

The Economic Impact of PDX UCI Road Cycling Championships

PRELIMINARY ANALYSIS

Greater Portland, OR

March 2021

PREPARED FOR
PDX Cycling Worlds Inc.

Page intentionally blank



Economic Impact of PDX UCI Road Cycling Championships

Greater Portland, OR

PRELIMINARY ANALYSIS

PDX Cycling Worlds, Inc.

March 2021

PRIMARY RESEARCH CONDUCTED BY

Dean Runyan Associates
Portland, Oregon



Table of Contents

Executive Summary / Impact	6
Executive Summary / Study Description	7
Number of Spectators / Comparable Events	8
Number of Spectators / UCI Champs Portland	9
Direct Economic Impacts / Model Assumptions	11
Direct Economic Impacts / UCI Champs Portland	12
Appendix	14





Region Impacts

Portland, OR

Executive Summary / Impacts

Regional Travel Impacts

Estimates are for the regional economic impact of the proposed UCI Road Cycling World Championships (UCI Champs) in Portland, OR. These estimates are projected and thus are subject to revision as more complete source data become available. Figures are in terms of 2021 dollars; no projections are made based on assumed inflation by the time the event occurs.



342 Thousand Visitor-days

Projected visitor-days in the region as a result of UCI Champs amount to 342,600. Eighty percent of visitors are expected to spend the night in the Portland metro area.



\$80 Million in Direct Spending

Projected direct spending as a result of UCI Champs amounts to \$80.1 million. Seventy-one percent of spending originates from overnight visitors, while the remainder comes from day visitors (8%) and teams, officials, and media (21%).



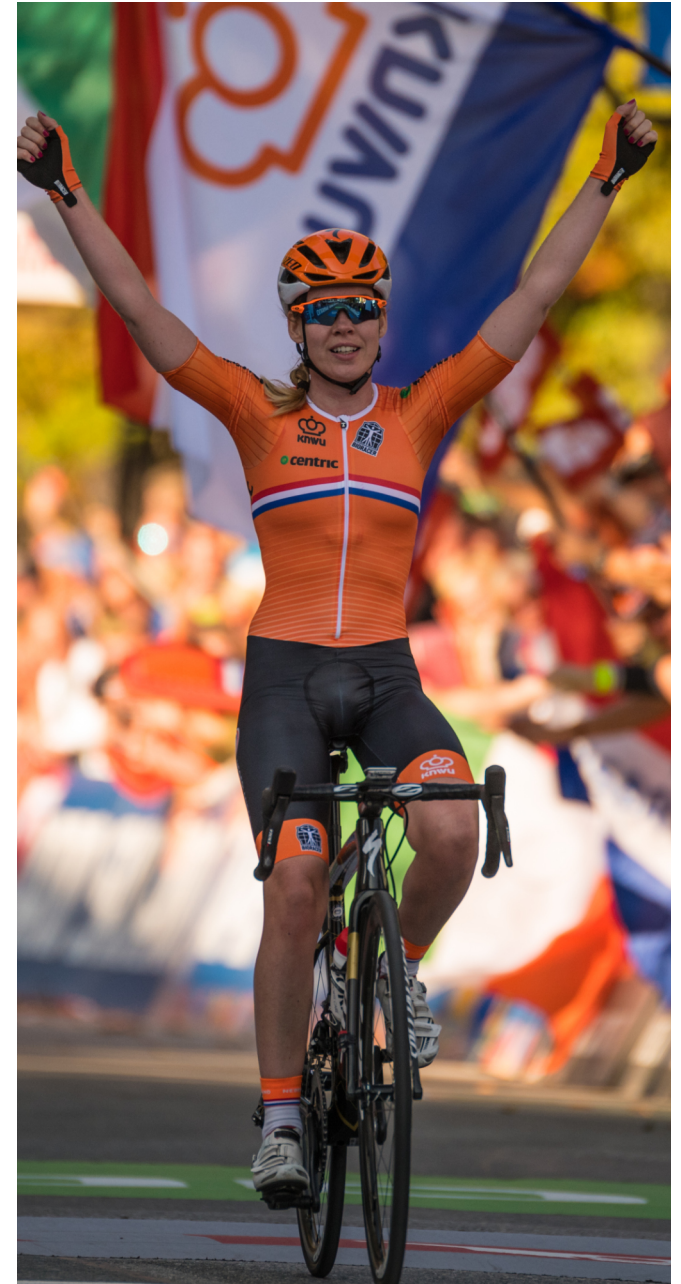
\$30 Million in Earnings

Projected earnings as a result of UCI Champs amount to \$30.5 million. This number includes earnings that flow to employees, as well as working proprietors.



