

SEATTLE SOUTHSIDE
Travel Impacts, 2003-2020p

March 2021



**SEATTLE SOUTHSIDE
TRAVEL IMPACTS, 2003-2020P
TUKWILA, SEATAC, & DES MOINES**

Prepared for the

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SEATTLE SOUTHSIDE TRAVEL IMPACTS, 2003-2020P

TUKWILA, SEATAC & DES MOINES

This study, prepared for Seattle Southside Regional Tourism Authority, documents the economic significance of the travel industry in the Seattle Southside area of King County from 2003 through 2020. The estimates for 2020 are preliminary. The separate estimates for Tukwila, SeaTac and Des Moines are reported at a summary level for 2020 only. Overnight visitor volume estimates and average spending estimates for the larger Seattle Southside are also provided in this report.

REPORT CONTENTS

The main body of this report contains five sections:

- *Seattle Southside Travel Trends* (annual estimates of economic impacts and lodging sales for the larger Seattle Southside)
- *Travel Impacts in Des Moines, SeaTac and Tukwila* (summary estimates for 2020p, only)
- *Visitor Volume* (major trends and characteristics)
- *Detailed Spending and Visitor Volume Tables*
- *Detailed Impact Tables*

The report also contains appendices that provide an overview of methodology and definitions of terms and concepts.

INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of the following with respect to the interpretation of these estimates:

- All monetary estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- Sub-county estimates such as contained in this report are necessarily less reliable than county and state level estimates because of data limitations. Nonetheless, these estimates were generally prepared with the same methodology used to estimate county and state level travel impacts and visitor volume.

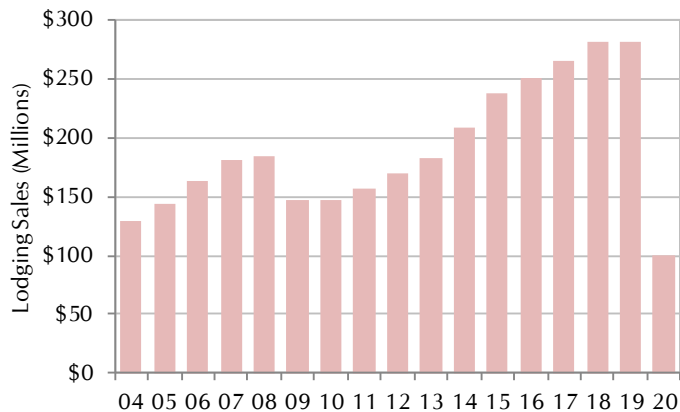
SEATTLE SOUTHSIDE TRAVEL TRENDS

Travel spending in the Seattle Southside declined by 53.9 percent from 2019 to 2020p.

Seattle Southside Travel Trends

	Spending (\$Millions)	Earnings (\$Millions)	Employment	Tax Receipts (\$Millions)		
				Local	State	Total
2003	395.9	124.3	4,480	15.3	21.4	36.7
2004	422.5	130.2	4,540	16.2	22.7	38.9
2005	461.4	141.9	4,790	17.8	24.5	42.3
2006	486.9	146.8	4,720	22.7	25.6	48.3
2007	528.0	157.7	4,880	25.2	27.7	52.9
2008	532.3	158.0	4,810	25.7	27.6	53.3
2009	463.9	149.5	4,530	22.7	24.9	47.6
2010	473.5	147.6	4,350	22.7	25.1	47.9
2011	504.9	149.8	4,340	24.0	26.4	50.4
2012	537.5	157.2	4,460	25.7	28.2	53.9
2013	564.6	169.2	4,640	27.3	29.7	57.0
2014	620.5	184.5	4,840	30.3	32.5	62.8
2015	665.0	194.7	4,870	33.3	35.1	68.3
2016	690.5	203.2	4,910	34.9	36.9	71.8
2017	721.2	211.8	4,950	36.5	38.6	75.1
2018	770.3	230.0	5,120	38.5	40.8	79.2
2019	787.9	240.3	5,110	39.1	41.8	80.9
2020p	363.6	157.3	3,210	16.8	19.7	36.5
Annual Percentage Change						
19-20p	-53.9	-34.5	-37.2	-56.9	-52.9	-54.8
03-20p	-0.5	1.4	-1.9	0.6	-0.5	0.0

Seattle Southside Lodging Sales



Lodging sales (in current dollars) were \$101.1 million in 2020 (preliminary), a decrease of 64 percent over 2019.

