

Report on the Economic Impacts of  
The Lane Events Center  
Eugene, Oregon

October 30, 2006

Submitted by:



**MARKIN CONSULTING ■ MAPLE GROVE, MINNESOTA**

---

LANE EVENTS CENTER  
ECONOMIC IMPACT ANALYSIS

TABLE OF CONTENTS

Section I – Executive Summary ..... 1  
     Total Estimated Annual Impact..... 1  
     Industry Impacts ..... 2  
     Sales Impacts ..... 2  
     Fiscal Impacts..... 3  
     Non-Profit Impacts ..... 3

Section II – Introduction, Approach and Methodology ..... 4  
     Introduction ..... 4  
     Approach ..... 4  
     Methodology ..... 7  
     Sales Impacts ..... 10  
     Multipliers ..... 10

Section III – Estimated Impacts of Current Operations and Annual Events..... 11  
     Summary of Operation and Annual Event Impacts..... 11  
     Estimated Impacts of Current Operations ..... 12  
     Estimated Impacts of Fair Participants..... 14  
     Estimated Impacts of Annual Events ..... 16  
     Fiscal Impacts..... 21  
     Sales Impacts ..... 22  
     Industry Impacts ..... 23  
     Non-Profit Impacts ..... 23

Exhibits

- Exhibit A – RIMS II Description
- Exhibit B – RIMS II Multipliers Used in Analysis
- Exhibit C – Sample of Event Promoter Survey Instrument
- Exhibit D – Sample of Non-Local Event Participant Survey Instrument
- Exhibit E – Sample of Lane County Exhibitor/Vendor Survey Instrument
- Exhibit F – Expenditures and Multipliers Impacts of LEC Operations
- Exhibit G – Expenditures of Non-Local Event Participants

**SECTION I – EXECUTIVE SUMMARY**

Markin Consulting was engaged to research, analyze and estimate the range of annual economic impacts to the Eugene/Lane County area as a result of the operations of the Lane Events Center facilities and events held at the Lane Events Center at the Fairgrounds. This section presents a summary of the estimated range of impacts of the Lane Events Center operations and events.

**TOTAL ESTIMATED ANNUAL IMPACTS**

The Lane Events Center at the Fairgrounds, including the Lane Ice Center and Sports Center (referred to in this report as the LEC), hosts more than 200 events and activities each year. Those events and activities appeal to a broad base of users and patrons, including local residents as well as non-local promoters, participants, delegates and exhibitors. The day-to-day operation of the LEC supports a significant level of economic activity – directly employing 21 people on a full time basis and more than 400 people on a temporary, part-time basis; with an annual operating budget of almost \$4.0 million.

The economic impacts generated by the LEC include (1) its own operational revenues and expenditures, (2) incomes of local concessionaires and (3) expenditures made by promoters and non-local participants of events held at the LEC facilities.

**Table 1**

On an annual basis, the current operations of the LEC and events held at the facilities are estimated to have a total annual economic impact to Lane County of between \$23.2 million and \$25.4 million.

Of that amount, between \$6.1 million and \$6.9 million represents wages and salaries paid to (1) employees of the LEC, (2) employees of other businesses in the area that provide goods and services to the LEC, and (3) employees of hotels, restaurants, shops, retail outlets, service stations and other businesses that serve out-of-area visitors – supporting between 612 and 725 jobs in Lane County.

Lane Events Center Estimated Total Annual Impacts			
Impact Type	Range of Impacts		
<b>Expenditure impacts</b>			
LEC Operations	\$6,130,000	to	\$6,770,000
Fair Participants	630,000	to	750,000
Annual Events	15,550,000	to	16,920,000
Interim Event Concessionaire	870,000	to	950,000
<b>Total</b>	<b><u>\$23,180,000</u></b>	<b>to</b>	<b><u>\$25,390,000</u></b>
<b>Earnings impacts</b>			
LEC Operations	\$1,840,000	to	\$2,250,000
Fair Participants	180,000	to	220,000
Annual Events	3,830,000	to	4,150,000
Interim Event Concessionaire	250,000	to	270,000
<b>Total</b>	<b><u>\$6,100,000</u></b>	<b>to</b>	<b><u>\$6,890,000</u></b>
<b>Employment impacts</b>			
LEC Operations <sup>(1)</sup>	460 jobs	to	560 jobs
Fair Participants	10 jobs	to	12 jobs
Annual Events	129 jobs	to	138 jobs
Interim Event Concessionaire	13 jobs	to	15 jobs
<b>Total</b>	<b><u>612 jobs</u></b>	<b>to</b>	<b><u>725 jobs</u></b>

<sup>(1)</sup> Represents full and part-time employees  
All dollar amounts rounded to nearest \$10,000

**INDUSTRY IMPACTS**

Excluding the operations of the LEC shown in Table 1, the annual economic impacts generated by local concessionaires, promoters and non-local event participants are estimated to range between \$17.1 million and \$18.6 million. Table 2 shows a breakdown of the range of total annual expenditure impacts, by industry, resulting from the annual events held at the Lane Events Center.

**Table 2**

As shown in the table, the motor coach industry is the most impacted, as a result of purchases made by Country Coach Rally participants of new coaches. Eating and drinking establishments and retail outlets (including gas stations) are the next most impacted industries in the local area.

Lane Events Center Total Impacts by Industry		
Industry	Range of Expenditures	
Lodging	\$1,370,000	to \$1,490,000
Eating and drinking establishments	2,500,000	to 2,740,000
Retail (including gas)	1,680,000	to 1,730,000
Business services	1,150,000	to 1,270,000
Motor coach industry	9,860,000	to 10,760,000
Households (payroll)	410,000	to 450,000
Entertainment	140,000	to 160,000
<b>Total</b>	<b>\$17,110,000</b>	<b>to \$18,600,000</b>

**SALES IMPACTS**

A number of events and activities held at the LEC generate sales revenues/income for local businesses and individuals of Lane County. While the revenues generated by these events may not be “new money” into the economy (unlike non-local participants spending money for lodging, meals and the like), they continue to provide fuel for the Lane County business community, as well as for individual proprietors and artists. Below is the estimated range of sales impacts generated by events held at the LEC.

**Table 3**

The range of estimated sales at LEC events does not reflect all of the sales made by Lane County businesses and individuals. Other events either did not return enough surveys to develop a reasonable estimate or were not included in the survey process. Consequently, the range of estimated sales by Lane County businesses and individuals is greater than shown in Table 3.<sup>1</sup>

Lane Events Center Range of Sales Generated at the Lane Events Center		
Event	Range of Sales	
Home & Garden and Improvement Show	\$12,000,000	to \$14,000,000
Good Earth Home Show	4,000,000	to 6,000,000
OR RV Show	2,000,000	to 4,000,000
All Family Boat Show	1,500,000	to 2,000,000
Saturday Holiday Market	1,400,000	to 1,500,000
Piccadilly Market	300,000	to 600,000
Holiday Farmers Market	100,000	to 100,000
Friends of the Library	80,000	to 80,000
Farmer's Market	75,000	to 75,000
HBA Builder Garage Sale	37,000	to 37,000
<b>Total</b>	<b>\$21,492,000</b>	<b>to \$28,392,000</b>

<sup>1</sup> Sales of goods and services by local exhibitors/vendors of other events, including the Oregon Logging Conference, Oregon Asian Celebration, and Emerald Bridal Fair, are not included in the range of sales shown in Table 3. Sales made by Country Coach at its annual rally are included in the amounts shown in Table 1 and Table 2.

**FISCAL IMPACTS**

On the basis of the survey responses by promoters and participants of interim events and the annual Lane County Fair, the annual direct expenditures for lodging in Lane County are estimated to range between \$900,000 and \$1,000,000. This range of expenditures represents more than 10,000 room nights for Lane County hotels and motels. Using the city/county lodging tax rate of 9.5 percent, the annual lodging taxes generated by events held at the LEC are estimated to range between \$80,000 and \$95,000. As noted, this estimate is based on survey responses and does not reflect all of the lodging expenditures made in conjunction with events held at the LEC.

**NON-PROFIT IMPACTS**

Local non-profit organizations benefit from the operation and events of the LEC in many ways. A number of non-profits sell food and beverages during the annual Lane County Fair as a fund-raising method for their organization. Others, like the Asian Council and Friends of the Library, generate funds for their respective missions through a separate event. In addition, the LEC pays stipends to numerous non-profits who volunteer time to help with events held at the LEC facilities. Following are some of the highlights of these non-profit impacts.

- The LEC pays almost \$10,000 in stipends each year to numerous non-profit organizations that provide volunteer to perform various tasks to stage the Lane County Fair.
- Five non-profit organizations generate over \$80,000 in food and beverage sales after payments to the Fair for the right to sell product at the Lane County Fair.
- The Friends of the Library Sale generates about \$80,000 each year that is used for library needs.
- The Fair Board has approved reductions in rental rates to make it financially viable for about a half dozen non-profit organizations to stage a banquet, activity or fund-raising activity at the LEC.
- The Asian Council funds 3 scholarships each year of \$800 each from the proceeds of the Oregon Asian Celebration.
- The Eugene Generals make a donation of \$2,500 to the local cancer society.

