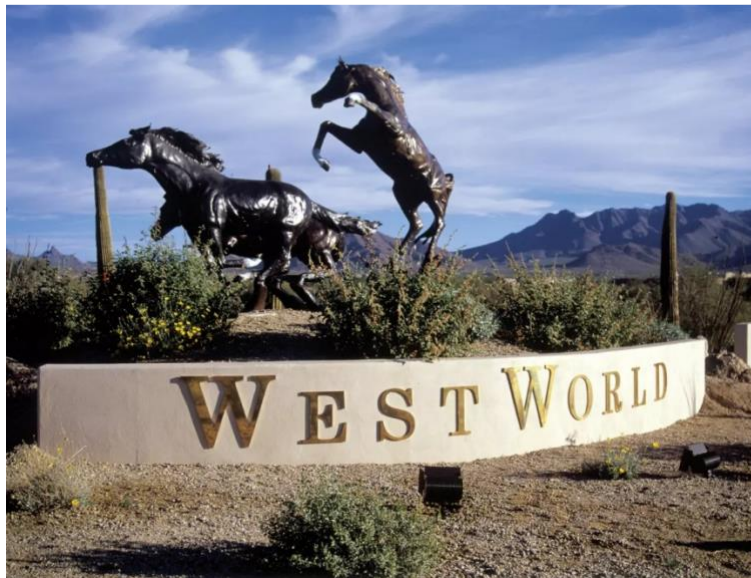


THE ANNUAL ECONOMIC IMPACT OF WESTWORLD FOR MARICOPA COUNTY



Seidman Research Institute
Arizona State University

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L. WILLIAM SEIDMAN RESEARCH INSTITUTE

The L. William Seidman Research Institute serves as a link between the local, national, and international business communities and the W. P. Carey School of Business at Arizona State University (ASU).

First established in 1985 to serve as a center for applied business research alongside a consultancy resource for the Arizona business community, Seidman collects, analyzes and disseminates information about local economies, benchmarks industry practices, and identifies emerging issues that affect productivity and competitiveness.

Using tools that support sophisticated statistical modeling and planning, supplemented by an extensive understanding of the local, state and national economies, Seidman today offers a host of economic research and consulting services, including economic impact analyses, forecasting, survey research, attitudinal and qualitative studies, and strategic analyses of economic development opportunities.

Working on behalf of government agencies, regulatory bodies, public or privately-owned firms, academic institutions, and non-profit organizations, Seidman specializes in studies at the city, county or state-wide level. Clients include:

- Arizona Commerce Authority (ACA)
- Arizona Corporation Commission (ACC)
- Arizona Coyotes
- Arizona Dept. of Health Services
- Arizona Dept. of Mines and Mineral Resources
- Arizona Diamondbacks
- Arizona Governor's Office of Strategic Planning and Business
- Arizona Hospital and Healthcare Association
- Arizona Investment Council (AIC)
- Arizona Mining Association
- Arizona National Football Championship
- Arizona Public Service Corporation (APS)
- Arizona School Boards Association
- Arizona Super Bowl Host Committee/NFL
- Arizona Technology Council
- Arizona Town Hall
- Banner Health
- BHP Billiton
- The Boeing Company
- The Cactus League Association
- The Center for American Progress
- The Central Arizona Project (CAP)
- Chicanos por la Causa
- The City of Peoria
- The City of Phoenix
- The City of Prescott
- The City of Scottsdale
- CopperPoint Insurance
- David and Gladys Wright House Foundation
- Desert Caballeros Western Museum
- Dignity Health
- The Downtown Phoenix Partnership
- Environmental Defense Fund (EDF)
- Envision Healthcare
- EPCOR Water
- Epic Rides
- Excelsior Mining
- Fiesta Bowl
- Freeport McMoRan
- Glendale Community College
- HonorHealth
- Intel Corporation
- Latino Donor Collaborative
- The McCain Institute
- Maricopa Integrated Health System
- Navajo Dept. of Economic Development
- The NCAA Final Four
- Pakis Foundation
- Phoenix Convention Center
- Phoenix Philanthropy Group
- Phoenix Sky Harbor International Airport
- Phoenix Suns
- Protect the Flows
- Public Service New Mexico (PNM)
- Raytheon
- Republic Services, Inc.
- Rosemont Copper Mine
- Salt River Project (SRP)
- Scottsdale Unified School District
- State of Alabama
- Tenet Healthcare
- Turf Paradise & Delaware North
- Valley METRO Light Rail
- Waste Management Inc.
- Wells Fargo

EXECUTIVE SUMMARY

The total annual economic impact of Westworld's 2023-24 operations and events for the Maricopa County economy is estimated at:

- \$169.2 million State GDP (current \$).
- 1,820 jobs.
- \$88.9 million labor income (current \$).

