

IRVINE, CALIFORNIA
VISITOR IMPACTS, 2010-2019P

April 2020



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Prepared for

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IRVINE VISITOR IMPACTS, 2010-2019P

This study, prepared for Destination Irvine, documents the economic significance of the travel industry in the City of Irvine from 2010 through 2019 (preliminary). The report also provides estimates of visitor volume and average visitor spending, and a brief analysis of visitor air travel to John Wayne airport. The estimates are comparable to the county, regional and state travel impacts prepared by Dean Runyan Associates for the California Travel and Tourism Commission¹. In interpreting the findings, it should be noted that:

- 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 generated by travel spending. Secondary effects related to the additional spending of businesses and employees from travel-generated income are not included.
- 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.
- The estimates of visitor volume for Irvine are based on the visitor spending estimates prepared by Dean Runyan Associates and visitor survey data for Anaheim/Orange County. Because this survey does not measure the trip characteristics of Irvine visitors specifically, the average spending and volume estimates should be interpreted accordingly.²
- In general, small area estimates such as these will be less reliable than estimates for larger geographic areas because of data limitations. However, these estimates of visitor impacts are consistent with other data sources that describe the resident population and economy of Irvine.³

¹ California Travel Impacts, 1992-2019p (forthcoming). Prepared by Dean Runyan Associates for the California Travel and Tourism Commission.

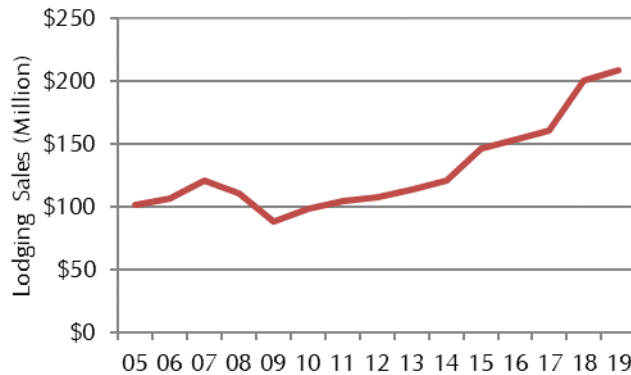
² The survey data was provided by TNS TravelsAmerica. Some adjustments in the trips characteristics were made by Dean Runyan Associates. See page 4.

³ The visitor impact estimates were evaluated with respect to the 2007 and 2012 Economic Censuses for Irvine, zip code level County Business Patterns reported by the U.S. Census Bureau, and the American Community Survey for Irvine, also prepared by the U.S. Census Bureau.

IRVINE TRAVEL TRENDS AND ECONOMIC IMPACTS

Lodging sales in Irvine grew by 3.9 percent from 2018 to 2019, continuing the strong growth from 2018. Most of the increase in lodging sales is due to increased visitation.⁴

Irvine Lodging Sales, 2005 to 2019



Source: Irvine City Clerk's Office of Records and Information. Lodging sales were derived from tax receipts divided by the 8 percent tax rate.

Growth in all categories continued to climb in 2019. Spending growth over the past three years has been an average of 15 percent per year. The \$49.6 million in local and state tax revenue is equivalent to approximately \$560 for each Irvine household.⁵

Irvine Visitor Trends, 2010-2019p

(Monetary Values in Millions)

	Spending	Earnings	Employment	Tax Receipts		
				Local	State	Total
2010	\$463	\$163	4,850	\$10.1	\$20.7	\$30.7
2011	\$488	\$170	4,960	\$10.7	\$21.0	\$31.6
2012	\$496	\$182	5,080	\$10.9	\$20.2	\$31.2
2013	\$502	\$180	5,080	\$11.5	\$20.6	\$32.1
2014	\$507	\$181	5,110	\$12.0	\$20.7	\$32.7
2015	\$574	\$202	5,140	\$14.3	\$21.7	\$36.0
2016	\$591	\$218	5,290	\$15.0	\$21.3	\$36.4
2017	\$621	\$228	5,320	\$15.8	\$22.1	\$37.8
2018	\$750	\$255	5,790	\$19.5	\$27.7	\$47.2
2019	\$781	\$269	5,860	\$20.3	\$29.3	\$49.6
Average Annual Percentage Change						
18-19p	4.1	5.8	1.2	4.1	5.7	5.0
10-19p	6.0	5.7	2.1	8.1	3.9	5.4

⁴ STR report prepared for the Irvine Chamber of Commerce by STR, Inc.

⁵ Local tax receipts do not include the 2 percent self-imposed assessment tax implemented by hoteliers. The 2 percent assessment generated an additional \$4.0 million in the 2019 calendar year, based on estimates from TOT receipts over that period.

