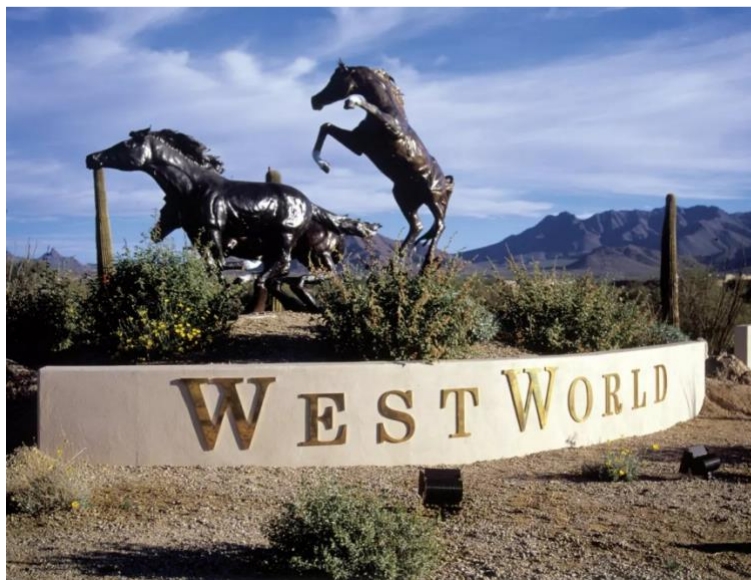


# THE ANNUAL ECONOMIC IMPACT OF WESTWORLD FOR THE CITY OF SCOTTSDALE



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 city of Scottsdale economy is estimated at:

- \$163.6 million GDP by State (current \$).
- 1,813 jobs.
- \$85.6 million labor income (current \$).

This is exclusively based on:

- The infusion of event participant and day/overnight visitor dollars into the Scottsdale economy from people that primarily reside **outside** the city of Scottsdale.
- The local operational expenditure of event organizers with city of Scottsdale-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 city of Scottsdale 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 the city of Scottsdale directly collects \$4.8 million in Transaction Privilege (Sales) Tax and Transient (Bedroom) Tax as a result of WestWorld's 12-month calendar of events and direct operations.<sup>1</sup>

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<sup>1</sup> This includes the city's state share 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 the city of Scottsdale. Consistent with a prior 2018-2019 study, Seidman’s impact estimates are based on:

- The infusion of event participant and day/overnight visitor dollars into the Scottsdale economy from people that primarily resided outside the city of Scottsdale, extrapolated from a survey of nine equestrian and non-equestrian events.
- Local operational expenditure of event organizers with city of Scottsdale-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 Scottsdale 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.<sup>2</sup> The full list of ticketed events is shown in Table 1.

Section 2 briefly introduces the concept of economic impact analysis.

Section 3 estimates the total economic contribution of WestWorld’s inhouse operations and events for the city of Scottsdale 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 Tax (TPT) revenue is also provided.

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

**Table 1: List of 22 Ticketed Events in Current Analysis**

<b>Event</b>	<b>Date</b>
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 infusion of new dollars into the local economy from at least two sources:

- People living outside the city of Scottsdale 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 estimate economic impacts for the city of Scottsdale. 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 state and local government TPT revenues are also estimated separate to the IMPLAN model using a proprietary method devised by the authors.

The IMPLAN model can be customized to provide results by zip code, county, or state. For the purpose of the current study, the following 12 zip codes are assumed to represent the city of Scottsdale: AZ 85250; AZ 85251; AZ 85252; AZ 85255; AZ 85257; AZ 85258; AZ 85259; AZ 85260; AZ 85261; AZ 85266; AZ 85267; and AZ 85271.<sup>3</sup>

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-Scottsdale-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.

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<sup>3</sup> Seidman acknowledges that there are other zip codes, parts of which fall under the jurisdiction of the city of Scottsdale. For example, AZ 85054 and AZ 85254 are shared with Phoenix; AZ 85253 is shared with Paradise Valley and Phoenix; AZ 85262 is shared with Carefree and Cave Creek; and AZ 85268 with Fountain Hills. It is not possible to sub-divide those zip codes into their constituent city shares.

**Table 2: Distribution of Surveys by WestWorld Event**

	Total Survey Sample	Survey Respondents Primary Residence		
		city of Scottsdale	Maricopa County	Other
<b>Equestrian Events</b>				
Best of the West (October)	54	12	15	27
Arabian Horse Show (February) <sup>4</sup>	468	62	193	213
Sun Circuit (March)	192	22	18	152
Reined Cow (May-June)	53	6	5	42
<b>Non-Equestrian Events</b>				
Maricopa County Home Show (October)	530	76	430	24
Good Guys Collector Car Show (November)	417	26	257	134
Barrett Jackson (January)	490	48	206	236
Bike Week (April)	227	11	115	101
Vintage Market (April)	383	53	244	86
<b>Total</b>	<b>2,814</b>	<b>316</b>	<b>1,483</b>	<b>1,015</b>

Source: Authors' Survey

<sup>4</sup> 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 THE CITY OF SCOTTSDALE

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

- The infusion of event participant and visitor dollars into the Scottsdale economy from day and overnight visitors who primarily reside **outside** the city of Scottsdale.
- 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 city of Scottsdale residents visiting or participating at WestWorld, 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.