## SECTION II – INTRODUCTION, APPROACH AND METHODOLOGY

### INTRODUCTION

The Lane County Fair Board, which oversees the Lane Events Center at the Fairgrounds (the LEC), engaged Markin Consulting to conduct a study of the annual economic impacts from activities held at its facilities. The objective of the economic study was to quantify the economic benefits and activities associated with operations and events of the LEC on the Eugene/Springfield and Lane County areas.

### APPROACH

Economic impact analysis consists of identifying and quantifying economic activities that represent incremental spending within a community or region from (1) the operation of a business within the community or region and (2) the expenditures in the community or region made by businesses or persons that reside outside of the area.

Economic impacts are generally described as the amount of expenditures that occur in a defined geographic area, including subsequent re-spending of the initial expenditures. These impacts are referred to as **expenditure impacts**. A portion of the expenditure impacts is paid to local residents in the form of salaries and wages, referred to as **earnings impacts**. Similarly, the amount of earnings paid from the expenditures represent jobs to local residents – the number of jobs referred to as **employment impacts**. Lastly, certain expenditures made in the local economy by out-of-area visitors generate benefits in the form of state, local and lodging taxes – referred to as **fiscal impacts**.

In addition to the incremental impacts from the LEC operations, event promoters and out-of-County participants, a number of events held at the LEC generate sales revenues and income for businesses and individuals residing in Lane County. Examples include consumer shows and markets. For purposes of this report, these impacts are referred to as **sales impacts**.

#### **Expenditure Impacts**

The expenditure impacts of an operation like the LEC facilities consists of several components - (1) expenditures of the LEC operations, (2) expenditures by patrons/participants of events and activities held at the facilities, and (3) expenditures of sponsors/promoters of events held at the facilities. The expenditures of LEC operations consist of salaries and wages, purchases of goods and services, and capital additions. Salaries and wages include full and part time employees. Purchases of goods and services include utilities, supplies, materials, personal services and other expenditures. Capital additions include construction projects and the purchase of capital assets.

Patron/participant expenditures represent those expenditures made by persons residing outside of Lane County for lodging, food and beverage, retail purchases, transportation, entertainment and other expenditures. Expenditures of patrons/participants living within the impact area are not included because those expenditures merely reflect a redistribution of expenditures within the impact area, and they do not represent incremental impacts.

Expenditures of promoters/sponsors of events held at the facilities consist of salaries and wages to employ persons for specific events, purchases of goods and services, lodging, food and beverage purchases, retail purchases, transportation and other expenditures.

Indirect expenditures, earnings and employment are quantified through an economic phenomenon known as the multiplier. The multiplier concept, based on the input/output economic theory, recognizes that there is a continued flow of money within and outside of a given area. Money is spent in successive rounds within a community, thus creating an economic impact in excess of the original direct expenditures.

Markin Consulting used the Regional Input-Output Modeling System (RIMS II)<sup>1</sup> developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) to estimate the indirect expenditures, earnings and employment resulting from the direct expenditures. RIMS II contains multipliers for all industries listed by the BEA's four-digit Standard Industrial Classification (SIC) such as hotels and lodging places, eating and drinking establishments, retail trade, utilities, business services, amusements and household wages. The RIMS II multipliers relevant to this analysis are output, earnings and employment.

The output multiplier represents the total dollar change in output (total expenditures) that occurs for each additional dollar of output (direct expenditures). The output multiplier includes the initial direct expenditure to which the multiplier is applied, except for the household multiplier (salaries and wages). For example, an output multiplier of 1.50 for hotels and lodging places means that for each \$1.00 spent for lodging, an additional \$0.50 is spent by the lodging establishment and supporting industries (wages, goods and services, capital improvements). The \$1.00 is the direct expenditure, the \$0.50 is the indirect expenditure and \$1.50 is the total economic impact.

### **Earnings Impacts**

A part of the initial expenditures and resulting indirect impacts result in the payment of salaries and wages to local residents. As an example, out of the revenues received by LEC in operating its facilities it pays for labor costs in the form of salaries and wages, referred to as *earnings*. In addition, as a result of the expenditures of operating the facilities, a portion of those expenditures result in earnings to persons employed by utility companies, insurance companies and other businesses.

Similarly, a portion of the initial expenditures of non-local users and participants for lodging, meals and other are paid to workers in the hotel, restaurant, retail and other industries in the form of earnings. RIMS II has an earnings multiplier that is applied to the initial impacts to estimate the amount of the initial and indirect impacts that is paid out in earnings to local residents.

The earnings multiplier represents the estimated total (direct and indirect) salaries and wages that result from each additional dollar of direct expenditure. Assuming an earnings multiplier of .4226 for lodging places, for every dollar spent by tourists for lodging, just over 42 cents is paid to regional households in earnings. These earnings are paid to employees of the hotel (direct) and to employees of businesses and industries that support the lodging industry (indirect).

---

<sup>1</sup> See Exhibit A for a narrative description of the RIMS II Modeling System.

**Employment Impacts**

Similar to the earnings impacts, the RIMS II model has specific multipliers that estimate the number of jobs supported for each \$1 million of expenditures in any given industry. In the case of LEC, in addition to the number of jobs estimated to operate its current and proposed facilities, there are jobs in the local community that are supported from the operating expenditures of LEC as well as a result of the initial expenditures of non-local users and participants. These impacts are expressed in terms of the number of jobs supported.

The employment multiplier represents the number of jobs that regional industries provide, both directly and indirectly, for each \$1 million of output (direct expenditures) of a given industry. Continuing the hotel example, if the employment multiplier is 17.3, then for every \$1 million dollars spent by patrons for lodging, 17.3 jobs are required - both at the lodging facility and at industries supporting the hotel such as the utility company, telephone company, laundries, delivery services, and others.

**Fiscal Impacts**

Expenditures made by non-local users and attendees of events for lodging generate local taxes – referred to as fiscal impacts.

**Sales Impacts**

As described on page 22, a number of events and activities occur at the LEC that generate sales revenues and incomes for Lane County-based businesses and residents. For example, the Lane County Home and Garden Show, held each spring, features builders, contractors, retailers and other who generate on-site sales and leads for future sales that produce income for the exhibitors/vendors. Similarly, a number of markets held at the LEC, such as the Farmer's Market, generate revenue for the vendors of those activities.

While much of these sales and revenue amounts represent re-spending of local dollars within the area (not incremental or new spending), they do play an important role in the economic vitality of the Eugene/Springfield and Lane County area.

## METHODOLOGY

This section describes the general methodologies used to develop estimates of expenditure, earnings, employment and fiscal impacts the operations and events held at the LEC. For purposes of the study, we have divided the annual impacts into three main categories – operations of the LEC, fair impacts and non-fair event impacts.

**NOTE: For purposes of this study, the terms “local” refers to within Lane County and “non-local” refers to outside of Lane County. Though this report estimates the incremental spending by non-local participants and promoters at events held at the LEC, it does not reflect any “leakage” or dollars leaving the County resulting from the sales of products and services made by those non-local exhibitors and vendors.**

### Current Operations

As noted earlier, the existing LEC operating impacts consist of expenditures made by LEC for salaries and wages, purchases of goods and services and capital expenditures.

To identify and quantify the operating impacts of the existing LEC facilities, the following work steps were performed. The revenue results for LEC’s 2004-2005 fiscal year was provided by accounting personnel, representing the initial impacts. Using the 2004-2005 operating result of the LEC operations, LEC accounting staff adjusted out all non-cash expenditures such as depreciation and amortization, and added any capital expenditures. For payroll related expenditures, LEC accounting personnel estimated the amount of those expenditures paid to Lane County residents. For the remaining non-payroll expenditures, LEC accounting personnel developed estimates of the percentage of each expenditure account that would be spent in Lane County.

### Fair Impacts

The annual Lane County Fair is, for the most part, a local event with little new dollar impact on the economic region. However, non-local concessionaires and commercial exhibitors do participate in the Fair and spend new money for lodging, meals, transportation, retail and other items. To estimate the amount of expenditures of the non-local concessionaires and commercial exhibitors, surveys were administered during the 2006 Fair. Because an insufficient number were returned to be applied to the total population of non-local concessionaires and exhibitors, we also used the results of other studies of Fair impacts that we conducted in the Pacific Northwest region. With the combined data, we were able to make a reasonable estimate of the direct expenditures of these Fair participants.

In addition to non-local concessionaires and exhibitors, local concessionaires generate revenues from the sales of product during the Fair. To determine the amount of revenues to those concessionaires, we used the concessions report from the 2006 Fair. We deducted the amount that the local concessionaires paid to the LEC for the right to sell food and beverages at the Fair from their reported revenues so as to not double count the revenue realized by the Fair.

### Annual Events Held at LEC

More than 200 events are held at the LEC every year, many that attract participants who reside outside of Lane County and who spend money in the local economy for lodging, meals, transportation, retail purchases, entertainment and other items. These events also involve expenditures made by the event promoters to stage the event at the LEC, such as advertising, contract services, payroll, materials and other items.

For purposes of the study, we have separated the annual impacts of annual events held at the LEC into four categories – event promoters, non-local participants, ice and recreation activities and local interim event concessionaire. Following is an overview of the methods used to estimate the annual expenditure, earnings and employment impacts from annual events held at the Lane Events Center.

