

**SEATTLE SOUTHSIDE**  
***Travel Impacts, 2003-2014p***

February 2015



*Prepared for*

Seattle Southside Visitor Services  
Seattle, Washington

**SEATTLE SOUTHSIDE  
TRAVEL IMPACTS, 2003-2013P  
TUKWILA, SEATAC, & DES MOINES**

*Prepared for the*

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February 2015

# SEATTLE SOUTHSIDE TRAVEL IMPACTS, 2003-2015P

## TUKWILA, SEATAC & DES MOINES

This study, prepared for Seattle Southside Visitor Services, documents the economic significance of the travel industry in the Seattle Southside area of King County from 2003 through 2014. The estimates for 2014 are preliminary. The separate estimates for Tukwila, SeaTac and Des Moines are reported at a summary level for 2014 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 2014p, 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.

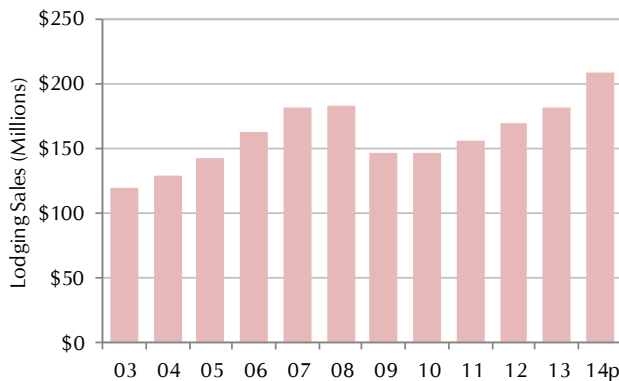
## SEATTLE SOUTHSIDE TRAVEL TRENDS

Travel spending in the Seattle Southside increased by 9.5 percent from 2013 to 2014(preliminary). Earnings, employment and travel-generated tax receipts also increased. This was the fourth consecutive year of strong growth in the Seattle Southside travel industry.

### Seattle Southside Travel Trends

	Spending (\$Millions)	Earnings (\$Millions)	Employment	Tax Receipts (\$Millions)		
				Local	State	Total
2003	389.8	122.3	4,410	15.2	23.1	38.3
2004	415.8	128.0	4,460	16.1	24.4	40.6
2005	454.6	139.7	4,710	17.7	26.5	44.1
2006	479.8	144.5	4,650	22.5	27.7	50.2
2007	519.8	155.1	4,800	25.0	29.9	54.9
2008	523.6	155.2	4,730	25.5	29.8	55.4
2009	456.1	146.8	4,450	22.5	26.8	49.3
2010	475.4	148.2	4,370	22.8	27.5	50.3
2011	506.8	150.4	4,360	24.0	28.9	53.0
2012	539.5	157.8	4,480	25.7	30.9	56.6
2013	566.6	169.8	4,650	27.3	32.5	59.8
2014p	620.3	184.1	4,840	30.3	35.5	65.8
Annual Percentage Change						
13-14p	9.5	8.4	4.1	11.0	9.3	10.0
03-14p	4.3	3.8	0.8	6.5	4.0	5.0

### Seattle Southside Lodging Sales



Lodging sales (in current dollars) exceeded \$200 million in 2014.

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

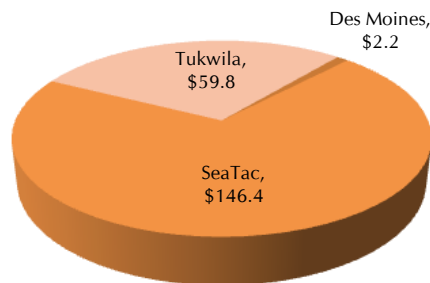
## TRAVEL IMPACTS IN DES MOINES, SEATAC AND TUKWILA

The preliminary 2014 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, 2014p

	Travel			Tax Receipts		Total (\$Million)
	Spending (\$Million)	Earnings (\$Million)	Employment (jobs)	Local (\$Million)	State (\$Million)	
Des Moines	33.2	12.1	320	1.6	1.9	3.5
SeaTac	239.2	77.0	2,000	11.7	13.7	25.4
Tukwila	348.0	95.1	2,520	17.0	19.9	36.9
Seattle Southside	620.3	184.1	4,840	30.3	35.5	65.8

