The Impact of Portland's Delta Park

An Economic Analysis Before and After Proposed Facility Improvements

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Prepared for:

Portland Parks & Recreation

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Executive Summary

The Portland Parks and Recreation asked ECONorthwest for an analysis of the current and future economic impacts of the three sports facilities located at Delta Park in north Portland—Portland International Raceway, Delta Park Owens Sports Complex, and the Heron Lakes Golf Club. The purpose of this report is to inform the agency's facilities planning. This report estimates the impact of the PP&R facilities in terms of economic output, income, value added, and jobs using visitor data spending gathered through an online survey.

As described in this report, ECONorthwest found that the Delta Park facilities have a substantial impact on the economy of Portland. Furthermore, the planned and proposed improvements expand those impacts, as summarized below.

Baseline Net Economic Impact[1]

Portland International Raceway

Visitation

- **221,926** net visits (73 percent of total visits)
- **352,775** total visits - 69 percent of visitors are from outside of Portland.

Spending

- **$30.5 million** net spending by visitors
- **$1.8 million** operations spending

Economic Impacts

- **483 jobs** and **$35.5 million** in economic output is supported by visitor spending and operations

Delta Park Owens Sports Complex

Visitation

- **40,525** net visits (49 percent of total visits)
- **239,373** total visits - users visit about 20 times a year.

Spending

- **$1.1 million** net spending by visitors
- **$759,870** operations spending

Economic Impacts

- **37 jobs** and **$2.8 million** in economic output associated with visitor spending and operations

Heron Lakes Golf Club

Visitation

- **16,369** net visits (32 percent of total)
- **76,452** total visits - 54 percent of golfers are not residents of Portland.

Spending

- **$455,000** net spending by visitors
- **$3.7 million** operations spending

Economic Impacts

- **48 jobs** and **$6.6 million** in economic output supported by visitor spending and operations

[1] The baseline year uses data from fiscal year ending 2015.

Net Economic Impact with Proposed Improvements

Portland International Raceway

- **Visitation**
  - **236,909** net visits
  - **7%** increase in net visits
  - **376,354** visits
- **Spending**
  - **$33.3 million** net spending by visitors
  - **9%** increase in net visitor spending
- **Economic Impacts**
  - **528 jobs** and **$38.8 million** in economic output
  - **9%** increase in net economic impacts

Delta Park Owens Sports Complex

- **Visitation**
  - **59,351** net visits
  - **364,769** visits
  - **38%** increase in visits from proposed improvements
- **Spending**
  - **$1.6 million** net spending by visitors
  - **41%** increase in net visitor spending
- **Economic Impacts**
  - **54 jobs** and **$4.2 million** in economic output
  - **46%** increase in net economic impacts

Heron Lakes Golf Club

- **Visitation**
  - **19,490** net visits
  - **19%** increase in net visits
  - **8,474** additional rounds of golf
- **Spending**
  - **$531,800** net spending by visitors
  - **17%** increase in net visitor spending
- **Economic Impacts**
  - **55 jobs** and **$7.7 million** in economic output
  - **16%** increase in net economic impacts

Table ES1. Total Net Visits and Economic Impacts for Baseline Case and with Proposed Improvements, All Facilities Combined

Impact Type	Baseline	With Proposed Improvements	Percent increase
Net Visits	278,820	320,775	15%
Employment	568	637	12%
Labor Income	$21,110,000	$23,765,000	13%
Value Added	$27,980,000	$31,445,000	12%
Output	$45,021,000	$50,667,000	13%

Overall Recommendations and Conclusions

- An overwhelming majority of users expressed their appreciation for the location, maintenance, and availability of facilities and event organization.
- As the PP&R looks to increase visitation, and in turn, bring money to the City, they must seek a balance in keeping local users satisfied and maximizing accessibility for the local community, while filling in capacity that could bring new users and spectators.
- Current market conditions are favorable for a hotel in this area. A hotel could also increase spending in Portland and attract residents from outside of the city.

Facility-Specific Recommendations and Conclusions

Portland International Raceway

- The current calendar is full most weekends from March to October. The facility is busy with activities four to six days /nights per week, with some room for additional events.
- PIR has great support from its users and attracts the most spending and visitors from outside the region.
- Garage sale and leasing is an opportunity for growth that will allow users to store vehicles during and between events. Garages will not only drive weekday visits, but are also a key component in attracting larger events.

Delta Park Owens Sports Complex

- Three soccer fields were being renovated during the baseline year, which is the reason for most of the increased visits in the future.
- Ball fields are constrained during peak seasons. By converting the grass soccer and softball fields to synthetic turf would allow for increased use during the off-season and periods of inclement weather, and at the end of peak seasons when grass fields often deteriorate.
- A few tournaments can be added to the schedule; if large, regional tournaments are the focus, it will increase the economic impact, but it will be at the cost of local users.

Heron Lakes Golf Club

- Many users want to have a clubhouse at the club. It would speed up play by allowing players to purchase food and drinks faster, and allows groups to meet at the facility.
- The planned improvements call for lights at the driving range. However, the lights alone will not attract additional users. Heated and covered range stalls are also needed.

Introduction

The City of Portland, managed by the Portland Parks and Recreation ("PP&R") owns three major sports facilities in the Delta Park area of north Portland. The three facilities each offer different sporting and recreation programs and activities to both residents and non-residents. They are Portland International Raceway ("PIR"), Delta Park Owens Sports Complex ("Sports Complex"), and Heron Lakes Golf Club, collectively referred to in this report as "Delta Park."

PP&R is involved in a master planning effort for each of the three facilities that call for improvements intended to enhance their value and create synergy among them. PP&R is considering a range of investment scenarios. PP&R asked ECONorthwest to measure how much these improvements would help the City's economy. ECONorthwest involved PP&R and the management at each facility in gathering data, implementing the survey, and finalizing the assumptions throughout this study.

Overview of the Delta Park Area

The area now occupied by the three facilities was previously the city of Vanport. Developed in 1943 to house shipbuilders and their families during the Second World War, Vanport was destroyed by a flood in 1948. Prior to its destruction, Vanport had 18,500 residents. The Army Corps of Engineers sold the land to the City of Portland in 1960. Since this date, the Delta Park area has continued to play a significant role in the human and natural history of Portland and the region.

Bisected by Interstate-5, the Delta Park area includes retail, lodging, industrial, and shipping businesses, the Portland Expo Center, Portland Meadows racetrack, wetlands, and the three PP&R facilities that are the subject of this report. As shown in Figure 1, Heron Lakes Gold Course is in the northwest corner of the property. To the south of that is PIR. On the east side of the interstate is the Delta Park Owens Sports Complex, which has seven softball fields and nine soccer fields.

Figure 1. Delta Park Area Facilities

Economic Impact Analysis

ECONorthwest used IMPLAN economic modeling software for its research. Dollar amounts were adjusted for inflation so they are expressed in fiscal year ending June 30, 2015 (FYE 2015) dollars. The software aided in calculating the impacts from Delta Park visitors and operations on Multnomah County. The choice of modeling impacts at the County level was a compromise made to reduce the cost of the research for the City. As a practical matter, it has minimal, if any, material consequence.

Two-Step Analysis

PP&R wants to know the impact of their proposed improvements to Delta Park, therefore, a method called a net change analysis was done.

This type of analysis is done in two steps. The first measures current net economic impacts of Delta Park, and the second measures the net impacts forecast for Delta Park after improvements are made. The difference between the two informs us how much additional economic activity results from the proposed enhancements at Delta Park.

In both steps, we measure economic impacts for a one-year period. ECONorthwest uses FYE 2015 for the first "baseline" case. The second predicts the economic impacts of Delta Park in a "future year," after PP&R makes improvements to the three facilities. As a practical matter, the actual year does not matter because the analysis is all recorded in 2015 dollars.

Net Impacts

For this research, ECONorthwest counts only the net economic impacts. This differs markedly from standard impact analysis. Standard impact analysis measures gross impacts. That is all the spending, income, and jobs from a particular activity, such as the running of Delta Park, and all the subsequent jobs and other economic impacts they trigger in the local economy.

The problem with the standard method is that it includes spending that would have happened regardless of the existence of Delta Park. For example, without Delta Park, a softball team might play at another park in Portland and they would spend their money elsewhere, but still in the City. In this case, the availability of Delta Park facilities did not increase economic activity in Portland, but rather move it from one part of the City to another.

In a net impact analysis, only the economic activity brought into the City is counted. In other words, a net impact analysis only counts the increases in jobs, income, and spending in Portland because of Delta Park. Without Delta Park, these impacts would not have happened in Portland. Net impacts are less than gross impacts and provide a more realistic estimate of the increase that Delta Park has on the Portland economy.

Data Used

ECONorthwest conducted its research by assembling data from several sources. PP&R provided financial and visitor data for each of the three facilities.[2] ECONorthwest surveyed park users regarding current spending habits that affect the local economy. User groups were also surveyed. Contacts were made through email, survey websites, and face-to-face by ECONorthwest. A subcontractor, Frost Motorsports, LLC, provided estimates on the likely effects of enhancements at PIR based on their experience and through discussions with user groups.

The data were run through an economic impact model of Multnomah County. ECONorthwest used IMPLAN economic modeling software for both the baseline and future year cases. The impact model determines the number of jobs, labor income, and economic output associated with the three facilities.

Supplementary Analysis

At the request of PP&R ECONorthwest conducted a supplementary analysis, which appears in the second section of the report, *Economic Impacts in the Future*. It is a basic market feasibility study for a hotel located at the Delta Park site that would help Delta Park capture more lodging business for the City. ECONorthwest used hotel industry data from Smith Travel Research for this work.

[2] ECONorthwest estimated visits for the Sports Complex based on field reservation data, and for Heron Lakes based on rounds of golf played.

Baseline Economic Impacts

Spending by PP&R operating at the three Delta Park facilities causes economic impacts on the City of Portland because it supports jobs and stimulates sales for local businesses. Similarly important is the spending by visitors to Delta Park who spend money there and elsewhere in Portland. Together these impact the economy.

ECONorthwest used financial data from PP&R, reported visitor counts, and direct visitor survey results in the baseline analysis. The actual spending and employment data were run through an economic model of Multnomah County from which the total economic impacts were calculated. Each of the three major facilities was modeled separately, as they have their own unique characteristics.

Portland International Raceway

PIR is owned and operated by the City of Portland through PP&R. The 268-acre property has a 1.967 mile paved road course, a quarter-mile asphalt drag strip[3], a one-mile dirt motocross track, bleacher seating for 26,000 people, general admission grass seating for 60,000 people, parking for 1,500 vehicles, and modest indoor meeting facilities.

Individual User Survey

PIR distributed a survey link through email lists, newsletters, websites, and social media accounts. The survey was open from July to September 2015. It consisted of twelve questions—designed for a high response rate from as many users as possible with the goal of getting at the most pivotal information needed for a quality economic impact analysis.

1,088 people completed the survey.[4] That sample size provides a 95 percent confidence that results are within 2.9 percent of the population total. The survey questions appear in Appendix A. Individual Survey Questions.

Visitor Characteristics

Figure 2 is a summary of the survey responses. Sixty-nine percent of visitors come from outside Portland. The non-residents come in groups averaging 4.8 people, stay for 2.6 days, and make 8.2 visits a year. Non-residents spend $152.01 during each visit in Portland.

[3] The drag strip includes a portion of the road course; it is not a separate course.

[4] ECONorthwest excluded three surveys from the results.

Residents of Portland make up less than one third of PIR's visitors. Residents tend to spend less ($74.43), but come more often and in larger groups. Some reported staying overnight while attending PIR events that resulted in an average of 1.8 days spent near the venue.

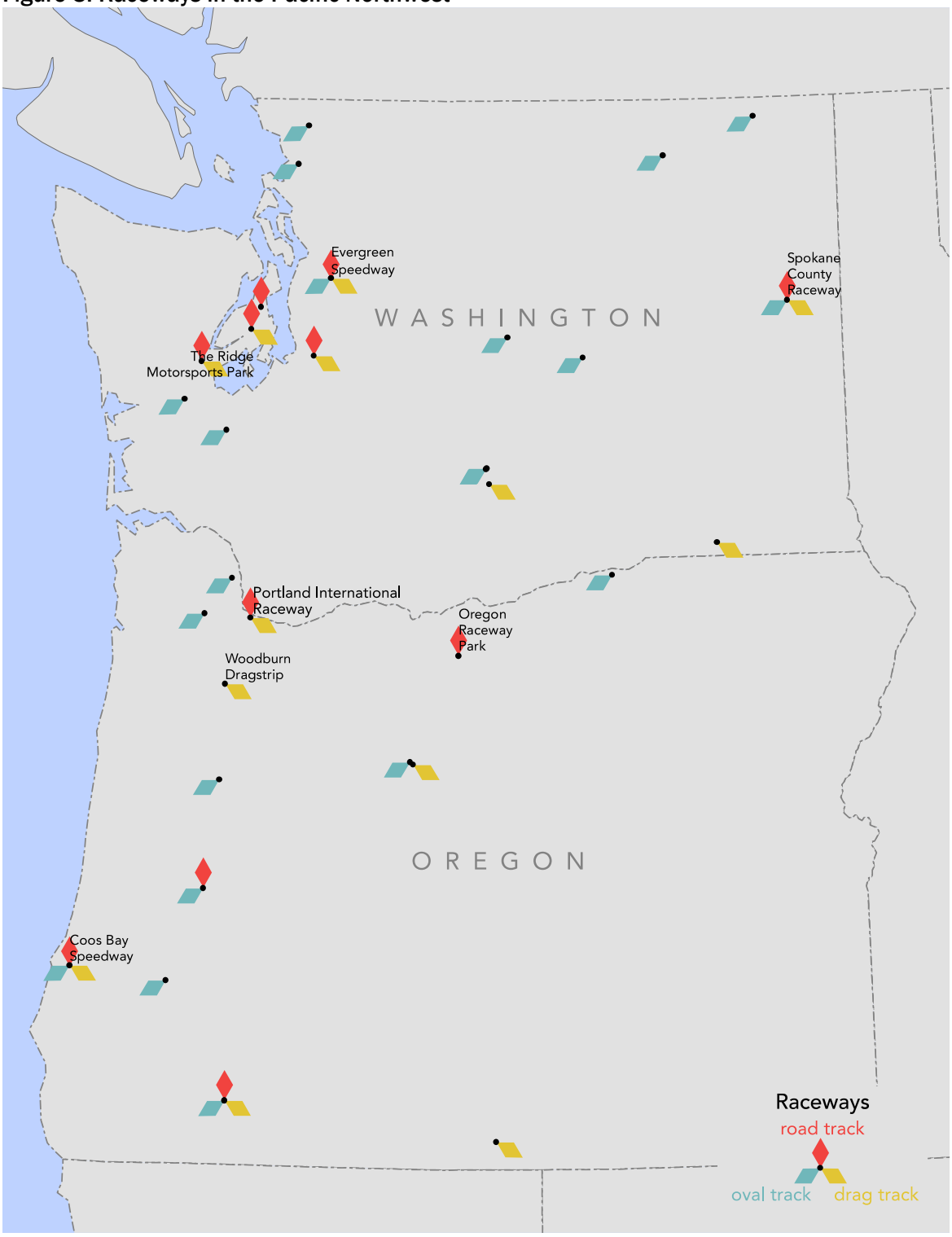
Figure 2. Summary PIR Survey Results

Survey Metric	Non-Residents	Portland Residents	All Respondents
Percent of respondents	69%	31%	100%
Average number of visits	8.2	10.7	9.0
Average days spent	2.6	1.8	2.4
Average party size per visit	4.8	5.9	5.2
Average spending per visit	$152.01	$74.43	$124.33

Source: 2015 Survey

PIR attracts large numbers of visits from afar because it is a unique facility in the greater region—a paved, lighted, publicly owned road-racing track. As shown in Figure 3, the nearest raceway with a road and drag track is in the Seattle Metro area to the north, and Coos Bay to the south.

