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Presentation to City Council

Subject: Public Safety and its partnership with the Community and how it affects tourism

Introduction:

Ladies and Gentlemen of the council my name is Patrick Cechini and I am the Director of Security & Safety for the Hilton Portland & Executive Tower. I am here today on behalf of the Downtown Public Safety Advisory Committee and the Hospitality Industry.

Body:

I am here to ask the Council's support for programs that are promoting Public Safety and a sense of Tourism Surety for the community. The term of "Tourism Surety" is defined as the point where tourism security, safety, economics and reputation merge.

There are 3 areas I'd briefly like to cover with you this morning:

- **Police Bureau's "Walking Beat and the Mounted Patrol"** These programs are allowing officers from the Police Bureau to have a more unique and intimate interaction with the community and tourists in the downtown core. The walking beat is seen as an opportunity to improve relations between the Police Bureau and the city's homeless community. The Mounted Patrol continues to provide a unique experience for the tourists visiting the Portland Metro Area while still providing for their safety and security.
- **Community Assistance Programs:** For those of us who work in the field of Public Safety we recognize the need to address the larger problems affecting the community vs. simply employing incarceration. The question often asked "What can we do that hasn't already been tried before?" Recently PSAC discussed the topic of converting Multnomah County's Wapato facility to a housing and treatment center for those citizens suffering from mental illness, substance abuse or homelessness. This facility should be seen as a great opportunity for the city to provide a resource to those members of our community who are at risk and truly want and need services to turn their life around. I ask the council to support this initiative in the efforts to promote public safety to all who live, work, or visit our city.

Closing:

In closing it was estimated that in 2014 travelers spent approx. \$4.6 billion in the Portland Metro Area, generated \$1.8 billion in revenues, generated over 200 million in local and state tax dollars as well as generated over 33,000 new jobs. These figures are expected to continue to grow in the coming years. Research has shown tourists are paying more attention to their safety when traveling. Research also shows when tourists feel safe they are more inclined to spend money and are more likely to return to specific locations which benefit the local communities and its economy as a whole.

I would like to thank the council members for their time.

Economic Impacts of Travel, 2014
Portland, Oregon

May 2015

Prepared for

Travel Portland
Portland, Oregon

EXECUTIVE SUMMARY

This report provides detailed travel impact estimates for the Portland Metro area from 1991 to 2014. For purposes of this analysis, the Portland Metro area is defined as Clackamas, Multnomah and Washington counties. Almost three-fourths of travel spending and travel-generated earnings in the Portland Metro area occurs in Multnomah County. This is due to the location of Portland International Airport and the volume of business and convention travel in the county. However, the appeal of the Portland Metro area as a visitor destination is based on attractions throughout the region. With respect to employment impacts, residents of all three counties commute to work at locations throughout the metro area.

The estimates for 2014 are preliminary. These estimates were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates.¹ The estimates are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the U.S. Bureau of Economic Analysis.

- *Overview.* Visitation and travel spending in the Portland Metro area increased for the fifth year in a row and employment increased for the fourth consecutive year.
- *Spending.* Travel spending (\$4.6 billion in 2014) in the Portland Metro area increased by 5.4 percent for the year in current dollars. In real dollars, the increase was 5.0 percent.
- *Employment.* Travel-generated employment (33,800 jobs in 2014) increased by 3.0 percent for the year. The average annual rate of employment growth over the past four years has been 4.0 percent.
- *Travel Activity.* There were 8.6 million overnight person-trips to the Portland Metro area in 2014, a 0.9 percent increase over 2013. Room demand, as reported by STR, Inc, increased by 3.6 percent for the year, the same as the preceding year. Visitor air arrivals on domestic airlines were up 6.5 percent for the year, compared to a 5.0 percent increase the preceding year. Domestic visitor air travel to PDX has exceeded the average rate of growth to all U.S. airports for the past three years.

¹ The definition of "other travel" was expanded in this year's report. In previous years, "other travel" included resident air travel and ground transportation impacts to other Oregon destinations, and travel agencies (NAICS 56151). In this year's report, "other travel" also includes travel arrangement & reservation services (NAICS 5615), and convention & trade show organizers (NAICS 56192).

