

**U.S. Open Briefing
Economic Impact
County Council In-District Meeting
July 8, 2014**

Denise Dyer – our economic development director – is handling a family emergency and can't be with us this evening.

So I am pleased to be here to talk about the economic impacts that will occur thanks to the U.S. Open.

In Economic Development, there's a phrase we don't get to use very often ... but it is certainly appropriate in this case. The U.S. Open, to use that phrase, will be a shock to our economy. More than \$140 million dollars in shock.

That's a good shock. Actually a great shock!

That shock will come because a lot of money will be spent in a short period of time.

We will see spikes in spending at hotels and restaurants. And various jurisdictions and levels of government will see increased tax revenue directly attributable to the event.

Let me explain further.

There will be short-term employment gains and wage impacts as the USGA hires for various tasks. These include:

- Vendors to build the temporary buildings, grandstands and other infrastructure.
- People to work as cooks and servers in concessions and hospitality.

- Security personnel, and more.

If you haven't been to a U.S. Open, then you will be amazed when you see the temporary city that the USGA builds on-site.

They will buy lumber and other building materials. They will decorate using local products. They will rent supplies, machinery, and other goods.

Then it moves to lodging. Our county is almost completely booked for the weeks leading up the event and for the championship week itself. That's unprecedented in this area. And, frankly, it's good news for other jurisdictions in the Puget Sound area as well.

The visitors from out of town will eat in local restaurants. Some will shop in our stores, and visit our local attractions – though it's important that we keep realistic expectations. After all, they are here to watch our national golf championship.

A study by San Diego State University analyzed attendance figures, a survey of spectators, and a conservative economic multiplier to assess the impact from the 2008 U.S. Open at Torrey Pines.

According to that report, almost 95 percent of the people surveyed said they came only because of the U.S. Open. In other words, this is money that would not otherwise be spent in our community.

Another interesting fact is the tax revenue the championship will generate. Local and state governments will collect some combination of sales tax, lodging tax, and business-and-occupation tax.

Using a conservative model, our Economic Development staff estimates the following:

- Pierce County Government will see tax revenue of approximately \$600,000 dollars
- The State of Washington: nearly \$6.5 million dollars
- City of Tacoma: more than \$440,000 dollars
- The cities of DuPont, Lakewood, Puyallup, Fife and Gig Harbor: a combined \$153,000 dollars.

And as I mentioned earlier, this is a regional event. This shock will spread to other counties.

King County will see over \$2 million in additional tax revenue because they have so many hotel rooms.

Kitsap and Thurston County will also benefit.

A big winner will be University Place – which will earn more than \$1 million dollars in admission and sales taxes.

And those are just the tax revenues directly attributable to the U.S. Open.

Remember, this is much more than a one-week event.

We are already seeing the economic benefits of Chambers Bay. Last year, we saw record rounds played and record revenues generated at the golf course.

Here are comments we have received from a couple of General Managers at Tacoma hotels.

One GM said, (quote) “Before Chambers Bay was built, we rarely had folks check in carrying their golf clubs. Right after the announcement of the US Amateur and US Open coming to Chambers Bay, we saw a lot more golf clubs. Now it’s crazy! We see golf clubs all the time. People are staying at our hotel ONLY because they are going to golf at Chambers Bay.”(unquote)

Another hotel GM said: (quote) “I have had people from all over the world stay at my hotel because they came to see Chambers Bay. They come to play, and they leave happy. And I keep hearing our guests say, we’ll be back!” (unquote)

As for next year’s championship ... corporate hospitality sales, ticket sales, and merchandise sales are all going very strong. We are building momentum, and it’s only going to get better.

Keep in mind that Fox Sports – which is just about to take over the USGA television contract – will be showcasing the area before tens of millions of viewers.

Those viewers will learn what we already know – that this is a great place to live, and a great place to visit.

If you’d like more information, I’ve brought some copies of the 2008 analysis produced by San Diego State University. The Pierce County Economic Development Department has posted it on their website if anyone else is interested.

We have been preparing for this opportunity for six years. I have a team of experts in place to assist the USGA with planning for transportation, security, logistics, communications and more.

All of that will come together over the next 11 months.

I am very proud of how our community is stepping up to make sure our visitors have a great experience. You will here more about that as plans are finalized.

In the meantime, here's one item for your calendar. We are working with the USGA and others on a great exhibit at the Puyallup Fair this fall. The exhibit will showcase greatest moments in U.S. Open history, as well as the making of Chambers Bay.

I hope you will check it out as part of the ramp-up to the biggest sporting event in our region's history.

Thank you for this opportunity to update the community. I'm happy to answer any questions.