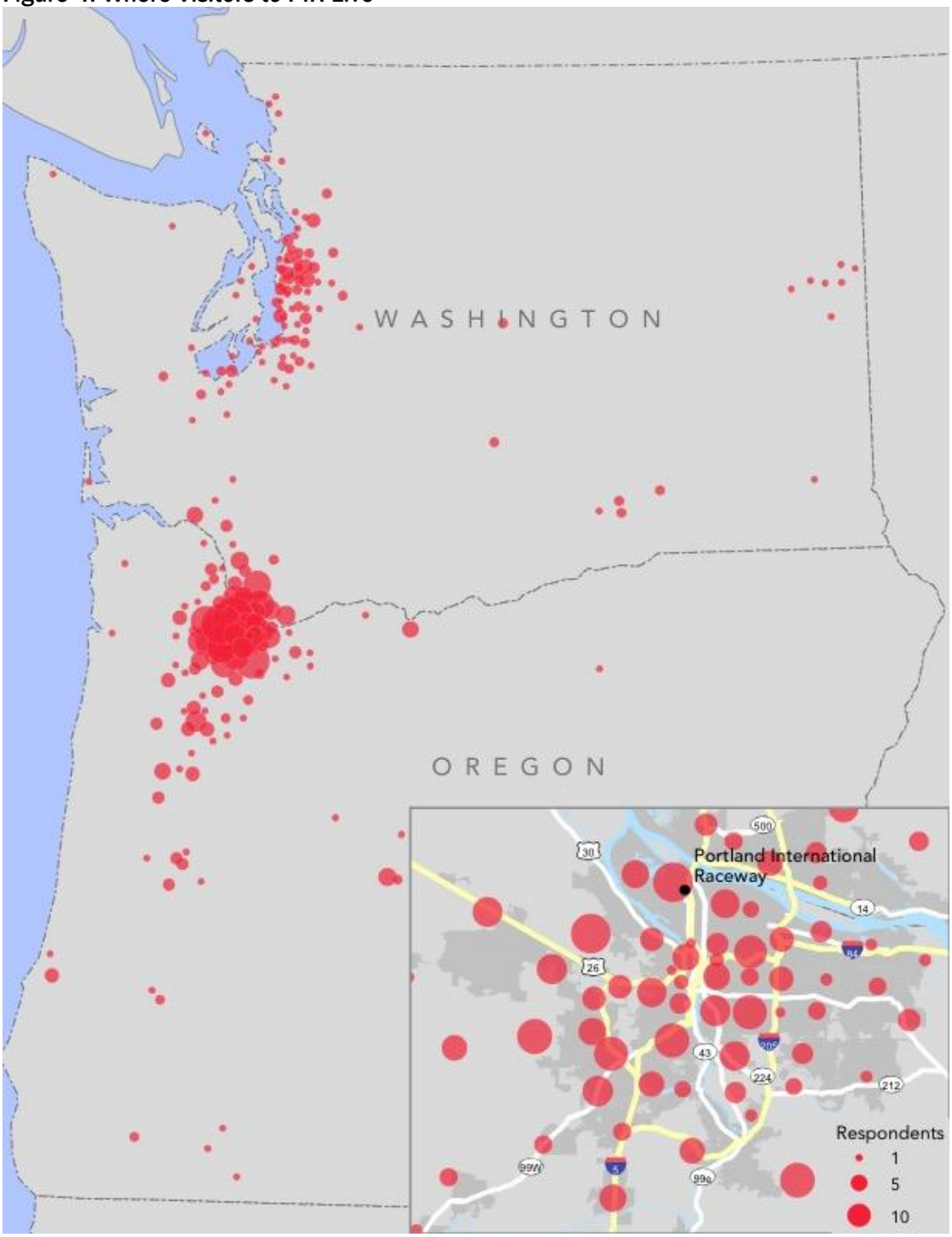
Figure 3. Raceways in the Pacific Northwest



Source: 2015 National Speedway Directory

Figure 4 illustrates where visitors responding to the survey live.

Figure 4. Where Visitors to PIR Live

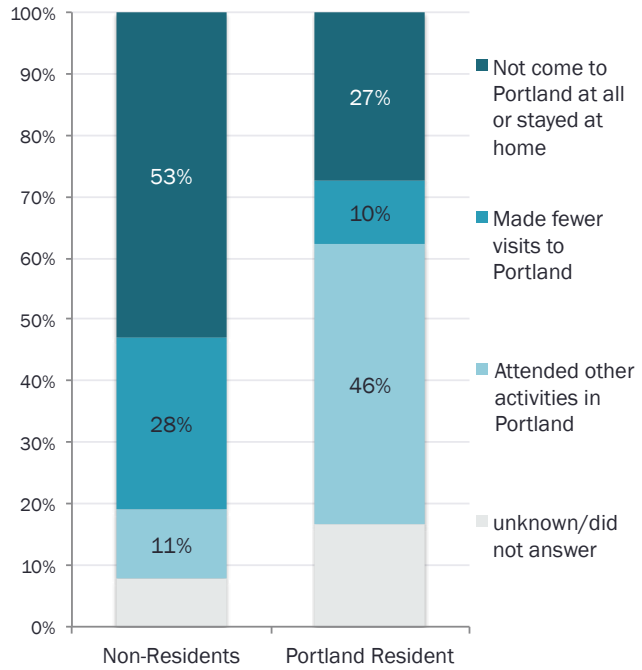


Source: 2015 Survey

Visitor Alternatives

Non-residents are far less likely than residents to come to Portland if PIR did not exist. Over half of out-of-towners (53%) would not have come to Portland if the facility was not in the city. Just under 30 percent would have made fewer trips to Portland. For residents, if PIR did not exist, over one third would have either gone outside the City or stayed at home (10% and 27%, respectively).

Figure 5. Visitor Alternatives Without PIR, Percent of Visitors by Residency



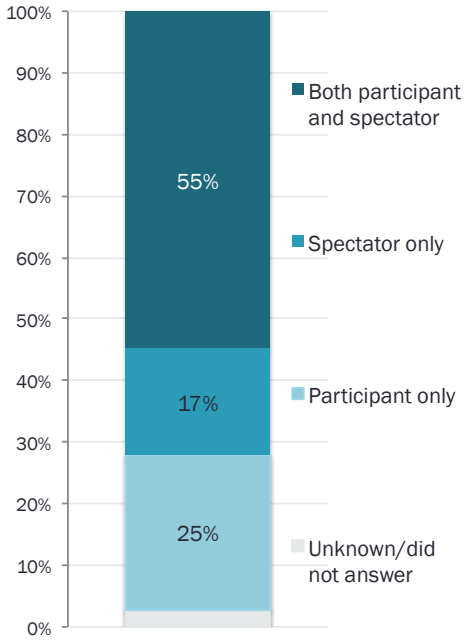
Source: 2015 Survey
Note: Residents who responded that they would have stayed home if PIR did not exist are in the "Made fewer visits or not come to Portland at all" category.

The alternative action results shown in Figure 5 are critical to the impact analysis. ECONorthwest measures the economic impacts of spending only if that spending occurred because of PIR. For example, in the absence of PIR, had a family gone to the movies in Portland instead, the net impact of that family on the local economy would be negligible, as they simply would have spent the same amount of money elsewhere.

Visitor Participation Behavior

An interesting finding from the survey, shown in Figure 6, is that most of those visiting PIR to watch, also participate in events. By its very nature, participation in motorsports and other activities at PIR involve more expenses than simply attending as a spectator. The distribution of participation by type is the same for both residents and non-residents.

Figure 6. Participation Rates by User Type, All Survey Respondents



Source: 2015 Survey

Businesses Visited

Measuring visitor impacts requires knowing not just how much people spend, but where they spend it. This is the case with this report, as PP&R is interested in knowing the impacts on the City itself. For example, should a visitor stay in a hotel in Vancouver, Washington, their lodging choice has no direct economic impact on Portland. However, should they stay at a Portland hotel, their spending counts as having a direct and positive impact on the City's economy.

Figure 7 is a list of businesses that survey respondents said they patronized when visiting PIR.

Figure 7. List of most reported businesses patronized by PIR visitors

Business	Location
Baxter Auto Parts	Next to Delta Park Complex
Safeway	Near or in Jansen Beach Center
Stanford's Restaurant and Bar	Near or in Jansen Beach Center
Lowe's	Next to Delta Park Complex
BJ's Restaurant and Bar	Near or in Jansen Beach Center
Burger King	Near or in Jansen Beach Center
Elmer's Pancake House	Next to Delta Park Complex
Shari's	Next to Delta Park Complex
Starbucks	Two locations near Jansen Beach Center
Fred Meyer	Closest location at I-5 and Lombard

Source: 2015 Survey

Feedback

In addition to gathering data, ECONorthwest used the survey to draw feedback from PIR visitors by asking an open-ended question regarding what they think about the facility. Some offered suggestions for changes while others gave their support. Allowing people an opportunity to express their opinions is useful in an open format. It informs researchers of aspects they may not have considered in the survey and provides emphasis on topics of heightened concern of PIR visitors. This is helpful to consider when planning for the facility. Figure 8 lists the most commonly reported suggestions included in the open-ended questions.

Figure 8. Open-ended feedback of PIR survey respondents

Subjects	Specific Suggestions
Bring / bring back big races	The most frequently mentioned events are Indy Car, IMSA, Trans AM, and NASCAR.
Repair paddocks	
Add shower facilities	
Add car and pedestrian bridges and improve access to the venue to allow for simultaneous uses	
Add permanent garages	
Add play area for children	

Source: 2015 Survey

These responses are not the only responses, and do not include all of the events of interest suggested by the more than 700 respondents to the open-ended question. There was a significant amount of interest for more events in all of the racing events (motocross, motorcycle, cyclocross, drag racing, auto racing, etc.), and with each, a list of suggestions to improve the experience for each sport.

Visitor Totals

PIR estimates 352,775 visitors came through its gates in the baseline case. By far, the most heavily attended event is Holiday Lights, with 150,000 visiting PIR during the winter months. However, the economic impacts of Holiday Lights are quite modest. Far more important is auto, motorcycle, and bicycle racing. Car shows and swap meets also have significant impacts on the local economy. Other events, which include runs and walks for causes, garner considerable attendance and benefit local businesses as well.

Figure 9 lists visitor counts by event type. Also listed are the numbers of survey respondents that answered “yes” to coming to PIR by specific event. Since it is common to attend more than one type of activity over the year, the total of respondents exceeds the 1,088 who returned surveys.

Figure 9. PIR Attendance and Survey Responses by Event Type

Event	Visits in Baseline		Total Survey Respondents
	Total	Percent	
Auto Racing	40,050	11%	802
Motorcycle	30,000	9%	514
Car Show	33,500	9%	477
Non-Motorized	14,950	4%	263
Holiday Lights	150,000	43%	*
Other	84,275	24%	267
Total	**352,775**	**100%**	**2,323**

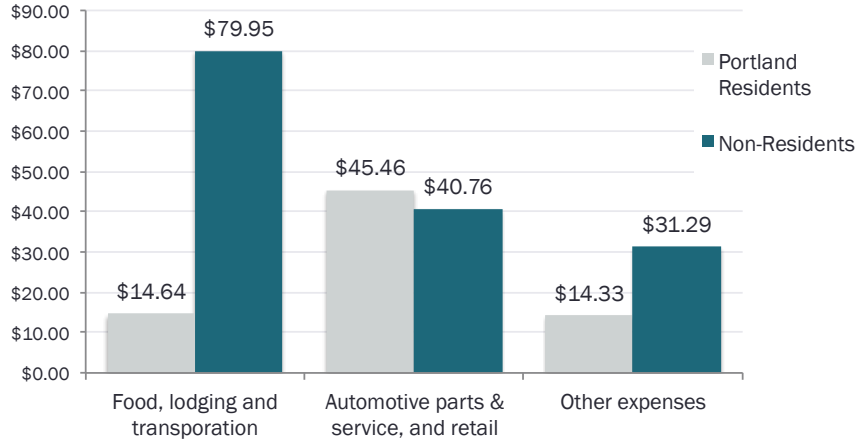
Sources: PIR and 2015 Survey.
Notes: * Survey responses for Holiday Lights are included in the "Other" event type. The 2,323 survey responses are greater than the 1,088 returned surveys because respondents answered they attended multiple events

Those surveyed were disproportionately more likely to attend racing events than the average PIR visitor. However, the survey response rates for each category of event were statistically significant to at least the 95 percent confidence level, +/- 6 percent. That allows for adjusting so that the impact analysis conducted by ECONorthwest reflects the actual PIR attendance figures.

Visitor Spending

Survey results of per trip spending by residency are shown in Figure 10. Respondents reported their group's top three expenses at Portland businesses. Those who engage in motorsports spend considerable amounts at automotive parts and services businesses, as well as retail, especially Portland residents. Non-residents visiting PIR spend more on racing equipment and supplies in their hometowns and not Portland, but more on lodging, food, and transportation, as expected.

Figure 10. Spending per Trip by Expense Category and Residency



Source: 2015 Survey

Out of town visitors spend, on average, one day longer per trip, and spend about twice as much per person than residents. Non-residents spend $152.01 per trip, while residents spend $74.43.

While this is spending that visitors did in Portland, many of those visitors would have spent money in Portland anyway had they not visited PIR. For this report, the more relevant figures are net new spending.

Net Visitor Spending

ECONorthwest calculated net spending by only counting spending that would have left the City if it were not for the events they attended at PIR. Net visitation includes all visitors that said they would not have come to Portland (or residents who said they would have stayed home), and half of the visitors that reported they would make fewer trips to the City. The survey respondents who did not answer were evenly distributed to the other three categories. In all, the survey (see Figure 5) revealed that 73 percent of non-residents, and 39 percent of residents are net visitors to PIR.

Multiplying the number of visitors to PIR by residency yields the total visitors. Adjusting this by counting only the proportion that said they would not otherwise have spent money or visited Portland had it not been for PIR, give us the results in Figure 11—the estimated number of net visitors.

Figure 11. Total Net Visits to Portland Because of PIR by Residency

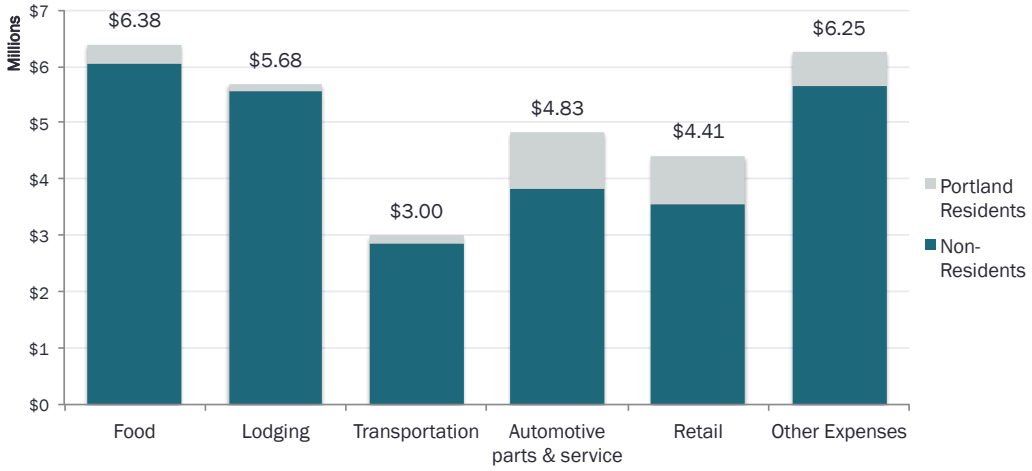
	Non-Residents	Portland Residents	All Visitors
Total visits	246,866	105,909	352,775
Net adjustment	73%	39%	63%
Total net visits	**180,881**	**41,045**	**221,926**

Sources: PIR and ECONorthwest calculations from survey conducted in July through September 2015

ECONorthwest multiplied per visitor spending with net visitors by residency and arrived at total net spending in Portland by PIR visitors. This spending, by major category, approximates the net incremental spending in Portland that is attributable to PIR.

