
Impacts of Hermiston Events

at School District Facilities in 2013-14

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Hermiston School District

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ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

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1 Introduction

1.1 Project Background

Hermiston School District (“the District”) operates numerous facilities that are used to host a wide variety of athletic, fine arts, and community-related events. These include tracks, courts, ball fields, meeting rooms, stages, and auditoriums.

The District has worked to keep its facilities in top condition. In 2013, it invested in a \$5 million overhaul of Kennison Field, its 2,200-seat stadium at Hermiston High School. The renovations have made the stadium suitable to host regional and state-level competitions. In October, Kennison Field was voted the best prep sports stadium in Oregon.¹

Similarly, the Hermiston High School Performing Arts Auditorium is a 532-seat theater that serves both the school and community. The venue hosts dance and dramatic performances, speakers, and musical acts.

The District possesses other facilities that comprise more than a million square feet of additional event space. These include numerous performance gymnasiums, ball fields, auxiliary auditoriums, and other venues. Likewise, the District and community use these facilities to host a range of events.

About Hermiston School District

The District operates eight schools, as well as an online educational program. These schools are:

- Hermiston High School
 - Armand Larive Middle School
 - Sandstone Middle School
 - Desert View Elementary School
 - Highland Hills Elementary School
 - Rocky Heights Elementary School
 - Sunset Elementary School
 - West Park Elementary School
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¹ “Hermiston High School’s Kennison Field picked as best stadium in Oregon, wins \$500.” Accessed November 4, 2014 at <http://highschoolsports.oregonlive.com/news/article/3661043149417789157>

The events hosted at District facilities draw participants and spectators. Some come from within Umatilla County, but many travel from other counties. Some visitors attending events would not otherwise come to the area.

The District is interested in the economic importance of these events, and the associated spending by visitors. In other words, how do the District's facilities support income and jobs elsewhere in the local economy?

The District asked ECONorthwest ("ECO") to conduct an analysis to determine the economic impacts attributable to visitors at these events. The District asked that the analysis distinguish between the impacts of the District's own events, and those put on by outside groups.

2 Study Methods

The District's facilities provide capacity for events, the size and number of which vary over time. Nevertheless, these events stimulate visits to the Hermiston area. ECO conducted an economic impact analysis to provide the District with information about the economic importance of its events.

2.1 Economic Impact Analysis

An economic impact analysis is used to examine connections that exist in an economy. This type of study traces how activities at one place affect businesses, households, and government in the surrounding economy. Economic impacts are quantified in terms of output, income, and jobs. These terms are defined as follows:

- **Output** represents the value of all intermediate and final goods and services produced. It is the broadest measure of economic activity.
- **Labor Income** consists of workers' wages and benefits, and the income of small-business owners and the self-employed.
- **Jobs** are measured as full-year-equivalent ("FTE") positions. This means one job equals work over twelve months in a given industry. Jobs can be full-time or part-time, seasonal or permanent.

Direct impacts describe economic impacts that occur at the facilities themselves. *Indirect* impacts describe those that occur elsewhere in Umatilla County.

This study examines the indirect impacts of visitor spending at events that occurred during the most recent complete school year, 2013-14. Changes in how the facilities are used in subsequent years could cause the impacts to grow or shrink.

This analysis does not include the economic impacts of facility construction. It also does not consider revenues or employment by the District itself. It also excludes the contributions of event attendees who live in Umatilla County.

2.2 Data

The District supplied a list of events it hosted over a two and a half year period, from March 2012 to September 2014. It also provided estimates of participants and spectators.

For many events, the majority of attendees will be Umatilla County residents. However, the District hosts a number of tournaments that bring in a large number of visitors from outside the county. Therefore, we assumed that visitors comprise 50 percent of all attendees.

ECO obtained survey data about how much visitors to Umatilla County spend at various businesses such as restaurants and hotels.² Combined with the calculated number of visitors, this data provided the basis for estimating how much the District's visitors spent at Umatilla County businesses.

ECO used an input-output model to calculate the economic impacts. ECO built this model using the modeling software IMPLAN with 2012 base data for Umatilla County, Oregon. This is the most recent data available.

