

Queen Creek Town Council Meeting

Performing Arts and Entertainment Economic Impact Study

Council Work Session



October 3, 2012

Today's Session

Study Overview

Key Survey Findings

Economic Impact Analysis

Findings and Conclusions

Interactive Model



Study Overview

Project Objective:

- ❖ Determine the economic impact that arts and entertainment venues have on the local economy.

Approach:

Phase 1 – Intercept surveys

- Schnepf Farms Pumpkin & Chili Festival
- Queen Creek Performing Arts Center
- Barney Family Sports Complex
- Queen Creek Olive Mill
- Horseshoe Park and Equestrian Center



Study Overview

Phase 2 – Economic Impact Analysis

❖ IMPLAN software

❖ Econometric Models:

- Queen Creek – Zip Codes 85140, 85142, and 85298
- Maricopa County – includes Pinal County zip code 85140



Study Overview

Phase 3 - Interactive Working Model

- ❖ Preparation of an interactive fiscal and economic impact model.
- ❖ Allows for the analysis of tourism related projects in Queen Creek.
- ❖ Incorporates current tax rates and multipliers.



Phase 1 - Surveys

- ❖ Conduct intercept surveys at 5 visitor destinations within Queen Creek
- ❖ 478 completed surveys
- ❖ 4.4% margin of error based on a 95% level of confidence



Venues Surveyed

Intercept Surveys Conducted by Venue

Art and Entertainment Venue	Total Surveys
Schnepf Farms Pumpkin & Chili Festival	99
Olive Mill	99
Queen Creek Performing Arts Center	105
Horseshoe Park & Equestrian Center	89
Barney Family Sports Complex	86
Total	478



Key Survey Findings

- ❖ Average party size is 2.3 people
- ❖ Annualized attendance at the five venues is 1.1 million people
- ❖ 18.2% are from Queen Creek
- ❖ 28.3% require overnight accommodations, of which HPEC participants generate the most demand



Key Survey Findings

Where are they coming from?

- ❖ Nearly 82% of the attendees are from outside of Queen Creek
- ❖ 39% are from Maricopa County
- ❖ 22% are from out-of-state
- ❖ 3% are international visitors, primarily from Canada



Key Survey Findings

What are they spending their money on?

- ❖ 27.5% on dining, including fast food and sit down restaurant
- ❖ 19.8% on ticket admission
- ❖ 13.5% on lodging
- ❖ 11.4% on general merchandise
- ❖ 10.5% on transportation/fuel



Key Survey Findings

Where are overnight visitors staying?

- ❖ 30.4% in Gilbert
- ❖ 26.8% in Mesa
- ❖ 20.5% in Queen Creek



Key Survey Findings

What type of accommodations are they staying in?

- ❖ 46.2% in hotel/motel
- ❖ 19.7% with family or friends
- ❖ 16.7% in campground/RV park
- ❖ 3.8% in condominium/vacation rental



Key Survey Findings

How long are they staying?

- ❖ 37.2% are staying 5-7 nights
- ❖ 24 % are staying longer than 7 nights
- ❖ 20.7% are staying 3-4 nights
- ❖ 18.2% are staying 2 nights or less



Horseshoe Park & Equestrian Center

Key Findings:

- ❖ Annual attendance was 34,130
- ❖ 73% are repeat attendees
- ❖ 72% are from out-of-state
- ❖ 93% stayed overnight to attend HPEC events; of those, 60.5% stay in a hotel/motel
- ❖ 80% found out about the event through equestrian organizations



Horseshoe Park & Equestrian Center

What are they spending their money on?

- ❖ Mostly on food---Nearly 68% of spending is on dining, concession stands and grocery stores
- ❖ Transportation/fuel follows at 16%
- ❖ 10.7% on lodging, which represents the greatest amount of money spent