From survey data and PIR admissions, ECONorthwest estimates that $30.5 million was spent in Portland because of PIR. Furthermore, as this is a net analysis, that spending was net new to the City's economy. If PIR did not exist, that visitor spending and the employment it paid for would not have occurred in Portland. Most spending (90%) was by visitors outside of Portland because they tend to come specifically for PIR events and stay, on average, one day longer. Net spending by residents of Portland was $3 million. Figure 12 shows the breakdown of net spending by spending category for residents and non-residents.

Figure 12. Total Net Spending, by Residency and Spending Category, ($M)



Source: ECONorthwest using survey conducted July through September 2015

Baseline Economic Impacts of PIR

Economic impacts start with direct effects. For PIR there are two sources. The first are those directly affecting businesses where PIR visitors spend their money in Portland. The second is the direct impact from the purchases of goods and services, and wages and jobs at PIR by PP&R.

The analysis avoids double counting by asking those surveyed to not include what they spent at PIR, just what they spend at businesses in Portland outside of PIR.

Direct impacts trigger further impacts on the City's economy. Businesses generating sales from PIR customers will spend more money themselves locally causing subsequent "indirect" impacts on other businesses that, in turn, spend more locally. People that own and work for those local businesses make more money and spend it. Those are called induced impacts.

Figure 13 contains the combined net economic impacts of PIR visitor and operations spending in the baseline year on the local economy. PIR spent $1.8 million on their operations. Our analysis shows that because of PIR, there were 483 more jobs in Portland than there otherwise would have been, including 48 jobs at PIR that is included as part of the direct effect in Figure 13. Incremental labor income (wages, salaries, and benefits) was nearly $17.2 million. Value added, which is the local equivalent of gross domestic product, was $23.0 million higher in Portland than it otherwise would have been without PIR. Economic output was $35.6 million greater due to net visitor spending at PIR.

Figure 13. Combined Net Economic Impacts from PIR Visitor Spending and Operations

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	375	$ 11,777,000	$ 14,383,000	$ 21,169,000
Indirect Effect	46	$ 2,500,000	$ 4,006,000	$ 6,762,000
Induced Effect	62	$ 2,890,000	$ 4,581,000	$ 7,638,000
Total Effect	**483**	**$ 17,167,000**	**$ 22,970,000**	**$ 35,569,000**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Fiscal Impacts

State and local taxes generated due to spending by PIR visitors are over $1.6 million. These include direct taxes paid by PIR, and those indirectly associated with spending by visitors.

Figure 14. Combined Net Fiscal Impacts from PIR Visitor Spending and Operations

Type of Tax	Amount
Income Taxes	$ 35,000
Property Taxes	$ 44,700
Motor Vehicle Licensing Fees	$ 233,100
Other Taxes	$ 139,100
Other Non-Taxes	$ 440,200
Social Insurance Taxes	$ 718,300
Total	**$ 1,610,400**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Delta Park Owens Sports Complex

The Delta Park Owens Sports Complex lies on 85 acres of City-owned land in the northeast portion of the Delta Park area. As noted previously, it has seven softball fields, nine soccer fields, and a concession area. Other sports such as lacrosse, ultimate frisbee, and rugby are also played on the soccer fields.

Individual User Survey

Delta Park staff distributed a twelve-question survey through email lists and websites. The survey was open online from July to September 2015. The survey was designed to reach the most users possible. It was a short, simple survey that got at the information pivotal to conducting the economic impact analysis. However, the seasonal nature of sports and the timing of the contract with PP&R precluded ECONorthwest from surveying teams active in the spring and fall.

ECONorthwest received 217 completed surveys from individuals.[5] That sample size provides a 95 percent confidence that results are within an interval of plus or minus 6.6 percent of the population total. This is less than the more desirable five percent confidence interval requiring about 380 responses, but nonetheless reasonable for this research.

Visitor Characteristics

The average visitor to the Sports Complex comes 20 times a year in parties that average 6.1 persons. Visitors spent, on average, $34.76 per person. City residents spent far less than non-residents—$23.05 versus $45.08 per visit. This includes both recreation and tournament visitors. We will get into the distinction of their spending later in the report.

Figure 15. Summary Sports Complex Survey Results

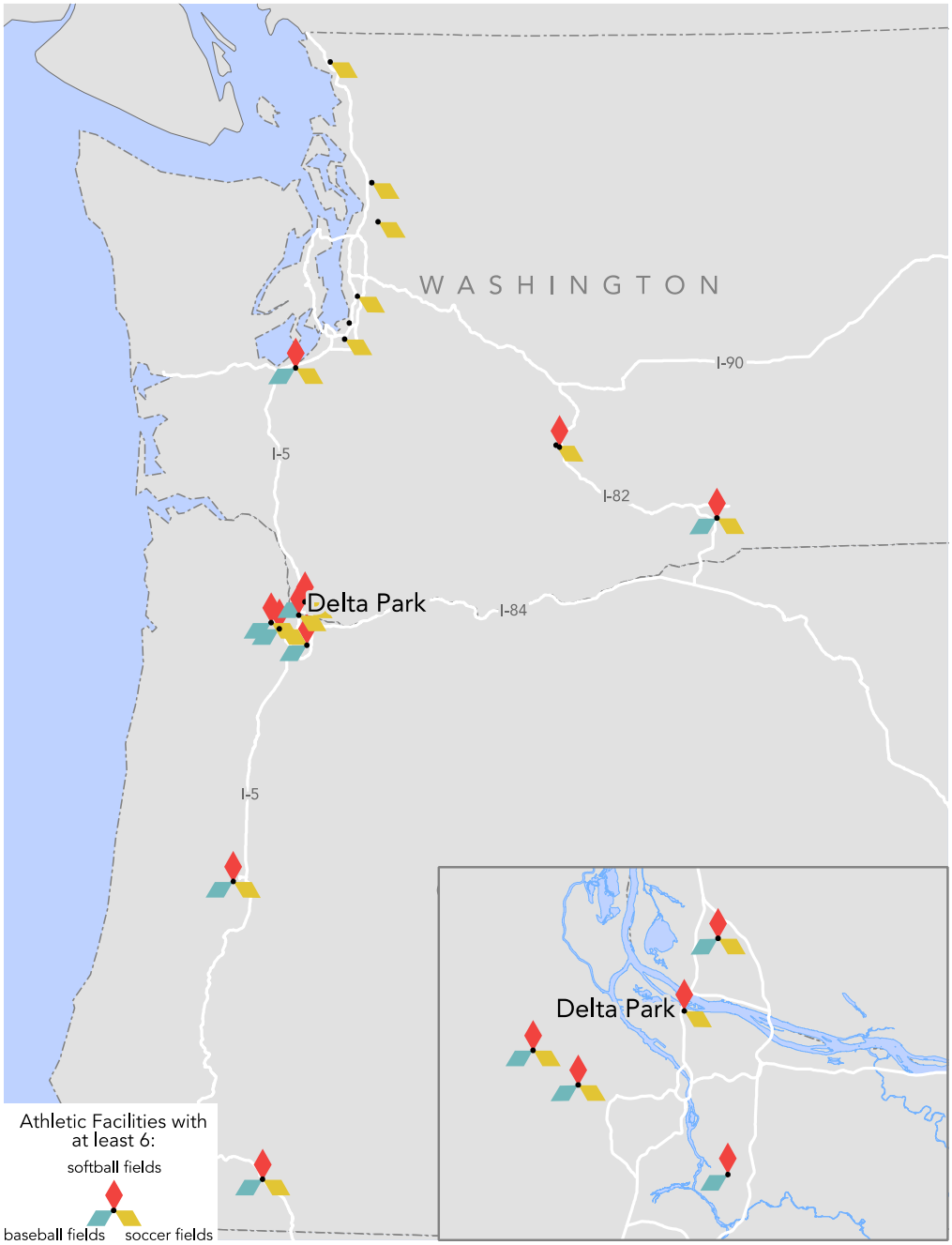
Survey Metric	Non-Residents	Portland Resident	All Respondents
Percent of respondents	56%	44%	100%
Average number of visits	20.9	20.3	20.6
Average days spent	1.8	1.3	1.5
Average party size per visit	6.4	5.8	6.1
Average spending per visit	$45.08	$23.05	$34.76

Source: 2015 Survey

[5] One survey was excluded.

The Sports Complex attracts visitors from outside the region because it is the only public complex within Portland. However, as shown in Figure 16, there are several complexes within the Portland Metropolitan region with soccer, softball and baseball fields.

Figure 16. Sports Complexes in the Pacific Northwest



Perhaps as a reflection of the high quality of the sports fields at the Owens Sports Complex, the survey summarized in Figure 15 found 56 percent of visitors come from places other than Portland. Figure 17 is a map illustrating where Sports Complex visitors responding to the survey live.

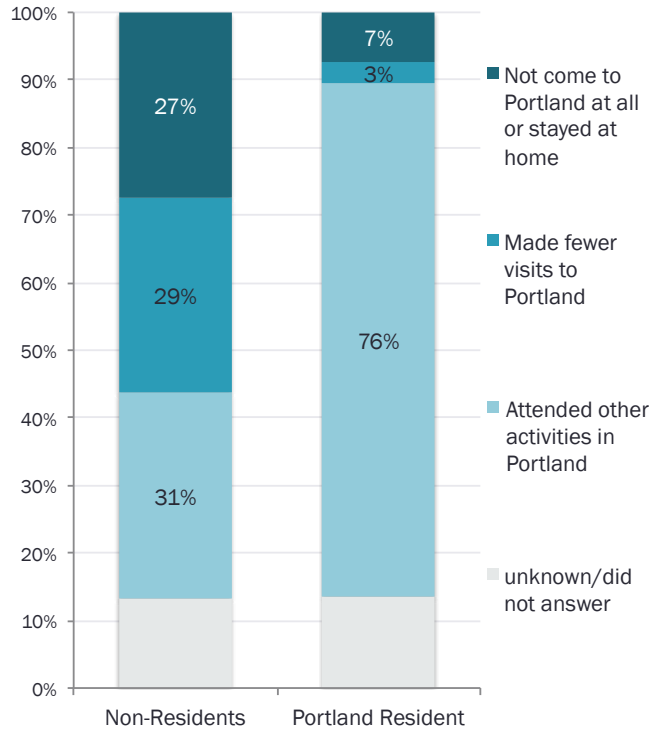
Figure 17. Where Visitors to the Sports Complex Live

Source: 2015 Survey

Visitor Alternatives

Almost one-third of non-residents visiting the Sports Complex said they would not have come to Portland if the Sports Complex did not exist. Conversely, only seven percent of residents answered similarly. ECONorthwest interprets those respondents as team sports participants that would have travelled outside Portland for games, or stayed at home. A large majority of residents (76%) would have attended other activities or events in the City if not for the Sports Complex.

Figure 18. Visitor Alternatives Without Sports Complex, Percent of Visitors by Residency



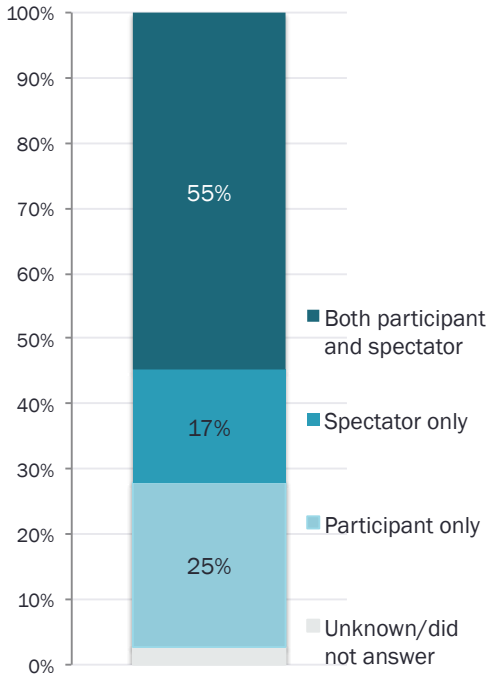
Source: ECONorthwest survey conducted in July through September 2015

Visitor Participation Behavior

The Sports Complex attracts players. Non-participant spectators were few, as indicated in Figure 19. Visitors who are both participants and spectators spend the most per trip ($35.83). It is more than the largest group, participants only, who spend $9.21 each visit.

Non-residents are more likely to come as spectators, while residents are mostly coming to the Sports Complex to play. The survey implementation methods present some bias to be aware of. Participants are more likely to check their emails from PP&R or visit the website.

Figure 19. Participation Rates of Sports Complex Visitors by Residency



Source: ECONorthwest survey conducted in July through September 2015

The overwhelming majority of survey respondents participated in softball. This reflects the timing of the survey conducted by PP&R, as softball is more active than soccer, lacrosse, and other fall and spring sports. However, ECONorthwest based its impact analysis of annual visitation figures covering all team sports at Delta Park that PP&R. The data appear in Figure 20.

Figure 20. Sports Complex Attendance and Survey Respondents by Event Type

Event	Visits in Baseline		Total Survey Respondents	Average Spending
	Total	Percent		
Baseball	15,244	6%	17	$46.09
Soccer	146,486	61%	51	$21.33
Softball	38,016	16%	172	$40.36
Volleyball	6,554	3%	8	$23.41
Other event	33,074	14%	18	$13.62
Total	**239,373**	**100%**	**266**	**$34.76**

Source: PP&R Department and 2015 Survey.

It is important to note that we did take into consideration whether the visit was for a tournament or recreation play. Visitors attending softball and soccer tournaments reported spending two to three times as much each trip as recreation visitors, however, tournament visitors spend more days in Portland as well. This adjustment is included in the total spending and associated economic impacts.

Businesses Visited

Survey respondents named some of the businesses in Portland they spend their money at when visiting the Sports Complex. Figure 21 shows the most frequently reported businesses, in order of frequency, and their closest location to the Sports Complex. The most commonly reported businesses include several sports or outdoor goods stores, fast food and family restaurants, large department/grocery stores, and gas stations.

Figure 21. List of most reported businesses patronized by Sports Complex Survey Respondents

Business	Location
Dick's Sporting Goods	Next to Delta Park Complex
Walmart	Next to Delta Park Complex
Burger King	Near or in Jansen Beach Center
Pizza Mia	Next to Delta Park Complex on Marine Drive
BJ's Restaurant and Bar	Near or in Jansen Beach Center
Subway	Jansen Beach and Anchor Way Locations
Elmer's Pancake House	Next to Delta Park Complex
76 Gas Station	Next to Delta Park Complex on Marine Drive
Fisherman's Marine and Outdoor	Next to Delta Park Complex
Jubitz	Next to Delta Park Complex on Vancouver Way

Source: ECONorthwest survey conducted in July through September 2015

Feedback

As is the case for other responses from this survey, responses in the open-ended feedback question were most often focused on the experiences of softball participants and spectators. Most open-ended responses included positive responses, with the majority suggesting more of the events that are currently being held at the Sports Complex. There were five areas where responses suggested changes or improvements to the existing facilities at the Sports Complex, listed in Figure 22.