² "Oregon Travel Impacts, 1991-2013p" Dean Runyan Associates. April 2014. Accessed October 31, 2014 at http://www.deanrunyan.com/doc_library/ORImp.pdf

3 Findings

According to the District's event data, there were 436 events hosted at its facilities from June 18, 2013 to June 17, 2014. These events and their attendance are shown below in Table 1.

Table 1: Hermiston School 2013-14 District Events and Attendance, by Type

Event Type	Number	Total Attendee Days
District Events		
Football	27	18,635
Volleyball	60	11,188
Basketball	153	52,924
Wrestling	15	5,855
Tennis	27	2,216
Track	9	13,245
Cross Country	4	1,194
Baseball	24	3,954
Golf	4	24
Softball	16	2,888
Soccer	27	5,099
Lacrosse	4	340
Other District, Non-sport	2	3,475
Subtotal	372	121,037
Non-District events	64	71,624
Grand Total	436	192,661
Visitors as Percent of Attendees		50%
Total Visitor Days		96,330

Source: Data provided by email to Carsten Jensen by Wade Smith, September 29, 2014.
Analysis by ECONorthwest.

During the 2013-14 school year, the District hosted 436 events with a total of 192,661 attendee days. Of these, 372 events were the District's own events and 64 were put on by outside groups at District facilities.

3.1 Visitor Impacts for All Events

According to 2013 survey data gathered by Dean Runyan Associates, visitors to Umatilla County spent an average of \$60.48 per day. Table 2 shows their spending by commodity, and the total for all event visitors.

Table 2: Average Daily Visitor Spending, by Commodity

Commodity	Average	Total, All Visitors
Accommodations	\$12.52	\$1,206,054
Food Service	15.90	1,531,429
Food Stores	5.81	559,644
Local Transportation & Gas	8.11	780,899
Arts, Entertainment & Recreation	10.67	1,028,183
Retail Sales	7.48	720,162
Total	\$60.48	\$5,826,371

Note: Amounts for overnight visitors staying in hotels or private homes. 2013 dollars.
Source: "Oregon Tourism Impacts, 2013p." Dean Runyan Associates. Survey data for Umatilla County.

During the 2013-14 school year, visitors who attended events at District facilities spent \$5.8 million worth of goods and services in Umatilla County.

The initial visitor spending leads to further economic activity as these dollars circulate within Umatilla County. This leads to what economists call the "multiplier effect." Hermiston businesses and households re-spend a portion of the income from the initial stimulus at other nearby businesses. This effect continues many times, causing the dollars to "multiply" within the local economy.

The economic impacts resulting from visitor spending attributable to the District's facilities are shown in Table 3. These amounts are for Umatilla County during the 2013-14 school year.

Table 3: Economic Impacts of Visitor Spending in 2013-14, by Spending Round

Spending Round	Output	Labor Income	Jobs
First	\$5,826,371	\$1,470,662	64
Subsequent	1,525,160	493,909	14
Total	\$7,351,531	\$1,964,571	78

Source: ECONorthwest. 2013 dollars.

During the first round of spending, visitors contribute \$5.8 million to Umatilla County. Of this, almost \$1.5 million goes to households in the form of labor income, supporting 64 full-time equivalent jobs. Subsequent circulation of these dollars yields another \$1.5 million in spending. This supports a further \$0.5 million in labor income, supporting 14 jobs. Altogether, the District's visitors support nearly \$2.0 million in labor income, and 78 jobs in Umatilla County.

Visitor spending yields income among Umatilla County households and businesses. A portion of this income goes toward taxes that support state and local government. These fiscal impacts are shown in Table 4.

Table 4: Fiscal Impacts to State and Local Government

Type	Amount
Business Taxes	\$137,871
Personal Taxes	81,428
Social Insurance Taxes	10,372
Total	\$229,671

Source: ECONorthwest. 2013 dollars.