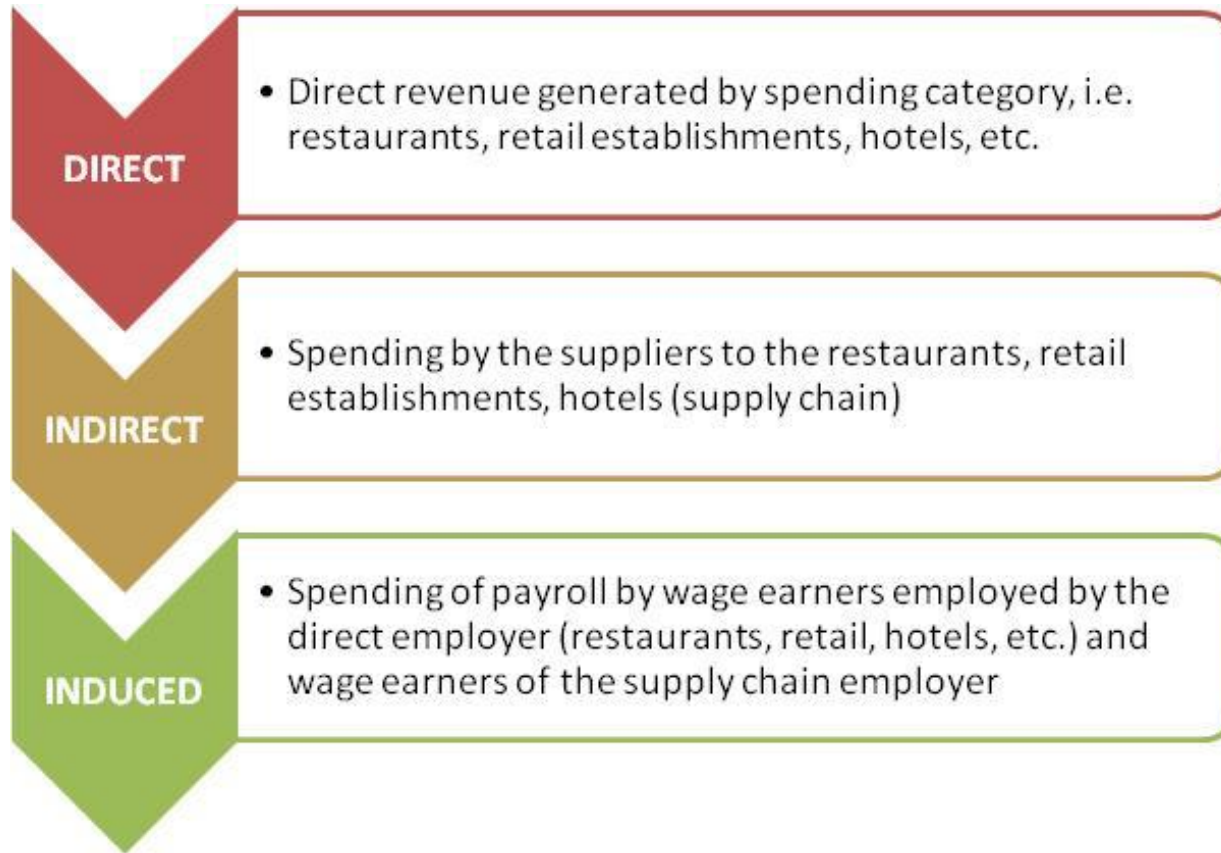
Phase 2 – Economic Impact

Methodology

- ❖ Utilize spending data directly from each venue.
- ❖ Supplement data with survey findings.
- ❖ Utilize the nationally recognized economic impact software IMPLAN.
- ❖ Prepare two impact models; Queen Creek and Maricopa County.



Terminology



Economic Impact Findings

- ❖ Total direct spending for all 5 venues is \$18.8 million.
- ❖ Average amount spent per person is \$16.78.
- ❖ Total jobs supported in Queen Creek is 268.



Economic Impact Findings

- ❖ Annualized attendance is 1.1 million people
- ❖ 917,084 are from outside of Queen Creek (based on survey findings)