Figure 22. Summary of Open-Ended Feedback from Sports Complex Survey Respondents

Subjects	Speciifc Suggestions
Improve conditions of dirt fields	Soften softball fields, particularly infields, to increase safety
More turf field options to extend use into rainy seasons	Specifically, turf softball outfield and additional soccer fields
Extended parking and lighting to improve safety	
Healthy food/addiitonal concessions options	
Upgraded/additional restrooms	Upgrade restrooms near soccer fields

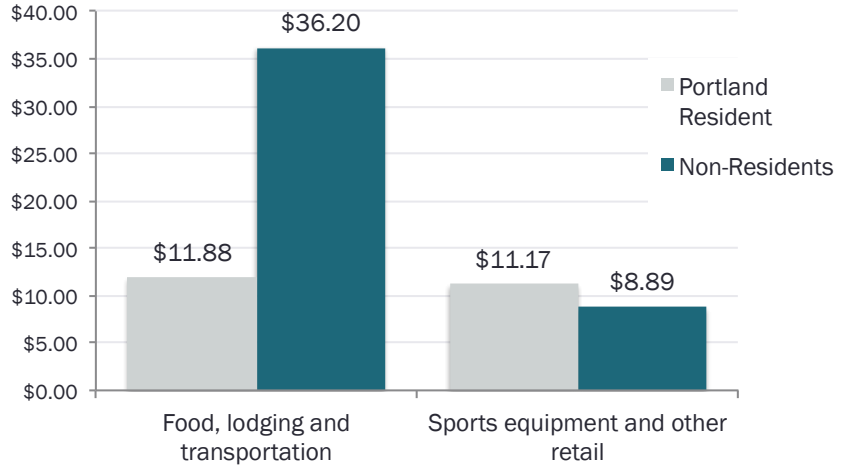
Source: ECONorthwest survey conducted in July through September 2015

In addition to the suggestions listed above, several respondents expressed an interest in more accessibility of the soccer facilities for recreational uses in the summer and reduced costs for use of the turf field to increase use of all of the available facilities.

Visitor Spending

Recall from Figure 15, the average visitor from Portland spent $23.05 each time they went to the Sports Complex. Out-of-towners spent $45.08 using more for food, transportation, and lodging. Residents and non-residents spent about the same at retailers, but visitors from out of town spent $24.32 more each trip for food, lodging, and transportation to the Complex.

Figure 23. Sports Complex Spending per Trip by Expense Item and Residency



Source: ECONorthwest survey conducted in July through September 2015

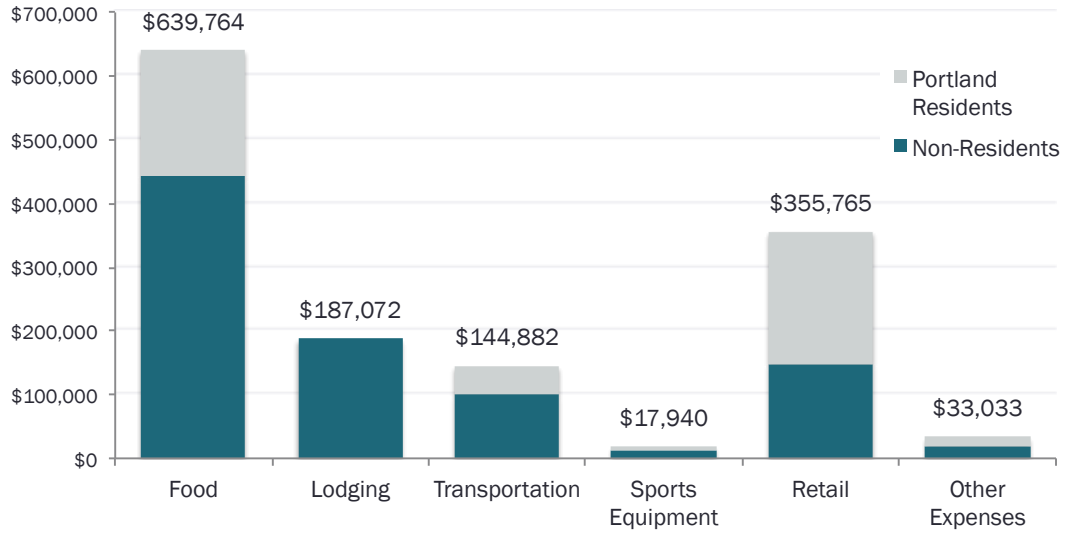
ECONorthwest adjusted the number of visits to account for the visitors that come to Portland because of the Sports Complex. This includes all of the non-residents that claim they would not have visited Portland if the Sports Complex were not there, and half of the non-residents who would have made fewer trips to the City. Presumably, they may have played at another sports facility in the City, or attended other events or activities. Thus, the presence of the Sports Complex had the net impact of attracting the 49 percent of non-residents identified in the survey. Their spending was, therefore, net new to Portland's economy.

Similarly, we applied an adjustment of 10.3 percent to the amount of local visitors to account for only the dollars spent that otherwise would not have been spent in Portland.

These percentages were applied to the number of visits, so to arrive at the net increase attributable to people spending in Portland that but for the existence of the Sports Complex would have spent their money outside the City. This net visits total was multiplied by the average spending of visitors. The total net spending by category is shown on Figure 24 and was used to measure the baseline net economic impacts of the Sports Complex.

ECONorthwest estimates net visitors spent $1.1 million while attending events at the Sports Complex. This is all net new spending to Portland – spending that would otherwise not have been spent if not for the Complex. As the chart shows, visitors spend most of their money on food and retail purchases.

Figure 24. Total Net Spending, by Residency and Spending Category



Sources: ECONorthwest survey conducted in summer of 2015

Baseline Economic Impacts of the Sports Complex

There are two components to the net baseline impact analysis. The first are impacts from net spending by visitors at businesses in Portland who would not have spent money in the City otherwise. The second component is the impact from the direct impacts of Sports Complex operations. The Sports Complex spent $759,870 on operations. Those are the purchases of goods and services, and wages and jobs paid for by PP&R.

Figure 25 shows the net economic impacts for the Sports Complex at Delta Park.

Figure 25. Combined Net Economic Impacts from Sports Complex Visitor Spending and Operations

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	28	$ 1,010,000	$ 1,150,000	$ 1,712,000
Indirect Effect	4	$ 194,000	$ 294,000	$ 504,000
Induced Effect	5	$ 236,000	$ 374,000	$ 623,000
Total Effect	**37**	**$ 1,440,000**	**$ 1,818,000**	**$ 2,839,000**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Fiscal Impacts

Operations and visitors spending generate $118,700 in local and state tax revenues.

Figure 26. Combined Fiscal Impacts from Sports Complex Visitor Spending and Operations

Type of Tax	Amount
Income Taxes	$ 19,900
Property Taxes	$ 26,000
Motor Vehicle Licensing Fees	$ 5,900
Other Taxes	$ 4,600
Other Non-Taxes	$ 20,800
Social Insurance Taxes	$ 41,500
Total	**$ 118,700**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Heron Lakes Golf Club

Heron Lakes Golf Club ("Heron Lakes") is a 36-hole, public golf club located on 340 acres of land. The Greenback Course is a 6,615-yard, par 72 course that opened in 1971 with a clubhouse. The Great Blue Course is a 6,902-yard, par 72 course completed in its present form in 1992.

Individual User Survey

The survey link was distributed to users via email and open from July to September 2015. In-person surveys were also conducted at the golf course.

In total, 257 individuals completed the survey. In our estimate, that represents about 1.4 percent of all individual visitors to the facility. This sample size provides a 95 percent confidence that results are within 6 percent of the population total.

Visitor Characteristics

Figure 27 summarizes the responses to the survey. The survey respondents play about once every month, and are evenly split between Portland residents and non-residents. The resident and non-resident golfers have similar characteristics. The average party size is just above six persons. Non-residents said they spent an average of $30.06 in Portland when coming to Heron Lakes. City residents said they spent $18.20 a visit.

Figure 27. Summary Heron Lakes Survey Results

Survey Metric	Non-Residents	Portland Resident	All Respondents
Percent of respondents	54%	46%	100%
Average number of visits	12.8	12.8	12.8
Average days spent	1.5	1.2	1.3
Average party size per visit	6.3	6.1	6.2
Average spending per visit	$30.06	$18.20	$24.76

Source: 2015 Survey

Heron Lakes is highly regarded. It is one of only a few 36-hole public golf facilities in the Pacific Northwest. As such, it attracts golfers from around the region. Figure 28 displays the golf courses identified as competitive courses by NGF Consulting in its evaluation of Portland's public golf courses.[6]

[6] NGF Consulting, "Portland Public Golf – Assessment and Recommendations for Portland's Golf Program," October 2014.

Figure 28. Competitive Golf Courses, Portland Metropolitan Area

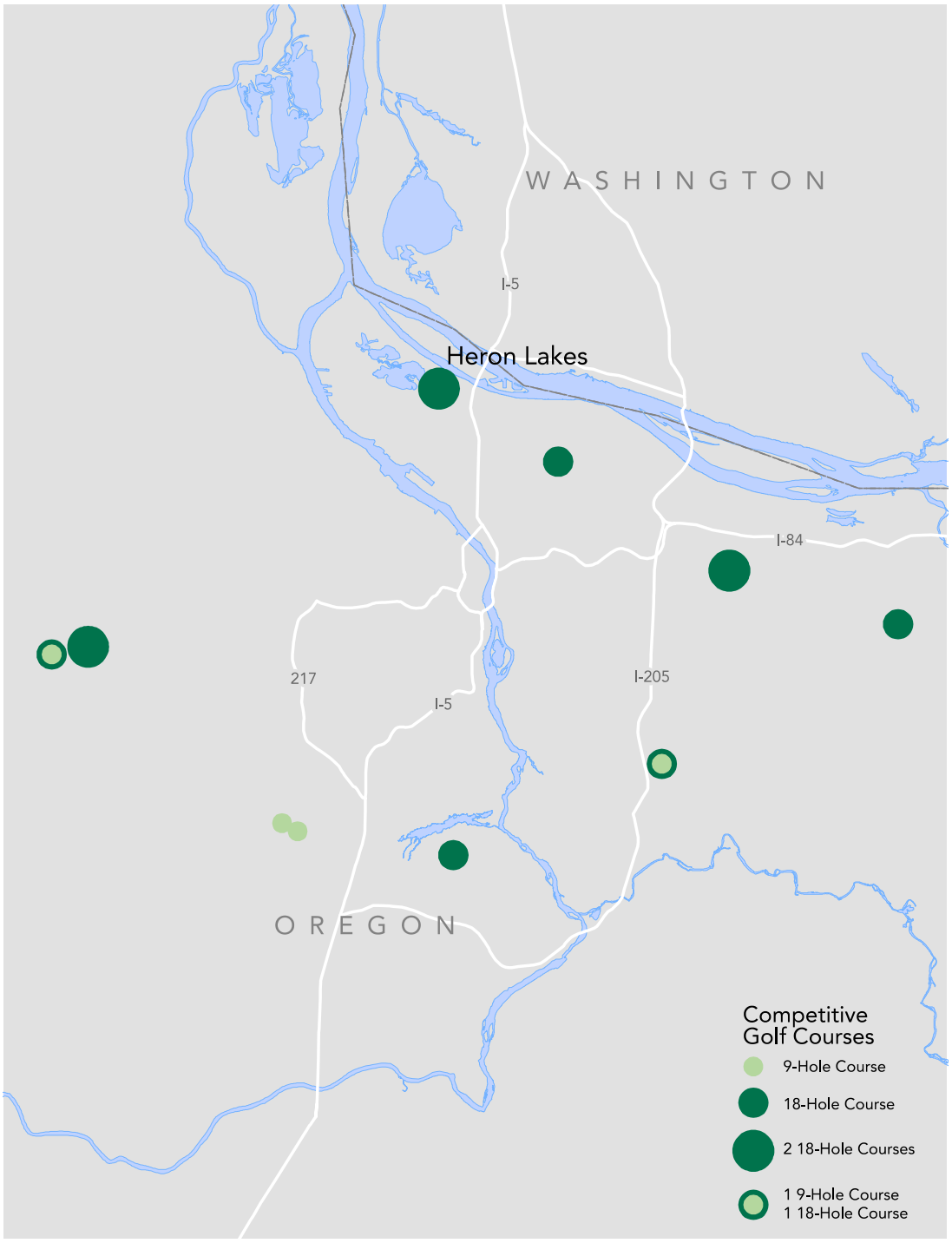
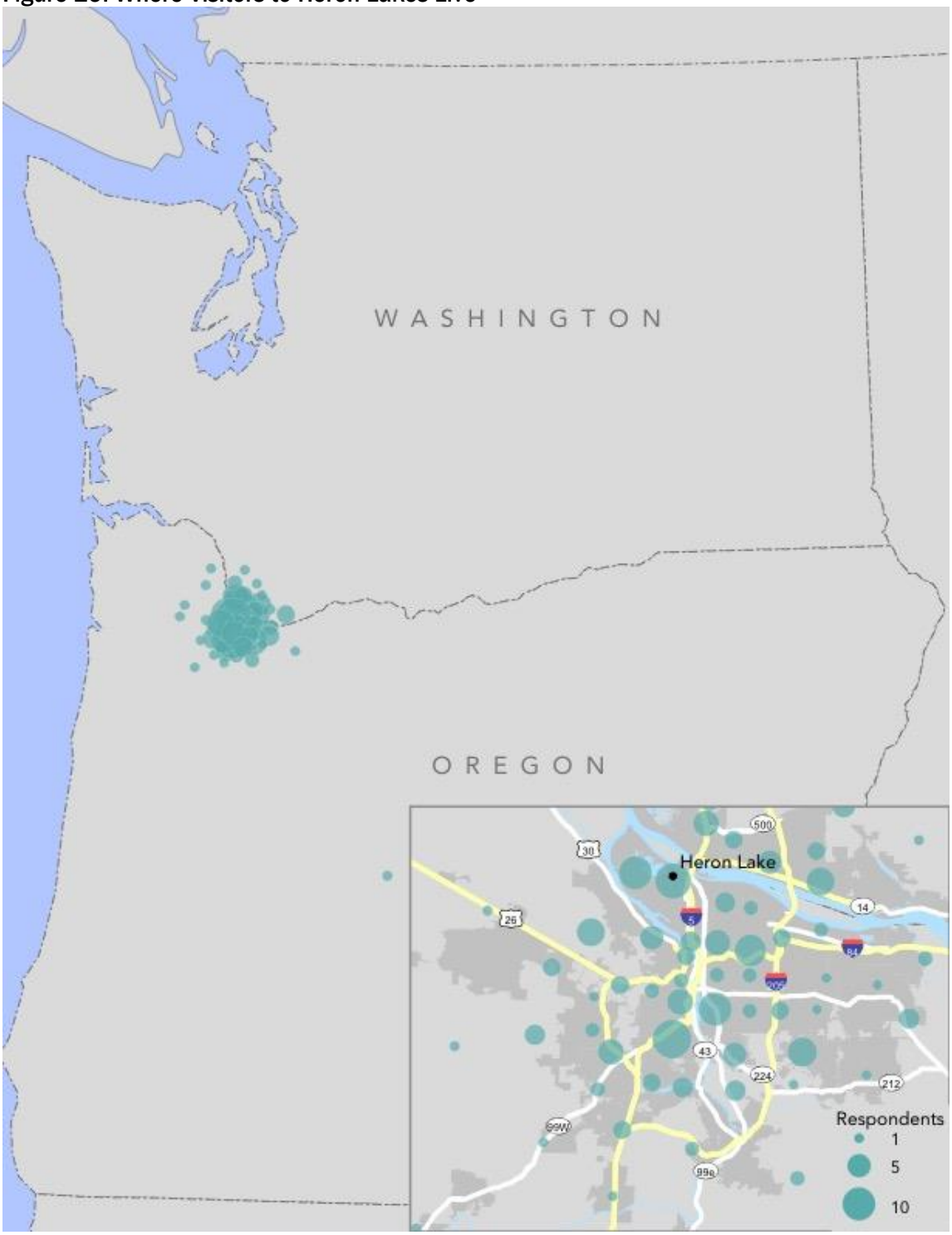


Figure 29 is a map showing where survey respondents live.

