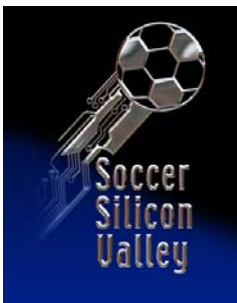


# The Epicenter



## **Visitor Projections for a 25,000 Seat Soccer Stadium** *Home to the Earthquakes of Major League Soccer*



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March 2007

# Introduction

Soccer Silicon Valley (<http://www.SoccerSiliconValley.com>) is a volunteer grassroots organization with the goal of creating a permanent home for professional and recreational soccer in the Bay Area. A business trade association, we advocate for the development and construction of a soccer facility which will permanently house the Earthquakes as well as host other activities. By examining the past and evaluating the present, it's possible to see soccer's potential, not only in its value to a community, but also as an investment, for which purpose we have prepared this visitor projection report.

As a basis for this report, we used analytical tools specifically tailored to the city of San Jose, such as the June 2005 San Jose Visitor Study, prepared by The Survey and Policy Research Institute of San Jose State University, the San Jose Convention and Visitors Bureau Economic Impact Calculator, and the June 2004 San Jose Sports Facility Task Force Report. These have been supplemented with other studies and documents, all of which can be found in the appendices of this presentation. Our numbers are based in a year 2008 baseline calculation, and do not account for any increased prices or inflation over the following ten-year period.

This report demonstrates the economic power of soccer; over a ten-year period a new 25,000 seat stadium (which we call “The Epicenter”) will create a positive economic effect of nearly six million visitors, half of those from Earthquakes activities alone.

In addition, we include a case study illustrating the significant economic impact youth recreational soccer tournaments contribute to the area. A flagship facility like the Epicenter, and a professional franchise like the Earthquakes, can help attract and collaborate on such beneficial community activities.

It is important to note that apart from an estimated six concerts a year, the other events included here are all soccer-related. There are a plethora of other events a stadium could and would host. Other sports, like lacrosse or college football, would increase The Epicenter’s economic impact. We chose a more conservative focus, and to concentrate on activities for which we had reliable data and sources from which to draw conclusions.

This document has three sections:

1. The first is a spreadsheet which shows a one-year model and also a ten-year model. The one-year model includes “Notes,” which appear as letters within parentheses (e.g. “(a)”, “(b)”, “(c)”, etc.).
2. Those “Notes” refer to the second section where the assumptions for the numbers used on the spreadsheet are explained, and further information given.
3. The “Notes” also refer the reader to the third section, the Appendix, where this report’s sources are provided for the reader to examine.

# The Epicenter

## The Visitor Impact of a New 25,000 Seat Stadium

### (a) One Year Model

Events	Notes	Annual Number (b)	Notes	One Game Attendance	Notes		Averaged Annual Economic Impact (c)	Notes	91.92	160.32	*
									Local Visitor (c) (%)	Out of Town (d) Visitor (%)	Est. night stayovers for Out of Towners (d)
Earthquakes MLS Games	(k)	17	(l)	15,000	(g)	\$	23,439,678	(x)	100%	0%	0.00
NCAA Men's College Cup Games		0.2		10,000	(f)	\$	183,841	(e)	100%	0%	0.00
NCAA Women's College Cup Games		0.2		10,000	(f)	\$	183,841	(e)	100%	0%	0.00
MLS Cup	(h)	0.1		25,000	(i)	\$	270,839	(d)	76%	24%	1.00
MLS All-Star Game	(h)	0.1		25,000	(j)	\$	260,579	(d)	82%	18%	1.00
Earthquakes Int'l Friendlies		2	(m)	15,000		\$	2,757,609		100%	0%	0.00
Earthquakes Sister-City Friendlies		1	(n)	15,000		\$	1,378,805		100%	0%	0.00
MLS Preseason Games	(o)	5		5,000		\$	2,298,008		100%	0%	0.00
Foreign National Team Exhibition Games		1		25,000	(r)	\$	2,588,696	(d)	83%	17%	1.00
Foreign Club Team Exhibition Games	(o)	1		25,000	(q)	\$	2,588,696	(d)	83%	17%	1.00
Women's Professional Games (WUSA)		5	(t)	5,000		\$	2,298,008		100%	0%	0.00
US Men International Exhibition Games		1		25,000	(s)	\$	2,708,391	(d)	76%	24%	1.00
US Women Internat'l Exhibition Games		1		13,000	(s)	\$	1,194,964		100%	0%	0.00
FIFA Men's World Cup		0.1	(v)	25,000	(s,p,i)	\$	638,284	(d)	58%	42%	3.00
Men's World Cup Qualifying Games		0.2		25,000	(p,s)	\$	596,396	(d)	60%	40%	1.00
Women's World Cup Games		0.1	(v)	25,000	(p,u)	\$	531,301	(d)	69%	31%	3.00
Summer Olympics		0.1		25,000	(p,w)	\$	638,284	(d)	58%	42%	3.00
International Youth Tournament Games		2	(y)	5,000		\$	919,203		100%	0%	0.00
Quakes and Soccer History Museum	(z)					\$	-				
Recreational Tournament Collaboration	(bb)					\$	19,534,322	(cc)			
Concerts		6	(aa)	19,000		\$	10,478,915		100%	0%	0.00
<b>TOTAL (One Year Model)</b>		<b>43.1</b>		<b>583,500</b>		<b>\$</b>	<b>75,488,657</b>				
<b>Soccer-Related events:</b>						<b>\$</b>	<b>65,009,743</b>				
<b>Concert events:</b>						<b>\$</b>	<b>10,478,915</b>				

Arguments based on referenced SJCVB study issued 2004.