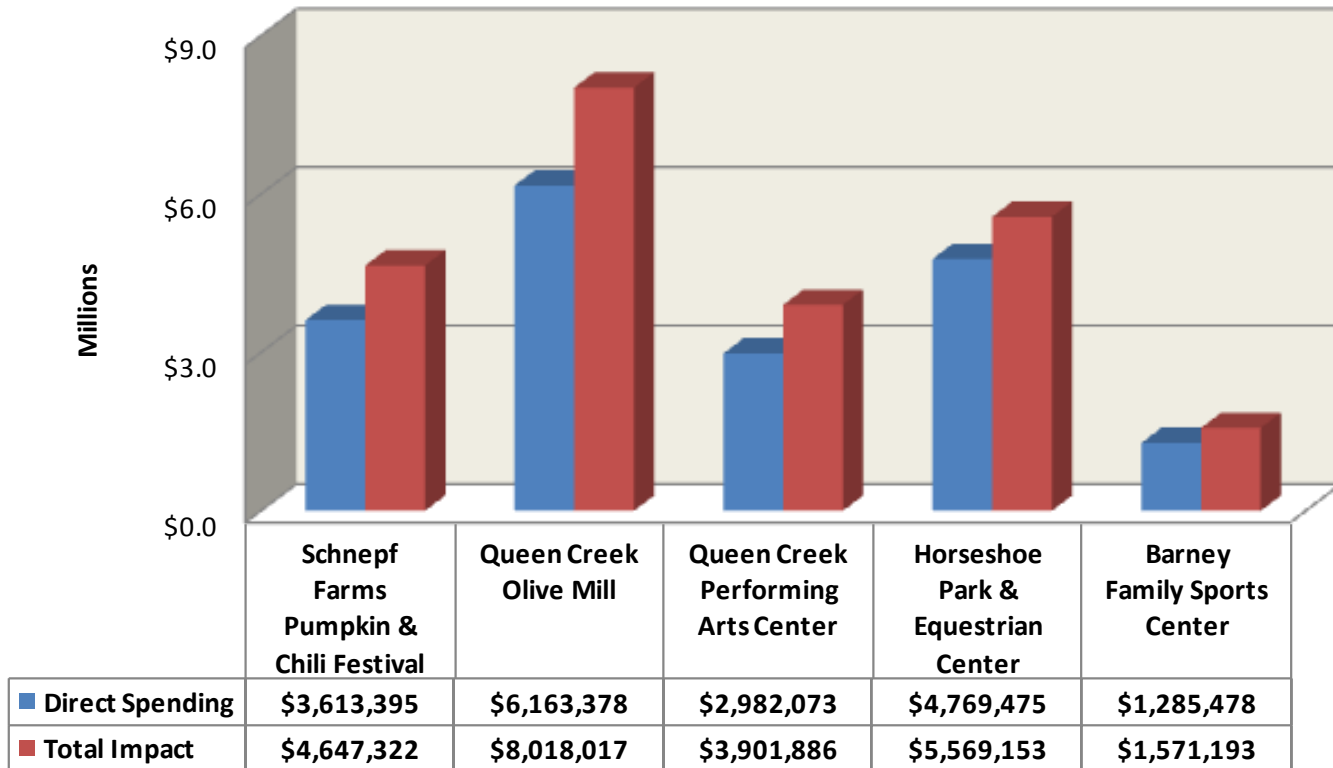
Annual Attendance by Venue

Art and Entertainment Venue	Annual Attendance
Schnepf Farms Pumpkin & Chili Festival	100,000
Olive Mill	750,000
Queen Creek Performing Arts Center	112,000
Horseshoe Park & Equestrian Center	34,130
Barney Family Sports Complex	125,000
Total	1,121,130



Queen Creek Impact by Venue

Economic Impact Findings



Queen Creek Findings

Queen Creek Economic Impact Findings

	Direct	Indirect & Induced	Total
Total Jobs	228	40	268
Total Payroll	\$6,056,400	\$1,684,033	\$7,740,442
Total Output	\$18,813,799	\$4,893,772	\$23,707,571

Source: IMPLAN



Fiscal Impact

Arts and Entertainment Venue Queen Creek Fiscal Impact

Taxable Items	Direct Sales	Tax Revenue
Dining	\$5,540,035	\$124,651
Grocery store food	\$1,943,726	\$43,734
General merchandise	\$3,925,775	\$88,330
	<u>\$11,409,536</u>	<u>\$256,715</u>
Indirect Taxable Spending	\$9,636,844	
Capture Rate	79.3%	
Queen Creek Capture	\$7,642,017	
Queen Creek Tax Revenue	<u>\$171,945</u>	
Total Tax Revenue	<u>\$428,660</u>	

Note: Queen Creek rate of 2.5% applied



Queen Creek Compared to Maricopa County

Economic Impact of All Venues

Queen Creek

Impact Type	Employment	Labor Income	Economic Output
Direct Effect	228	\$6,056,400	\$18,813,799
Indirect and Induced	40	\$1,684,033	\$4,893,772
Queen Creek Total Effect	268	\$7,740,433	\$23,707,571

Maricopa County

Direct Effect	243	\$6,597,431	\$18,813,800
Indirect and Induced	86	\$4,016,747	\$11,069,637
Maricopa County Total Effect	329	\$10,614,178	\$29,883,437