Figure 29. Where Visitors to Heron Lakes Live

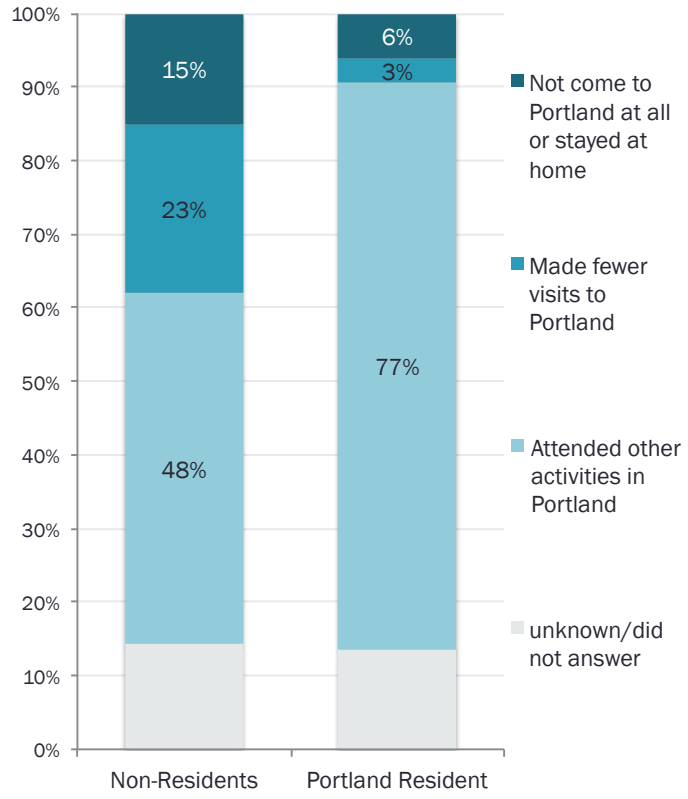


Source: 2015 Survey

Visitor Alternatives

Most golfers would have gone elsewhere in the City if it were not for Heron Lakes; six out of every ten golfers would have attended other events or golf clubs in Portland. About 15 percent of non-residents said they would not come to Portland but for Heron Lakes. Alternatively, six percent of City residents said they would not play golf or go elsewhere in Portland.

Figure 30: Visitor Alternatives Without Heron Lakes, Percent of Visitors by Residency

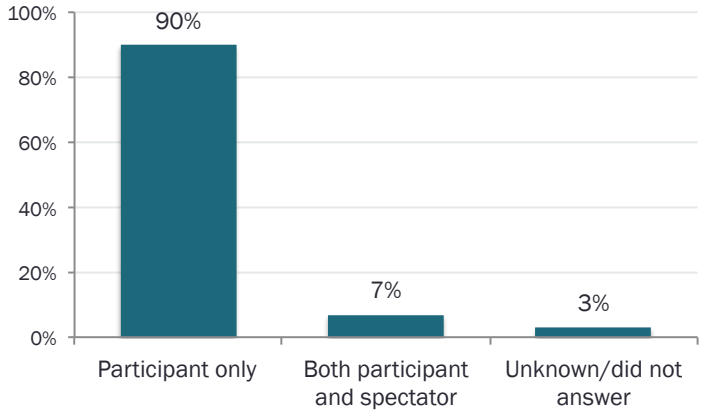


Source: ECONorthwest survey conducted in July through September 2015

Visitor Participation Behavior

Nearly all visitors to Heron Lakes, 90 percent, are participants in golfing activities only. Seven percent are both participants and spectators, and 3 percent did not answer. As is characteristic of golf courses, none of the persons surveyed came to Heron Lakes as spectators only. A higher percentage of residents are only participants (92%) – as opposed to participators and spectators – compared to non-residents (88%). The facility's guests are almost all recreational golfers, but some participate in tournaments at the facility.

Figure 31. Heron Lakes Survey Respondents, by Participant Status



Source: 2015 Survey

Businesses Visited

Figure 32 lists some of the area businesses that survey respondents said they frequented when visiting Heron Lakes. Two of the most reported businesses are both sporting goods shops. Another highly reported business is a home improvement store, and the remaining are food and grocery establishments.

Figure 32. List of most reported businesses patronized by PIR visitor survey respondents

Business	Location
Golfsmith	Cascade Station
Stanford's Restaurant and Bar	Near or in Jansen Beach Center
Lowe's	Next to Delta Park Complex
Hooter's	Near or in Jansen Beach Center
Dick's Sporting Goods	Next to Delta Park Complex
BJ's Restaurant and Bar	Near or in Jansen Beach Center
Burger King	Near or in Jansen Beach Center
Elmer's Pancake House	Next to Delta Park Complex
Safeway	Near or in Jansen Beach Center

Source: ECONorthwest survey conducted in July through September 2015

Feedback

Figure 33 summarizes the primary areas where respondents gave feedback on the open-ended survey question for Heron Lakes. Overall, the feedback was positive with several respondents describing Heron Lakes as an "asset to the community at large."

Figure 33. Open-End feedback of Heron Lakes Survey Respondents

Subjects	Specific Suggestions
New, permanent clubhouse	Suggestions for the new clubhouse include a new restaurant, lounge, lockers, and space for larger groups.
Grounds and bunker upkeep	Increase sand in bunkers and increase drainage throughout
More and improved parking	

Source: ECONorthwest survey conducted in July through September 2015

In addition to the main suggestions listed in Figure 33, respondents made several other suggestions:

- A reduction in green fees for seniors and military / veteran specific events.
- More tournaments for casual golfers and more affordable options for teenagers / beginners.
- More demo days with golf manufacturers.

Several respondents also mentioned the change to smoking policies on the course (no smoking of any kind on the course) being a deterrent for some golfers.

Visitor Totals

Golfers played 76,230 rounds at the two golf courses. The survey revealed that 94 percent of golfers played recreational golf. Therefore, it is estimated that golfers played 71,781 rounds of recreation golf and 4,449 tournament rounds. A total of 222 other visitors came to other events at the club throughout the year. Visitors took 76,452 trips to Heron Lakes.

Figure 34. Heron Lakes Attendance by Event Type

Event	Trips in Baseline		Total Survey Respondents
	Total	Percent	
Recreation	71,781	94%	242
Tournament	4,449	6%	77
Other	222	0.3%	29
Total	**76,452**	**100%**	**348**

Sources: PP&R Department and 2015 Survey

Visitor Spending

Dividing group expenditures by the average party size gives us an estimate of spending per trip per person. The survey asked what items visitors purchased during their visit. Respondents reported food, equipment, and other expenses as the top expense categories. A small amount was spent on lodging – this is interpreted to mean that few visitors stayed overnight in Portland during their golfing trip. Visitors were much more likely to purchase golf and other equipment and eat out at restaurants.

Figure 35. Spending Per Heron Lakes Visitor Trip by Expense Category and Residency

Source: 2015 Survey

Baseline Economic Impacts of Heron Lakes

There are two components to the impact analysis. The first is the impact from spending by visitors outside the facilities in the local region. The second is the impact from the purchases of goods and services, and wages and jobs supported by PP&R.

ECONorthwest decreased the number of visits by 32 percent for non-residents and 9 percent for residents, to account for the visits that represent net visits to the City. The adjustments represent those visitors that come to Portland specifically for Heron Lakes. Presumably, they may have played at another golf course, or other City amenity or activity. Thus, the presence of the golf club had the net impact of attracting 21 percent of total visitors responding to the survey. Those visits and associated spending was therefore net new to Portland's economy.

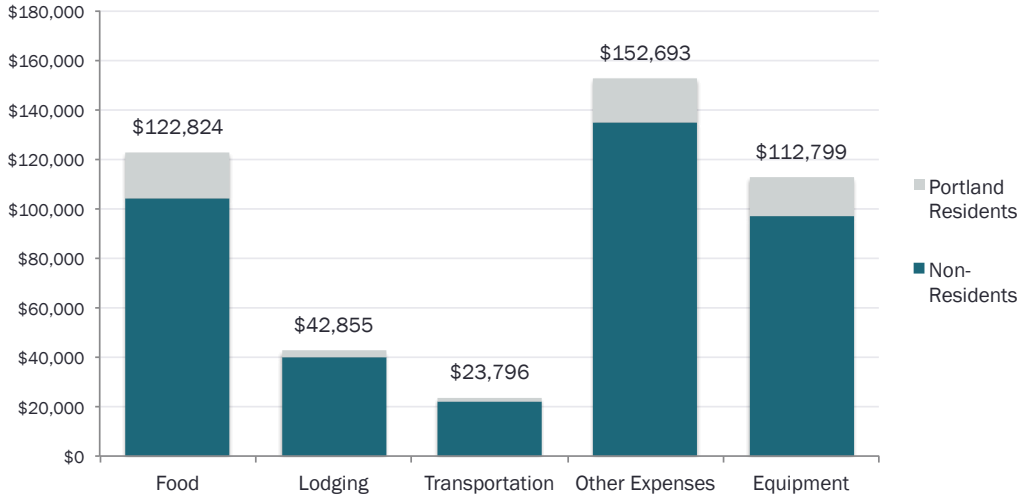
Figure 36. Total Net Visits by Residency

	Non-Residents	Portland Residents	All Visitors
Total visits	41,581	34,871	76,452
Net adjustment	32%	9%	21%
Total net visits	**13,238**	**3,131**	**16,369**

Source: PP&R Department and 2015 Survey

The next step was multiplying the net visits by average spending per visit. This results in the total net spending in Portland by Heron Lakes visitors. This is shown in Figure 37. In total, visitors spent $455,000 in Portland.

Figure 37. Total Net Spending by Residency and Expense Category



Source: PP&R Department and 2015 Survey

The net spending by visitors is small because of the adjustment to net visitors and the fact that these visitors only spend $27.79 per trip on average. Although small, the spending is still nearly half a million dollars that otherwise wouldn't be spent in Portland.

The baseline economic impacts also include the spending by Heron Lakes to operate its facility. Heron Lakes spent $3.7 million on expenses; fifty-eight percent of expenses were payroll. Although PP&R does not run and operate the golf shop and club - that is performed by Kemper Sports – spending to operate the facility is included in the analysis. PP&R is in charge of maintenance and greenskeeping. In the baseline year, 21 employees, on average throughout the whole year, worked at the club and earned $2.1 million.[7] The economic impacts of maintaining the facility and net visitor spending are reported as a combined total below.

[7] One FYE job equals work over twelve months in a given industry (this is the same definition used by the federal government's Bureau of Labor Statistics). For example, two jobs that last six months each count as one FYE job. A job can be full-time or part-time, seasonal or permanent; IMPLAN counts jobs based on the duration of employment, not the number of hours a week worked.

Figure 38. Combined Economic Impact Results from Heron Lakes Operations and Visitor Spending

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	27	$ 1,395,000	$ 1,458,000	$ 4,177,000
Indirect Effect	9	$ 545,000	$ 841,000	$ 948,000
Induced Effect	12	$ 563,000	$ 893,000	$ 1,488,000
Total Effect	**48**	**$ 2,503,000**	**$ 3,192,000**	**$ 6,613,000**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

The direct effect includes the PP&R employees and spending, as well as the first round of visitor spending accruing to local businesses. It also includes the operations of Kemper Sports, that operate and manage the facility. Our analysis shows that because of Heron Lakes, 48 more jobs are in Portland than there otherwise would have been, including 21 jobs at the club (this is included in the direct effect along with the first round of jobs associated with visitors spending).

Incremental labor income (wages, salaries, and benefits) was nearly $2.5 million. Value added, which is the local equivalent of gross domestic product, was $3.2 million higher in Portland than it otherwise would have been without Heron Lakes. Economic output was $6.6 million greater due to net visitor spending and grounds maintenance and greenskeeping.

Fiscal Impacts

One-quarter of a million dollars in tax revenues was associated with Heron Lakes operations and visitor spending in the baseline year.

Figure 39. Combined Fiscal Impacts from Heron Lakes Visitor Spending and Operations

Type of Tax	Amount
Income Taxes	$ 15,000
Property Taxes	$ 17,700
Motor Vehicle Licensing Fees	$ 22,400
Other Taxes	$ 13,900
Other Non-Taxes	$ 37,500
Social Insurance Taxes	$ 139,700
Total	**$ 246,200**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Economic Impacts in the Future

The three facilities at Delta Park identified planned and possible improvements over the next ten years. This analysis attempts to estimate the potential visitation after the completion of each improvement. This section lists the type of improvements and explains how we came up with the number of visits in the future, with the associated economic impacts of additional net visits.

List of Future Improvements

Planned and Possible Development at PIR

Northeast Racetrack Core

- Venue Sign
- Karting Facility
- PIR Office Building
- Ovations Office/Kitchen
- Slough Trail
- Broadacre Vehicle Dynamics Area

Southeast Racetrack Core

- Tower Remodel
- South Paddock Restroom and Fast Track Café remodel
- Maintenance Building
- South Paddock Paving Renovation
- Replaced Lighting poles
- Slough Trail
- Broadacre Vehicle Dynamics Area
- Racing Garages

Central Racetrack Core

- Racing Garages
- North Paddock restroom and snack bar remodel

West End

- Track Modifications
- Vehicle Crossing
- Pave existing paths
- Alternative Fuels Technical Center
- Solar Array
- Multi-tenant shops
- Vehicle Dynamics Area

Planned Improvements at Heron Lakes

- Restrooms
- Clubhouse design, include event space
- Lights for the driving range

Planned Improvements at Delta Park Owen Sports Complex	
Addition of a permanent restroom/concession building to serve soccer/lacrosse fields (port-a-potties will supplement for big tournaments).	Stadium to serve soccer, lacrosse, football with 2,000-3,000 seat (with locker rooms, rest rooms, and concessions)
Additional parking will need to be provided.	Six sand volleyball courts at one location.
All five clover leaf softball fields converted into synthetic turf to allow for multi-use play year-round (use by softball, soccer, lacrosse, etc.). Four to five remaining soccer fields converted to synthetic turf.	Build an indoor sports facility – use is undecided, options are soccer, lacrosse, and basketball courts (minimum of four). This facility would also include rest rooms/locker room, concessions, maybe retail space.

User Group Interviews

ECONorthwest and Frost Motorsports conducted market research on potential demand for each facility in the future. This research included the identification of user groups that currently or previously used the facilities, and a few that have never used the facilities at Delta Park. ECONorthwest also did in depth research for a previous study that examined the demand for youth and adult tournaments in Oregon, Washington, and Northern California, which was referenced for this study.

We conducted interviews with approximately 15 individuals involved in organizing these tournaments and leagues. This section of the report summarizes the results of our research. It is worth noting that, despite the time put into this phase of the research, the results are incomplete. This is not an indictment on the quality of the research, but recognition of the size and complexity of the numerous potential users of the planned improvements.

In short, the analysis summarized in this document is more than speculation, but is less than a complete and exhaustive study of a rigorous estimate of potential demand given the modifications of Delta Park. Nonetheless, after conducting lengthy interviews with individuals with extensive experience in the sporting event market, the research yields important implications for this study.