### Lodging Sales within Seattle Southside 2014p

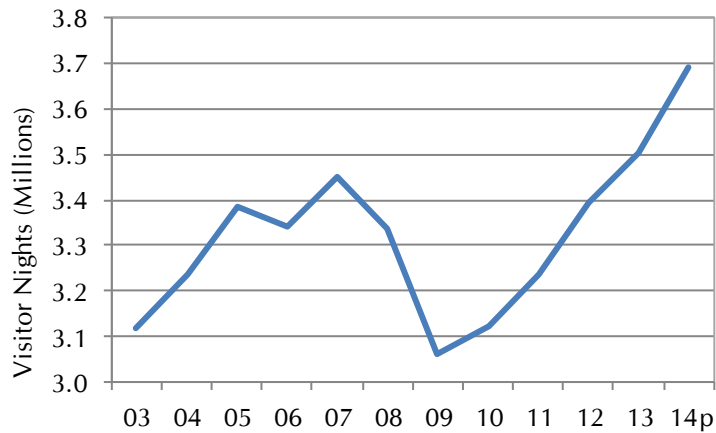


Although Tukwila has the greatest estimated visitor spending, SeaTac has 70 percent of all lodging sales. However, its share of visitor-related sales in food services, entertainment and retail is comparatively smaller.

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

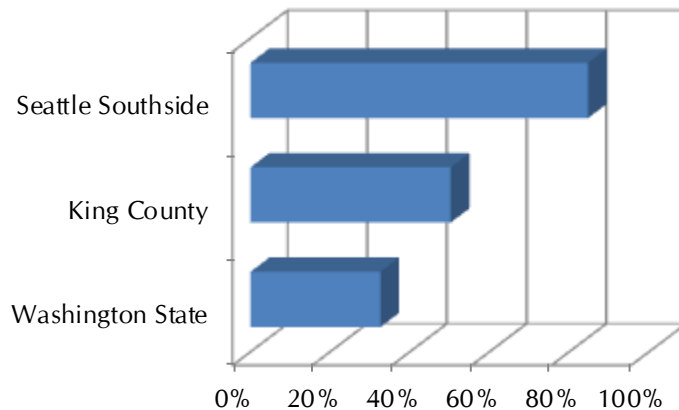
## VISITOR VOLUME

### All Overnight Person-Nights



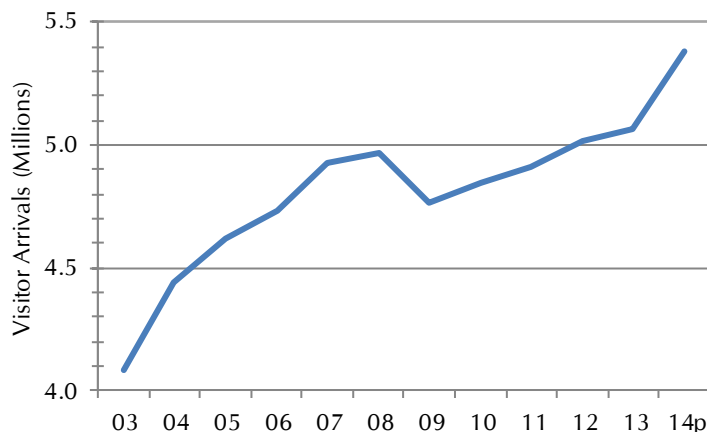
The estimate of all overnight visitor-nights (the number of nights that all individual visitors stayed in the Seattle Southside) is shown in the top line chart. The overall trend in visitor volume corresponds to the trends in travel spending and related impacts shown previously.

### Hotel/Motel Visitor-Nights, 2014p (Percentage of All Overnight)



Eighty percent of all visitor nights in the Seattle Southside are attributable to Hotel/Motel stays. This percentage is much greater than for King County and Washington State. *(See bar chart to left.)*

### Visitor Air Arrivals at SeaTac International Airport Domestic Flights



Visitor air arrivals (domestic only) to SeaTac airport have also increased for the fifth year in a row. *(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 2014p. 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 B.)

Day travel represents less than five percent of all visitor spending in the Seattle Southside (\$24.0 million in 2014p). 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), 2005-2014p

	2005	2007	2009	2010	2012	2013	2014p
All Overnight	429.8	491.9	431.4	448.7	508.5	535.3	587.5
Hotel, Motel	414.2	475.6	414.7	431.3	489.5	516.0	567.6
Other Overnight	15.6	16.3	16.7	17.4	19.1	19.3	20.0
Day Travel	18.8	20.1	18.3	19.2	21.8	22.5	24.0
Spending at Destination	448.6	512.0	449.7	467.9	530.3	557.8	611.5

Note: Destination spending does not include ground transportation expenditures for travel to other Washington destinations.