Source: Washington State Department of Revenue. Lodging sales calculated from 1% Additional Hotel/Motel tax for Des Moines, SeaTac and Tukwila.

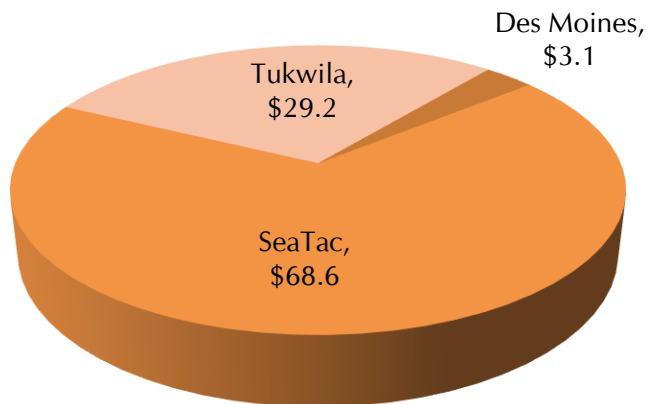
TRAVEL IMPACTS IN DES MOINES, SEATAC AND TUKWILA

The preliminary 2020 impact estimates for the three cities within the Seattle Southside are shown below. Lodging sales are shown in the pie chart. In general, these estimates are a function of lodging sales, the number of private homes for visiting friends and relatives, and the volume of sales in other types of establishments that serve visitors (e.g., restaurants, entertainment and retail). *(Note: These small area estimates are necessarily less reliable than the estimates for the larger Seattle Southside due to data limitations.)*

Travel Impacts within Seattle Southside, 2020p

	Travel		Employment (jobs)	Tax Receipts		Total (\$Million)
	Spending (\$Million)	Earnings (\$Million)		Local (\$Million)	State (\$Million)	
Des Moines	23.3	10.2	210	1.1	1.3	2.3
SeaTac	133.0	60.4	1,270	6.2	7.2	13.4
Tukwila	207.3	86.7	1,730	9.6	11.2	20.8
Seattle Southside	363.6	157.3	3,210	16.8	19.7	36.5

Lodging Sales within Seattle Southside 2020p

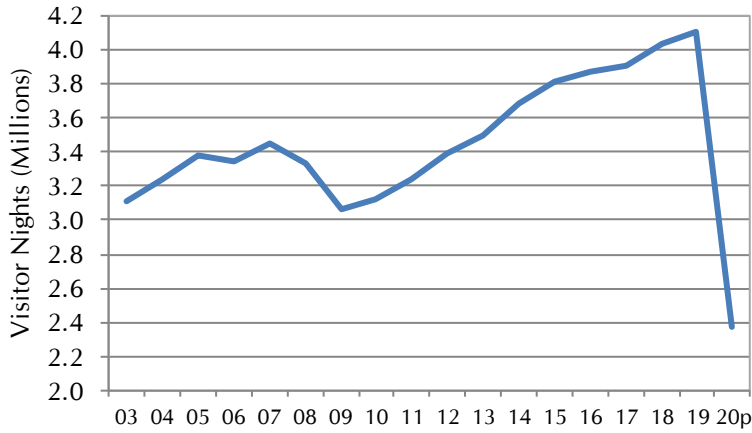


Although Tukwila has the greatest estimated visitor spending, SeaTac has 68 percent of all lodging sales. However, its share of visitor-related sales in food services, entertainment and retail is comparatively smaller.

Source: Washington State Department of Revenue.
Lodging sales calculated from 1% Additional Hotel/Motel tax for Des Moines, SeaTac and Tukwila.