#### Event Promoters

To develop estimates of the direct expenditures of promoters/organizers of events and activities held at LEC, we conducted surveys of major users of the existing facilities to gather the following information – expenditures made in Lane County, by type, and the number of non-local participants/patrons. We used the results of the promoter surveys, along with similar survey results from previous impact studies, to estimate expenditures of promoters who did not respond to our survey request. Promoters of the following events provided data via the surveys:

- Good Earth Home Show
- Emerald City Bridal Show
- Home and Garden Show
- Home Improvement Show
- Farmers Market
- Holiday Farmers Market
- Saturday Market
- Alpaca Show
- Eugene Comic Book Show
- Collectors West Gun Show
- HBA Builder Garage Sale
- Friends of the Library
- Eugene Kennel Club
- All Family Boat Show
- Country Coach
- Roadster Show

Exhibit C contains a sample of the promoter survey instrument.

#### Non-Local Participants

Non-local participants at events held at the LEC include consumer and public show exhibitors and vendors, animal show exhibitors, conference and rally participants and market vendors. To develop estimates of direct expenditures of non-local participants of events held at the LEC, we conducted mail surveys of participants of select events. The events included in these surveys were:

- 2005 Emerald Classic Cluster
- 2006 Emerald City Bridal Show
- 2006 Oregon Asian Celebration
- 2006 Oregon Logging Conference
- 2006 Good Earth Home Show
- 2006 Home and Garden Show
- 2005 Home Improvement Show
- 2005 Farmers Market
- 2005 Piccadilly Flea Market
- 2005 Saturday Holiday Market
- 2005 Farmer's Market

On the basis of the number of returned and usable surveys, the margin of error, when applied to the entire population of non-local participants, is expected to range between 8 percent and 12 percent. For purposes of the study, we applied a variance of  $\pm 10$  percent.

We also surveyed promoters of the following events to gather information as to the number of non-local participants and expected length of stay in the Eugene/Springfield area.

- Collectors West Gun Show
- Eugene Comic Book show
- Alpaca Show
- Country Coach Rally
- Dog Fanciers
- Oregon Knife Collectors
- Oregon Home Crafter Show
- Gem Faire
- McKenzie Cat Show
- Sassy Katz Cat Show
- All Family Boat show
- Roadster Show

Exhibit D contains a sample of the non-local participant survey instrument.

The results of the non-local participant surveys were used to estimate the expenditures of non-local participants at all events held at the LEC during fiscal year 2005-2006, except for the Country Coach Rally. To estimate the direct expenditures made by participants at the Country Coach Rally, the results of two previous impact studies of motor coach rallies held at the Oregon State Fair and Exposition Center in 2004 and 2005 were used. Data compiled in other recent economic impact studies concerning typical spending patterns (daily expenditures) of participants at these types of events were used to assess the reasonableness of the LEC event survey results.

#### Ice and Sports Center Activities

The Ice and Sports Center facilities at the LEC host a number of events and activities that bring participants and visitors to the area, resulting in incremental spending on lodging, meals, transportation, entertainment, retail and other purchases. These activities include the University of Oregon Ducks hockey, Lane Amateur Hockey Association tournaments, Eugene Generals games, and basketball and volleyball tournaments and practices. In addition to expenditures by non-local participants, operational expenditures of the Eugene Generals and University of Oregon Ducks contribute to the economic benefits of the LEC.

Management of the Eugene Generals and Lane Amateur Hockey Association (LAHA) and representatives of the University of Oregon provided specific operational and participant data from the 2005-2006 seasons that was used to estimate the expenditure impacts of these activities. Data from previous youth hockey tournament impact studies were used to estimate the total spending by non-local hockey participants and accompanying family and friends for the LAHA tournaments. Organizers of regional basketball and volleyball activities held at the LEC provided data needed to estimate the expenditure impacts of those activities.

#### Interim Events Concessionaire

Premier Services Group, which operates the year-round concessions and catering activities for the LEC, generates revenues that are also a part of the economic engine of the LEC. Revenues of the year-round concessionaire were provided by accounting personnel of the LEC.

#### **Fiscal Impacts**

Using the resulting estimates of the promoter and participant spending on lodging in the Eugene/Springfield area and the current city/county lodging tax, the range of lodging taxes generated by the activities held at the LEC were estimated.

**SALES IMPACTS**

As a part of the survey process of event promoters and participants, local businesses, promoters and exhibitors/vendors of events held at the Lane Events Center were asked to quantify the amount of sales generated, either on-site or via lead generation, from their respective events. The results of the surveys, along with follow-up questions and analyses, enabled us to develop a range of values for the estimated annual sales generated by local businesses and individuals. Exhibit E contains a sample of the sales impacts survey instrument.

**MULTIPLIERS**

Impact multipliers for Lane County, developed by the Bureau of Economic Analysis (RIMS II), were acquired and used in the impact analysis. Exhibit B contains the multipliers for Lane County that were used in the impact analysis.

## SECTION III – ESTIMATED IMPACTS OF CURRENT OPERATIONS AND ANNUAL EVENTS

## SUMMARY OF OPERATION AND ANNUAL EVENT IMPACTS

The Lane Events Center, operating on a year round basis, is the site of more than 200 events and activities that appeal to a variety of interests of local area residents and of individuals, businesses and groups from outside of the Lane County area. The entire LEC operation employs 21 FTE's and more than 400 people on a temporary, part-time basis. In addition, expenditures are made in Lane County by the LEC operation for utilities, supplies, advertising, repairs and maintenance and other expenses.

In addition to the operations of the LEC, many events held at the facilities involve people who live outside of Lane County (non-local visitors) and who spend “new” money in the area on lodging, meals, transportation, retail purchases and other expenditures. On the basis of the 2004-2005 LEC operating results and annual events held at its facilities that attract non-local visitors to the Eugene/Springfield area, the estimated impacts associated with current operations and events are as shown in Table 4 below.

Table 4

Lane Events Center Estimated Total Annual Impacts			
Impact Type	Range of Impacts		
Expenditure impacts			
LEC Operations	\$6,130,000	to	\$6,770,000
Fair Participants	630,000	to	750,000
Annual Events	15,550,000	to	16,920,000
Interim Event Concessionaire	<u>870,000</u>	to	<u>950,000</u>
Total	<u>\$23,180,000</u>	to	<u>\$25,390,000</u>
Earnings impacts			
LEC Operations	\$1,840,000	to	\$2,250,000
Fair Participants	180,000	to	220,000
Annual Events	3,830,000	to	4,150,000
Interim Event Concessionaire	<u>250,000</u>	to	<u>270,000</u>
Total	<u>\$6,100,000</u>	to	<u>\$6,890,000</u>
Employment impacts			
LEC Operations <sup>(1)</sup>	460 jobs	to	560 jobs
Fair Participants	10 jobs	to	12 jobs
Annual Events	129 jobs	to	138 jobs
Interim Event Concessionaire	<u>13 jobs</u>	to	<u>15 jobs</u>
Total	<u>612 jobs</u>	to	<u>725 jobs</u>

<sup>(1)</sup> Represents full and part-time employees

All dollar amounts rounded to nearest \$10,000

NOTE: Earnings Impacts are that portion of the Expenditure Impacts that represent salaries and wages paid to LEC employees, event promoter labor and employees of hotels, motels, eating establishments, retail outlets, and all other businesses that provide goods and services to the LEC, hotels, restaurants, stores and other businesses. The Employment Impacts represent the number of jobs supported by the Earnings Impacts throughout the entire local economy.

## ESTIMATED IMPACTS OF CURRENT OPERATIONS

As discussed in Section II, the estimated expenditure impacts (direct and indirect) associated with operations of the existing LEC facilities are derived by adding the initial expenditure impacts to the indirect impacts of operating the facilities. The initial expenditure impacts represent the operating revenues received by LEC operations (excluding prior year carry-forwards and other non-cash items). The indirect impacts are then calculated by multiplying the operating expenditures of LEC by the appropriate RIMS II multipliers.

Exhibit F presents the detailed 2004-2005 operating expenditures (local expenditures only) for LEC. Table 5 below presents a summary of those local expenditures, along with the multipliers for each major expenditure classification detailed in Exhibit F.

Table 5

Lane Events Center 2004-2005 Local Operating Expenditures and RIMS II Multipliers				
Description	Amount Spent in Lane County	Multiplier		
		Output	Earnings	Employment
Admin Expenses	\$46,000	1.6216	0.4738	15.1345
Audit	5,000	1.7968	0.7469	29.7377
Bank charges and Interest	34,000	1.5546	0.3838	9.2820
Building and Grounds Maintenance	104,000	1.8386	0.6103	31.1413
Cash Awards	54,000	1.0294	0.3029	11.4827
Entertainment	26,000	1.8799	0.5956	20.1921
Equipment Maintenance	41,000	1.6206	0.5520	16.6613
Equipment Rental	13,000	1.4637	0.3254	8.9535
Garbage Services	16,000	1.7864	0.5174	14.8101
General Advertising	48,000	1.7219	0.5688	18.1288
Legal	22,000	1.8575	0.7920	17.9208
Materials and Supplies	122,000	1.7951	0.5691	23.4904
Medical and Life Insurance	203,000	1.9079	0.5257	14.0032
Midway Operations	16,000	1.7609	0.6076	31.3610
Photography	1,000	1.7331	0.5951	21.4908
Printing Services	24,000	1.9192	0.5044	14.2186
Professional Services	43,000	1.7517	0.6618	18.8393
Radio and Television Advertising	24,000	1.9059	0.5450	13.1493
Salaries, Wages and Labor Costs	1,080,000	1.0294	0.3029	11.4827
Security	46,000	1.7474	0.7549	35.7061
Shuttle Service	25,000	1.8257	0.6493	35.5065
Signage	5,000	1.8097	0.5396	14.7143
Supplies	44,000	1.6873	0.5154	13.1902
Telephone	22,000	1.5396	0.3767	9.7294
Utilities	<u>314,000</u>	1.4140	0.3051	6.6086
	<u>\$2,378,000</u>			

According to the 2004-2005 operating results, LEC operations generated about \$3,176,000 of revenue from facility rentals, Fair operations, concessions and other sources. For purposes of the economic impact analysis, the \$3,176,000 represents the initial impacts.