This is exclusively based on:

- The infusion of event participant and day/overnight visitor dollars into the Maricopa County economy from people that primarily reside **outside** Maricopa County.
- The local operational expenditure of event organizers with Maricopa County-based vendors for all equestrian and non-equestrian events held at the facility.
- The employment footprint and operations of WestWorld.

The total economic impact estimates exclude any expenditure by Maricopa County residents visiting or participating at WestWorld's events, as their money is already available in the local economy and would in all probability still be spent locally elsewhere in the absence of WestWorld.

Seidman also estimates that Maricopa County directly collects \$3.7 million in Transaction Privilege Tax revenues as a result of WestWorld's 12-month calendar of events and direct operations.¹

¹ This includes Maricopa County's state shared revenue allocation of Transaction Privilege (Sales) Tax distributed by the State of Arizona.

1. INTRODUCTION

Located in the heart of Scottsdale, WestWorld is a premier multi-use event facility, consisting of over 300,000 square feet of exhibition space, 16,000 square feet of hospitality space, 12 acres of turf field and 11 equestrian arenas. The recipient of a “2020 Facility of the Year” award from the League of Agricultural and Equine Centers, WestWorld also hosts the Barrett-Jackson Collector Car Auction, the Scottsdale Arabian Horse Show, Bike Week, and Sun Circuit as part of its extensive annual calendar of events.

The purpose of this study is to provide a current estimate of the economic impact of WestWorld for Maricopa County (including the city of Scottsdale). Consistent with a prior 2018-2019 study, Seidman’s annual impact estimates are based on:

- The infusion of event participant and day/overnight visitor dollars into the Maricopa County economy from people that primarily resided outside Maricopa County, extrapolated from a survey of nine equestrian and non-equestrian events.
- Local operational expenditure of event organizers with Maricopa County-based vendors for all equestrian and non-equestrian events held at the facility.
- The annual employment footprint and operations of WestWorld.

Any expenditure by local Maricopa County residents is excluded.

The estimates of annual impact are for 22 ticketed events (including Barrett Jackson and the Arabian Horse Show), plus any equestrian event held at Westworld, 2023-2024.² The full list of ticketed events is shown in Table 1.

Section 2 briefly introduces the concept of economic impact.

Section 3 estimates the total economic contribution of WestWorld’s inhouse operations and events for Maricopa County over a 12-month time horizon. It includes a breakdown of total impacts for inhouse operations, equestrian events, and non-equestrian events. An estimate of direct Transaction Privilege (Sales) Taxes is also provided.

² The first ticketed event included in this analysis was Big Red Bull (July 15, 2023). The last ticketed event was the 2024 July 4th Celebration.

Table 1: List of 22 Ticketed Events in Current Analysis

Event	Date
Big Red Bull	July 15, 2023
Low Rider	July 29, 2023
Quilt Craft & Sew	August 31-Sept 2 2023
Black Rodeo	September 1-2, 2023
Vintage Market (Fall)	September 15-17, 2023
Maricopa Home Show (Fall)	October 13-15, 2023
Cali Cream	October 21, 2023
K9	October 21-22, 2023
Polo	November 4 2023
Pinner	November 10-11, 2023
Body Art	November 10-12, 2023
GoodGuys (Fall)	November 17-19, 2023
Dirt Expo	December 2-3, 2023
Market Days	December 8-10, 2023
Fuel Fest	December 9, 2023
Barrett Jackson	January 20-28, 2024
Arabian Horse Show	February 15-25, 2024
GoodGuys (Spring)	March 15-19, 2024
Bike Week	April 3-7, 2024
Maricopa Home Show (Spring)	April 19-21, 2024
Vintage Market (Spring)	April 26-28, 2024
4th of July	July 4, 2024

Source: WestWorld

2. ECONOMIC IMPACT ANALYSIS: DEFINITION, METHOD, AND DATA INPUTS

Economic impact analysis traces the full impact - direct, indirect and induced - of an economic activity on jobs and incomes in a local economy. WestWorld directly impacts the local economy through the people it employs, its local supplier purchases, and local taxes. Indirect effects take place when Westworld's suppliers place upstream demands on their own suppliers. Induced effects when Westworld's workers, and the employees of its suppliers, spend a portion of their incomes in the local economy, and when governments spend new tax revenues.