### Average Expenditures for Overnight Visitors, 2014p

	Travel Party		Visitor (Person)		Party Size	Length of Stay (nights)
	Day	Trip	Day	Trip		
Hotel, Motel	\$390	\$922	\$182	\$426	2.1	2.4
Other Overnight	\$72	\$266	\$35	\$127	2.0	3.7
All Overnight	\$339	\$851	\$159	\$394	2.1	2.5

### Overnight Visitor Volume, 2012-2014p

	Visitor-Nights (000)			Party-Nights (000)		
	2012	2013	2014	2012	2013	2014
Hotel, Motel	2,838	2,945	3,126	1,329	1,376	1,457
Other Overnight	554	556	565	272	273	278
All Overnight	3,392	3,501	3,691	1,601	1,649	1,735

	Visitor-Trips (000)			Party-Trips (000)		
	2012	2013	2014	2012	2013	2014
Hotel, Motel	1,211	1,257	1,334	561	581	616
Other Overnight	155	155	158	74	74	75
All Overnight	1,365	1,412	1,491	635	655	691

## 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.<sup>1</sup>

### Seattle Southside Travel Impacts, 2005-2014p

	2005	2007	2008	2010	2012	2013	2014p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	448.6	512.0	514.6	467.9	530.3	557.8	611.5
Other Travel*	6.0	7.8	9.0	7.5	9.1	8.7	8.9
Total Direct Spending	454.6	519.8	523.6	475.4	539.5	566.6	620.3
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	150.8	190.8	193.1	158.4	178.5	191.1	218.8
Food Service	121.7	132.5	132.7	130.8	150.1	158.4	171.4
Retail, Entertainment & Local Transport	176.1	188.7	188.8	178.7	201.8	208.3	221.2
Destination Spending	448.6	512.0	514.6	467.9	530.3	557.8	611.5
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	100.9	115.5	116.2	111.4	118.9	128.4	140.0
Retail, Entertainment & Local Transport	38.8	39.6	39.0	36.8	38.9	41.4	44.1
Total Direct Earnings	139.7	155.1	155.2	148.2	157.8	169.8	184.1
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	3,380	3,550	3,500	3,200	3,280	3,450	3,630
Retail, Entertainment & Local Transport	1,340	1,250	1,230	1,170	1,190	1,200	1,210
Total Direct Employment	4,710	4,800	4,730	4,370	4,480	4,650	4,840
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	17.7	25.0	25.5	22.8	25.7	27.3	30.3
State Tax Receipts	26.5	29.9	29.8	27.5	30.9	32.5	35.5
Total Local & State	44.1	54.9	55.4	50.3	56.6	59.8	65.8

Details may not add to totals due to rounding.

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

<sup>1</sup> The economic impacts for the Seattle Southside do not include travel to and from SeaTac International Airport. This passenger air travel accounted for 10,500 jobs with earnings of \$964 million in 2014(p).



## APPENDICES

APPENDIX A:	KEY TERMS AND DEFINITIONS
APPENDIX B:	TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS
APPENDIX C:	RELATIONSHIP BETWEEN SPENDING AND VOLUME
APPENDIX D:	REGIONAL TRAVEL IMPACT MODEL

## KEY TERMS AND DEFINITIONS

### ECONOMIC IMPACTS

**Commodity:** A classification of a product or service, such as lodging or food service. An establishment or industry may produce more than one commodity.

**Direct Impacts:** Employment, earnings and tax receipts *directly* generated by travel spending, as distinguished from secondary and total impacts.

**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. (Unless otherwise noted, the employment estimates refer to establishment or industry employment at place of work, not the employment status or residence of the individual.)

**Industry:** A classification of business or government establishments based on their primary technological process. (See NAICS Appendix table.)

**Local Taxes:** Lodging and sales taxes imposed by King county and the other local jurisdictions in the Seattle Southside region.

**Other spending:** See Travel spending.

**Private Home:** Unpaid overnight accommodations of friends and relatives.

**Receipts:** Travel expenditures less the sales and excise taxes paid by the consumer.

**State Taxes:** Lodging, sales, motor fuel, and business and occupation tax imposed by the state of Washington.

**Total Impacts:** The sum of Direct and Secondary impacts.

**Travel spending:** The sum of visitor and other spending related to travel. Other spending includes spending by residents on ground and air transportation for the purpose of travel to other destinations and spending on travel arrangement services.

**Visitor spending:** All spending on goods & services by visitors at the destination. Also referred to as destination spending.

## VISITOR VOLUME

**Length of Stay:** The number of nights that a visitor or travel party is away from home on a trip.

**Night:** Applies to overnight visitors only. The number of nights on a trip is the length of stay. The count of days and nights is generally equivalent for overnight visitors. (See trips.)

**Party-trips:** The number of trips to the destination by travel parties. Party-trips are equal to the number of Visitor-trips divided by the average party size.

**Party-nights:** The number of nights or days that travel parties stayed at the destination. Party-nights are equal to the number of visitor-nights divided by the average party size or the number of party-trips multiplied by the average length of stay.

**Party Size:** The number of individuals (adults and children, including non-household members) that are traveling together and are sharing the costs of travel.

**Room Demand:** A count of the number of hotel/motel rooms that are sold on a nightly basis over a given period of time. Also referred to as *room nights sold*.