Table 3 estimates that the participant and visitor expenditures of non-Scottsdale residents are responsible for 1,350 jobs, paying \$58.5 million labor income across the 12-month time horizon. The total State GDP contribution of these expenditures is \$116.1 million for the Scottsdale economy.

Table 3 also estimates that the local expenditure of event organizers is responsible for 292 jobs, paying \$16.5 million labor income in the city of Scottsdale. Their total State GDP contribution is \$23.7 million. The total impacts of WestWorld's inhouse employment footprint and facility operations is estimated at 171 jobs, paying \$10.6 million labor income across the 12-month time horizon in the city of Scottsdale. The total State GDP contribution of the facility for the city of Scottsdale economy is \$23.8 million.

The total impact of WestWorld's full year of operations and events on the city of Scottsdale economy (2023-24) is therefore estimated at \$163.6 million State GDP, 1,813 jobs, and \$85.6 million labor income. These impacts are for the city of Scottsdale alone and exclude any expenditures made by city of Scottsdale residents. They also exclude any local tax impacts.

**Table 3: Total Economic Impact of WestWorld for the city of Scottsdale**

TOTAL IMPACT SOURCE	STATE GDP (Millions \$) <sup>5</sup>	EMPLOYMENT (Job Years) <sup>6</sup>	LABOR INCOME (Millions \$) <sup>7</sup>
Participant & Visitor Expenditures	\$116.1	1,350	\$58.5
Event Organizer Expenditures	\$23.7	292	\$16.5
WestWorld Employment & Operations	\$23.8	171	\$10.6
<b>Total Economic Impact</b>	<b>\$163.6</b>	<b>1,813</b>	<b>\$85.6</b>

Source: Authors' Calculations

Table 4 estimates the **direct** Transaction Privilege Tax (TPT) impacts of the 12-month calendar of events collected by the city of Scottsdale. An estimated \$4.8 million in TPT revenues is directly collected by the city of Scottsdale because of WestWorld. This includes a 1.75% TPT and a 5% Transient Tax applied to any lodging for 29 days or less. It also includes \$0.1 million in lieu of the city's state shared revenue allocation from Arizona's annual TPT collections.<sup>8</sup>

**Table 4: Direct TPT Revenue Impact of WestWorld's Annual Events for the city of Scottsdale**

	Direct Tax Collections (Millions \$)
Equestrian Events (including Arabian Horse Show)	\$0.7
Non-Equestrian Events (including Barrett Jackson)	\$4.0
Scottsdale's State-Shared Allocation of TPT Revenues	\$0.1
<b>Total Direct TPT Revenues</b>	<b>\$4.8</b>

Source: Authors' Calculations

Figure 1 summarizes the distribution of total economic impacts in the city of Scottsdale by source. Non-equestrian events (including Barrett Jackson) account for 75.7% of the estimated total employment impacts, 72.6% of the estimated total labor income impacts, and 73.0% of the estimated total State GDP impacts. Equestrian events (including the Arabian Horse Show) account for 14.8% of the estimated total employment impacts, 15.0% of the estimated total labor income impacts, and 12.5% of the estimated total State GDP impacts. WestWorld's operations account for 9.5% of the estimated total employment impacts, 12.4% of the estimated total labor income impacts, and 14.5% of the estimated total State GDP impacts.

<sup>5</sup> State GDP represents the dollar value of all goods and services produced for final demand in the city of Scottsdale for the Arizona economy.

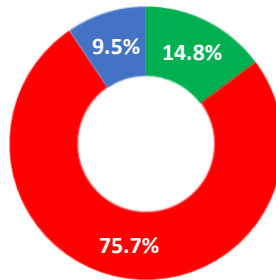
<sup>6</sup> A job year is equivalent to one person having a job for 12 months.

<sup>7</sup> Labor income equals employee compensation plus proprietor (self-employed) income.

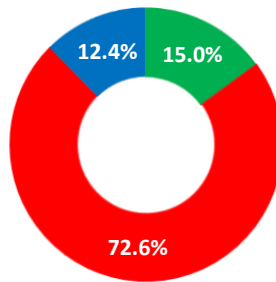
<sup>8</sup> Cities and towns in Arizona receive a state shared revenue allocation of 25% of the state's annual TPT revenues, based on their population shares. State shared allocations for state income tax, highway user revenues and vehicle license taxes are not included in Table 3.

Figure 1: Distribution of Annual Total Economic Impacts in the city of Scottsdale by Source

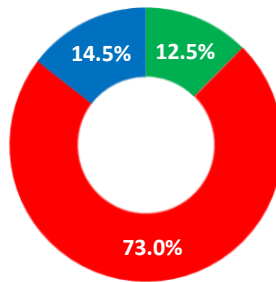
### EMPLOYMENT (JOB YEARS)



### LABOR INCOME (MILLIONS \$)



### STATE GDP (MILLIONS \$)



**Key:**

■ Equestrian Events

■ WestWorld Operations

■ Non-Equestrian Events

Source: Authors' Calculations



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