\$5 Million in State and Local Taxes

Projected state and local taxes as a result of UCI Champs amount to approximately \$5.4 million. Local taxes (\$2.7m) include lodging taxes and local levies on sales, such as for auto rental. State taxes (\$2.7m) include state fuel taxes and income taxes paid by employees.



Executive Summary / Study Description

The Event

The UCI Road Cycling World Championships (UCI Champs) will be one of the largest public events ever held in Portland, extending over a week and attracting racing participants and spectators from throughout the world. Organizers emphasize the multigenerational and cross cultural nature of bicycle racing and intend to offer a wide range of amateur and professional events for youth and both men and women. The duration of the event will encourage overnight visitation to Portland and to Oregon, enhancing the economic benefits from a travel and tourism perspective.

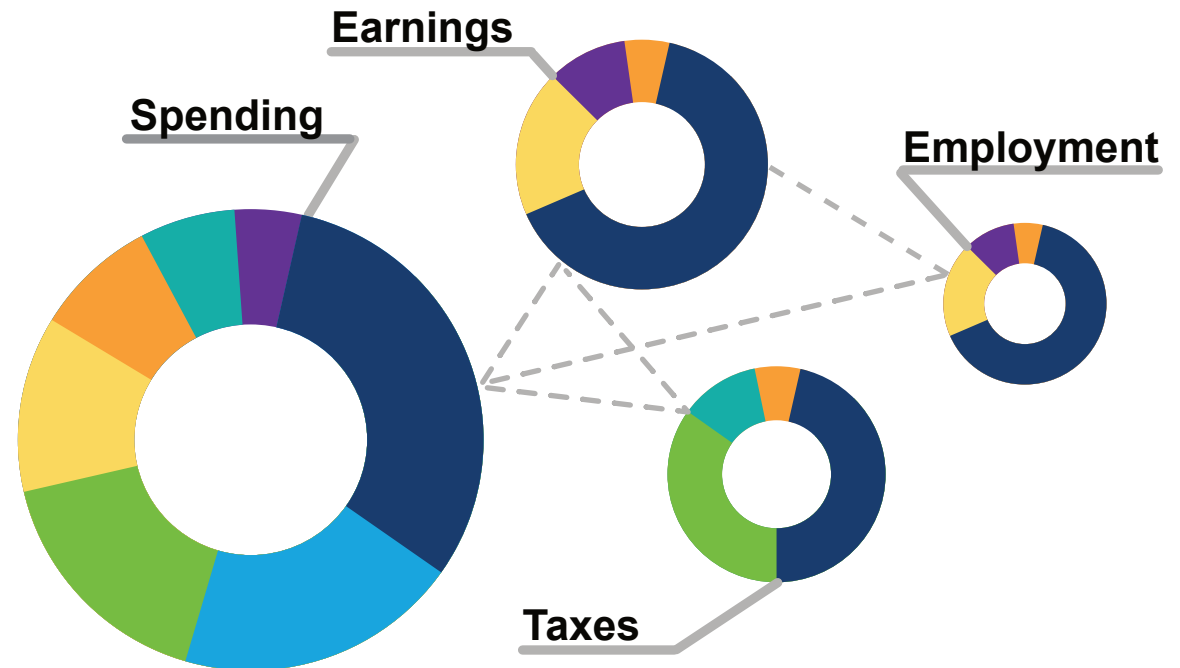


The first UCI world championship was held in 1893 in Chicago, Illinois.

The Benefits

The primary direct benefits that UCI Champs will bring to the Portland metro area consist of spending by event organizers, teams, media and spectators. Substantial additional benefits include branding and marketing visibility for Portland and Oregon as destinations, business opportunities for firms and individuals associated with the event, and the potential for future sporting events to be hosted in Portland.

The Model



Spectators are drawn to the Portland area by UCI Champs. They spend money to travel to the area and to enjoy the destination comfortably during the duration of their visit. There are also teams participating in the event, event organizers, and media. All these “visitors” are drawn to the area in some way by the event, and all are spending money that then generates earnings, taxes, and employment for Portland and its surrounding area. These impacts can further be broken out by spending and tax categories – represented by the colors in the illustration above – by using a well-specified travel industry account such as our proprietary Regional Travel Impact Model (RTIM). Our analysis estimates the amount of visitation-related spending and tracks the resulting earnings and taxes. Employment is certainly enhanced by the event, but because it is of short duration, specific employment figures in the form of “temporary jobs gained” are not reported.