**Travel party:** A *travel party* includes all *visitors* (adults and children) traveling together. The *party size* represents the average number of visitors or persons in the travel party.

**Trip:** A trip may include more than one day or night at a destination. For overnight visitor categories, the total number of trips will be less than the number of nights. The *length of stay* for the trip represents the number of nights (or days) at the destination.

**Visitor:** An individual traveler that stays overnight away from home in paid or unpaid accommodations, or a day visitor that travels at least fifty miles one-way from home on non-routine trip.

**Visitor Air Arrival:** A passenger who travels by air and initiated the trip at another location. Visitor air arrivals do not include passengers who are returning home from a trip to another destination or passengers that are making a connection to another flight.

**Visitor-trips:** The number of trips to the destination by visitors or persons. This is also equivalent to as the total number of *visits*.

**Visitor-nights:** The number of nights or days that visitors (persons) stayed at the destination. Visitor-nights are equal to the number of visitor-trips multiplied by the average length of stay.

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**TRAVEL IMPACT INDUSTRIES MATCHED TO NAICS**

<b>TRAVEL IMPACT INDUSTRY</b>	<b>NAICS INDUSTRIES* (code)</b>
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)

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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>.

## RELATIONSHIP BETWEEN SPENDING AND VOLUME

The Spending, Average Expenditures and Volume tables are computationally related as shown below.

- **Spending equals Average Expenditures multiplied by Volume** for comparable party/person and night/trip categories
- **Travel parties and persons** are related by division or multiplication with **Party Size**
- **Trips and nights** are related by division or multiplication with **Length of Stay**

### Visitor Spending by Type of Accommodation (\$Million), YEAR

		YEAR
All Overnight	$656,000 \times \$79 = \$56,100,000$ (calculated from person-trips)	<b>56.1</b>
Hotel, Motel	$160,000 \times \$200 = \$32,000,000$ (calculated from party-nights)	<b>32.0</b>
Private Home	$1,030,000 \times \$20 = \$20,600,000$ (calculated from person-nights)	<b>20.6</b>
Other Overnight	$10,000 \times \$350 = \$3,500,000$ (calculated from party-trips)	<b>3.5</b>
Campground		3.0
Vacation Home		0.5
Day Travel		30.0
Spending at Destination		86.1

### Average Expenditures for Overnight Visitors, YEAR

	Travel Party		Visitor (Person)		Party Size	Length of Stay (nights)
	Nights	Trip	Nights	Trip		
Hotel, Motel	<b>\$200</b>	\$340	\$83	\$142	<b>2.4</b>	1.7
Private Home	\$50	\$130	<b>\$20</b>	\$52	2.5	<b>2.6</b>
Other Overnight	\$117	<b>\$350</b>	\$34	\$103	3.4	3.0
All Overnight	\$494	\$214	\$197	<b>\$86</b>	2.5	2.3

### Overnight Visitor Volume, YEAR

	Visitor-Nights (000)		Party-Nights (000)	
		YEAR		YEAR
Hotel, Motel	$160 \times \mathbf{2.4} =$	384		<b>160</b>
Private Home		<b>1,030</b>		412
Other Overnight		102		30
All Overnight		1,516		602

	Visitor-Trips (000)		Party-Trips (000)	
		YEAR		YEAR
Hotel, Motel		226		94
Private Home	$1,030 / \mathbf{2.6} =$	396		158
Other Overnight		34		<b>10</b>
All Overnight		<b>656</b>		263

**REGIONAL TRAVEL IMPACT MODEL**

**PRIMARY DATA SOURCES**

Room Demand,  
Visitor Surveys,  
Population,  
Inventory/Use of  
Campsites &  
Second Homes,  
Visitor air  
arrivals



**Visitor Volume**  
(Travel Party Days by  
Type of  
Accommodation)



**ECONOMIC IMPACTS OF TRAVEL**

Accommodation  
Sales,  
Visitor Surveys,  
Airfares



**Visitor Spending**  
(Type of  
Accommodation and  
Type of Commodity)



**Point of Sale Taxes**  
(Sales and Excise Taxes  
associated with Visitor  
Spending)



**Business Receipts**  
(not reported)



**Business Taxes**  
(State Income Taxes)

*Note: Receipts equals  
Spending less  
POS Taxes*



**Earnings**  
(By Industry)



**Personal Taxes**  
(Local, state and  
federal income and  
payroll taxes)



Ratio of  
Earnings to  
Receipts for  
relevant  
Industry



Average  
Annual  
Earnings per  
job for  
relevant  
industry



**Employment**  
(By Industry)

*Note: Most estimates of taxes  
are based on implicit tax rates  
applied to visitor spending,  
business receipts, and  
employee earnings. Lodging  
tax receipts reflect actual tax  
collections.*