Appendix G: Economic Impact of Aquatic Center Options

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In 2002, William B. Beyers of the University of Washington and GMA Research Corporation produced a report entitled "An Economic Impact Study of the Weyerhaeuser King County Aquatic Center" (June 2002). Report results were based on a survey of KCAC users and an "input-output" economic impact model with a history of use in Washington State. In 2001, the Beyers-GMA study estimated that KCAC generated aggregate spending of $7.5 million in Washington State, 98 jobs, $3.1 million in labor income, and $0.6 million in tax revenues. Based on survey data, KCAC draws about 40% of its users as athletes, 50% as spectators, and 10% as coaches and officials. The average group coming to the facility had 6 or 7 persons in it. The study notes that KCAC is unique in that most spending associated with the use of this facility comes from people who live outside the local area. Because 66% of KCAC users and visitors came from outside the local area including 36% from out of state, about 80% of these economic impacts represented "new money" to the local economy.

While a similar analysis was not part of this project, the City should consider the potential economic impacts if one or more of the various aquatic facility models is further evaluated. In general, a more locally-focused facility (options A-C) will create significantly less economic impact than a regional or national facility (options D and E) that generates a significant number of trips, visits, and spending from outside the local area. Components for further study could include the following:

- Tourism, hotel stays, car rentals, airfare. In the KCAC study, more than one half of the users needed to stay overnight in a commercial lodging establishment and almost 25% arrived by commercial airplane. Visitors also rented vehicles during their visits and often extended their stay in the region which further expanded the economic benefit to Washington State. Of the $7.5M economic impact sited above, for example, tourism related services created the majority of the economic benefit.
- Other spending. According to the study, KCAC users identified per person expenditures ranging from $33 (local users) to $214 (out of state) associated with visits to the aquatic facility. Local users primarily identified expenditures for food/beverages, auto travel costs, and goods purchased at the aquatic center, while out of state users spent significantly more due to lodging and air travel expenditures.
- Labor Income. According to the study, KCAC user spending of $4 million generated 98 jobs in Washington State, including 53 local jobs and over $1.5 million in local labor income. According to the Beyers-GMA study, these job and labor income estimates were based on a system of "multipliers" and personal consumption factors for Washington State.
- Local Taxes. According to the KCAC economic impact study, total Washington State economic impacts of $7.5 million translated into a net increase in local taxes of approximately $245,000 per year primarily through hotel-motel taxes, car rental taxes, and retail sales taxes.

In addition to the directly measurable economic impacts discussed above, research shows that recreation facilities create additional economic benefits such as attracting new businesses, retirees and residents; enhancing real estate values and stimulating development; expanding retail sales of equipment and related services; alleviating social problems and reducing health costs; and reducing unemployment. These factors could also be factored into a complete economic impact study if further analysis is recommended.