On the basis of (1) the 2004-2005 operating results, (2) the percent of operating expenditures made in Lane County and (3) the appropriate RIMS II multipliers, the direct, indirect and total impacts related to the LEC operations are as shown in Table 6.

**Table 6**

Lane Events Center Estimated Operating Impacts - Initial and Indirect			
Input Type	Expenditure Impacts	Earnings Impacts	Employment Impacts
Initial impacts	\$3,176,000	\$1,080,000	479 jobs <sup>(1)</sup>
Indirect impacts	<u>3,273,000</u>	<u>962,000</u>	<u>33 jobs</u>
Total impacts	<u>\$6,449,000</u>	<u>\$2,042,000</u>	<u>512 jobs</u>

<sup>(1)</sup> Represents full and part-time employees  
All dollar amounts rounded to nearest \$1,000

Because the economic impact of any organization fluctuates from year to year, as well as the types of expenditures, these impacts will vary and are not a specific number as presented in the above table. For purposes of this analysis, we believe a 5 percent variance is a reasonable range to assume for the LEC operations. Consequently, the estimated impacts associated with the operation of LEC are within the following ranges:

**Table 7**

Lane Events Center Estimated Operating Impacts - Initial and Indirect			
Impact Type	Range of Impacts		
Expenditure impacts	<u>\$6,130,000</u>	to	<u>\$6,770,000</u>
Earnings impacts	<u>\$1,840,000</u>	to	<u>\$2,250,000</u>
Employment impacts <sup>(1)</sup>	<u>460 jobs</u>	to	<u>560 jobs</u>

<sup>(1)</sup> Represents full and part-time employees  
All dollar amounts rounded to nearest \$10,000

**ESTIMATED IMPACTS OF FAIR PARTICIPANTS**

The annual Lane County Fair is the largest, single source of revenues and expenditures of the LEC operation. Fair patrons can visit education and public service exhibits, view agricultural and homemaking competitions, enjoy carnival rides, games and shows, see entertainers as well as local performers and choose from a variety of concession operations for food, drink and retail purchases.

In addition to revenues generated by the LEC to support its operation and employees, other activities during the annual Fair both generate and support local economic activity. These activities include the following:

- Revenue generated by locally-based concessionaires
- Expenditures made in the Lane County area by non-locally based commercial exhibitors

Local Concessionaire Operations

The gross sales of local food and beverage concessionaires accounted for about \$504,000 in revenue at the 2006 Fair, which was very close to the amount sold at the 2005 Lane County Fair. To estimate the total impact of these revenues to the Lane County area, the amounts paid to the LEC by the local Fair concessionaires are deducted from the \$504,000, because that amount is already included in the LEC revenues used to calculate the impacts of LEC operations. As a result, the local concessionaires generated about \$392,000 in net revenue, resulting in the impacts shown in the table below.

**Table 8**

Lane Events Center Estimated Impacts of Local Fair Concessionaires			
Input Type	Expenditure Impacts	Earnings Impacts	Employment Impacts
Initial impacts	\$392,400	N/A	N/A
Indirect impacts	<u>238,600</u>	<u>181,000</u>	<u>10 jobs</u>
Total impacts	<u>\$631,000</u>	<u>\$181,000</u>	<u>10 jobs</u>

Non-Local Concessionaires and Commercial Exhibitors

During the annual Lane County Fair, non-local commercial exhibitors make expenditures in the Lane County area for the purchases of goods for resale, lodging, meals, gas, repairs and employment of local persons to work for them.

To develop estimates of the expenditures of these participants in the annual Fair, we surveyed a select number of commercial exhibitors during the 2006 Fair. The results of those surveys were applied to the total population of non-local commercial exhibitors. The table below presents the estimated initial and indirect impacts to the Lane County area by these participants in 2006.

**Table 9**

Lane Events Center Estimated Impacts of Non-Local Commercial Exhibitors			
Input Type	Expenditure Impacts	Earnings Impacts	Employment Impacts
Initial impacts	\$38,400	N/A	N/A
Indirect impacts	<u>20,700</u>	<u>16,400</u>	<u>1 job</u>
Total impacts	<u>\$59,100</u>	<u>\$16,400</u>	<u>1 job</u>

The table below presents a range of the total estimated impacts of the local concessionaires and non-local commercial exhibitors at the annual Lane County Fair.

**Table 10**

Lane Events Center Estimated Fair Participant Impacts		
Impact Type	Range of Impacts	
Expenditure impacts	<u>\$620,000</u>	to <u>\$760,000</u>
Earnings impacts	<u>\$180,000</u>	to <u>\$220,000</u>
Employment impacts	<u>10 jobs</u>	to <u>12 jobs</u>

All dollar amounts rounded to nearest \$10,000

**ESTIMATED IMPACTS OF ANNUAL EVENTS**

The greatest annual economic impacts are generated by expenditures made by (1) promoters/organizers of events held at the LEC facilities and (2) out-of-town visitors who participate or attend those events and activities. The impacts of these users, participants and spectators are typically comprised of expenditures for lodging, meals, retail purchases, entertainment, transportation, materials and supplies and others.

For purposes of the impact analysis, the impacts of annual events held at the LEC were sorted into 4 categories – event promoters, event participants, Ice Center and recreation activities and local interim event concessionaire.

**Event Promoter Impacts**

Based on the results of the promoter surveys and similar data from previous impact studies, the estimated range of annual initial expenditures, by type, made by event promoters and organizers at the LEC are shown in the table below.

**Table 11**

Lane Events Center Estimated Range of Initial Expenditures of Event Promoters			
Expenditure Type	Range of Initial Expenditures		
Lodging	\$13,000	to	\$14,000
Meals	13,000	to	14,000
Transportation	17,000	to	18,000
Materials/Supplies	51,000	to	54,000
Other	465,000	to	491,000
Payroll	445,000	to	470,000
Advertising	<u>247,000</u>	to	<u>261,000</u>
Total	<u>\$1,251,000</u>	to	<u>\$1,322,000</u>

All amounts rounded to \$1,000s of dollars.

The event promoters employ 70 to 75 full and part-time employees in staging the events at the LEC. Two promoters account for the majority of event expenditures included in Table 11 – Berg Production and County Coach. Berg Productions, a Eugene-based event promoter, operates on a year-round basis, staging the Good Earth Home, Garden & Living Show, the Lane County Home & Garden Show and the Lane County Home Improvement Show. As an event promoter and business, Berg Productions spends more than \$500,000 each year to stage these events (excluding the cost of renting the LEC facilities) and employs almost 20 full-time and part-time employees.

Country Coach, a Junction City-based manufacturer of high-end motor coaches, stages an annual RV rally for owners of its products at the LEC – spending over \$300,000 for a variety of activities and entertainment.

Table 12 presents the range of total impacts resulting from the year-round event promoter expenditures shown in Table 11.

**Table 12**

Lane Events Center Estimated Event Promoter Impacts			
Impact Type	Range of Impacts		
Expenditure impacts	<u>\$1,600,000</u>	to	<u>\$1,690,000</u>
Earnings impacts	<u>\$860,000</u>	to	<u>\$910,000</u>
Employment impacts	<u>33 jobs</u>	to	<u>34 jobs</u>

All dollar amounts rounded to \$10,000s.

**Event Participant Impacts**

Table 13 below presents the estimated range of annual initial expenditures, by type, by non-local participants of events held at the LEC (excluding Ice Center and recreation events).

**Table 13**

Lane Events Center Estimated Range of Initial Expenditures by Non-Local Participants			
Expenditure Type	Range of Initial Expenditures		
Lodging	\$790,000	to	\$862,000
Meals	502,000	to	547,000
Transportation	407,000	to	444,000
Entertainment	88,000	to	96,000
Retail	319,000	to	348,000
Materials/Supplies	220,000	to	240,000
Motor coach purchases	5,500,000	to	6,000,000
Other	<u>30,000</u>	to	<u>32,000</u>
Total	<u>\$7,856,000</u>	to	<u>\$8,569,000</u>

All amounts rounded to \$1,000s of dollars.

The Country Coach rally that is held every year results in direct purchases of motor coaches by rally participants. The figure shown above represents a typical range of sales of motor coaches, though the actual amount of sales varies from year to year. Other events that contribute significantly to the new dollar expenditures shown in Table 13 are the Oregon Logging Conference, Emerald Classic Cluster Dog Show, Piccadilly Flea Market, Black Sheep Gathering and Country Coach Rally. Exhibit G presents a detailed breakdown of the estimated initial expenditures, by type, for the events included in this analysis.

Table 14 presents the total estimated range of impacts resulting from the expenditures shown in Table 13.