Irvine Visitor Impacts, 2010-2019p

	2010	2012	2014	2016	2017	2018	2019p
Visitor Spending by Type of Traveler Accommodation (\$Million)							
Hotel, Motel	279	297	307	372	392	489	512
Private Home*	50	55	56	58	61	65	65
Day	134	144	144	160	168	196	203
Total Visitor Spending	463	496	507	591	621	750	781
Visitor Spending by Type of Commodity Purchased (\$Million)							
Accommodations	109	119	133	169	177	220	228
Food & Beverage Services	108	112	113	137	145	175	185
Arts, Entertainment & Recreation	113	118	119	137	142	167	172
Retail	62	64	65	73	74	85	88
Local Tran. & Gasoline	72	82	77	76	82	103	107
Total Visitor Spending	463	496	507	591	621	750	781
Industry Earnings Generated by Visitor Spending (\$Million)							
Accommodation & Food Services	89	97	96	119	125	151	160
Arts, Entertainment & Recreation	56	65	66	75	78	75	78
Retail (incl. Gasoline Service)	9	9	9	11	11	11	13
Local Transportation	8	9	9	11	12	15	16
Total Earnings	162	181	180	216	227	253	267
Industry Employment Generated by Visitor Spending							
Accommodation & Food Services	2,720	2,780	2,820	3,120	3,190	3,650	3,680
Arts, Entertainment & Recreation	1,650	1,800	1,790	1,590	1,540	1,550	1,560
Retail (incl. Gasoline Service)	270	280	270	330	340	330	340
Local Transportation	210	220	220	250	240	250	290
Total Employment	4,850	5,080	5,110	5,290	5,320	5,790	5,860
Tax Revenue Generated by Visitor Spending (\$Million)							
Local***	10.1	10.9	12.0	15.0	15.8	19.5	20.3
State****	20.7	20.2	20.7	21.3	22.1	27.7	29.3
Total Local & State Tax Revenue	30.7	31.2	32.7	36.4	37.8	47.2	49.6

*The Private Home category primarily reflects an estimate of the spending of visitors who are guests in the private homes of friends and relatives. A small number of visitors staying in owned second homes are also included.

**Local transportation includes motor fuel, parking and taxi service. Spending on motor fuel is included in the retail industry category for earnings and employment.

***Local taxes include lodging and sales taxes. The 2 percent self-imposed assessment tax implemented by hoteliers is not included. The revenue from the 2 percent tax generated an additional \$4.0 million in the 2019 calendar year.

****State taxes include sales, income and motor fuel taxes.

OVERNIGHT VISITOR VOLUME AND AVERAGE VISITOR SPENDING

The estimates of visitor volume for Irvine are based on the visitor spending estimates prepared by Dean Runyan Associates and visitor survey data for Anaheim/Orange County.⁶ The values for party size were reduced by a factor of 0.75 to reflect the judgment that Irvine has relatively more business travel than Orange County as a whole. The value for length of stay was similarly reduced by a factor of 0.75 to reflect the fact that visitors to Orange County visit multiple destinations – the length of stay at destinations within the county will be lower than that for the county as a whole.

Note that whereas the number of nights spent by private home guests is only slightly below that of those who stayed in paid accommodations, the economic impact of private home visitors (previous page) is considerably lower because of the difference in average daily expenditures.

Overnight Visitor Volume to Irvine, 2017-2019p

	Person-Nights (000)			Party-Nights (000)		
	2017	2018	2019p	2017	2018	2019p
Hotel, Motel	2,130	2,590	2,680	970	1,180	1,220
Private Home	1,800	1,830	1,800	750	760	750
All Overnight	3,930	4,420	4,480	1,720	1,940	1,970

	Person-Trips (000)			Party-Trips (000)		
	2017	2018	2019p	2017	2018	2019p
Hotel, Motel	790	960	990	360	440	450
Private Home	390	400	390	160	170	160
All Overnight	1,180	1,360	1,380	520	600	610

Average Expenditures for Overnight Visitors to Irvine, 2019p

	Travel Party		Person		Party Size	Length of Stay (nights)
	Day	Trip	Day	Trip		
Hotel, Motel	\$415	\$1,120	\$189	\$509	2.2	2.7
Private Home	\$85	\$391	\$35	\$163	2.4	4.6
All Overnight	\$285	\$919	\$125	\$408	2.3	3.2

⁶ For example, the total spending of visitors that stayed in Hotels/Motels (\$512 million in 2019, page 3) divided by the number Hotel/Motel travel party nights (1,220,000) equals average daily spending of \$415 per party.

VISITOR AIR TRAVEL TO JOHN WAYNE AIRPORT

The table below shows the nature of passenger air traffic to the major Los Angeles metropolitan area airports on domestic flights. John Wayne airport (SNA) represented 12.3 percent of all passenger arrivals in 2019, and 15.8 percent of all visitor arrivals. The focus of the following analysis is on the origin of visitor arrivals. Visitors include passengers with a round trip itinerary that initiated their flight at another airport (not SNA). The visitor estimates also include a portion of one-way tickets.⁷

Thousands of Arrivals at Los Angeles Metropolitan Area Airports, 2019

Domestic Flights only

Airport	City	Round Trip Itinerary			Other	Connect.	Total
		Visitor	Resident	One-Way			
LAX	Los Angeles	766	723	819	33	426	2,767
SNA	Santa Ana	196	158	125	9	16	504
BUR	Burbank	92	113	78	5	16	304
ONT	Ontario	75	99	72	4	6	257
LGB	Long Beach	57	62	50	2	4	175
PSP	Indio/Palm Springs	55	17	28	2	4	105
	Metro Total	1,241	1,172	1,172	55	472	4,112
SNA Pct. of Metro Total		15.8%	13.5%	10.7%	15.6%	3.3%	12.3%

Source: U.S. Department of Transportation Origin and Destination Survey. This survey is a 10 percent sample of all ticket itineraries of reporting carriers. The estimates shown in this report were prepared by Dean Runyan Associates. All of the following graphs are based upon this data.