Number of Spectators / Comparable Events

UCI Road Cycling World Championships

Year	Location	Spectator Attendance		Spectator Attendance Distribution		
		Unique	Total	Local	Regional	Out of Area
2015	Richmond, Virginia		645,000	44%	13%	43%
2017	Bergen, Norway	175,000	765,000	64%	24%	12%
2018	Innsbruck, Austria	220,000	586,000	47%	8%	45%
2019	Harrogate, Yorkshire	69,000	712,000	34%	20%	46%

The four UCI world championship events utilized in this analysis as comparables appear in the table above. Each is the subject of an economic study from which pertinent data are drawn. One of these events, Richmond Virginia 2015, provides data for a US event; the remaining three took place in European locations and are somewhat less comparable to the proposed Portland event. Certain data for these events are useful however for comparison purposes.



Spectators typically range from **600k-750k**



Out of Area visitors typically make up around **40% of total attendance.**

Several notes:

- Spectator attendance is in terms of person days. Person days take into account both the number of people that attend the event and the number of days each person spends in the area.
- Designation of 'local' and other regions varies to some degree between events.



Road events allow large numbers of spectators because they are not limited to seating within a racing facility.

What Are Comparable Events?

Each of the four championships referenced are international, multi-day destination events. The latter distinction is important in that most of the well known international bicycle racing events are grand tours, such as the Tour de France, a series of point-to-point races that extend over wide geography, with no specific location used for racing beyond a single day, the exception being some ancillary youth, amateur racing and other activity organized on adjacent tour days. The Champs are also road events, contrasted for example with track racing events, allowing large numbers of spectators because they are not limited to seating within a racing facility.

Number of Spectators / UCI Champs Portland

Spectator Forecast

Spectators

Spectators include local area residents and day and overnight visitors from outside the metro area. The total spectator count of 638,000 is broken into categories in the table on the following page. The attendance estimate is derived from the data for comparable events combined with a detailed review of the proposed course and estimates of spectator density by segment.

Similar to determining total spectator count, the proportion of attendance that is local at any given event in the championships can be estimated from previous UCI Championships, the day of the week, and the nature of the event. Aggregating the spectator breakouts for each event, we estimate that 46% of attendance (295,400 spectators) will be local residents, while the remaining 54% (342,600 spectators) will come from outside the Portland Metro Area.

Several notes:

- Spectator attendance is in terms of person days. Person days take into account both the number of people that attend the event and the number of days each person spends in the area.
- Visitors include Oregon residents living outside the Portland Metro Area and others from out of state, including international.
- The overnight visitor proportion is estimated from data from comparable events.

Participants and Officials

Officials includes team support, UCI officials and other ancillary people associated with conducting the event. While team members for the most part will come and stay for the duration of the event, event officials, support staff and media will stay for shorter periods, with the number growing somewhat over the duration of the event. Estimated attendance by participants and officials over the course of the event amount to 54,000 person days. A detailed breakout can be found in Figure 1 of the Appendix.

Note:

- All participants and officials are assumed to stay overnight. A high proportion of those participants and officials will make use of commercial lodging, although some may stay with friends or relatives.



Number of Spectators / UCI Champs Portland

Spectator Forecast

Day of Week	Events	Attendance	Visitors			Visitor Attendance		
			% PDX	Resident	Visitors	% Day	Day	Overnight
Fri.	Opening	8,000	80%	6,400	1,600	20%	320	1,280
Sat.	Team Time Trial training	6,000	80%	4,800	1,200	20%	240	960
Sun.	Mens and Women's Team TT's	40,000	50%	20,000	20,000	20%	4,000	16,000
Mon.	Jr Women and U23 Individual Time Trials	4,000	80%	3,200	800	20%	160	640
Tues.	Jr Men and Elite Women Individual TT's	20,000	60%	12,000	8,000	20%	1,600	6,400
Wed.	Elite Men's Individual TT	40,000	50%	20,000	20,000	20%	4,000	16,000
Thurs.	Road Race Training	10,000	80%	8,000	2,000	20%	400	1,600
Fri.	Jr Women and U23 Men Road Races	80,000	60%	48,000	32,000	20%	6,400	25,600
Sat.	Jr Men and Elite Women Road Races	200,000	40%	80,000	120,000	20%	24,000	96,000
Sun.	Men's Elite Road Race	220,000	40%	88,000	132,000	20%	26,400	105,600
Mon.	Post race activity	10,000	50%	5,000	5,000	20%	1,000	4,000
Total		638,000	46%	295,400	342,600	20%	68,520	274,080



Direct Economic Impacts / Model Assumptions

What are Direct Economic Impacts?

Direct economic impacts consist of spending, earnings and tax receipts attributed to event visitors. Spending of residents is not considered an economic impact in that it does not represent money brought into the metro area by the event.