**Table 14**

Lane Events Center Estimated Non-Local Participant Impacts			
Impact Type	Range of Impacts		
Expenditure impacts	<u>\$13,480,000</u>	to	<u>\$14,710,000</u>
Earnings impacts	<u>\$2,840,000</u>	to	<u>\$3,100,000</u>
Employment impacts	<u>90 jobs</u>	to	<u>98 jobs</u>

All dollar amounts rounded to \$10,000s.

Ice and Sports Center Events

Expenditures in this category include the 2005-2006 seasons for the University of Oregon hockey, Eugene Generals and LAHA tournaments, as well as other sports and recreation activities held at LEC facilities. These expenditures include visiting teams, coaches and accompanying family and friends, as well as the costs of staging the hockey games and tournaments. Table 15 presents the estimated range of annual initial expenditures by the event sponsors/organizers and non-local participants for Ice Center and other sports activities held at the LEC.

**Table 15**

Lane Events Center Estimated Range of Expenditures of Ice Center/Recreation Activities			
Expenditure Type	Range of Initial Expenditures		
Lodging	\$84,000	to	\$91,000
Meals	99,000	to	108,000
Transportation	65,000	to	71,000
Entertainment	1,000	to	1,000
Retail	12,000	to	13,000
Supplies	5,000	to	5,000
Other	3,000	to	4,000
Payroll	44,000	to	48,000
Advertising	<u>11,000</u>	to	<u>12,000</u>
Total	<u>\$324,000</u>	to	<u>\$353,000</u>

All amounts rounded to \$1,000s of dollars.

Table 16 presents the total estimated range of impacts resulting from the expenditures shown in Table 15.

**Table 16**

Lane Events Center Estimated Ice/Sports Center Impacts			
Impact Type	Range of Impacts		
Expenditure impacts	<u>\$470,000</u>	to	<u>\$520,000</u>
Earnings impacts	<u>\$130,000</u>	to	<u>\$140,000</u>
Employment impacts	<u>6 jobs</u>	to	<u>6 jobs</u>

All dollar amounts rounded to \$10,000s.

All Annual Events

Table 17 presents a summary of the range of estimated annual initial expenditures, by type, of all annual events held at the LEC.

**Table 17**

Lane Events Center Estimated Range of Expenditures of Annual Events at LEC			
Expenditure Type	Range of Initial Expenditures		
Lodging	\$887,000	to	\$967,000
Meals	614,000	to	669,000
Transportation	489,000	to	533,000
Entertainment	89,000	to	97,000
Retail	331,000	to	361,000
Supplies	276,000	to	299,000
Other	498,000	to	527,000
Motor coach purchases	5,500,000	to	6,000,000
Payroll	489,000	to	518,000
Advertising	<u>258,000</u>	to	<u>273,000</u>
<b>Total</b>	<b><u>\$9,431,000</u></b>	to	<b><u>\$10,244,000</u></b>

All amounts rounded to \$1,000s of dollars.

Summary Impacts of Annual Events

On the basis of the estimated expenditures of event promoters and non-local participants, presented in the above table, and applicable RIMS II multipliers, Table 18 presents the range of total impacts associated with the annual events held at the LEC.

**Table 18**

Lane Events Center Estimated Impacts of All Annual Events			
Impact Type	Range of Impacts		
Expenditure impacts	<u>\$15,550,000</u>	to	<u>\$16,920,000</u>
Earnings impacts	<u>\$3,830,000</u>	to	<u>\$4,150,000</u>
Employment impacts	<u>129 jobs</u>	to	<u>138 jobs</u>

All dollar amounts rounded to \$10,000s.

### Local Concessionaire Operations

The Lane Events Center contracts with a local concessionaire (Premier Services Group) to provide food and beverage service (concessions and catering) during interim events held at the LEC. During fiscal year 2004-2005, the concessions and catering revenues generated by the concessionaire (after deduction for payments to the LEC for the rights to sell at the facilities), was approximately \$540,000. The table below presents the total impacts, after applying the RIMS II multipliers, for the interim event concession operations.

**Table 19**

Lane Events Center Estimated Local Concessionaire Impacts			
Impact Type	Range of Impacts		
Expenditure impacts	<u>\$870,000</u>	to	<u>\$950,000</u>
Earnings impacts	<u>\$250,000</u>	to	<u>\$270,000</u>
Employment impacts	<u>13 jobs</u>	to	<u>15 jobs</u>

All dollar amounts rounded to \$10,000s.

### FISCAL IMPACTS

On the basis of the survey responses by promoters and participants of interim events and the annual Lane County Fair, the annual direct expenditures for lodging in Lane County are estimated to range between \$900,000 and \$1,000,000. This range of expenditures represents more than 10,000 room nights for Lane County hotels and motels. Using the city/county lodging tax rate of 9.5 percent, the annual lodging taxes generated by events held at the LEC are estimated to range between \$80,000 and \$95,000. As noted, this estimate is based on survey responses and does not reflect all of the lodging expenditures made in conjunction with events held at the LEC.

**SALES IMPACTS**

A number of events and activities held at the LEC generate sales revenues/income for local businesses and individuals of Lane County. Whether it is the Lane County Home & Garden Show or Saturday Holiday Market or Country Coach Rally, all of these types of events have a majority of exhibitors/vendors from Lane County that further stimulate the local economy. While the revenues generated by these events may not be “new money” into the economy (unlike non-local participants spending money for lodging, meals and the like), they continue to provide fuel for the Lane County business community, as well as individual proprietors and artists.

On the basis of survey results of promoters and participants of events held at the LEC, as well as additional follow-up questions and analyses, we obtained sufficient data to develop a range of values for the estimated sales generated by local businesses and individuals through events held at the LEC. Some events and activities yielded an inadequate number of survey responses to include in this estimate. Consequently, the estimated range of sales generated through events held at the LEC, shown in Table 20, is considered a conservative range of estimate.

**Table 20**

Lane Events Center		
Range of Sales Generated at the Lane Events Center		
Event	Range of Sales	
Home & Garden and Improvement Show	\$12,000,000	to \$14,000,000
Good Earth Home Show	4,000,000	to 6,000,000
OR RV Show	2,000,000	to 4,000,000
All Family Boat Show	1,500,000	to 2,000,000
Saturday Holiday Market	1,400,000	to 1,500,000
Piccadilly Market	300,000	to 600,000
Holiday Farmers Market	100,000	to 100,000
Friends of the Library	80,000	to 80,000
Farmer's Market	75,000	to 75,000
HBA Builder Garage Sale	<u>37,000</u>	to <u>37,000</u>
Total	<u>\$21,492,000</u>	to <u>\$28,392,000</u>

The range of estimated sales at LEC events shown in Table 20 does not reflect all of the sales made by Lane County businesses and individuals. Other events, including the Oregon Logging Conference, Emerald Bridal Fair, Oregon Asian Celebration and a number of others, either did not return enough surveys to develop a reasonable estimate or were not included in the survey process. Consequently, the range of estimated sales by Lane County businesses and individuals is greater than shown in the above table.

**INDUSTRY IMPACTS**

Table 21 shows a breakdown of the range of total annual expenditure impacts, by industry, resulting from the annual events held at the Lane Events Center.

**Table 21**

Lane Events Center Total Impacts by Industry		
Industry	Range of Expenditures	
Lodging	\$1,370,000	\$1,490,000
Eating and drinking establishments	2,500,000	2,740,000
Retail (including gas)	1,680,000	1,730,000
Business services	1,150,000	1,270,000
Motor coach industry	9,860,000	10,760,000
Households (payroll)	410,000	450,000
Entertainment	<u>140,000</u>	<u>160,000</u>
Total	<u>\$17,110,000</u>	<u>\$18,600,000</u>

As shown in the table, the motor coach industry is the most impacted, due to the purchases made by Country Coach Rally participants of new coaches. Eating and drinking establishments and retail outlets (including gas stations) are the next most impacted industries in the local area.

**NON-PROFIT IMPACTS**

Local non-profit organizations benefit from the operation and events of the LEC in numerous ways. A number of non-profits sell food and beverages during the annual Lane County Fair as a fund-raising method for their organization. Others, like the Oregon Asian Celebration and Friends of the Library, generate funds for their respective missions through a separate event. In addition, the LEC pays stipends to numerous non-profits who volunteer time to help with events held at the LEC facilities. Following are some of the highlights of these non-profit impacts.

- The LEC pays almost \$10,000 in stipends each year to numerous non-profit organizations that provide volunteer to perform various tasks to stage the Lane County Fair.
- Five non-profit organizations generate over \$80,000 in food and beverage sales after payments to the Fair for the right to sell product at the Lane County Fair.
- The Friends of the Library Sale generates about \$80,000 each year that is used for library needs.
- The Fair Board has approved reductions in rental rates to make it financially viable for about a half dozen non-profit organizations to stage a banquet, activity or fund-raising activity at the LEC.
- The Asian Council funds 3 scholarships each year of \$800 each from the proceeds of the Oregon Asian Celebration.
- The Eugene Generals make a donation of \$2,500 to the local cancer society.

# **Exhibits**

# RIMS II:

## A Brief Description of Regional Multipliers from the Regional Input-Output Modeling System

---

### OVERVIEW

Effective planning for public and private-sector projects and programs at the State and local levels requires a systematic analysis of the economic impacts of these projects and programs on affected regions. A systematic analysis of economic impacts, in turn, must account for the inter-industry relationships within a region because these relationships largely determine how the regional economy will respond to project and program changes. Thus, regional input-output (I-O) multipliers, which account for inter-industry relationships within regions, are useful tools for conducting regional economic impact analysis.