RECENT TRAVEL TRENDS IN THE PORTLAND METRO AREA

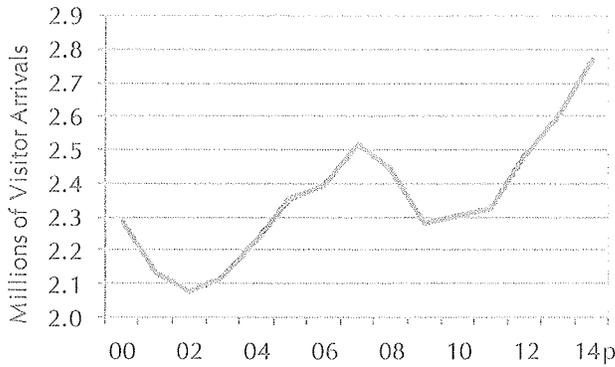
Total direct travel spending in the Portland Metro area was \$4.6 billion in 2014. This represents a 4.5 percent increase over the preceding year in current dollars. Travel-generated employment increased by 3.0 percent, the fourth consecutive year of employment growth.

Portland Metro Travel Trends, 1991-2014p

	Spending (\$Million)	Earnings (\$Million)	Employment (Thousand)	Tax Receipts (\$Million)	
				Local	State
1991	1,555	401	21.9	12.8	35.8
1992	1,715	442	22.4	15.9	40.0
1993	1,854	474	23.3	23.9	42.8
1994	1,925	499	23.8	26.1	45.0
1995	2,058	538	25.1	29.2	47.9
1996	2,228	574	26.1	32.6	49.9
1997	2,426	610	26.9	35.8	52.2
1998	2,502	630	27.3	37.6	53.1
1999	2,656	675	27.7	39.5	56.2
2000	2,853	718	28.3	46.1	60.6
2001	2,775	719	28.4	47.3	60.6
2002	2,733	702	27.8	49.4	59.0
2003	2,760	684	27.0	50.0	58.6
2004	2,911	693	27.1	52.1	63.3
2005	3,193	739	28.0	57.5	67.3
2006	3,526	795	29.2	64.0	72.3
2007	3,689	850	30.3	71.0	76.7
2008	3,821	866	31.1	73.5	78.8
2009	3,569	822	29.0	69.8	73.2
2010	3,830	857	28.9	68.8	77.0
2011	4,106	934	30.8	78.0	89.0
2012	4,300	988	31.8	84.1	92.7
2013	4,431	1,026	32.8	96.9	95.5
2014p	4,633	1,084	33.8	106.6	98.8
13-14p	4.5	5.7	3.0	10.0	3.4
91-14p	4.9	4.4	1.9	9.6	4.5

Note: Estimates for 2014p are preliminary. The percentage change for 1991-2014p refers to the average annual percentage change. Total earnings include wage and salary disbursements, other earned income and proprietor income. Employment includes full- and part-time payroll employees and self-employed.

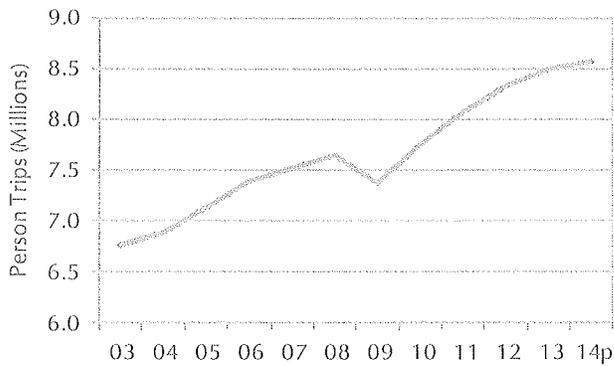
Visitor Arrivals on Domestic Flights



Visitor air arrivals to the Portland Metro area were almost 2.8 million in 2014, an annual increase of 6.5 percent. Domestic visitor air travel to PDX has exceeded the average rate of growth to all U.S. airports for the past three years.

Sources: U.S. Department of Transportation Origin and Destination Survey and Dean Runyan Associates.

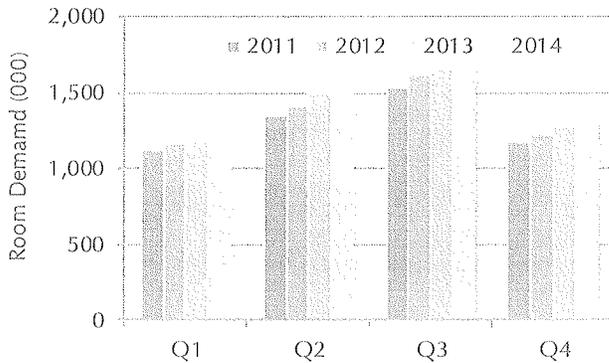
Overnight Person Trips



Overnight person trips increased by 0.9 percent from 2013 to 2014p, following a 1.9 percent increase the preceding year. (Slightly over one-half of all person trips in the metro area involve stays at the private homes of friends and relatives.)