Although we were unable to contact every targeted organization and current user group, we successfully contacted the following individuals for interviews:

- Laura Jaeger – Central Catholic High School (Owens Sports Complex)
- Damon Hess - Grant High School Lacrosse (Owens Sports Complex)

- Joshua Peck – Valhalla Lacrosse Portland (Owens Sports Complex)
- Colleen Finn – Recesstime (Owens Sports Complex)
- Tara Witt – NUWS Women's Soccer (Owens Sports Complex)
- Julie Gish – Heron Lakes Women's Golf Club (Heron Lakes)
- OMRRA – Oregon Motorcycle Road Racing Association (PIR)
- The Color Run (PIR)
- Cascade Sports Car Club (PIR)

The results of these interviews formed the basis of our assumptions for utilization of the facility, which underpin the economic impact results in the future with the completion of the proposed improvements.

Portland International Raceway

Key Takeaways from Interviews

The following are a summary of takeaways from interviews with PIR user groups:

- Most PIR events host users from outside of the Portland metro region making local overnight facilities popular among various user groups. The type of facility each group is interested in does vary—although many would be interested in staying at a upper-mid scale hotel, others are more interested in the availability of on-site facilities for camping and RV stays, or budget hotels.
- All of the user groups expressed an interest in utilizing digital signage to promote their events and increase road-side visibility more generally.
- The motor sport user groups both stated that modern track safety standards are high on their priority list when looking at locations to host events, whether they are looking at PIR or elsewhere.
- Groups suggested that expanded meeting spaces / banquets facilities, as well as upgraded restrooms and showers would increase interest in the facility and expand their ability to add new events. This is from user groups that meet often and on a consistent basis—if meeting spaces were available, user groups would use them regularly. This likely holds true for other clubs or organizations that hold regular meetings.
- The placement and cross functionality of garages used by multiple motor sports will impact how much these faculties would be used and should be considered during the design phase. Both motor sports user groups said that their members would use garages and one mentioned that they would definitely be used if located "inside the pit location."

Future Visitation

PIR will have incremental growth each year from the addition of smaller event types. The current calendar is full most weeks from March to October. The facility is busy with activities four to six days /nights per week. These activities occur on the various venues at PIR: road course, drag strip, motocross track, paddock areas, etc. Attendance with the completion of improvements is estimated at 31,222 additional visits.[8]

Figure 40. New Events and Attendance, by Type of Event, with Proposed Improvements

Type of Event	Events	Attendance with Proposed Improvements
Auto Racing	3	23,728
Motorcycle	4	1,249
Running and Charity Events	2	6,244
Total	9	31,222

Future Operations

The economics impacts in future years include twelve proposed garages that would house cars and motorcycle for frequent users. Road course users have inquired about garage and storage space at Portland International Raceway. Currently, users must bring their vehicles and bikes to the track each time they use the facility.

Users would like the opportunity to purchase or lease a garage that could be used for storage or race car prep. The space will allow teams to work on the vehicle in close proximity to the track. Rentals would be available for race teams, members, driving schools, test and tune participants, R&D activities, and other needs.

Garages are an opportunity for growth. Garages could drive additional weekday visits and be an important factor in attracting larger, higher quality events and participants. Revenue is currently being lost by not having garages.

The garage design will be based on successful models from other large raceways. The garages could be located at the Central or Southeast Racetrack Core. Final location should provide visibility of track activities with convenient access during events.

Economic Impacts

Provided the characteristics of visitors are similar to those that answered the survey, 69 percent of new visits will be non-Portlanders, and net visits are 63 percent of total gross visits. Total net spending with proposed improvements will be $2.8 million. The

[8] Total visits assume that in the first year auto racing events average 500 people, motorcycle events bring 250 people, and other running or charity events host 2,500; and incremental annual growth of 2.5 percent each year for ten years.

resulting economic impacts, using the same spending patterns and methodology as the baseline impacts, are shown in Figure 41.

Figure 41. Economic Impact Results from Net Additional Visits to PIR with Proposed Improvements

Impact Type	Employment	Labor Income	Value Added	Output
With Proposed Improvements				
Direct Effect	34	$1,073,000	$1,311,000	$1,927,000
Indirect Effect	5	$232,000	$372,000	$630,000
Induced Effect	6	$264,000	$418,000	$698,000
Total Effect	**45**	**$1,569,000**	**$2,101,000**	**$3,255,000**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

With the completion of the improvements, state and local taxes generated from spending by PIR visitors is an estimated $146,900. Taxes paid directly by the facility are fixed and therefore the tax revenue from additional visits is just based on visitor spending.

Figure 42. Fiscal Impacts from Net Additional Visits to PIR with Proposed Improvements

Type of Tax	With Proposed Improvements
Income Taxes	$ 3,200
Property Taxes	$ 4,100
Motor Vehicle Licensing Fees	$ 21,300
Other Taxes	$ 12,700
Other Non-Taxes	$ 40,200
Social Insurance Taxes	$ 65,400
Total	**$ 146,900**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Delta Park Owens Sports Complex

Key Takeaways from Interviews

All user groups that were interviewed are based in the Portland Metro area, each with preferences or requirements that their events are held within Portland. Therefore, the key takeaways from the Owens Sports Complex interviews primarily informed the priories for current user groups at the Owens Complex, rather than providing insights into preferences for more regional organizations considering regional alternatives.

- The primary priority for user groups interviewed by ECONorthwest was the maximization of facility use. The Owens Complex has the largest capacity of simultaneous use softball and field facilities in the City.
- The availability of permanent restroom and a concession building near the soccer and lacrosse fields may be more of a luxury for user groups, but several believe it may open up the possibility of hosting new tournaments at the Sports Complex.
- All user groups that utilize the soccer/lacrosse fields believe additional turf fields would greatly extend the peak and off-season use of the facilities. Currently, there is more demand than capacity during the summer months for these fields.
- The additional lighting on the fields, regardless of the field type (grass or turf) would extend use and capacity.
- Several user groups expressed interest in using indoor facilities if they became available, although the facility would need to include sport-specific safety and design elements (i.e. netting and boarding for lacrosse to maintain building quality and maintain the safety of spectators.

Future Visitation

ECONorthwest estimated the increase in visitation based on user group interviews, conversations with facility staff, in-depth analysis of current utilization and additional research from similar facilities in the Northwest region. In the baseline case, utilization was low for soccer fields because four grass fields were being converted to synthetic turf from July through November. For this reason alone, the visitation for soccer will be greater in our estimation of visitation following the completion of the proposed improvements.

Figure 43 summarizes the additional hours and associated visits for each upgrade of PP&R planned improvements at Delta Park Owen Sports Complex. Several improvements do not directly correlate with additional visits, but broadly enhance the accessibility of the facility as a whole; these include: permanent restrooms and concessions, additional parking, and improved pedestrian crossing.

Total visits are estimated to increase by 52 percent. This includes a fourteen percent increase from the recent completion of three renovated grass fields to turf. The future proposed improvements of converting the rest of the grass fields and softball fields to turf, building a stadium and indoor center, and bringing in several more tournaments would increase visits by 38 percent – 125,396 visits.

Figure 43. Future Visitation by Planned Improvement with Proposed Improvements

Proposed Improvement	Additional Reservation Hours	Additional Visits
Completion of Renovation (Fields 5,6,7)	2,000	34,371
Grass Soccer Fields Converted to Turf	1,544	26,534
Softball Fields Converted to Turf allowing for Multi-Use and Longer Seasons	1,025	15,131
2,000-3,000 Seat Stadium	36	20,400
Indoor Sports Facility	3,110	24,880
Tournaments	850	4,080
Total	8,565	125,396

Source: ECONorthwest using data from PP&R and 2015 Survey.

Soccer field estimates are based on the following primary assumptions:

- Additional turf fields converted from grass are only filled when demand is constrained on current turf fields. Supply is the most constrained during the fall months, where turf fields are assumed to be booked.
- Previous research indicated that in Oregon, it is difficult to draw and host youth soccer tournaments because each local league organizes its own tournaments. However, there is demand for camps and local leagues. Six additional tournaments are added to the calendar.
- Three additional 6-week winter leagues on three fields.
- The build out of a larger stadium could host professional and semi-professional games. These would be suitable with a capacity of 2,000 – 3,000 seats. It is estimated that twelve games with this large of attendance will be held at the stadium. This stadium will also assist in drawing the additional tournaments.
- One week of maintenance each year on all fields.

Softball field estimates are based on the following primary assumptions:

- Softball fields are at capacity and being used as much as they can when the weather is acceptable to play. No additional games can be reserved during the summer and spring.
- Some capacity exists during off-peak seasons when the grass fields are not acceptable to play on. If the fields were converted to turf, softball leagues can be played during the late fall and early winter.

- Multisport turf fields can be used for other sports during winter months, such as lacrosse, Ultimate Frisbee, and possibly small-sided soccer if other soccer fields are booked (mid-October to mid-March).
- Kickball leagues can be played during February and March.
- Research indicates demand for youth and adult baseball and softball tournaments, but with limited capacity, and without replacing current users, only a few additional tournaments. Capacity in the current calendar allows for three additional tournaments in July, March, and October.

The greatest numbers of visitors will still be participants in league play. Demand for softball leagues are the greatest, and the ability to increase the amount of time leagues can be played, the most use will be at the complex.

These estimated visits do not take into account any specific marketing to bring large tournaments, or presume that without the work of advertising and booking the fields, these additional visits would not occur. This is only an estimate of what could happen, given the assumptions that were made from data available and those inputs provided by PP&R.

Economic Impacts

We used the survey data to estimate the net visits in the future. Provided the visitor characteristics are similar in the future, we assume that a little more than half (56%) of visits are by non-Portlanders, and net visits are 32 percent of total gross visits, the total net spending will be $465,000 with proposed improvements completed. The resulting economic impacts, using the same spending patterns and methodology as the baseline impacts, are shown in Figure 44.

Figure 44. Economic Impact Results from Net Additional Visits to the Sports Complex with Proposed Improvements

Impact Type	Employment	Labor Income	Value Added	Output
With Proposed Improvements				
Direct Effect	13	$477,000	$535,000	$793,000
Indirect Effect	2	$89,000	$134,000	$228,000
Induced Effect	2	$111,000	$175,000	$292,000
Total Effect	**17**	**$677,000**	**$844,000**	**$1,313,000**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Fiscal Impacts

State and local taxes generated due to spending by Sports Complex visitors are $26,900, with proposed improvements completed. Taxes paid directly by the facility are fixed and therefore the tax revenue from additional visits is just based on visitor spending.

Figure 45. Fiscal Impacts from Net Additional Visits to the Sports Complex with Proposed Improvements

Type of Tax	With Proposed Improvements	
Income Taxes	$	6,900
Property Taxes	$	10,600
Motor Vehicle Licensing Fees	$	1,000
Other Taxes	$	900
Other Non-Taxes	$	6,400
Social Insurance Taxes	$	1,100
Total	**$**	**26,900**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Heron Lakes Golf Club

Key Takeaways from Interviews

The following are the primary takeaways from the Heron Lakes interview:

- New indoor space developed at Heron Lakes should consider the interests of the current communities using the facility by sizing the space for larger gatherings and providing secure space for distributing event information and showcasing tournament trophies.
- Ultimately, the condition of the golf course is what attracts and keeps players.

Future Visitation

The first step to understanding what the future visitation will be, we must consider the current calendar of events. The club hosts few events and the rest of the time allows for golfers to play recreational rounds. The list of current events is shown below:

Figure 46. Calendar of Events, Heron Lakes Golf Club In Baseline

Event	Date
Super Sunday Shootout	Feb. 1
Winter Match Play Tournament	
Round of 32 (play by)	Feb. 19
Round of 16	Mar. 5
Quarterfinals	Mar. 19
Semifinals	Apr. 2
Finals & Consolation	Apr. 16
Black on Blue	Jun. 17, Jul. 15, Aug. 12, Sep. 16
Summer Match Play Tournament	
Round of 32 (play by)	Jun. 18
Round of 16	Jul. 2
Quarterfinals	Jul. 16
Semifinals	Jul. 30
Finals & Consolation	Aug. 13
The Brat-tish Open	Jul. 18
Great Blue Oktoberfest	Oct. 17

The main focus of Heron Lakes is to provide a public golf course to the local community at an affordable cost, and they have been very successful at that. The planned improvements will allow for additional events without compromising available tee times for local golfers. The two major improvements to the golf club are a clubhouse and lights for the driving range. The clubhouse allows for faster speed of play, additional tournaments, and event spaces to hold meetings, weddings, and other events.

In this report, we are only looking at the net increase in visits, therefore visits from events are excluded because it is likely that all events that would be held at Heron Lakes would have been held within the city at a different location. It is possible that events could be held at Heron Lakes that otherwise would have be held at a golf course in Vancouver, WA or Salem, but we chose to exclude all event-related visits.

Conversely, faster rounds, tournaments and the addition of lights at the driving range will bring visitors that otherwise would not come to Portland. Rounds could be played 20 minutes faster with easier access to food, beverage, restrooms, etc. with the placement of the clubhouse between the golf courses. This would allow for an 8.3 percent increase in number of possible rounds. This is based on conversations with golf course staff and research of other similar clubs. The estimate of six new tournaments, based on interviews and research of other public golf courses, will bring additional players and spectators to the club. These events will bring 1,400 visitors. The result of faster rounds and new tournaments would increase the number of rounds of golf by 8,474, and increase total visits by 14 percent. The interviews suggested an estimate of 20 percent increase in play with the addition of a clubhouse.

Lights at the driving range will increase hours of operations, especially during the fall and winter. We assume the range could remain open until 9pm during the winter months (Nov. – Feb.), until 10 p.m. during spring and fall (Mar./Apr., & Oct.), and until 11 p.m. in peak season (May – Sept.). The 20 available tees can be played for 20 minutes at a time, which allows for 4,216 additional slots. We assumed utilization would increase by 20 percent from its current utilization because of the lights. This would bring the utilization rate up to an average of 26.3 percent throughout the year; this results in 947 new trips. This is likely only possible with the addition of covered and heated driving range stalls for winter and fall months. The additional net visits are reported below.

Figure 47. Future Visitation by Planned Improvement

Improvement	Additional Net Visits
Clubhouse	
Faster Round Play	1,665
Tournaments	508
Lights for Driving Range	947
Total	3,121

Economic Impacts

Provided the characteristics of visitors are similar to those that answered the survey, 54 percent of visits are by non-Portlanders, and net visits are 21 percent of total gross visits, the total net spending is $76,800. We assume the operations spending, jobs, and wages will have to increase by the same amount as the increase in visits (26%). The resulting net economic impacts of the additional visits, using the same spending patterns and methodology as the baseline impacts, are shown in Figure 48.

Figure 48. Economic Impact Results from Net Additional Visits to Heron Lakes Golf Club with Proposed Improvements

Impact Type	Employment	Labor Income	Value Added	Output
With Proposed Improvements				
Direct Effect	4	$ 228,000	$ 238,000	$ 681,000
Indirect Effect	1	$ 89,000	$ 137,000	$ 155,000
Induced Effect	2	$ 92,000	$ 145,000	$ 242,000
Total Effect	**7**	**$ 409,000**	**$ 520,000**	**$ 1,078,000**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Fiscal Impacts

State and local taxes generated due to spending by additional Heron Lakes visitors is approximately $5,700 million. Taxes paid directly by the facility are fixed and therefore the tax revenue from additional visits is just based on visitor spending.