3.2 Visitor Impacts: District-Related vs. Community-Related Events

ECO analyzed the economic impacts of visitors, according to whether their attendance was associated with District or community-related events. ECO assumed 75 percent of community-related event attendees were visitors from outside Umatilla County. ECO projected these impacts forward ten years, assuming attendance growth of 6 percent per year. The impact results are shown in the following tables, and have been adjusted for inflation.

Table 5: District-Related Visitor Impacts Over Five Years, by Type and Spending Round, Starting 2013-14

Impact Type / Round	2013-14	2014-15	2015-16	2016-17	2017-18
Output					
First	\$2,577,329	\$2,776,743	\$2,963,802	\$3,156,688	\$3,356,168
Subsequent	674,663	726,864	775,830	826,321	878,539
Total	\$3,251,992	\$3,503,607	\$3,739,632	\$3,983,009	\$4,234,707
Labor Income					
First	\$650,556	\$700,891	\$748,107	\$796,794	\$847,146
Subsequent	218,484	235,388	251,245	267,597	284,507
Total	\$869,040	\$936,279	\$999,352	\$1,064,391	\$1,131,653
Jobs					
First	28	30	33	35	37
Subsequent	6	7	7	7	8
Total	34	37	40	42	45

Source: ECONorthwest. Current dollars.

Table 6: District-Related Visitor Impacts Over Five Years, by Type and Spending Round, Starting 2018-19

Impact Type / Round	2018-19	2019-20	2020-21	2021-22	2022-23
Output					
First	\$3,562,211	\$3,775,141	\$3,993,426	\$4,213,562	\$4,435,172
Subsequent	932,474	988,213	1,045,353	1,102,978	1,160,988
Total	\$4,494,685	\$4,763,354	\$5,038,779	\$5,316,540	\$5,596,160
Labor Income					
First	\$899,155	\$952,901	\$1,007,999	\$1,063,565	\$1,119,503
Subsequent	301,973	320,024	338,528	357,190	375,975
Total	\$1,201,128	\$1,272,925	\$1,346,527	\$1,420,755	\$1,495,478
Jobs					
First	39	42	44	46	49
Subsequent	8	8	8	9	9
Total	47	50	52	55	58

Source: ECONorthwest. Current dollars.

Table 7: Community-Related Visitor Impacts Over Five Years, by Type and Spending Round, Starting 2013-14

Impact Type / Round	2013-14	2014-15	2015-16	2016-17	2017-18
Output					
First	\$3,249,042	\$3,500,428	\$3,736,238	\$3,979,395	\$4,230,865
Subsequent	850,497	916,301	978,029	1,041,680	1,107,507
Total	\$4,099,539	\$4,416,729	\$4,714,267	\$5,021,075	\$5,338,372
Labor Income					
First	\$820,106	\$883,559	\$943,082	\$1,004,458	\$1,067,933
Subsequent	275,425	296,736	316,726	337,338	358,656
Total	\$1,095,531	\$1,180,295	\$1,259,808	\$1,341,796	\$1,426,589
Jobs					
First	36	38	41	44	47
Subsequent	8	8	8	9	9
Total	44	46	49	53	56

Source: ECONorthwest. Current dollars.

Table 8: Community-Related Visitor Impacts Over Five Years, by Type and Spending Round, Starting 2018-19

Impact Type / Round	2018-19	2019-20	2020-21	2021-22	2022-23
Output					
First	\$4,490,606	\$4,759,031	\$5,034,206	\$5,311,715	\$5,591,081
Subsequent	1,175,499	1,245,764	1,317,796	1,390,439	1,463,569
Total	\$5,666,105	\$6,004,795	\$6,352,002	\$6,702,154	\$7,054,650
Labor Income					
First	\$1,133,495	\$1,201,249	\$1,270,708	\$1,340,755	\$1,411,271
Subsequent	380,675	403,429	426,757	450,281	473,964
Total	\$1,514,170	\$1,604,678	\$1,697,465	\$1,791,036	\$1,885,235
Jobs					
First	50	52	56	59	62
Subsequent	10	11	11	11	12
Total	60	63	67	70	74

Source: ECONorthwest. Current dollars.