Economic impacts signify the **injection of outside money into the local economy.**



Overnight visitors spend more than double the amount compared to day visitors

What Direct Economic Impacts are NOT:

- Indirect or induced impacts: This report does not include the ripple effects of the re-spending of travel-related receipts throughout the larger economy.
- Event-related expenditures: Spending related to organizing the event, management and breakdown, or capital improvements for roads and other infrastructure are considered expenditures, not benefits.

Average Daily Visitor Expenditures

Spending Type	Hotel, Motel	VFR	Overnight	Day
Accommodations	\$95.41	\$0.00	\$76.32	\$0.00
Food Service	\$51.58	\$13.52	\$43.97	\$33.11
Groceries	\$2.97	\$4.08	\$3.19	\$8.00
Shopping	\$15.18	\$7.01	\$13.55	\$20.30
Recreation	\$9.70	\$3.61	\$8.48	\$13.61
Gasoline	\$13.76	\$5.10	\$12.03	\$8.12
Auto Rental	\$15.10	\$0.00	\$12.08	\$0.00
Local Transportation	\$9.00	\$3.18	\$7.84	\$1.10
Air Travel	\$31.45	\$27.59	\$30.68	\$6.45
Total	\$244.16	\$64.10	\$208.15	\$90.70

Visitor expenditures, measured by average spending per person per day, are from Portland metro area visitor impact modeling conducted by Dean Runyan Associates. Figures are in terms of 2021 dollars; no projections are made based on assumed inflation by the time the event occurs due to the uncertainty of upcoming economic trends.

Note: All overnight visitors are assumed to stay at commercial lodging (hotels, motels, vacation rentals, etc.) or with friends or relatives (VFR); those who camp or stay in their second home are not captured in the analysis but the number who do so is likely not significant.

Direct Economic Impacts / UCI Champs Portland

Spending by Visitor Type

Visitor Metric	Teams, Officials, and Media	Spectators			Total
	Total	Day	Overnight	Total	
Person Days	54,000	68,520	274,080	342,600	396,600
Spending (\$/Person/Day)	\$312	\$91	\$208		
Direct Spending	\$16,848,000	\$6,235,320	\$57,008,640	\$63,243,960	\$80,091,960

Spending Breakout

Category	Overnight		Day		Total
	Percent	Amount	Percent	Amount	
Accommodations	36.7%	\$27,081,933	0.0%	\$0	\$27,081,933
Food Service	21.1%	\$15,602,349	36.5%	\$2,276,462	\$17,878,810
Groceries	1.5%	\$1,133,338	8.8%	\$550,207	\$1,683,545
Shopping	6.5%	\$4,806,308	22.4%	\$1,395,720	\$6,202,028
Recreation	4.1%	\$3,009,583	15.0%	\$935,502	\$3,945,085
Gasoline	5.8%	\$4,269,315	9.0%	\$558,569	\$4,827,883
Auto Rental	5.8%	\$4,286,228	0.0%	\$0	\$4,286,228
Local Transportation	3.8%	\$2,780,852	1.2%	\$75,735	\$2,856,587
Air Travel	14.7%	\$10,886,735	7.1%	\$443,126	\$11,329,861
Total	100.0%	\$73,856,640	100.0%	\$6,235,320	\$80,091,960



UCI Champs Portland is expected to generate \$80.1 million in visitor spending

Who's spending what?

Total spending by visiting spectators amounts to about \$63 million, with an additional \$17 million attributable to racing teams, officials, and media, for a grand total of \$80 million. The highest proportion of spending is in the Accommodations and Food Service industries, making up a combined 57.8% of total spending. Air travel is another large item, representing the economic activity at PDX associated with visitor travel.

Several Notes:

- Spending by teams, officials, and media are assumed to be 1.5 times higher than for spectators staying in commercial lodging. This extra spending is related to catering, fees, transportation, local professional services, etc.
- Expenditure distributions are those used for the Portland Metro Area travel economic impact analysis performed by Dean Runyan Associates

Direct Economic Impacts / UCI Champs Portland

Earnings and Taxes



\$30 Million in Earnings

Projected earnings as a result of UCI Champs amount to \$30.5 million. This number includes earnings that flow to employees, as well as working proprietors.