The calendar of events hosted by Westworld attract an influx of new dollars into the local economy from at least two sources:

- People living outside Maricopa County attending or participating in each event.
- Each event's organizers.

The events directly affect the local economy through the temporary employment of event staff and the direct spending of visitors. Indirect effects occur when the recipients of the visitor or event organizer dollars place upstream demands on their own suppliers. Induced effects when the workers based at the recipients of event organizer or visitor expenditure spend a portion of their incomes in the local economy, and when governments spend new tax revenues.

Seidman uses an IMPLAN model to separately estimate economic impacts for Maricopa County. IMPLAN is a commercially licensed input-output model originally developed by the University of Minnesota. The latest version of IMPLAN organizes the economy into 546 separate industries and has comprehensive data on every area of the United States. It is widely used by economists to assess impacts of economic activities on a local economy. Seidman uses IMPLAN to estimate three measures of economic impact. These are:

- **State Gross Domestic Product (GDP):** this is synonymous with value added. It represents the dollar value of all goods and services produced for final demand in a state. State GDP excludes the value of intermediate goods and services purchased as inputs to final production. It is also defined as the sum of employee compensation (wages, salaries and benefits, including employer contributions to health insurance and retirement pensions), proprietor income, property income, and indirect business taxes.

- **Employment:** this is a count of full- and part-time jobs. It includes both wage and salary workers, and the self-employed.
- **Labor Income:** this includes all forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Direct Transaction Privilege (Sales) Tax revenues are also estimated separate to the IMPLAN model using a proprietary method devised by the authors.

The IMPLAN model offers results at a county or state level. Estimates of impact in this report are provided for Maricopa County.

Seidman draws from three data sources to estimate annual economic and fiscal impact. These are:

- An expenditure survey of participants and visitors at nine equestrian and non-equestrian events hosted at WestWorld between July 15, 2023, and July 4, 2024.
- Organizational expenditure from event organizers.
- Annual operational expenditures shared by WestWorld .

A team of student researchers conducted a face-to-face survey at the five non-equestrian events to estimate the expenditure of non-Maricopa County-based visitors. Responses were collected on iPads using a Qualtrics app. Three equestrian surveys were completed online post-event by participants. A fourth (the Arabian Horse Show) was ticketed and therefore surveyed in person. In total, Seidman collected 2,814 usable responses. Table 2 summarizes the distribution of survey responses by event.

Organizational expenditure is provided by event organizers post-event using an online survey.

All monetary estimates of impact are expressed in current dollars.

Table 2: Distribution of Surveys by WestWorld Event

	Total Survey Sample	Survey Respondents Primary Residence	
		Maricopa County	Other
Equestrian Events			
Best of the West (October)	54	27	27
Arabian Horse Show (February) ³	468	255	213
Sun Circuit (March)	192	40	152
Reined Cow (May-June)	53	11	42
Non-Equestrian Events			
Maricopa County Home Show (October)	530	506	24
Good Guys Collector Car Show (November)	417	283	134
Barrett Jackson (January)	490	254	236
Bike Week (April)	227	126	101
Vintage Market (April)	383	297	86
Total	2,814	1,799	1,015

Source: Authors' Survey

³ This was a ticketed show and therefore surveyed in person. The other equestrian events were participant shows, surveyed post-event.

3. ECONOMIC IMPACT OF WESTWORLD'S EVENTS FOR MARICOPA COUNTY

Table 3 estimates the total (direct, indirect, and induced) economic impact of Westworld's 2023 – 2024 operations and events for the Maricopa County economy. This is based on:

- The infusion of event participant and visitor dollars into the Maricopa County economy from day and overnight visitors who primarily reside **outside** Maricopa County.
- The local operational expenditure of event organizers for all equestrian and non-equestrian events held at the facility.
- The employment footprint and operations of WestWorld.

The estimates exclude any expenditure by Maricopa County residents visiting or participating at WestWorld, as their money is already available in the local economy and would in all probability still be spent elsewhere in Maricopa County in the absence of WestWorld.

Table 3 estimates that the participant and visitor expenditures of non-Maricopa County residents are responsible for 1,152 jobs, paying \$53.9 million labor income across the 12-month time horizon. The total State GDP contribution of these expenditures is \$107.5 million for the Maricopa County economy.