Sources: Estimates prepared by Dean Runyan Associates from other source data. See Appendix C.

Room Demand

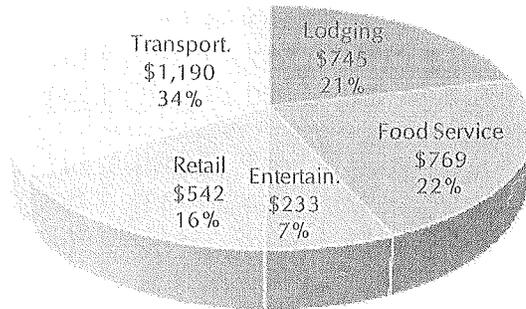


Room demand increased by 3.6 percent from 2013 to 2014, the same rate of increase as the preceding year.

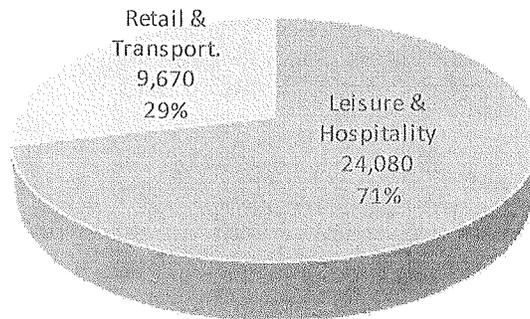
Source: STR reports prepared for Oregon Tourism Commission by STR, Inc. (The definition of the Portland region represents a close approximation of the three-county metro area used in this report.)

DETAILED TRAVEL IMPACTS

Visitor Spending by Type of Commodity
(Millions)



Travel-Generated Employment by
Industry Sector



Spending & Employment. More than one-third of all visitor spending was on air and ground transportation (including gas service) in 2014. The leisure and hospitality sector (lodging; food services; and arts, entertainment and recreation) accounted for one-half of all visitor spending.

The leisure and hospitality sector accounts for a much higher proportion of employment (71 percent) because it is more labor-intensive and service-oriented.

Arts, Entertainment & Recreation. Visitors spent \$232 million on arts, entertainment and recreation in 2014. This spending supported 3,200 jobs with earnings of \$76 million. Slightly more than one-half of this visitor spending (\$123 million) was on cultural tourism, including theater, music, and art and science exhibits. Other recreational activities (\$109 million) include cruises, tours, biking, hikes and sporting events.

Tax Revenue. Travel spending in the Portland Metro area generated \$106.6 million in local tax revenues in 2014. Local taxes include city lodging taxes, county lodging and auto rental taxes, and passenger facility charges for visitors traveling by air to Portland International airport.² Property taxes are not included. The state tax receipts generated by travel spending (\$98.8 in 2014) include the motor fuel tax, the state one-percent lodging tax and income tax revenues attributable to travel supported income of individuals and businesses.

Detailed travel impacts, overnight average spending and overnight visitor volume for the Portland Metro area are shown on the following two pages.

² The \$6 per day customer facility charge on rental cars at Portland International Airport is not included.