\$5 Million in Taxes

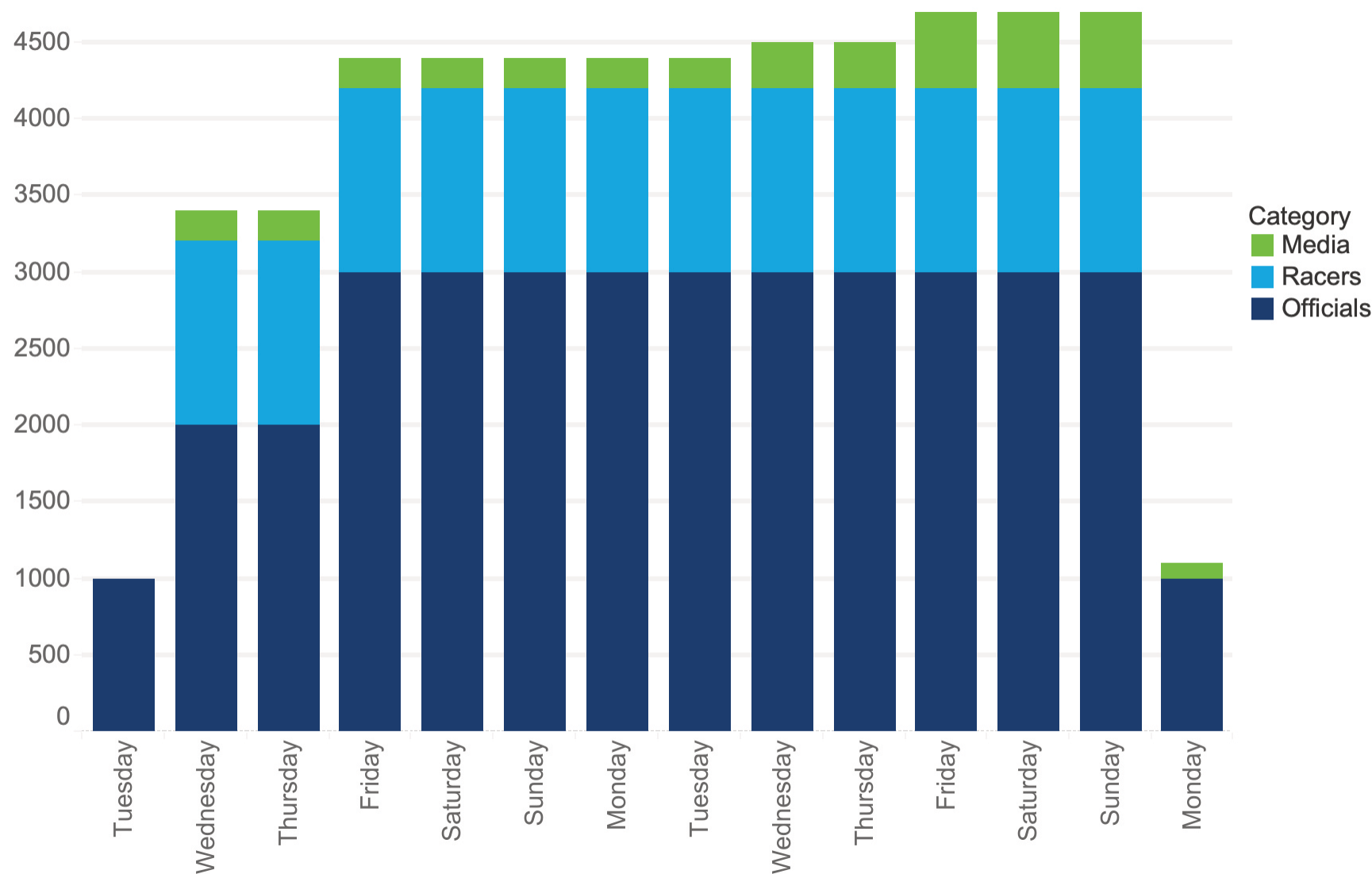
Projected state and local taxes as a result of UCI Champs amount to approximately \$5.4 million. Local taxes (\$2.7m) include lodging taxes and local levies on sales, such as for auto rental. State taxes (\$2.7m) include state fuel taxes and income taxes paid by employees.



Earnings and taxes are based off the relationship between these metrics and total visitor spending for the Portland Metro Area as of 2019.

Appendix

Figure 1: Participants and Officials Forecast



Appendix

Photo Attribution

Page 3

"2019 UCI Road World Championships - Women's Elite Road Race" by Pete Slater is licensed under CC BY-ND 2.0 via Flickr

Page 6

"2019 UCI Road World Championships - Women's Elite Road Race" by Pete Slater is licensed under CC BY-ND 2.0 via Flickr

Page 9

"File:20180927 UCI Road World Championships Innsbruck Men Juniors Road Race Remco Evenepoel 850 0526.jpg" by Granada is licensed under CC BY-SA 4.0 via Wikimedia Commons