In the mid-1970's, the Bureau of Economic Analysis (BEA) developed a method for estimating regional I-O multipliers known as RIMS (Regional Industrial Multiplier System), which was based on the work of Garnick and Drake.<sup>/1/</sup> In the mid-1980's, BEA completed an enhancement of RIMS, known as RIMS II (Regional Input-Output Modeling System), and published a handbook for RIMS II users.<sup>/2/</sup> In 1992, BEA published a second edition of the handbook, in which the multipliers were based on more recent data and improved methodology. Now, BEA is making available a third edition of the handbook, which provides more detail on the use of the multipliers and on the data sources and methods for estimating them.

RIMS II is based on an accounting framework called an I-O table, which shows, for each industry, the industrial distribution of inputs purchased and the output sold. A typical I-O table in RIMS II is derived mainly from two data sources: (1) BEA's national I-O table, which shows the input and output structure of more than 500 U.S. industries, and (2) BEA's four-digit Standard Industrial Classification (SIC) county wage-and-salary data, which is used to adjust the national I-O table to show a region's industrial structure and trading patterns.<sup>/3/</sup>

Using RIMS II, multipliers can be estimated for any region composed of one or more counties and for any industry in the national I-O table. The accessibility of the main data sources for RIMS II keeps the cost of estimating regional multipliers relatively low. Empirical tests show that estimates based on relatively expensive surveys and RIMS II-based estimates are similar in magnitude. Moreover, RIMS II easily can incorporate project-specific data supplied by users; such data can improve the accuracy of the multiplier estimates.<sup>/4/</sup>

I-O multipliers from RIMS II can be used to estimate the impacts of project and program expenditures by industry on regional output (gross receipts or sales), earnings (the sum of wages and salaries, proprietors' income, and other labor income, less employer contributions to private pension and welfare funds), and employment (number of jobs). In the public sector, Federal, State, and local planners and analysts use RIMS II to estimate regional impacts. For example, the Department of Defense uses RIMS II to estimate the regional impacts of changes in defense expenditures; and the New York State Energy Office uses RIMS II to estimate the regional impacts of energy policies, ranging from the construction of facilities to energy conservation. Private-sector analysts, consultants, and economic development practitioners use RIMS II to estimate the regional impacts of a variety of projects, ranging from offshore drilling to the construction of transportation facilities.

## **RIMS II METHODOLOGY**

RIMS II uses BEA's national I-O table, which shows the input and output structure for approximately 500 industries. Since a particular region may not contain all the industries found at the national level, some direct input requirements cannot be supplied by that region's industries. Input requirements that are not produced in a study region are identified using BEA's four-digit SIC county wage-and-salary data. (Currently, data for 1995 are used.)

The RIMS II method for estimating regional I-O multipliers can be viewed as a three-step process. In the first step, the producer portion of the national I-O table is made region-specific by using four-digit SIC location quotients (LQ's). The LQ's estimate the extent to which input requirements are supplied by firms within the region. RIMS II uses LQ's based on two types of data: BEA's personal income data, by place of residence, are used to calculate LQ's in the service industries; and BEA's wage-and-salary data, by place of work, are used to calculate LQ's in the nonservice industries.

In the second step, the household row and the household column from the national I-O table are made region-specific. The household row coefficients, which are derived from the value-added row of the national I-O table, are adjusted to reflect regional earnings leakage resulting from individuals working in the region but residing outside the region. The household column coefficients, which are based on the personal consumption expenditure column of the national I-O table, are adjusted to account for regional consumption leakage stemming from personal taxes and savings.

In the last step, the Leontief inversion approach is used to estimate multipliers. This inversion approach produces output, earnings, and employment multipliers, which can be used to trace the impacts of changes in final demand on directly and indirectly affected industries.

## **ACCURACY OF RIMS II**

Empirical tests indicate that RIMS II yields multipliers that are not substantially different in magnitude from those generated by regional I-O models based on relatively expensive surveys. For example, a comparison of 224 industry-specific multipliers from survey-based tables for Texas, Washington, and West Virginia indicates that the RIMS II average multipliers overestimate the average multipliers from the survey-based tables by approximately 5 percent. For the majority of individual industry-specific multipliers, the difference between RIMS II and survey-based multipliers is less than 10 percent. In addition, RIMS II and survey multipliers show statistically similar distributions of affected industries.

## **ADVANTAGES OF RIMS II**

There are numerous advantages to using RIMS II. First, the accessibility of the main data sources makes it possible to estimate regional multipliers without conducting relatively expensive surveys. Second, the level of industrial detail used in RIMS II helps avoid aggregation errors, which often occur when industries are combined. Third, RIMS II multipliers can be compared across areas because they are based on a consistent set of estimating procedures nationwide. Fourth, RIMS II multipliers are updated to reflect the most recent local-area wage-and-salary and personal income data.

## **APPLICATIONS OF RIMS II**

RIMS II multipliers can be used in a wide variety of impact studies. For example, the U.S. Nuclear Regulatory Commission has used RIMS II multipliers in environmental impact statements required for licensing nuclear electricity-generating facilities. The U.S. Department of Housing and Urban Development has used RIMS II multipliers to estimate the impacts of various types of urban redevelopment expenditures. In addition, BEA has provided RIMS II multipliers to numerous individuals and groups outside the Federal Government. RIMS II multipliers have been used to estimate the regional economic and industrial impacts of the following: opening or closing military bases, hypothetical nuclear reactor accidents, tourist expenditures, new energy facilities, energy conservation, offshore drilling, opening or closing manufacturing plants, and new airport or port facilities.

1. See Daniel H. Garnick, "Differential Regional Multiplier Models," *Journal of Regional Science* 10 (February 1970): 35-47; and Ronald L. Drake, "A Short-Cut to Estimates of Regional Input-Output Multipliers," *International Regional Science Review* 1 (Fall 1976): 1-17.

2. See U.S. Department of Commerce, Bureau of Economic Analysis, *Regional Input-Output Modeling System (RIMS II): Estimation, Evaluation, and Application of a Disaggregated Regional Impact Model* (Washington, DC: U.S. Government Printing Office, 1981). Available from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161; order no. PB-82-168-865; price \$26.

3. See U.S. Department of Commerce, Bureau of Economic Analysis, *The Detailed Input-Output Structure of the U.S. Economy, Volume II* (Washington, DC: U.S. Government Printing Office, November 1994); and U.S. Department of Commerce, Bureau of Economic Analysis, *State Personal Income, 1929-93* (Washington, DC: U.S. Government Printing Office, June 1995).

4. See U.S. Department of Commerce, *Regional Input-Output Modeling System (RIMS II)*, chapter 5. Also see Sharon M. Brucker, Steven E. Hastings, and William R. Latham III, "The Variation of Estimated Impacts from Five Regional Input-Output Models," *International Regional Science Review* 13 (1990): 119-39.

## RIMS II MULTIPLIERS USED IN ANALYSIS

Markin Consulting used the Regional Input-Output Modeling System (RIMS II) developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) to estimate the indirect expenditures, earnings and employment resulting from the direct expenditures. RIMS II contains multipliers for all industries listed by the BEA's four-digit Standard Industrial Classification (SIC) such as hotels and lodging places, eating and drinking establishments, retail trade, utilities, business services, amusements and household wages. The RIMS II multipliers relevant to this analysis are output, earnings and employment. The multipliers used in this analysis are shown in the table below.

Evergreen State Fair				
RIMS II Multipliers Used in Economic Impact Analysis				
RIMS II Category #	Industry	Multipliers		
		Output	Earnings	Employment
<u>Multipliers Used for Operations</u>				
6	Utilities	1.4140	0.3051	6.6086
47	Professional, scientific, and technical services	1.7517	0.6618	18.8393
60	Households	1.0294	0.3029	11.4827
32311A	Printing services	1.9192	0.5044	14.2186
339950	Signage	1.8097	0.5396	14.7143
420000	Wholesale trade	1.6873	0.5154	13.1902
4A0000	Retail trade	1.5208	0.4006	16.9910
485A00	Transportation services	1.8257	0.6493	35.5065
522A00	Banking services	1.5546	0.3838	9.2820
524200	Insurance agencies	1.6019	0.5071	14.5874
524100	Insurance carriers	1.9192	0.5264	13.9825
513100	Television and radio advertising	1.9059	0.5450	13.1493
513300	Telecommunications	1.5396	0.3767	9.7294
532400	Machinery and equipment rental and leasing	1.4637	0.3254	8.9535
541800	Advertising and related services	1.7219	0.5688	18.1288
562000	Waste management	1.7864	0.5174	14.8101
713A00	Other amusement operations	1.7609	0.6076	31.3610
711500	Independent artists and performers	1.8799	0.5956	20.1921
561600	Security services	1.7474	0.7549	35.7061
811300	Commercial machinery repair and maintenance	1.6206	0.5520	16.6613
<u>Multipliers Used for Fair, Interim Events and Activities</u>				
28	Retail Trade	1.5173	0.3971	16.6780
57	Accommodation	1.5200	0.4226	16.8740
58	Food services and drinking places	1.6078	0.4622	24.9250
60	Households	0.8477	0.1946	7.2426
336213	Motor home manufacturing	1.7922	0.3355	8.4038
541800	Advertising and related services	1.5160	0.4253	11.9590
561400	Business support services	1.4642	0.3834	16.8550
811300	Commercial machinery repair and maintenance	1.4812	0.4365	13.2080
713A00	Other amusement, gambling, and recreation industries	1.5390	0.4453	19.7700

Source: Bureau of Economic Analysis, US Department of Commerce

Lane Events Center -- Economic Impact Survey

Event Promoter/Organizer Survey

Please take a few minutes to complete this form as best as possible and fax it to Markin Consulting at 763-322-5013. An alternative is to go to the following web site and fill it out on-line: [www.markinconsulting.com/LEC\\_PromoterSurvey.htm](http://www.markinconsulting.com/LEC_PromoterSurvey.htm). Providing this information will be of great value to our efforts in improving the quality of facilities and services at the Lane Events Center. We appreciate your help in this matter.