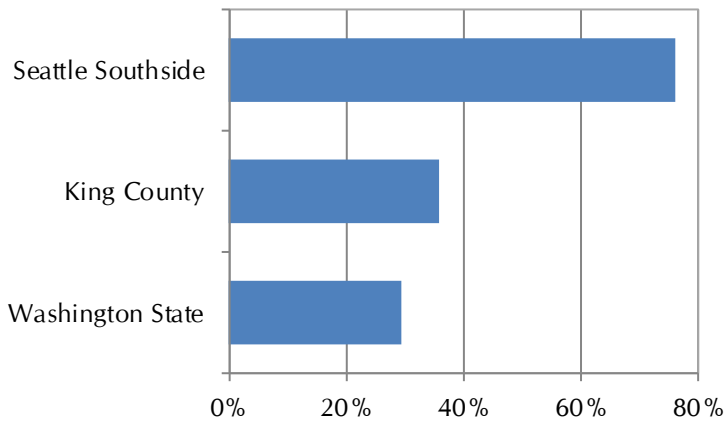
VISITOR VOLUME

All Overnight Person-Nights



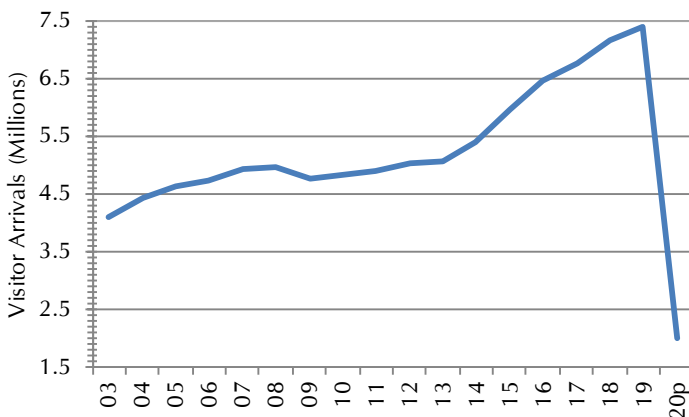
The estimate of all overnight visitor-nights (the number of nights that all individual visitors stayed in the Seattle Southside) is shown in the top line chart. The overall trend in visitor volume corresponds to the trends in travel spending and related impacts shown previously. In 2020p overnight visitor volume declined about 42 percent.

Hotel/Motel/STVR Visitor-Nights, 2020p



Approximately three-quarters (76%) of all visitor nights in the Seattle Southside are attributable to Hotel/Motel/Rented Home stays. This percentage is much greater than for King County and Washington State. (See bar chart to left. STVR are short term rental homes subject to lodging tax.)

Visitor Air Arrivals at SeaTac International Airport Domestic Flights



Visitor air arrivals (domestic only) to SeaTac airport declined by 73 percent in 2020. (Note: Visitor air arrivals do not include return flights that were initiated at SeaTac, nor passengers making connecting flights.)

Source: U.S. Department of Transportation Airline Origin and Destination survey.

DETAILED SPENDING AND VISITOR VOLUME TABLES

The following three tables are inter-related. The first, Visitor Spending by Type of Traveler Accommodation, reports the total annual spending estimates for each type of visitor. The second, Average Expenditures for Overnight Visitors, reports the average daily and average trip expenditures for each type of visitor for 2020p. The third table, Overnight Visitor Volume, reports annual visitor volume for each type of visitor. Volume is broken out in terms of trips and nights and visitors (persons) and travel parties. In general, multiplication of an average spending numbers with the appropriate volume number will yield the annual total spending number for that type of visitor. (See appendix A for definitions of terms)

Day travel represents less than four percent of all visitor spending in the Seattle Southside (\$16 million in 2020p). Due to data limitations, reliable estimates of visitor volume and average expenditures cannot be reported for day travel.

Visitor Spending by Type of Traveler Accommodation (\$Million), 2010-2020p

	2010	2012	2014	2016	2017	2018	2019	2020p
All Overnight	447.1	506.9	588.4	659.3	688.0	734.4	751.1	341.9
Hotel, Motel, STVR*	431.3	489.5	570.2	640.6	668.7	714.2	730.4	321.8
Other Overnight	15.8	17.4	18.2	18.7	19.2	20.2	20.7	20.2
Day Travel	18.9	21.5	23.7	25.0	25.9	27.5	28.4	16.0
Spending at Destination	466.0	528.4	612.1	684.3	713.9	761.9	779.5	357.9

Note: Spending at Destination does not include ground transportation expenditures for travel to other Washington destinations. STVR stands for short term vacation rentals or rented homes subject to lodging tax.