**Portland Metro
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	2,566	2,808	2,789	3,030	3,203	3,326	3,478
Other Travel*	959	1,013	1,041	1,076	1,097	1,105	1,155
Total Direct Spending	3,526	3,821	3,830	4,106	4,300	4,431	4,633
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	473	546	500	586	643	678	745
Food Service	533	582	613	657	704	739	769
Food Stores	112	125	124	135	141	146	152
Local Tran. & Gas	417	500	450	521	543	552	557
Cultural Tourism	106	107	107	112	118	121	123
Other Recreation	94	95	95	100	104	107	109
Retail Sales	335	332	341	361	377	386	390
Visitor Air Tran.	497	520	560	558	571	598	633
Destination Spending	2,566	2,808	2,789	3,030	3,203	3,326	3,478
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	366	418	405	452	486	513	543
Cultural Tourism	30	35	33	35	39	39	40
Other Recreation	27	31	29	31	35	34	36
Retail**	58	62	62	66	69	71	74
Ground Tran.	34	37	34	37	39	40	43
Visitor Air Tran.	85	87	93	100	101	108	114
Other Travel*	195	197	202	213	220	221	234
Total Direct Earnings	795	866	857	934	988	1,026	1,084
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	16.6	18.1	17.1	18.7	19.5	20.2	20.9
Cultural Tourism	1.5	1.6	1.5	1.6	1.6	1.6	1.7
Other Recreation	1.3	1.4	1.3	1.4	1.4	1.5	1.5
Retail**	2.4	2.4	2.3	2.5	2.5	2.6	2.6
Ground Tran.	1.4	1.4	1.2	1.3	1.3	1.3	1.4
Visitor Air Tran.	1.7	1.8	1.5	1.5	1.5	1.6	1.6
Other Travel*	4.3	4.4	3.8	3.8	3.9	3.9	4.0
Total Direct Employment	29.2	31.1	28.9	30.8	31.8	32.8	33.8
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	64.0	73.5	68.8	78.0	84.1	96.9	106.6
State Tax Receipts	72.3	78.8	77.0	89.0	92.7	95.5	98.8
Total Local & State	136.4	152.3	145.8	167.0	176.7	192.5	205.4

Details may not add to totals due to rounding.

*Other Travel includes resident air travel and ground transportation impacts for travel to other Oregon visitor destinations, travel arrangement & reservation services, and convention & trade show organizers.

**Retail includes gasoline.

SPENDING BY TYPE OF ACCOMMODATION & OVERNIGHT VISITOR VOLUME³

Direct Visitor Spending by Type of Traveler Accommodation (\$Million)

	2006	2008	2010	2011	2012	2013	2014p
All Overnight	2,127	2,367	2,345	2,544	2,695	2,803	2,943
Hotel, Motel	1,375	1,551	1,507	1,669	1,793	1,879	1,993
Private Home	714	771	797	833	858	878	904
Other Overnight	38	45	41	42	44	46	46
Campground	25	31	27	28	29	30	31
Vacation Home	12	14	14	15	15	15	16
Day Travel	440	440	444	486	508	524	535
Spending at Destination*	2,566	2,808	2,789	3,030	3,203	3,326	3,478

*Resident air travel, ground transportation spending for travel to other Oregon destinations and travel agencies not included.

Average Expenditures for Overnight Visitors, 2014p

By Type of Accommodation and Mode of Transportation

	Travel Party		Person		Party Size	Length of Stay (nights)
	Day	Trip	Day	Trip		
Hotel, Motel						
All Modes	\$462	\$1,129	\$217	\$517	2.1	2.4
Air	\$483	\$1,495	\$261	\$807	1.9	3.1
Other	\$450	\$926	\$189	\$389	2.4	2.1
Private Home						
All Modes	\$113	\$422	\$56	\$205	2.0	3.7
Air	\$130	\$727	\$74	\$414	1.8	5.6
Other	\$75	\$232	\$35	\$107	2.2	3.1
Other Overnight	\$119	\$470	\$38	\$149	3.1	4.0
All Overnight	\$231	\$735	\$111	\$343	2.1	3.2

Overnight Visitor Volume, 2012-2014p

	Person-Nights (000)			Party-Nights (000)		
	2012	2013	2014	2012	2013	2014
Hotel, Motel	8,798	9,065	9,193	4,104	4,237	4,317
Other Overnight	17,013	17,200	17,287	8,217	8,324	8,396
All Overnight	25,811	26,265	26,479	12,321	12,561	12,713

	Person-Trips (000)			Party-Trips (000)		
	2012	2013	2014	2012	2013	2014
Hotel, Motel	3,687	3,799	3,853	1,681	1,734	1,766
Other Overnight	4,649	4,699	4,723	2,198	2,225	2,241
All Overnight	8,336	8,498	8,576	3,879	3,959	4,007

³ See Appendix B for relationship between visitor volume and spending.

APPENDICES

Appendix A. Key Terms and Definitions

Appendix B. Relationship Between Spending and Volume

Appendix C. Regional Travel Impact Model

Appendix D: Travel Impact Industries Matched to 2007 NAICS

Appendix E. Recreation Activities in Portland Metro Area

KEY TERMS AND DEFINITIONS

ECONOMIC IMPACTS

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

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

Earnings: Earnings include wage and salary disbursements, other earned income or benefits, and proprietor income. Only the earnings attributable to travel expenditures are included.

