


PIERCE COUNTY DEPARTMENT OF PUBLIC WORKS & UTILITIES

**Environmental Services Building
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May 27, 2008
U-94245

MEMORANDUM

To: Terry Lee, Chair, Pierce County Council
From:  Tony Tipton, Public Works and Utilities
Subject: U.S. Open Preliminary Estimated Economic Impact Analysis

In the course of the Committee of the Whole meeting this morning, reference was made by the County Executive to a preliminary analysis of the estimated economic impact of the U.S. Open Championship event prepared by Denise Dyer in our Economic Development Office. Attached is the U.S. Open Preliminary Estimated Economic Impact Analysis completed by Denise. The analysis is very preliminary at this point and does not include any multiplier effects which traditionally are applied to economic studies to show the cumulative effect event purchasing has in our community. If such a multiplier were to be applied, it would conservatively range between 1.3 and 1.5 and increase the overall economic and tax effects of the event.

Highlights of the preliminary analysis are as follows:

Total Economic Impact: \$121,787,500
Estimated Tax Revenue: \$17,254,554

Estimated Tax Revenue by Jurisdiction:
Pierce County: \$686,778
State of Washington: \$8,660,309
University Place: \$1,130,000
Tacoma: \$849,407
Dupont: \$58,707
Lakewood: \$56,611
Puyallup: \$67,934
Gig Harbor: \$56,611
Seattle/King County: \$5,603,720

Other studies of the same event by others have yielded estimated economic impact figures of between \$80 and \$160 million. If we wish to further refine the economic analysis of the event by conducting a more in-depth study using an outside firm, we estimate the cost of such a study would fall in the \$50,000-\$60,000 range.

Attachment

cc: John Ladenburg, Pierce County Executive
Skip Stansbury, Special Assistant to the Executive
Denise Dyer, Economic Development Manager
Brian Ziegler, Director, Public Works and Utilities

U.S. Open Preliminary Estimated Economic Impact

Tacoma	Sales	1.00%	257,056	25,705,550	71% of Pierce Off Course + Lodging
849,407	Lodging	13.50%	546,824	4,050,550	71% of Pierce Room Nights
	B & O	0.153%	45,527	29,756,100	
Dupont	Sales	1.00%	18,103	1,810,250	5% of Pierce Off Course + Lodging
58,707	Lodging	13.50%	38,509	285,250	5% of Pierce Room Nights
	B & O	0.100%	2,096	2,095,500	
Lakewood	Sales	1.00%	18,103	1,810,250	5% of Pierce Off Course + Lodging
56,611	Lodging	13.50%	38,509	285,250	5% of Pierce Room Nights
Puyallup	Sales	1.00%	21,723	2,172,300	6% of Pierce Off Course + Lodging
67,934	Lodging	13.50%	46,211	342,300	6% of Pierce Room Nights
Fife	Sales	1.00%	22,864	2,286,400	8% of Pierce Off Course + Lodging
84,478	Lodging	13.50%	61,614	456,400	8% of Pierce Room Nights
Gig Harbor	Sales	1.00%	18,103	1,810,250	5% of Pierce Off Course + Lodging
56,611	Lodging	13.50%	38,509	285,250	5% of Pierce Room Nights
Seattle/King County	Sales	1.00%	624,200	62,420,000	50% of Total Off Course + Lodging
5,603,720	Lodging	15.60%	4,979,520	31,920,000	100% of King Room Nights
TOTAL ESTIMATED TAX REVENUE-EVENT (VISITORS ONLY)			17,254,554		
NOTE: Additional public revenue - fees & taxes not incorporated: Gas Tax, tolls, Ferry fares, admission fees (e.g., attractions [museums, zoo, etc.])					
No credit for multipliers is given in this worksheet.					
No credit is given for the uptick in play the US Open brings, additional business (e.g., conferences, etc.) gained from having the Open, etc.					
No credit is given for taxes raised from presenting the event, e.g., printing, PR, etc.					
ADDITIONAL REFERENCES					
Course	Estimated Econ Impact	Source of Estimate	(Estimates via printed document)		
Pinehurst, NC	\$124 million	Joe Moeller, San Diego Int'l Sports Council			
Pinehurst, NC	\$160-180 mm	Caleb Miles, CVB Director, Pinehurst/Southern Pines CVB			
Torrey Pines	\$80-130 mm	Mike Antolini, Manager of 2008 US Open			
Beth Page Black	\$125-150 million	David Catalano, Director of Course			
Winged Foot, Mamaroneck NY	\$100 million	Sal Carrera, Director, Westchester County Office of ED			
Congressional Country Club	\$100 million	David Edgerley, County ED Director			