Figure 49. Fiscal Impacts from Net Additional Visits to Heron Lakes with Proposed Improvements

Type of Tax	With Proposed Improvements
Income Taxes	$ 1,200
Property Taxes	$ 2,500
Motor Vehicle Licensing Fees	$ 200
Other Taxes	$ 200
Other Non-Taxes	$ 1,400
Social Insurance Taxes	$ 200
Total	**$ 5,700**

Sources: ECONorthwest using IMPLAN 2013 model data and 2015 Survey

Hotel Analysis

PP&R has a parcel along North Broadacre Street and North Expo Road. It is readily visible from Interstate-5 and central to Heron Lakes Golf Course, Portland International Raceway (PIR), and Delta Park. As one of the infrastructure planning scenarios, PP&R asked ECONorthwest to evaluate the market viability of this parcel for a hotel.

This section of the report describes ECONorthwest's analysis of the Delta Park hotel market. It includes a review of the market and an assessment of whether the market is favorable for a new hotel. The analysis concludes with basic operating results PP&R should expect from an upper midscale hotel at Broadacre. This report does not consider environmental or other constraints that would make a hotel infeasible on this site. However, a hotel on a similar sized lot and close proximity to the freeway in the area around Delta Park would produce similar results.

ECONorthwest purchased hotel market data from STR Global (formerly Smith Travel Research). The data are for the months from January 2000 through April 2015. STR tracks supply and demand data for the hotel industry. All major hotel chains and brands, as well as many independents, provide data to STR and use their market statistics.

ECONorthwest counts all hotels within a three-mile radius of Delta Park as being in the Delta Park market. This encompasses downtown Vancouver, nearby parts of Interstate Avenue, Hayden Island, and the northernmost portion along MLK.

STR defines a hotel as any commercial business with 15 or more public guestrooms operated for overnight stays. STR covers everything from large resorts to small motels. Bed & breakfasts, private vacation rentals, and places run for stays exceeding a month are not counted as hotels.

Most hotels report directly to STR. Sixteen of the 21 hotels are in the Delta Park market, with over 94 percent of available rooms, supplied STR with their operating data. The five non-reporting properties are small—totaling 129 hotel rooms compared to the whole market of 2,217. STR estimates non-reports.

The Market

Hotels in the Delta Park market attract two major segments that are counter-seasonal. This helps stabilize business. Room demand in the Delta Park market is less seasonal than in vacation destinations, like central Oregon and the coast. Area hotels, on average, sell over half of the available rooms each month outside of the winter holiday months.

One segment is business travelers seeking convenience and good prices. The hotels are visible and easily accessible to drivers on Interstate-5. Room rates are markedly lower than they are for downtown Portland ($87 versus $132 a night in 2012 for example). Also, hotel parking in the Delta Park market is free, except at the Vancouver Hilton. These business travelers make up a large share of the market in the shoulder months from February to May and, in the fall, and September and October.

The second segment consists of leisure travelers. They dominate in the summer when schools are out and weather is sunny and dry. They are on vacation, visiting friends and family, and also attending events at Delta Park. Like cost conscious business travelers, the hotels in the Delta Park market are attractive because of their affordability and easy access.

Current Market Conditions

There are 21 hotels in the Delta Park market. Collectively they have 2,271 rooms. In comparison, central Portland has about 7,500. As shown on Figure 50, the average quoted room rate for rooms in the upcoming last half of 2015 is $125 and ECONorthwest estimates the average daily rate (ADR) would be $108 a night.

Figure 50. Hotels in the Delta Park Market, 2015 Forecast

Name of Establishment	Location	Class	Rooms	Estimated ADR	Quoted Rate
Hilton Vancouver	Vancouver	Upper Upscale Class	226	$ 152	$ 174
Courtyard Portland North Harbour	North of Delta Park	Upscale Class	133	145	167
Homewood Suites Vancouver Portland	Vancouver	Upscale Class	104	199	229
Residence Inn Portland North Harbor	North of Delta Park	Upscale Class	102	159	183
Comfort Inn & Suites Vancouver	Vancouver	Upper Midscale Class	115	70	80
Fairfield Inn & Suites Portland North Harbour	North of Delta Park	Upper Midscale Class	93	115	132
Holiday Inn Express & Suites Portland Jantzen Beach	Hyden Island	Upper Midscale Class	74	119	137
Oxford Suites Portland Jantzen Beach	Hyden Island	Upper Midscale Class	200	121	139
Best Western Inn At The Meadows	Walking distance to Delta Park	Midscale Class	146	94	108
Red Lion Hotel On The River Jantzen Beach	Hyden Island	Midscale Class	320	112	129
Red Lion Hotel Vancouver @ The Quay	Vancouver	Midscale Class	160	74	85
Days Inn Portland North	Walking distance to Delta Park	Economy Class	214	78	90
Econo Lodge Expo Center Portland	MLK - east of Delta Park	Economy Class	50	53	61
Econo Lodge Vancouver	Vancouver	Economy Class	40	61	70
Holiday Motel	MLK - east of Delta Park	Economy Class	23	64	74
Motel 6 Portland North	Walking distance to Delta Park	Economy Class	65	88	101
Portland Super Value Inn	Interstate	Economy Class	40	61	70
Portlander Inn	MLK - east of Delta Park	Economy Class	100	74	85
Union Motel	MLK - east of Delta Park	Economy Class	19	50	58
Viking Motel	Interstate	Economy Class	26	57	65
Westerner Motel	Interstate	Economy Class	21	70	80
			2,271	$ 108	$ 125

Sources: STR (April 2015) and ECONorthwest survey of room rates in August and November 2015 posted on hotel reservation websites.

The average daily rate is the total amount guests paid for their rooms divided by the number of room nights sold. It does not include taxes or incidentals. ADRs are less than quoted rates because ADRs include discounts, to groups for instance, and to room remarketers, such as Travelocity and Expedia.

ECONorthwest collected standard room rates from hotel websites. Rates for one-month (August) advanced reservation for a Wednesday and a Sunday stay were recorded. August is peak-season. Wednesday is the peak day of the week in this market. Sunday night is the slowest day of the week. ECONorthwest also collected rates for early December, which is the off-season. Averaging quoted rates and adjusting for discounting, which was calculated using the STR data, ECONorthwest estimated the current annual ADRs of all 21 hotels.

ADRs in the market are rising. Historical data from STR for the last twelve months ending April 2015 show the Delta Park market ADR was $98.38 a night. ECONorthwest estimate ADRs in the latter half of 2015 would be $108. The ten percent increase reflects strong demand and a continuation of recent trends. STR shows that in the twelve months ending April 2015, hotels sold 65.9 percent of their available room nights. As historical data will demonstrate, this is a high occupancy rate.

Figure 51. Delta Park Market, Historical Data May 2014 – April 2015

Operating Statistic	
ADR	$ 98.38
Room Nights Available	828,915
Room Nights Sold	546,443
Occupancy Rate	65.9%

Source: STR.

As shown in Figure 52, the Delta Park market has a concentration of economy and midscale hotels. They constitute 53 percent of all rooms. In contrast, only 12 percent of the hotel rooms in downtown Portland, including the Lloyd Center area, are economy or midscale. There are no luxury class hotels and only one upper upscale in the Delta Park area.

Figure 52. Delta Park Market, Historical Data May 2014 – April 2015

Quality Class	Rooms	Properties	Example	Quoted Average
Luxury	-	-	*none*	
Upper Upscale	226	1	Hilton Vancouver	$ 174
Upscale	339	3	Residence Inn Portland North Harbor	191
Upper Midscale	482	4	Fairfield Inn & Suites Portland North Harbour	123
Midscale	626	3	Best Western Inn At The Meadows	112
Economy	598	10	Motel 6 Portland North	82
	2,271	21		$ 125

Source: STR.

Room rates of hotels reflect their location, quality, and brand. The location determines seasonality and the relative spending power of guests, as appealing amenities attract more demanding guests willing and able to pay more for a room night. Quality follows standards used by STR and the lodging industry, and ranges from economy to luxury. Brand equity matters because many travelers will choose a familiar brand of hotel, such as Hilton, and pay more as a result. Independent companies own most branded hotels and pay the brand fees of about seven percent of revenues.

Room rates vary by quality. Upper midscale hotels are quoting an average $123 in the Delta Park market. Upscale hotels are at $191, while economy hotels are quoting an average $82. According to STR, the Vancouver Hilton is the highest quality hotel in the market, but its quoted rate is less than the three upscale hotels. Hotels on the Vancouver side of the market are discounted because of their location—a difference exacerbated by traffic challenges to amenity-rich Portland.

Historical Trends

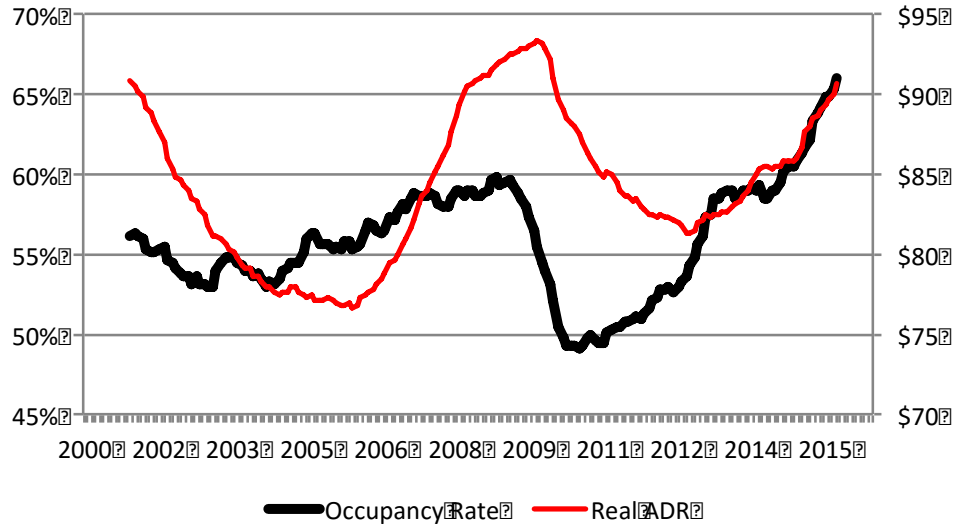
Between 2000-2003 hotels in the Delta Park area struggled with weak occupancy rates. The economy then was very slowly emerging from a recession. Meanwhile additional hotel capacity planned before the recession affected the market. Real ADRs, that is average daily rates adjusted for inflation, declined as hotels discounted to sell rooms.

By 2007, room sales recovered and occupancy rates rose. Two new hotels, the Vancouver Hilton and the Residence Inn, had opened adding 328 rooms to the market. Better occupancies and higher quality hotel rooms led to higher real ADRs. But a new recession, which was particularly severe because it harshly affected both leisure and business travelers, took hold. Occupancies collapsed from an annual rate of 60 percent to just below 50 percent. Real room rates followed.

Since 2011 the market has recovered stunningly and at last count, annual occupancy (measured in the figure as a twelve-month moving average) stood at a remarkable 65.9 percent. Real ADRs, also an average of the last twelve months, were $90.62 a night. Both rose sharply and continue to do so.

ECONorthwest attributes this to a surge in domestic tourism and, especially, Portland tourism. It has pushed demand from the increasingly unaffordable downtown hotels to convenient, albeit periphery markets like Delta Park. In addition, local events held at PIR, Heron Lakes, Delta Park, the Expo Center, and Portland Meadows help sell hotel rooms. Currently, as it stands today, it is an unusually strong market as evidenced in Figure 53.

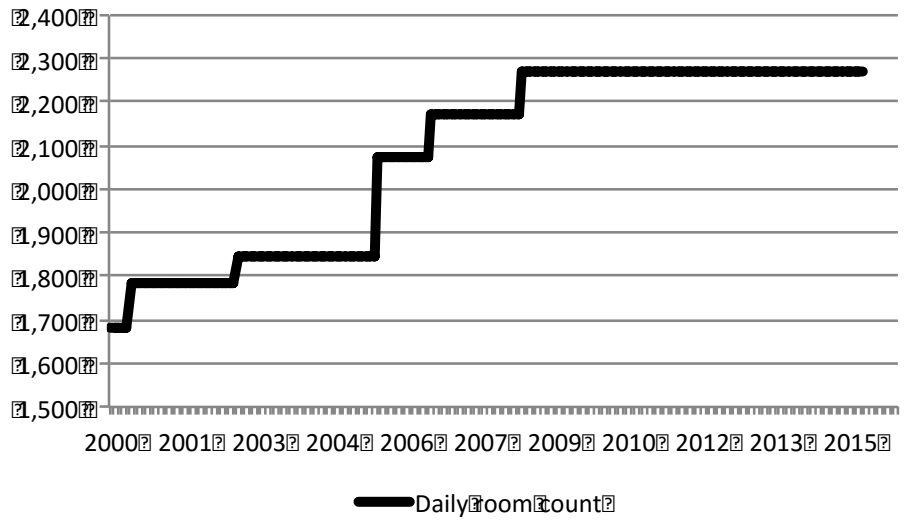
Figure 53. 12-Month Moving Average Occupancy and Inflation-Adjusted Room Rates (in 2010 $), Delta Park Hotel Market December 2000 – April 2015



Source: ECONorthwest calculations using data from STR and the U.S. Bureau of Labor Statistics, April 2015.

Since 2000, nearly 600 rooms have been added to the Delta Park market including new properties and small additions to older properties. What is interesting is that there had been virtually no change in the supply of hotel rooms since June 2008. Furthermore, STR shows no additions in the pipeline. Thus, unless a new recession occurs soon, upward pressure on real ADRs will continue unabated.

Figure 54. 12-Month Moving Average Occupancy and Inflation-Adjusted Room Rates (in 2010 $), Delta Park Hotel Market December 2000 – April 2015



Source: STR, April 2015.

Natural Occupancy Rate

Real ADRs in the Delta Park market were 12 percent greater in May 2015 than the year before. Under normal conditions, real ADRs should be flat. That is, rising no faster nor slower than general inflation. Such a state occurs when long-term supply and demand are more or less balanced. When this happens the average percent of rooms sold annually equals what researchers call the natural occupancy rate.[9]

The natural occupancy rate of a market is the rate at which there is no undue pressure, up or down, on real room rates. Using an economic regression analysis on the data from STR, ECONorthwest finds that in the Delta Park market the natural occupancy rate is 56 percent.

When a market stays above the natural rate, room prices rise faster than inflation. Profit margins expand, attracting new development. Eventually, after the market adds supply (more rooms), hotel competition pushes inflation-adjusted room rates back down. Supply and demand falls generally back into balance.

When running below the natural rate, as in 2009-2012, hotels have excess vacancies. There is downward pressure on real room rates. Hotels may close and there is little interest in building new capacity. If demand grows sufficiently, markets rise out of this state. And if no new hotels are in the pipeline, occupancy rates can rise well above the natural rate taking ADRs sharply higher. This is currently happening in the Delta Park market.

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[9] deRoos, Jan A (1999) "Natural Occupancy Rates and Development Gaps: A Look at the U.S. Lodging Industry," *Cornell Hotel and Restaurant Administration Quarterly:* Volume 40. Number 14.

Natural occupancy rates vary by market depending on the mix of visitors, volatility of demand by day of the week, and seasonality. The 56 percent natural occupancy rate of Delta Park is consistent with an interstate location with strong summer seasonal demand and some steady shoulder season sales from business travelers. In comparison, downtown Portland has a 75 percent natural rate. Downtown is amenity-rich. Importantly, it attracts a diverse and complementary mix of segments, including meeting and convention trade, which are less dependent on good weather.

