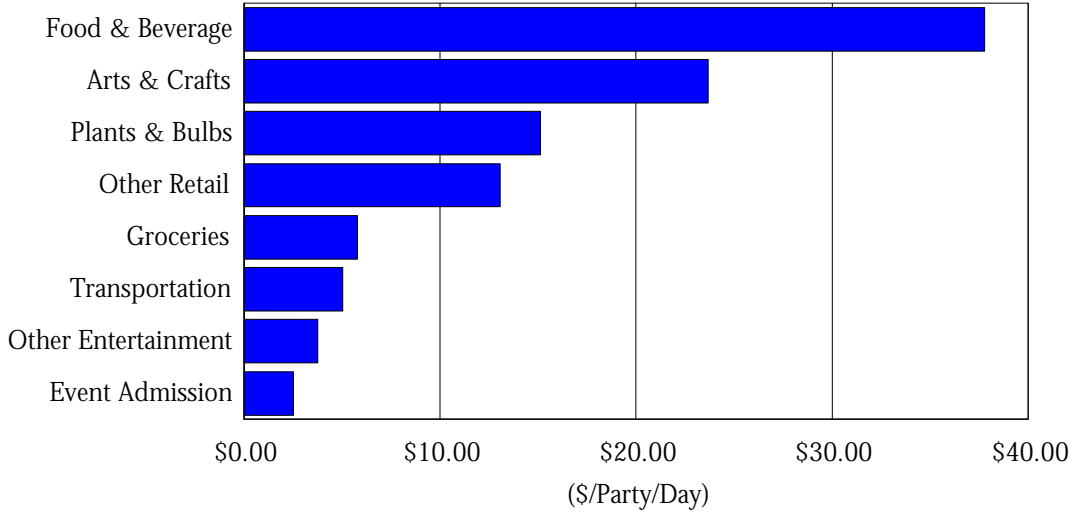


Note: Represents average party size of 3.0 (Day), 3.2 (Accommodations), and 2.9 (VFR).
Source: Dean Runyan Associates

Out-of-state visitors who stayed with friends and relatives (VFR) showed expenditures ranging from \$121 per party per day for those from Washington to \$173 for those from out-of-state. Day visitors, on the other hand, spend about \$107 per party per day. Day visitors from out-of-state spent an average of \$116 per party per day and those day visitors from Washington State spent \$103.

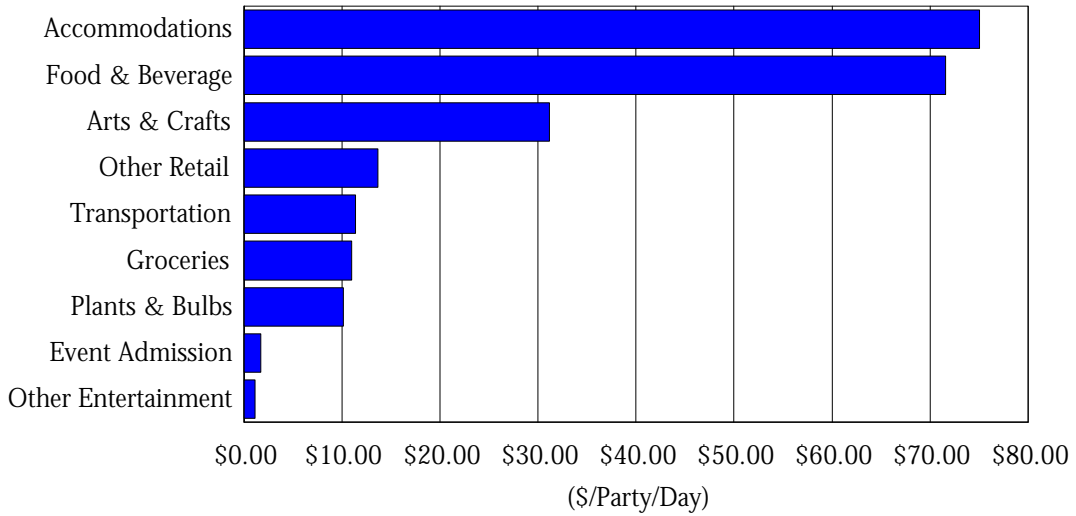
The distribution of spending among various expenditure categories varies with respect to whether a travel party spent the night in Skagit County. As shown in Figures 3-4 and 3-5, expenditures made by day visitors were concentrated in food and beverage and retail purchases including plants and bulbs, while those made by overnight visitors include a portion of spending on accommodations. Compared to the other two groups, Figure 3-6 shows that those visitors who stayed with friends and relatives spent more on groceries and plants and bulbs.