Source: IMPLAN



Leakage

Economic Impact Leakage

Impact Type	Employment	Labor Income	Economic Output
Maricopa County	329	\$10,614,178	\$29,883,437
Queen Creek	268	\$7,740,433	\$23,707,571
Leakage	61	\$2,873,745	\$6,175,865

Source: IMPLAN



HPEC Economic Impact

HPEC Economic Impact on Queen Creek

HPEC Events Impact

Impact Type	Employment	Labor Income	Output
Direct Effect	29	\$664,207	\$4,769,475
Indirect and Induced	5	\$211,335	\$619,505
Total Effect	34	\$875,542	\$5,388,980

HPEC Payroll Impact

Direct Effect	6	\$377,748	\$0
Indirect and Induced	2	\$61,379	\$180,173
Total Effect	8	\$439,127	\$180,173

HPEC Combined Events and Operations

Direct Effect	35	\$1,041,955	\$4,769,475
Indirect and Induced	7	\$272,714	\$799,678
Total Effect	41	\$1,314,669	\$5,569,153

Source: IMPLAN



Findings & Conclusions

- ❖ Art and entertainment venues are contributing significantly to the Town:
 - 268 jobs
 - \$7.7 million payroll
 - \$23.7 million in total output



Findings & Conclusions

Top 10 Industries Impacted by Arts and Entertainment Venues

- ❖ Food services and drinking places
- ❖ Hotels and motels, including casino hotels
- ❖ Retail Stores - General merchandise
- ❖ Amusement parks, arcades, and gambling industries
- ❖ Retail Stores - Food and beverage
- ❖ Real estate establishments
- ❖ Retail Stores - Gasoline stations
- ❖ Offices of physicians, dentists, and other health practitioners
- ❖ Private hospitals
- ❖ Wholesale trade businesses

Source: IMPLAN



Findings & Conclusions

- ❖ Based on the Town's HPEC budget of \$793,671, the return on your investment is significant:
 - For every \$1.00 that the Town spends, you receive another \$7.02 in economic benefit.
- ❖ Estimated sales tax revenue derived from direct and multiplier effects of spending is \$428,660.
- ❖ Largest category of leakage is within lodging.



Phase 3 - Interactive Model

QUEEN CREEK ARTS AND ENTERTAINMENT SPENDING ECONOMIC AND FISCAL IMPACT ANALYSIS

Project Name: Horseshoe Park and Equestrian Center

Date: October 3, 2012

Data Input Worksheet

	Dollar Value
Bar and Restaurant (fast food or sit down)	\$1,342,387
Grocery store	\$276,069
Food from concession stands	\$84,929
General merchandise	\$245,742
Fuel	\$614,551
Ticket/admission (Olive Mill or Schnepf Farms)	\$0
Ticket/admission (Horseshoe Park)	\$0
Ticket/admission (Performing Arts Center)	\$0
Ticket/admission (Barney Family Sports Complex)	\$0
Lodging	\$1,824,116
Total	\$4,387,794

- ❖ Economic and fiscal impacts are accounted for
- ❖ Worksheet with data entry cells
- ❖ Calculates direct, indirect and induced jobs, payroll and output

[CLICK HERE TO VIEW
IMPACT RESULTS](#)



QUEEN CREEK ARTS AND ENTERTAINMENT SPENDING ECONOMIC AND FISCAL IMPACT ANALYSIS

Project Name: Horseshoe Park and Equestrian Center

Date: October 3, 2012

Total Spending: \$4,387,794

Economic Impact Results			
	Jobs	Income	Output
Direct	28	\$635,935	\$1,664,438
Indirect	2	\$78,304	\$228,404
Induced	3	\$116,597	\$349,341
TOTAL	33	\$830,836	\$2,242,183

Fiscal Impact Results				
	Primary Impact		Secondary Impact	Total
	Tourist Sales Tax	Tourist Lodging Tax	Employees Sales Tax	
Direct Tax Revenue	\$43,855	\$95,766	\$5,580	\$145,202
Indirect Tax Revenue	n/a	n/a	\$687	\$687
Induced Tax Revenue	n/a	n/a	\$1,023	\$1,023
TOTAL	\$43,855	\$95,766	\$7,291	\$146,912

[BACK TO MODEL](#)

[Print Worksheet](#)





Q & A