Average Expenditures for Overnight Visitors, 2020p

	Travel Party		Visitor (Person)		Party Size	Length of Stay (nights)
	Day	Trip	Day	Trip		
Hotel, Motel, STVR	\$395	\$931	\$178	\$418	2.2	2.4
Other Overnight	\$145	\$418	\$57	\$163	2.6	2.9
All Overnight	\$320	\$821	\$144	\$368	2.3	2.4

Overnight Visitor Volume, 2018-2020p

	Visitor-Nights (000)			Party-Nights (000)		
	2018	2019	2020p	2018	2017	2020p
Hotel, Motel, STVR	3,454	3,515	1,805	1,638	1,666	815
Other Overnight	588	590	570	262	263	255
All Overnight	4,043	4,105	2,375	1,900	1,929	1,070

	Visitor-Trips (000)			Party-Trips (000)		
	2018	2019	2020p	2018	2019	2020p
Hotel, Motel, STVR	1,474	1,500	770	691	703	346
Other Overnight	164	164	158	73	73	71
All Overnight	1,638	1,664	928	764	776	416

DETAILED IMPACT TABLES

The following table shows spending estimates for all categories of visitors, including day travel, earnings and employment estimates by industry sector, and travel-generated tax receipts.¹

Seattle Southside Travel Impacts, 2010-2020p									
	2010	2012	2014	2015	2016	2017	2018	2019	2020p
Total Direct Travel Spending (\$Million)									
Destination Spending	466.0	528.4	612.1	658.5	684.3	713.9	761.9	779.5	357.9
Other Travel*	7.5	9.1	8.4	6.5	6.2	7.3	8.4	8.4	5.7
Total Direct Spending	473.5	537.5	620.5	665.0	690.5	721.2	770.3	787.9	363.6
Visitor Spending by Commodity Purchased (\$Million)									
Accommodations	158.4	178.5	219.9	250.1	262.8	275.7	294.9	295.9	106.1
Food Service	130.0	149.2	171.1	183.8	192.7	201.7	216.6	228.0	122.7
Retail, Entertainment & Local Transport	177.6	200.7	221.1	224.6	228.8	236.5	250.4	255.7	129.2
Destination Spending	466.0	528.4	612.1	658.5	684.3	713.9	761.9	779.5	357.9
Industry Earnings Generated by Travel Spending (\$Million)									
Accom. & Food Serv.	111.1	118.5	138.6	147.1	154.3	161.6	175.9	184.9	107.6
Retail, Entertainment & Local Transport	36.5	38.7	45.9	47.7	48.9	50.2	54.1	55.4	49.7
Total Direct Earnings	147.6	157.2	184.5	194.7	203.2	211.8	230.0	240.3	157.3
Industry Employment Generated by Travel Spending (Jobs)									
Accom. & Food Serv.	3,190	3,270	3,580	3,620	3,670	3,720	3,870	3,870	2,280
Retail, Entertainment & Local Transport	1,160	1,190	1,260	1,250	1,240	1,230	1,250	1,250	930
Total Direct Employment	4,350	4,460	4,840	4,870	4,910	4,950	5,120	5,110	3,210
Government Revenue Generated by Travel Spending (\$Million)									
Local Tax Receipts	22.7	25.7	30.3	33.3	34.9	36.5	38.5	39.1	16.8
State Tax Receipts	25.1	28.2	32.5	35.1	36.9	38.6	40.8	41.8	19.7
Total Local & State	47.9	53.9	62.8	68.3	71.8	75.1	79.2	80.9	36.5

Details may not add to totals due to rounding.

*Other Travel reflects ground transportation expenditures for travel to other Washington destinations.

¹ The economic impacts for the Seattle Southside do not include travel to and from SeaTac International Airport. This passenger air travel accounted for 14,200 jobs with earnings of \$1.57 billion in 2020.

REGIONAL TRAVEL IMPACT MODEL (RTIM)

TRAVEL IMPACT ESTIMATION PROCEDURES

TRAVEL SPENDING

Hotel, Motel, STVR. Spending on commercial accommodations by hotel and motel guests and short-term vacation rental (STVR) is estimated from transient lodging tax collections at the city/county jurisdictional level.

Campgrounds. Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites. Spending by campers using public campgrounds is estimated from visitor counts at federal, state, and locally managed campsites and recreation areas, and the average daily expenditures of visitor camp parties reported in survey data.

Private Home. Spending by private home guests staying with friends or family is determined from census data and visitor survey data. The average number of days per year visitors hosted by residents and the average daily spending of these visitors are estimated from visitor survey data.

Vacation Home. The estimated spending by vacation home owners is also based on census data and visitor survey data.

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.

Spending by visitors in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data.

RELATED TRAVEL IMPACTS

Earnings generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from the 2012 Economic Census 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 attributable to visitor spending and property and sales taxes attributable to travel industry employees and businesses.

State Taxes consist of sales taxes and motor fuel taxes attributable to visitors and income and sales taxes attributable to travel industry employees.