Event Name: \_\_\_\_\_

Event Contact Person: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Event Information**

Dates of Event: \_\_\_\_\_

<u>Number of Exhibitors</u>	<u>Number</u>	<u>% of Total</u>
Total Exhibitors/Vendors	_____	100%
Non-Lane County Area Exhibitors/Vendors	_____	_____%

Estimated Attendance \_\_\_\_\_

**Amount of Dollars Spent By Promoter/Sponsor in Lane County Area for:**

Lodging	\$ _____
Meals	\$ _____
Transportation	\$ _____
Local payroll, if any	\$ _____
Number employed	_____
Advertising, if any	\$ _____
Materials and supplies	\$ _____
Other	\$ _____
	_____

Number of Days in Eugene Area \_\_\_\_\_

# [EVENT NAME]

## Lane Events Center — Economic Impact Survey

Please take a few minutes to complete this form as best as possible and return it in the enclosed envelope. Providing this information will be of great value to efforts to improve the quality of facilities and services at the Lane Events Center for this event. We appreciate your help in this matter.

City of Residence: \_\_\_\_\_

State of Residence \_\_\_\_\_

**Event Information**

Number of Days in Eugene Area \_\_\_\_\_

Number of Persons Traveling with You (include yourself) <sup>1</sup> \_\_\_\_\_

**Estimated Amount of Dollars Spent by Your Party in the Eugene Area for:**

Lodging \$ \_\_\_\_\_

Restaurant Meals, not at Lane Events Center \$ \_\_\_\_\_

Transportation (gas, oil, etc.) \$ \_\_\_\_\_

Entertainment \$ \_\_\_\_\_

Retail Purchases, not at Lane Events Center \$ \_\_\_\_\_

Materials and Supplies \$ \_\_\_\_\_

Other (Describe) \$ \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please return in the enclosed envelope by [Date].

<sup>1</sup> Include only the number of people in your party/family that you were financially responsible for.

[Lane Events Center Event]

Lane Events Center — Economic Impact Survey

Please take a few minutes to complete this form as best as possible and return it in the enclosed envelope. Providing this information will be of great value to efforts to improve the quality of facilities and services at the Lane Events Center for this event. We appreciate your help in this matter.

City of Business/Residence: \_\_\_\_\_

State of Business/Residence \_\_\_\_\_

**Estimated amount of total sales (on site and lead generated)  
from this event** \$ \_\_\_\_\_

**Please return in the enclosed envelope by June 15, 2006.**

Lane Events Center Operational Impacts Analysis								
RIMS II Multiplier #	Description	Amount Spent in Lane County	Multiplier			Results		
			Output	Earnings	Jobs	Expenditures	Earnings	Employment
6	Utilities - Ice Center	105,276.53	1.4140	0.3051	6.6086	148,861	32,120	0.7
6	Utilities - Other Buildings	97,276.98	1.4140	0.3051	6.6086	137,550	29,679	0.6
6	Utilities-Convention Center	102,766.81	1.4140	0.3051	6.6086	145,312	31,354	0.7
6	Utilities-Livestock Arena/Stal	8,768.56	1.4140	0.3051	6.6086	12,399	2,675	0.1
47	FAIR Professional Services	14,164.27	1.7517	0.6618	18.8393	24,812	9,374	0.3
47	Professional Services	28,600.00	1.7517	0.6618	18.8393	50,099	18,927	0.5
60	Salaries and Wages	800,772.70	1.0294	0.3029	11.4827	824,315	242,554	9.2
60	Time Management Expense	30,637.20	1.0294	0.3029	11.4827	31,538	9,280	0.4
60	Recreation Contract Labor	4,782.00	1.0294	0.3029	11.4827	4,923	1,448	0.1
60	FAIR Exhibits Staff Contract	1,787.50	1.0294	0.3029	11.4827	1,840	541	0.0
60	FAIR Dept Clerks Contract	25,797.02	1.0294	0.3029	11.4827	26,555	7,814	0.3
60	Ice Center - Instructors	30,554.14	1.0294	0.3029	11.4827	31,452	9,255	0.4
60	FAIR Judges	4,185.00	1.0294	0.3029	11.4827	4,308	1,268	0.0
60	FAIR Superintendents	16,157.20	1.0294	0.3029	11.4827	16,632	4,894	0.2
60	FAIR Cash Awards	54,475.50	1.0294	0.3029	11.4827	56,077	16,501	0.6
60	FAIR Contract Labor	8,920.65	1.0294	0.3029	11.4827	9,183	2,702	0.1
60	FAIR Ice/Concert Staff - Contr	2,647.40	1.0294	0.3029	11.4827	2,725	802	0.0
60	FAIR Operations - Contract	39,971.85	1.0294	0.3029	11.4827	41,147	12,107	0.5
60	FAIR Parking Staff - Contract	10,184.35	1.0294	0.3029	11.4827	10,484	3,085	0.1
60	FAIR Gatekeepers - Contract	13,585.42	1.0294	0.3029	11.4827	13,985	4,115	0.2
60	FAIR Main Office Clerks-Contr	989.93	1.0294	0.3029	11.4827	1,019	300	0.0
60	Ice Arena Contract Labor	10,100.00	1.0294	0.3029	11.4827	10,397	3,059	0.1
60	Event Ops Contract Labor	36,497.46	1.0294	0.3029	11.4827	37,570	11,055	0.4
60	FAIR Electrician	30,443.26	1.0294	0.3029	11.4827	31,338	9,221	0.3
60	FAIR Grounds Sweep	6,110.33	1.0294	0.3029	11.4827	6,290	1,851	0.1
60	P/R Mktg Contract Labor	5,502.89	1.0294	0.3029	11.4827	5,665	1,667	0.1
339950	FAIR Graphic Design/Sign/Banner	1,836.60	1.8097	0.5396	14.7143	3,324	991	0.0
339950	FAIR Signage	2,972.76	1.8097	0.5396	14.7143	5,380	1,604	0.0
420000	FAIR Admission Ticket Stock	3,034.43	1.6873	0.5154	13.1902	5,120	1,564	0.0
420000	FAIR Staff Shirts/Hats	1,266.20	1.6873	0.5154	13.1902	2,136	653	0.0
420000	Ice - Concessions Supplies	21,810.83	1.6873	0.5154	13.1902	36,801	11,241	0.3
420000	General Office Supplies/Rental	17,652.31	1.6873	0.5154	13.1902	29,785	9,098	0.2
513100	FAIR Radio Advertising	10,397.00	1.9059	0.5450	13.1493	19,816	5,666	0.1
513100	FAIR TV Advertising	13,860.00	1.9059	0.5450	13.1493	26,416	7,554	0.2
513300	FAIR Telephone/Utilities	166.99	1.5396	0.3767	9.7294	257	63	0.0
513300	Telephone	21,754.79	1.5396	0.3767	9.7294	33,494	8,195	0.2
524100	Medical Insurance Expense	195,836.30	1.9192	0.5264	13.9825	375,849	103,088	2.7
524200	Life and Disability Insurance	7,155.17	1.6019	0.5071	14.5874	11,462	3,628	0.1
532400	FAIR Equipment Rental	10,901.97	1.4637	0.3254	8.9535	15,957	3,548	0.1
532400	Equipment Rental	2,098.79	1.4637	0.3254	8.9535	3,072	683	0.0
541100	Legal	21,588.12	1.8575	0.7920	17.9208	40,100	17,098	0.4
541200	Audit	5,250.00	1.7968	0.7469	29.7377	9,433	3,921	0.2
541800	FAIR Advertising	7,628.35	1.7219	0.5688	18.1288	13,135	4,339	0.1
541800	FAIR Misc Advertising & PR	1,347.04	1.7219	0.5688	18.1288	2,319	766	0.0
541800	Ice Center - Advertising	6,790.33	1.7219	0.5688	18.1288	11,692	3,862	0.1
541800	Convention Mktg.Prof.Svcs.	1,445.80	1.7219	0.5688	18.1288	2,490	822	0.0
541800	Ice Ctr.Mktg.Prof.Svcs.	1,738.70	1.7219	0.5688	18.1288	2,994	989	0.0
541800	Convention Advertising	5,810.81	1.7219	0.5688	18.1288	10,006	3,305	0.1
541800	General Advertising	23,018.30	1.7219	0.5688	18.1288	39,635	13,093	0.4
541920	FAIR Photography	1,482.50	1.7331	0.5951	21.4908	2,569	882	0.0
561600	FAIR T Shirt Security	20,505.19	1.7474	0.7549	35.7061	35,831	15,479	0.7
561600	FAIR Law Enforcement	19,945.60	1.7474	0.7549	35.7061	34,853	15,057	0.7
561600	Safety Expense	2,879.76	1.7474	0.7549	35.7061	5,032	2,174	0.1
561600	Security	3,017.26	1.7474	0.7549	35.7061	5,272	2,278	0.1
561700	General Maint Materials/Supply	13,438.89	1.8386	0.6103	31.1413	24,709	8,202	0.4
561700	Grounds Maintenance	67,776.70	1.8386	0.6103	31.1413	124,614	41,364	2.1
561700	Grounds Maintenance-Sweeping	6,280.79	1.8386	0.6103	31.1413	11,548	3,833	0.2
561700	Grounds Maintenance - Other	16,468.66	1.8386	0.6103	31.1413	30,279	10,051	0.5
561900	Other Admin Expense	46,143.53	1.6216	0.4738	15.1345	74,826	21,863	0.7