Figure 3-4
 Average Daily Expenditures by Expenditure Category
 Day Visitors (\$/party/day), April 2000



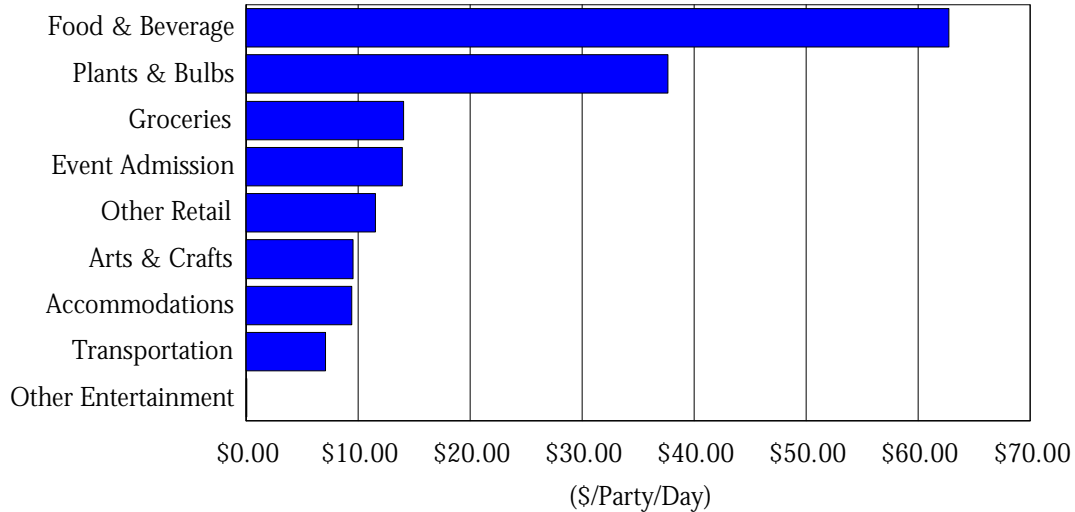
Note: Represents average party size of 3.0.
 Source: Dean Runyan Associates

Figure 3-5
 Average Daily Expenditures by Expenditure Category
 Overnight Visitors staying in Accommodations (\$/party/day)
 April 2000



Note: Represents average party size of 3.2.
 Source: Dean Runyan Associates

Figure 3-6
Average Daily Expenditures by Expenditure Category
Overnight Visitors staying with Friends and Relatives (\$/party/day)
April 2000



Note: Represents average party size of 2.9.
Source: Dean Runyan Associates

Direct Expenditures

Total direct expenditures made by Festival visitors are estimated by multiplying average daily expenditures by the number of visitors for each visitor type.

The primary conventions employed in this portion of the analysis are as follows:

- Total attendance for the Festival is derived from traffic count data provided by Skagit County Public Works. Festival visitor estimate was adjusted to properly represent visitors associated with the Festival and does not reflect traffic associated with local area residents and businesses.
- The residence of each category of visitor is estimated from zip code and country of origin data obtained from the survey of festival attendees.
- Average daily expenditures for each category of visitor are from survey data. Day and overnight travelers are analyzed separately. Expenditures are analyzed separately for nine expenditure categories.
- The proportion of day and overnight visitors is also from survey data.
- Expenditure estimates represent amounts attributed to Festival visitors (i.e., those who report that the location of their residence is outside of Skagit County) -- for day visitors, the expenditures of the entire day are counted; for overnight visitors, the expenditures for the entire length of stay are counted, but are adjusted to represent a daily expenditure amount.

Payroll

Payroll impacts are estimated from data for Skagit County as it appears in a 1999 Washington State Travel Impact study prepared by Dean Runyan Associates (DRA) for Washington State Community, Trade and Economic Development. This research analyzed the travel sales, payroll, employment, and tax receipts based on a variety of data and made use of the DRA regional travel impacts model. The payroll amount for the Skagit Valley Tulip Festival study is calculated from the expenditure amounts using the relationship in the DRA study between these same two figures. The payroll figure of \$2.9 million includes both full- and part-time jobs but does not include any income of working proprietors.

Local and State Tax Receipts

Spending made by Festival visitors generated more than \$1 million in 2000. More than three-fourths of these tax receipts were attributable to the state sales tax. Receipts from this tax generated by retail purchases, lodging, food and beverage, and gasoline purchases amounted to over \$800,000. Local tax receipts consist of room tax and local sales taxes returned to the county. These state and local tax receipts are calculated based on state and local tax rates and the visitor expenditure amounts discussed previously.

APPENDIX A
Detailed Research Findings

Table A-1
Average Daily Expenditures (\$/party/day)
By Type of Festival Visitor and Expenditure Category

	Festival Visitors Residence outside Skagit County			Festival Visitors Residence Out-of-State		
	Day	Overnight Accommodations	Visiting Friends and Relatives	Day	Overnight Accommodations	Visiting Friends and Relatives
Accommodations	\$0.00	\$75.01	\$9.43	\$0.00	\$76.53	\$11.97
Food & Beverage	\$37.77	\$71.60	\$62.74	\$51.58	\$75.70	\$67.99
Groceries	\$5.80	\$11.00	\$14.11	\$7.65	\$9.03	\$16.54
Transportation	\$5.04	\$11.36	\$7.10	\$6.70	\$8.45	\$7.35
Plants & Bulbs	\$15.14	\$10.14	\$37.70	\$6.80	\$10.35	\$30.33
Arts & Crafts	\$23.69	\$31.14	\$9.57	\$21.79	\$34.51	\$9.21
Other Retail	\$13.08	\$13.68	\$11.56	\$13.00	\$11.84	\$13.48
Event Admission	\$2.52	\$1.70	\$13.97	\$3.12	\$2.34	\$16.38
Other Entertainment	\$3.75	\$1.14	\$0.03	\$5.89	\$0.36	\$0.00
Total	\$106.79	\$226.77	\$166.21	\$116.53	\$229.11	\$173.25

Note: Represents average party size of 2.97 (Residence outside Skagit County) and 3.04 (Residence Out-of-state).
Source: Dean Runyan Associates