New Hotel Concept

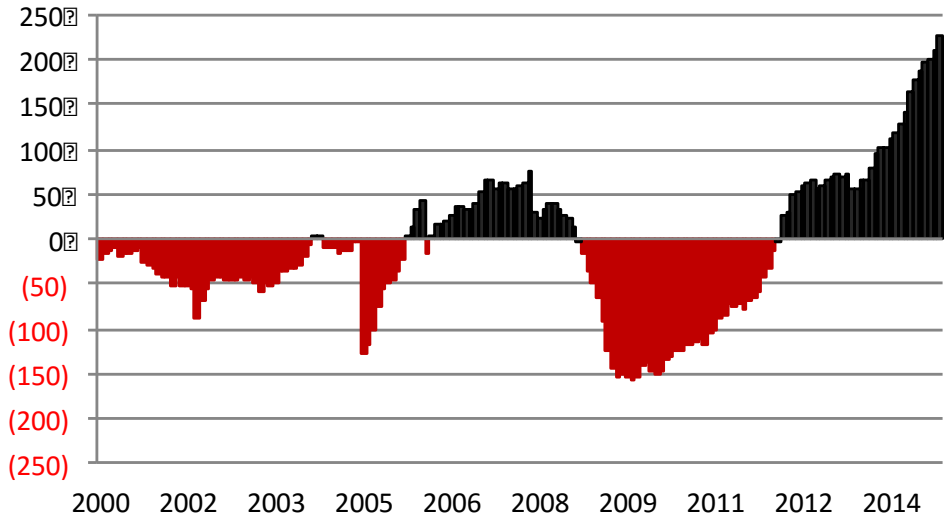
ECONorthwest determined the current supply gap using the calculated natural occupancy rate and most recent market data. From the standpoint of adding a new hotel, a sound and conservative business approach calls for building enough rooms to fill part of the existing gap and assume the new hotel would operate, long-term, under market conditions consistent with the historical natural occupancy rate.

The Market Gap

When operating at the natural rate, the market is basically at a long-term equilibrium. That is, supply is appropriately balanced with demand so that hotels are earning a fair rate of return (on average) and are able to sustain room sales without having to discount rates beyond seasonal norms.

ECONorthwest calculated how many additional or fewer hotel rooms would have been needed each month so that the Delta Park market were running at the natural occupancy rate. This is the gap in the market. Small variations are common, as illustrated in Figure 55.

Figure 55. Number of Hotel Rooms Needed or in (Oversupply) to Balance the Delta Park Hotel Market



Source: ECONorthwest calculations using data from Smith Travel Research, April 2015.

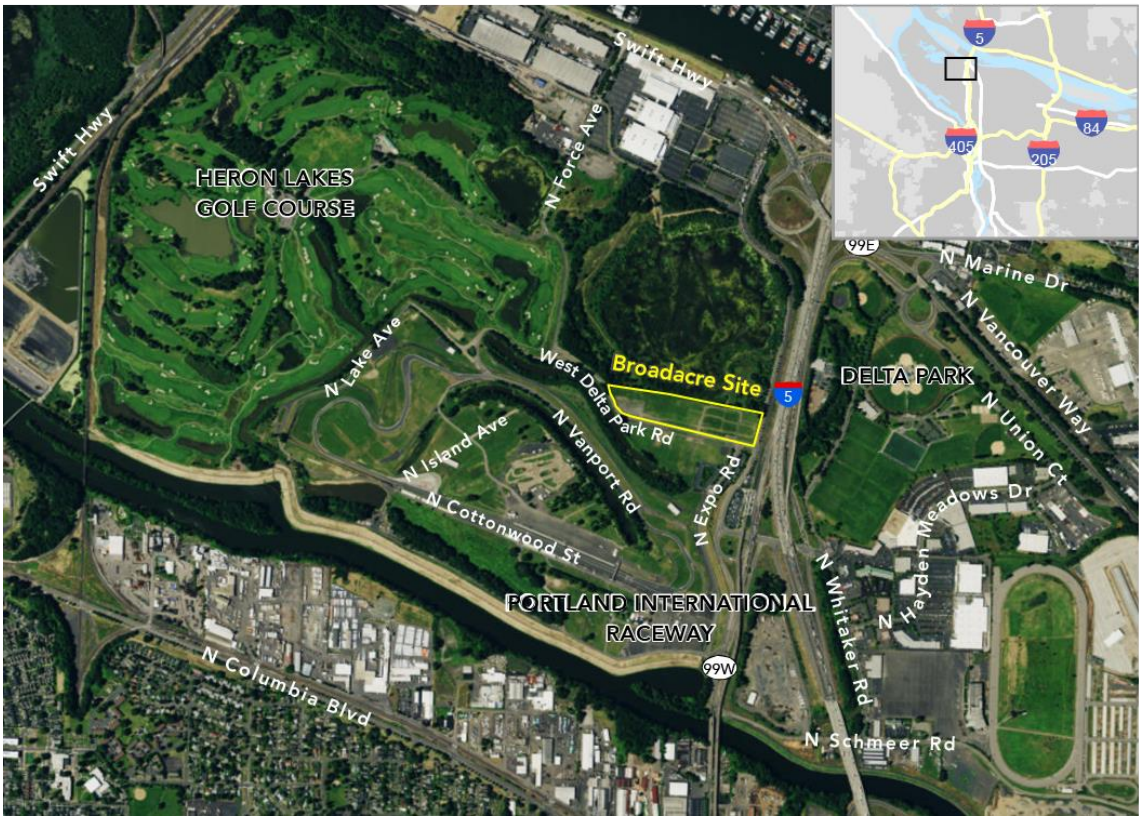
Rarely are markets exactly balanced. That is, needing no additional rooms to keep ADRs from rising faster than inflation or having too many, an oversupply of rooms causing real ADRs to fall. The zero line in this figure is the long-run equilibrium or balance. Historically, the Delta Park market has kept mostly within 100 rooms of equilibrium (approximately one hotel). Conditions have changed since.

Currently, the market gap is 225 rooms (Figure 55). Room sales are rising. For the 12-months ending April 30, 2015, occupancy averaged 65.9 percent compared to 60.5 a year before. Real ADRs rose from $85.85 to $90.62. The market is tight and no new rooms are being built.

Opportunity for a New Hotel

Current market conditions are favorable for a new hotel. Enhancements to PIR, Delta Park, and Heron Lakes Golf Course can only further improve conditions and the Broadacre location is highly desirable. With a current gap of 225 rooms, rising ADRs, and a lack of new hotels under construction in the Delta Park area, an upper midscale hotel at North Broadacre is an attractive opportunity for hotel development.

Figure 56. Broadacre Site



Source: GIS

ECONorthwest bases its evaluation of the attractiveness of North Broadacre for a hotel on economic conditions and not on engineering conditions and physical constraints, if any, of the site. Further, ECONorthwest assumes the hotel would operate as an amenity for park visitors with services oriented toward recreation including shuttles, equipment rentals, ticket sales, meeting rooms, and the like. That is, have the hotel act, in a sense, symbiotically with Delta Park so that the city overall benefits.

Conclusions

Given the location and likely demographics of park visitors who would use the hotel, ECONorthwest recommends that it be a full-service, upper midscale hotel. That is, a hotel with food and beverage service, appropriately appointed quiet rooms, and good service without being too upscale.

Current market conditions are historically unusual. They are too favorable. Therefore, ECONorthwest strongly suggests that any expectations for the hotel be based on normal market conditions—when annual occupancy rates for the entire Delta Park market are near the natural level. When the Delta Park market overall is at 56 percent occupancy, an upper midscale hotel at Broadacre with 125 rooms would likely perform as follows, based on industry survey data[10] and local conditions:

- Occupancy rate of 58.7 percent over a full year (upper midscale hotels average about 2.7 percent higher occupancies than the market average).
- Room sales of 26,780 a year.
- An ADR (in 2015 $) of $108.
- Total annual room revenues of $2,892,000 (2015 $).
- Room taxes of $332,600 a year (assumes an 11.5 percent rate)
- 55 employees, including the restaurant.
- $702,000 in food & beverage sales at the hotel
- $125,000 from other hotel departments

[10] ECONorthwest used the "HOST Almanac 2015," which is a hotel industry accounting survey published by STR Global.

Conclusions

The figure below shows net annual economic impacts for each facility in the baseline year and with the completion of proposed facilities improvements. These are not the additional impacts in future years, but actual net impacts.

Figure 57. Economic Impacts by Facility, Baseline and with Proposed Improvements

Impact Type / Facility	Employment	Labor Income	Value Added	Output
PIR				
Baseline	483	$17,167,000	$22,970,000	$35,569,000
With Proposed Improvements	528	$18,736,000	$25,071,000	$38,824,000
Sports Complex				
Baseline	37	$1,440,000	$1,818,000	$2,839,000
With Proposed Improvements	54	$2,117,000	$2,662,000	$4,152,000
Heron Lakes				
Baseline	48	$2,503,000	$3,192,000	$6,613,000
With Proposed Improvements	55	$2,912,000	$3,712,000	$7,691,000
Total Effect				
Baseline	568	$21,110,000	$27,980,000	$45,021,000
With Proposed Improvements	637	$23,765,000	$31,445,000	$50,667,000
Percent increase	12%	13%	12%	13%

Recommendations

The survey and interviews revealed broad satisfaction with all three facilities by users. The overwhelming majority of users expressed their appreciation for the location, maintenance, availability of fields, and event organization. This is a key outcome of this project. It is important to keep the current users because they are highly satisfied with all three facilities. As PP&R looks to increase visitation, and in turn, bring money to the City because of its events, they must seek a balance in keeping local users satisfied, while filling in openings that could bring new users and spectators.

Another key component is that while adding new features and improvements to the facility, the local users are not priced out because of the higher costs to use. An important finding through interviews revealed that the price is a sensitive factor, and because these are public facilities, they should be available at a reasonable price. This point is particularly important for the Sports Complex and Heron Lakes.

Softball fields are particularly constrained. There is very little extra capacity. However, in order to extend the softball season as much as possible, turning the fields into synthetic turf would be a good idea. Similarly, adult softball tournaments are popular and are a strong place to increase visitation, and bring regional tourists to Portland.

Local Portland indoor facilities are in demand, especially when the weather is bad. Interviews revealed that users would be likely to make use of the indoor facilities, whether it is soccer, basketball, or general practice space.

Appendices

Appendix A. Individual Survey Questions

Visitor Survey Questions

1. What is the zip code for your place of residence? (*5 digit zip code, 11111 if outside of United States*)

2. Do you live in Portland? (*Yes/No*)

3. How many events or activities did you attend at the [facility] in the last year? (*number*)

4. Which of the following events or activities did you participant in at the [facility] in the last year, and were you a participant or spectator? (*check all that apply*)

Portland International Raceway	**Participant**	**Spectator**
Auto drag racing or road racing		
Motorcycle, motocross, or other motored racing		
Car show		
Non-motorized racing		
Other		
Sports Complex	**Participant**	**Spectator**
Baseball		
Soccer		
Softball		
Volleyball		
Other		
Heron Lakes	**Participant**	**Spectator**
Recreation		

Tournament		
Other		

5. Was your most recent visit within the…

   - Last week
   - Last two weeks
   - Last month
   - Last 6 months
   - Last year
   - Other

6. During your most recent visit, how many days did you spend at the [facility]? (*mark 0 if the visit was a day trip*)

7. How many people came with you during your most recent visit? (*number)*

8. Approximately how much money your group spent at Portland businesses during your last trip to visit the [facility]? (*$*)

9. Please provide the spending amounts for your group's three biggest expenses (*complete 3; $)*

   - Food $_____
   - Lodging $_____
   - Transportation costs $_____
   - Non-transportation, auto-related costs (repairs, etc.) $_____
   - Retail $_____
   - Other expenses $_____
   - Sports equipment $_____

10. If you had not been able to attend events or visit the [facility] over the last year, what would you have done instead? (check one)

    - Attended other activities in Portland _____
    - Made fewer visits to Portland _____
    - Not come to Portland at all of stayed at home _____

11. Please list a few local businesses you have visited while attending events at the [facility].

12. Please list events or activities you would like to participate in, or improvements you would like to see at the [facility].

Appendix B. Economic Impact Terms and Definitions

Total economic impacts are based on the sum of direct, indirect, and induced impacts:

- *Direct impacts* are the total output, jobs, and income associated with the immediate effects of final demand changes.
- *Indirect impacts* are production changes in backward-linked industries caused by the changing input needs of directly affected industries. Suppliers to the directly involved industry will also purchase additional goods and services; this spending leads to additional rounds of indirect impacts. Due to the fact that these impacts represent interactions among businesses, these indirect effects are often referred to as *supply-chain impacts*.
- *Induced impacts* are the changes in regional household spending patterns caused by changes in household income. The direct and indirect increases in employment and income enhance the overall purchasing power in the economy, thereby inducing further consumption- and investment-driven stimulus. Employees in these industries, for example, will use their income to purchase groceries or take their children to the doctor. These induced effects are often referred to as *consumption-driven impacts*.

These three types of economic impacts are measured in terms of output, labor income, and employment resulting from spending in the study area:

- *Output* represents the value of goods and services produced, and is the broadest measure of economic activity.
- *Value Added* is output minus intermediate purchases.
- *Labor Income* consists of employee compensation and proprietary income, and is a subset of output.
- *Employee compensation* includes workers' wages and salaries, as well as other benefits such as health, disability, and life insurance, retirement payments, and non-cash compensation.
- *Proprietary income* (business income) represents the payments received by small-business owners or self-employed workers—in this case, drivers. Business income would include, for example, income received by private business owners, doctors, accountants, and lawyers.
- *Jobs*, according to IMPLAN's methodology, are measured in terms of full-year equivalents (FYE). One FYE job equals work over twelve months in a given industry (this is the same definition used by the federal government's Bureau of Labor Statistics). For example, two jobs that last six months each count as one FYE job. A job can be full-time or part-time, seasonal or permanent; IMPLAN counts jobs based on the duration of employment, not the number of hours a week worked. Job impacts from operations are for one year of normal operation.

Output versus Value Added

Output represents the value of industry production. In IMPLAN these are annual production estimates for the year of the data set and are in producer prices. For manufacturers this would be sales plus/minus change in inventory. For service sectors production = sales. For the wholesale and retail sectors, Output = gross margin (that is, just the value of the services they provide – not the value of the good they actually sell. The value of that good is attributed to the manufacturer of the good).

Output = Intermediate Purchases + Value-Added

Value-Added is the contribution to Gross Domestic Product (GDP). Value-Added is made up of four components:

1. Employee Compensation (income to wage and salary workers)
2. Proprietor Income (income to sole proprietors – i.e., the self-employed)
3. Other Property Income (the largest component of OPI is corporate profits)
4. Indirect Business Taxes (includes taxes on sales, property, and production, but excludes employer contributions for social insurance and taxes on income)

Output = expenditures on intermediate inputs + expenditures on labor, profits, and taxes

Gross Contributions vs. Net Impacts

ECONorthwest was asked to measure the contribution on the local economy. Simply citing the economic impacts that occur as a result of spending by visitors would produce an upper bound estimate of economic impacts. This upper bound estimate is often referred to as a measure of the "gross" economic impacts.

Instead, this analysis measures the "net" economic impacts. To do this, only spending that is attributed to each of the facilities and is new (or would have been foregone) to Multnomah County is included. The following adjustments were made to the inputs that drive the economic impact analysis:

1. Spending by local users or visitors that the facilities divert from other local businesses *is not* included (this is called "direct substitution").

2. Spending by local users or visitors that would have been spent outside the local economy in the absence of PIR *is* included (this is called "import substitution").

3. Spending by non-local users or visitors that occurred locally because of the facilities *is* included.

These adjustments will, in effect, produce net impact estimates that are considerably smaller than gross impacts. However, this approach produces a more realistic estimate of the economic impacts. Using a net impact approach, we are better able to answer the following question: How much better off is the Multnomah County economy because of the three facilities run by PP&R?