Economic Impact, IMPLAN Analysis Summary

EMPLOYMENT PROJECTION - EVENT [1,2,4]

Impact Type	*Employment*	*Labor Income*	*Total Value Added*	*Output*
Direct Effect	431.3	$ 13,067,945	$ 17,871,384	$ 31,803,840
Indirect Effect	66.6	$ 3,430,902	$ 5,004,521	$ 9,532,842
Induced Effect	71.9	$ 3,498,092	$ 5,806,867	$ 9,631,525
Total Effect	**569.7**	**$ 19,996,938**	**$ 28,682,772**	**$ 50,968,207**

STATE AND LOCAL TAX REVENUE GENERATION [1,5]

Description		*Event Phase* [2]
Sub-County General		
Direct		$ 119,980
Indirect		$ 31,885
Induced		$ 35,353
	Subtotal	**$ 187,218**
Sub-County Special District		
Direct		$ 608,984
Indirect		$ 160,527
Induced		$ 181,432
	Subtotal	**$ 950,943**
County		
Direct		$ 123,272
Indirect		$ 32,413
Induced		$ 36,850
	Subtotal	**$ 192,534**
State		
Direct		$ 1,168,179
Indirect		$ 313,788
Induced		$ 354,527
	Subtotal	**$ 1,836,494**
TOTAL STATE & LOCAL TAX IMPACT		***$3,167,188***

Source: 2023 Minnesota IMPLAN Group, Inc.

[1] *Inflated to reflect model results in appropriate year of event. See IMPLAN Inputs.*

[2] *A statewide model of Pennsylvania was the basis of analysis. Therefore, all results reflect state impacts.*

[3] *Operational impacts reflect the benefits of a development when it is in operation. Employment impacts reflect the jobs created and/or supported by the project at full build-out. All compensation and tax impacts are assumed to recurring on an annual basis.*

[4] *Employment impacts reflect the total number of jobs created and/or supported by the project. Direct employment represents an estimate of the jobs that will be created by the project, as calculated from the gross leasable area (GLA) and targeted tenant list. All other jobs represent "spin-off" jobs supported by the project as a result of*

[5] *Tax impacts primary reflect the indirect and induced benefits associated with the project. Indirect benefits capture the inter-industry spending that results from a change in final demand while induced benefits capture the industry activity generated by new household income. These "spin-off" tax impacts should not be confused with any new real estate tax ratables, which are not estimated by the IMPLAN model.*

METHODOLOGY FOR PROJECTING ECONOMIC IMPACTS

In evaluating the economic impacts of the Project, Impact Analysis for Planning (IMPLAN©) V3.1 Modeling System was employed. IMPLAN© is a matrix-based software and data tool that estimates the effects of changes within regional economies, such as variations in industry spending, industry production, employment, employment compensation/wages and consumer spending. Whether the change is positive or negative, industries and households will respond by altering their production and spending habits. IMPLAN© can further estimate fiscal impacts that reflect the change in local and state government revenue that may result from these economic changes. IMPLAN© is designed to estimate and replicate these interdependencies between producers and consumers, as well as the resulting increased or reduced tax generation.

IMPLAN© can further differentiate between economic impacts that are temporary and those that are long-lasting. Development projects typically have a construction phase and an operational phase. Both of these phases can been "modeled" in IMPLAN© with specific activities and resulting scenarios, in order to estimate the cumulative economic impacts of the proposed RACP project. In the case of the USGA's championship events, all resulting economic activity is treated as a one-time economic impact because the activities will cease when the event concludes.

IMPLAN© utilizes the national Input-Output (I-O) account linkages in conjunction with labor force and commuting pattern data to develop state- and county-level descriptive models that become the foundation for examining impacts.

The I-O accounting framework establishes interdependencies among the industry sectors. Direct impacts, or inputs, directly result in opportunities for industries in the supply chain. As the supply chain impacts circulate throughout the I-O framework, other industries are affected by the change, which results in an indirect impact. As these supplier industries modify their behavior, their workforce follows suit, changing decisions about how to invest their money, which represents the induced impact.

Direct Impacts represent the immediate change to the economy. The direct impacts reflect any spending associated with preparing for an event and the expenses associated with operating the event. Direct impacts look at the combined value of the jobs, wages, and output associated with an event.

Indirect Impacts examine how other industries respond to the direct industry investment. As an example, if Company X maintains close ties with key suppliers, these business-to-business relationships often grow as Company X grows. Supplier industries may likewise expand, hiring new employees and increasing production. Both the construction phase and the operational phase will inject new money into the economy. The direct purchase of building materials, business services, and employees will stimulate other industries to do the same.

Induced Impacts are often referred to as "consumer impacts" because they measure how household spending responds to changes in industry production. When new jobs are created, individuals have greater spending power. A portion of their disposable income is recirculated through the economy when they purchase goods and services. These induced impacts are part of the "ripple effect" that is modeled by IMPLAN.

WAGE DATA / TAX GENERATION DATA – US WOMEN'S OPEN EVENT

Event impacts, including jobs to be supported and associated compensation and tax revenue generation, are focused on estimated visitation spending on lodging, food and beverage, retail, transit, and recreation. The industry output and commodity output functions of IMPLAN© were utilized to obtain the estimated 2015 data. Event impacts are a one-time injection into the economy. Since the event and related activities are a one-time occurrence there are no recurring operational impacts.

Data from a past U.S. Women's Open hosted in Pennsylvania was not available. Therefore, survey data from a comparable event was used (the 2016 U.S. Open held in Oakmont, Pennsylvania). The data was then pro-rated for the 2015 U.S. Women's attendance at Lancaster Country Club. The survey was conducted by the USGA of its U.S. Open visitors in Oakmont, and it asked a variety of questions regarding spending habits, group size, length of stay and the origin of visitation. The survey gathered was used to extrapolate the spending patterns for the total number of attendees during the event. Spending amounts for each category were scaled down by 40 percent (40%) to reflect the difference in attendance rates between the 2016 Men's Open (estimated 223,000) and the 2015 Women's Open (estimated 134,000). That resulting data was then used as inputs into the IMPLAN© modeling software to obtain the estimated regional economic impact of the event.