Annual Change in Visitor Air Arrivals

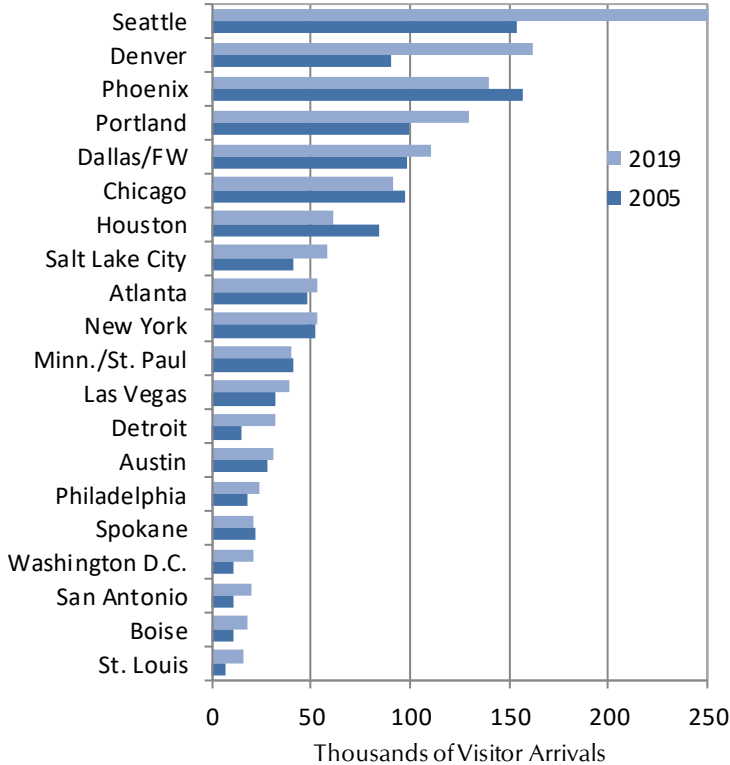
Year 2000 = 100



The graph to the left compares the annual change in visitor air traffic to John Wayne airport with all other LA metro airports. There were 2.67 million visitor arrivals to John Wayne in 2019, an decrease of 1 percent over the preceding year.

⁷ The portion of one-way arrivals is based on the visitor share of arrivals with round-trip itineraries.

John Wayne Airport Origin Markets



The bar chart to the left displays the top twenty non-California origin markets to John Wayne airport. These origins comprise over two-thirds of all visitor arrivals from outside of the state. This chart is based on the accompanying data table.

Origin	Visitors (000)		*Change	**Share
	2005	2019		
Seattle	154	251	3.6%	9.5%
Denver	90	162	4.3%	6.1%
Phoenix	157	140	-0.8%	5.3%
Portland	100	130	1.9%	4.9%
Dallas/FW	99	111	0.8%	4.2%
Chicago	97	91	-0.4%	3.4%
Houston	84	61	-2.2%	2.3%
Salt Lake City	41	58	2.5%	2.2%
Atlanta	48	53	0.8%	2.0%
New York	52	53	0.1%	2.0%
Minn./St. Paul	40	40	-0.2%	1.5%
Las Vegas	32	39	1.3%	1.4%
Detroit	14	32	5.7%	1.2%
Austin	28	30	0.5%	1.1%
Philadelphia	18	23	1.9%	0.9%
Spokane	22	21	-0.3%	0.8%
Washington D.C.	11	21	4.5%	0.8%
San Antonio	11	20	4.3%	0.7%
Boise	11	17	3.5%	0.7%
St. Louis	6	16	7.0%	0.6%
SF Metro	455	545	1.3%	20.5%
Sacramento	151	149	-0.1%	5.6%
Balance	559	595	0.4%	22.4%
Total	2,280	2,659	1.1%	100.0%

*Change refers to the average annual percentage change from 2005 to 2019.

**Share refers to the percentage of all visitor arrivals to John Wayne airport during 2019.

Source: U.S. Department of Transportation Origin and Destination Survey.

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

Appendix B: Travel Impact Industries Matched to 2007 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 at the city/county jurisdictional level. Spending by hotel and motel guests in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data. The spending distribution shows how travelers divide their spending between lodging and other purchases.

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 in relation to the number of resident households at the destination.

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

RELATED TRAVEL IMPACTS

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

Earnings generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from Economic Census data and earnings estimates from the Bureau of Economic Analysis.

Employment in each business category is calculated from wage data supplied by the U.S. Department of Labor and earnings estimates from the Bureau of Economic Analysis.

Local Taxes consist of local room taxes and sales taxes

State Taxes consist of sales taxes, income taxes and motor fuel taxes.

TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

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

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

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

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