Employment: Industry employment (jobs) associated with travel-generated *earnings*. Includes both full-time and part-time positions, and salaried or self-employed individuals. Employment is reported as an average for a time period, typically annual. (Unless otherwise noted, the employment estimates refer to establishment or industry employment at place of work, not the employment status or residence of the individual.)

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

Local Taxes: City and county lodging auto rental taxes. Passenger Facility Charges attributable to visitors (a fee imposed on airline tickets) who traveled by air. Property taxes are not included.

Other spending: See *Travel spending*.

Private Home: Unpaid overnight accommodations of friends and relatives.

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

State Taxes: Lodging, motor fuel, and business and personal income taxes imposed by the state of Oregon.

Travel spending: The sum of visitor and other spending related to travel. Other spending includes spending by residents on ground and air transportation for the purpose of travel to other destinations, travel arrangement & reservation services, and convention & trade show organizers.

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

VISITOR VOLUME

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

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

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

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

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

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

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

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

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

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

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

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

RELATIONSHIP BETWEEN SPENDING AND VOLUME

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

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

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

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

Average Expenditures for Overnight Visitors, YEAR

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

Overnight Visitor Volume, YEAR

	Person-Nights (000)		Party-Nights (000)	
		YEAR		YEAR
Hotel, Motel	$160 \times 2.4 =$	384		160
Private Home		1,030		412
Other Overnight		102		30
All Overnight		1,516		602

	Person-Trips (000)		Party-Trips (000)	
		YEAR		YEAR
Hotel, Motel		226		94
Private Home	$1,030 / 2.6 =$	396		158
Other Overnight		34		10
All Overnight		656		263

REGIONAL TRAVEL IMPACT MODEL

PRIMARY DATA SOURCES

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



Visitor Volume
(Travel Party Days by
Type of
Accommodation)



ECONOMIC IMPACTS OF TRAVEL

Accommodation
Sales,
Visitor Surveys,
Airmiles



Visitor Spending
(Type of
Accommodation and
Type of Commodity)



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



*Note: Receipts equals
Spending less
POS Taxes*

Business Receipts
(not reported)



Business Taxes
(Taxes on business
income or receipts)



Ratio of
Earnings to
Receipts for
relevant
Industry



Earnings
(By Industry)



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



Average
Annual
Earnings per
job for
relevant
industry



Employment
(By Industry)

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

TRAVEL IMPACT INDUSTRIES MATCHED TO NAICS

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)
Air Transportation	Scheduled Air Passenger Transportation (481111) Support Activities for Air Transportation (4881)
Other Travel	Travel Arrangement & Reservation Services (NAICS 56151) Convention and Trade Show Organizers (NAICS 56192) (Other travel also includes a portion of transportation.)

Notes: *Government enterprizes (e.g., park systems) are included in this classification.

**Includes parts of industries in other sectors (e.g., accommodation, charter bus).

A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.

RECREATIONAL ACTIVITIES IN PORTLAND METRO AREA

Cultural Tourism activities

- Museums
- Zoo
- Art Gallery
- Fair/exhibition/festival
- Historic sites
- Science exhibit
- Theater/dance/symphony/opera
- Winery/vineyard
- Microbrewery tour
- Bar/disco/nightclub (part)

Other recreational activities

- Day cruise
- Short guided tour
- Power boating/sailing
- Viewing wildlife/birds
- Professional/college sports
- Bicycling
- Golf
- Photography
- National/state park
- Hiking/backpacking
- Snow skiing
- Fishing
- Bar/disco/nightclub (part)

Source: Longwoods International Visitor Survey conducted for the Oregon Tourism Commission.

Moore-Love, Karla

From: Patrick Cechini <Patrick.Cechini@Hilton.com>
Sent: Friday, May 22, 2015 7:11 PM
To: Moore-Love, Karla
Subject: July 8th Public Comment

Good Evening,

I would like to request an opportunity to speak at the July 8th City Council meeting during public comment. I would like to discuss Public Safety and its partnership in the community. If you have any questions please let me know.

Regards

Patrick Cechini CLSD | Director of Security & Safety

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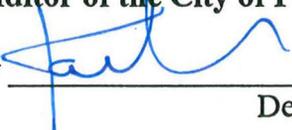
Request of Patrick Cechini to address Council regarding public safety and its partnership in the community (Communication)

JUL 15 2015

PLACED ON FILE

Filed JUL 10 2015

MARY HULL CABALLERO
Auditor of the City of Portland

By  Deputy

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Novick		
Hales		