Lane Events Center Operational Impacts Analysis								
RIMS II Multiplier #	Description	Amount Spent in Lane County	Multiplier			Results		
			Output	Earnings	Jobs	Expenditures	Earnings	Employment
562000	Garbage - FAIR	7,829.01	1.7864	0.5174	14.8101	13,986	4,051	0.1
562000	Garbage-Livestock Arena/Stalls	2,241.13	1.7864	0.5174	14.8101	4,004	1,160	0.0
562000	Garbage - General	6,427.56	1.7864	0.5174	14.8101	11,482	3,326	0.1
711500	FAIR Headliner Entertainment	14,033.57	1.8799	0.5956	20.1921	26,382	8,358	0.3
711500	FAIR Grounds Entertainment	2,305.75	1.8799	0.5956	20.1921	4,335	1,373	0.0
711500	FAIR Kids Park	6,742.70	1.8799	0.5956	20.1921	12,676	4,016	0.1
711500	FAIR Misc Entertainment	2,888.34	1.8799	0.5956	20.1921	5,430	1,720	0.1
811300	Equipment Maintenance	21,981.12	1.6206	0.5520	16.6613	35,623	12,134	0.4
811300	Ice Center -Equip Repair/Maint	19,450.76	1.6206	0.5520	16.6613	31,522	10,737	0.3
32311A	FAIR Handbook Printing	4,777.30	1.9192	0.5044	14.2186	9,169	2,410	0.1
32311A	Fair Printing	18,582.42	1.9192	0.5044	14.2186	35,663	9,373	0.3
32311A	Ice Ctr.Mktg.Printing	116.00	1.9192	0.5044	14.2186	223	59	0.0
32311A	Convention Mktg.Printing	199.00	1.9192	0.5044	14.2186	382	100	0.0
485A00	FAIR Shuttle Service	24,724.45	1.8257	0.6493	35.5065	45,139	16,054	0.9
4A0000	Recreation Supplies	54.87	1.7951	0.5691	23.4904	98	31	0.0
4A0000	Other Recreation Expense	6,272.54	1.7951	0.5691	23.4904	11,260	3,570	0.1
4A0000	FAIR Exhibits Supplies	1,592.10	1.7951	0.5691	23.4904	2,858	906	0.0
4A0000	FAIR Ribbons/Trophies	3,905.77	1.7951	0.5691	23.4904	7,011	2,223	0.1
4A0000	FAIR Straw/Shavings	5,329.50	1.7951	0.5691	23.4904	9,567	3,033	0.1
4A0000	FAIR Miscellaneous	966.86	1.7951	0.5691	23.4904	1,736	550	0.0
4A0000	FAIR Materials/Supplies	13,643.04	1.7951	0.5691	23.4904	24,491	7,764	0.3
4A0000	FAIR Office Supplies	1,769.49	1.7951	0.5691	23.4904	3,176	1,007	0.0
4A0000	FAIR Miscellaneous	17,982.65	1.7951	0.5691	23.4904	32,281	10,234	0.4
4A0000	Convention Center Supplies	9,652.36	1.7951	0.5691	23.4904	17,327	5,493	0.2
4A0000	Convention Center Other	9,206.86	1.7951	0.5691	23.4904	16,527	5,240	0.2
4A0000	Livestock Arena Supplies	1,777.44	1.7951	0.5691	23.4904	3,191	1,012	0.0
4A0000	Livestock Arena Other	1,329.49	1.7951	0.5691	23.4904	2,387	757	0.0
4A0000	Ice Center - Program Supplies	25,692.50	1.7951	0.5691	23.4904	46,121	14,622	0.6
4A0000	Ice Center - Office Supplies	119.35	1.7951	0.5691	23.4904	214	68	0.0
4A0000	Ice Center-Misc Material Suppl	8,091.27	1.7951	0.5691	23.4904	14,525	4,605	0.2
4A0000	Other Buildings Supplies	3,569.76	1.7951	0.5691	23.4904	6,408	2,032	0.1
4A0000	Other Buildings Other	11,079.01	1.7951	0.5691	23.4904	19,888	6,305	0.3
522A00	Bank Card Charges	816.64	1.5546	0.3838	9.2820	1,270	313	0.0
522A00	Bank Card Charges	1,558.42	1.5546	0.3838	9.2820	2,423	598	0.0
522A00	Bank Fees	163.15	1.5546	0.3838	9.2820	254	63	0.0
522A00	Interest Expense- Notes	31,953.91	1.5546	0.3838	9.2820	49,676	12,264	0.3
713A00	FAIR Midway Operation	<u>15,500.00</u>	<u>1.7609</u>	<u>0.6076</u>	<u>31.3610</u>	<u>27,294</u>	<u>9,418</u>	<u>0.5</u>
		<u>2,378,581.51</u>				3,272,677	961,579	33.4
				Inputs		<u>3,176,060</u>	<u>1,079,626</u>	<u>479.0</u>
				Total impacts		<u>6,448,737</u>	<u>2,041,206</u>	<u>512.4</u>

Lane Events Center  
 Summary of Estimated  
 Expenditures of Non-Local  
 Participants

Exhibit G

	Black Sheep Gathering	Bridal Show	Emerald Classic	Good Earth Home Show	Home/Garden Home Improv.	Logging Conference	Asian Celebration
Lodging	42,336	2,457	199,139	8,355	33,937	162,025	32,288
Meals	26,283	1,320	127,330	3,278	22,739	80,983	20,389
Transportation	18,316	1,100	101,065	3,459	15,352	54,356	10,622
Entertainment	4,480	183	15,281	196	1,317	30,911	2,016
Retail	14,112	183	44,319	1,152	9,329	26,155	11,850
Materials/Supplies	6,085	403	15,906	1,642	15,767	37,121	14,212
Other	<u>3,509</u>	<u>0</u>	<u>1,699</u>	<u>637</u>	<u>3,489</u>	<u>2,193</u>	<u>3,942</u>
Total	<u>115,121</u>	<u>5,647</u>	<u>504,740</u>	<u>18,718</u>	<u>101,930</u>	<u>393,744</u>	<u>95,319</u>

Lane Events Center  
 Summary of Estimated  
 Expenditures of Non-Local  
 Participants

Exhibit G

	Piccadilly Flea Market	Saturday Holiday Market	Collectors West Gun Show	Comic Book Show	Alpaca Show	Country Coach Rally	Dog Fanciers
Lodging	55,888	9,065	31,596	1,003	1,369	10,800	41,163
Meals	56,431	12,405	14,711	841	637	25,920	26,320
Transportation	80,021	6,179	14,587	834	632	7,560	20,890
Entertainment	11,868	1,380	1,214	69	53	4,320	3,159
Retail	93,132	8,173	4,271	244	185	56,430	9,161
Materials/Supplies	45,331	4,968	6,542	374	283	34,290	3,288
Other	<u>1,015</u>	<u>307</u>	<u>2,038</u>	<u>116</u>	<u>88</u>	<u>3,240</u>	<u>351</u>
Total	<u>343,685</u>	<u>42,476</u>	<u>74,958</u>	<u>3,481</u>	<u>3,248</u>	<u>142,560</u>	<u>104,332</u>

Lane Events Center  
 Summary of Estimated  
 Expenditures of Non-Local  
 Participants

Exhibit G

	Oregon	Oregon	Gem	McKenzie	Sassy Katz	Total	Range of Spending	
	Knife Coll.	Homecrafter	Faire	Cat Show	Cat Show		Low	High
Lodging	52,659	16,851	8,426	4,139	4,139	718,000	790,000	862,000
Meals	20,595	5,884	3,531	3,374	3,374	456,000	502,000	547,000
Transportation	20,422	5,835	3,501	2,678	2,678	370,000	407,000	444,000
Entertainment	1,699	485	291	405	405	80,000	88,000	96,000
Retail	5,979	1,708	1,025	1,174	1,174	290,000	319,000	348,000
Materials/Supplies	9,159	2,617	1,570	421	421	200,000	220,000	240,000
Other	<u>2,853</u>	<u>815</u>	<u>489</u>	<u>45</u>	45	<u>27,000</u>	<u>30,000</u>	<u>32,000</u>
Total	<u>113,367</u>	<u>34,196</u>	<u>18,833</u>	<u>12,237</u>	<u>12,237</u>	<u>2,141,000</u>	<u>2,356,000</u>	<u>2,569,000</u>