Table 3 also estimates that the local expenditure of event organizers is responsible for 389 jobs, paying \$22.5 million labor income in Maricopa County. Their total State GDP contribution is \$34.0 million.

The total impacts of WestWorld's inhouse employment footprint and facility operations is estimated at 279 jobs, paying \$12.5 million labor income across the 12-month time horizon in Maricopa County. The total State GDP contribution of the facility for the Maricopa County economy is \$27.7 million.

The total impact of WestWorld's full year of operations and events on the Maricopa County economy (2023-24) is therefore estimated at \$169.2 million State GDP, 1,820 jobs, and \$88.9 million labor income. These impacts are for Maricopa County as a whole. They exclude any expenditures made by Maricopa County residents and any local tax impacts.

Table 3: Total Economic Impact of WestWorld for Maricopa County

TOTAL IMPACT SOURCE	STATE GDP (Millions \$) ⁴	EMPLOYMENT (Job Years) ⁵	LABOR INCOME (Millions \$) ⁶
Participant & Visitor Expenditures	\$107.5	1,152	\$53.9
Event Organizer Expenditures	\$34.0	389	\$22.5
WestWorld Employment & Operations	\$27.7	279	\$12.5
Total Economic Impact	\$169.2	1,820	\$88.9

Source: Authors' Calculations

Table 4 estimates the **direct** Transaction Privilege (or Sales) Tax impacts of the 12-month calendar of events collected by Maricopa County. An estimated \$3.7 million in Transaction Privilege Tax (TPT) revenues is directly collected by Maricopa County because of WestWorld. This includes \$2.3 million in lieu of the county's state shared revenue allocation from Arizona's annual TPT collections.⁷

Table 4: Direct TPT Revenue Impact of WestWorld's Annual Events for Maricopa County

	Direct Tax Collections (Millions \$)
Equestrian Events (including Arabian Horse Show)	\$0.2
Non-Equestrian Events (including Barrett Jackson)	\$1.2
Maricopa County's State Shared Allocation of TPT Revenues	\$2.3
Total Direct TPT Revenues	\$3.7

Source: Authors' Calculations

Figure 1 summarizes the distribution of total economic impacts in Maricopa County by source. Non-equestrian events (including Barrett Jackson) account for 68.4% of the estimated total employment impacts, 69.5% of the estimated total labor income impacts, and 69.2% of the estimated total State GDP impacts. Equestrian events (including the Arabian Horse Show) account for 16.3% of the estimated total employment impacts, 16.4% of the estimated total labor income impacts, and 14.4% of the estimated total State GDP impacts. WestWorld's operations account for 15.3% of the estimated total employment impacts, 14.1% of the estimated total labor income impacts, and 16.4% of the estimated total State GDP impacts.

⁴ State GDP represents the dollar value of all goods and services produced for final demand in Maricopa County for the Arizona economy.

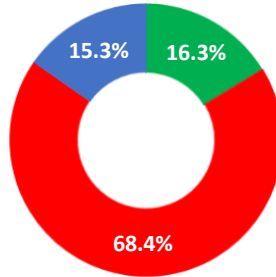
⁵ A job year is equivalent to one person having a job for 12 months.

⁶ Labor income equals employee compensation plus proprietor (self-employed) income.

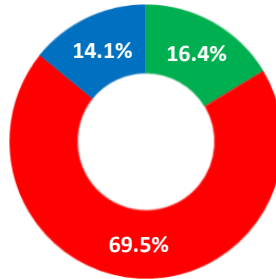
⁷ Arizona's counties participate in a shared revenue program in which the state passes through a percentage of funds from TPT. Currently, 40.51% of all state TPT revenues are shared with the counties, distributed in accordance with their population shares. In addition, there are state shared revenue allocations for vehicle license tax and highway user revenues distributed to the counties which are not included in Table 3.

Figure 1: Distribution of Annual Total Economic Impacts in Maricopa County by Source

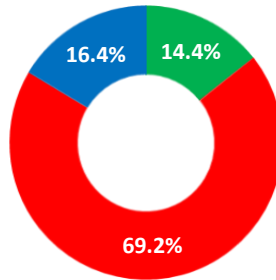
EMPLOYMENT (JOB YEARS)



LABOR INCOME (MILLIONS \$)



STATE GDP (MILLIONS \$)



Key:

■ Equestrian Events

■ WestWorld Operations

■ Non-Equestrian Events

Source: Authors' Calculations



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