\* Local and out of town spending amounts reflect estimated increase in prices, inflation, etc., for 2008 in the SJCVB EI Calculator.

# The Epicenter

## The Visitor Impact of a New 25,000 Seat Stadium 10 Year Model

Events	Est. Total Number of Events over 10 Years	Estimated Attendance over 10 years	Estimated Economic Impact to Region over 10 years not adj for inflation
Earthquakes MLS Games	170	2,550,000	\$234,396,777
NCAA Men's College Cup Games	2	20,000	\$1,838,406
NCAA Women's College Cup Games	2	20,000	\$1,838,406
MLS Cup	1	25,000	\$2,708,391
MLS All-Star Game	1	25,000	\$2,605,795
Earthquakes Int'l Friendlies	20	300,000	\$27,576,091
Earthquakes Sister-City Friendlies	10	150,000	\$13,788,046
MLS Preseason Games	50	250,000	\$22,980,076
Foreign National Team Exhibition Games	10	250,000	\$25,886,956
Foreign Club Team Exhibition Games	10	250,000	\$25,886,956
Women's Professional Games (WUSA)	50	250,000	\$22,980,076
US Men International Exhibition Games	10	250,000	\$27,083,906
US Women Internat'l Exhibition Games	10	130,000	\$11,949,640
FIFA Men's World Cup	1	25,000	\$6,382,845
Men's World Cup Qualifying Games	2	50,000	\$5,963,959
Women's World Cup Games	1	25,000	\$5,313,007
Summer Olympics	1	25,000	\$6,382,845
International Youth Tournament Games	20	100,000	\$9,192,030
Quakes Soccer History Museum	0	0	\$0
Recreational Tournament Collaboration			\$195,343,220
Concerts	60	1,140,000	\$104,789,147
<b>TOTAL (10 Year Model)</b>	<b>431</b>	<b>5,835,000</b>	<b>\$ 754,886,574</b>

## Notes

- **(a)** Figures in this economic report are derived using the methodology and Economic Impact Calculator of the San Jose Convention & Visitors Bureau (SJCVB) provided to Soccer Silicon Valley by SJCVB chief executive officer Dan Fenton. (*See The San Jose Visitor Study – Market Profile and Economic Impact FY 2003-04 Report*) prepared by the Survey and Policy Research Institute of San Jose State University and published in June, 2005 by Thayer Watkins, Ph.D., Professor of Economics, SJSU and Philip J. Trounstein, Director, Survey and Policy Research Institute (*See Appendices 25 and 26*).

The Office of Economic Development, in partnership with the SJCVB and others, expects to develop a specific Economic Impact Calculator in 2007 to break out various types of special and sporting event spending. Until then, the SJCVB suggests its partners use the current calculator, since the generic visitor spending numbers in it are the only ones they can verify at this time. The figures in this Soccer Silicon Valley report are therefore merely an approximate starting point for discussion this year. It contains our best estimates, based solely upon information available to us at this time, which can be refined in the future as better tools and data become known to us.

- **(b)** This column projects the number of events over a ten-year period, then divides that by 10 to find an average annual number.
- **(c)** This column projects an economic impact figure over a ten-year period, then divides that by 10 to find an average annual number. Calculations are based on a specific formula from the SJCVB Economic Impact Calculator (*See Note (a) above*). Calculations are as of July 2008. The Fiscal Year (FY) Difference used is therefore 48, (as per the instructions on the calculator) to reflect that July 2008 is 48 months after the 7/1/2004 baseline date. Next, the estimated attendance for one game is input and a result is obtained (*See Appendix 26*).

The SJCVB Economic Impact Calculator uses different calculators for “Local Attendees” (\$91.92 per diem), and “Out of Town Attendees” (\$160.32 per diem). “Local Attendees” provides a more conservative figure than “Out of Town Attendees” because it assumes that none of the attendees will stay in a hotel overnight. Obviously, some overnight visitors can be expected to any event, but except as explained in Note (d) below, these are not counted in this Visitor Projection Report. To avoid “double-counting”, the price of a ticket to a soccer game is not included in these calculations.

- **(d)** Some events do draw substantial numbers of out-of-town visitors. For these, the calculations are modified using the July 2005 Bureau of Economic and Business Research (BEBR) Report from the University of Utah and from an examination of the 1996-2005 attendance at marquee events at RFK Stadium in Washington, D.C. by Fred Matthes, Director of Ticketing Operations and Customer Service, D.C. United as a model (*See Appendices 11 and 27*).

The BEBR Report, based upon the study of a doubleheader MLS game/U.S. World Cup qualifying match, found that 38% of the fans were from out-of-town, and their average stay was 3.15 days. The RFK numbers define “out-of-town visitors” as those coming from two or more hours distance from the event, and show two MLS Cups at 21.99% and 24.77% from out-of-town, two All-Star games at 18.69% and 16.95%, and Olympic soccer games at 39.3% and 44.83% out-of-town. Two women’s World Cup games produced 30.2% and 32.56%, while five Qualifiers averaged almost 41%. Six USMNT friendlies had about 24% out-of-towners and twelve International Tournament games resulted in approximately 17% out-of-town attendees. When DC United played against foreign teams they averaged about 21% from out-of-town.

This Visitor Projection Report makes the conservative assumption that “Out-of-Town Attendees” in San Jose will stay for three days during the Men’s World Cup, Women’s World Cup, and Olympic events, with only one night for other games.

The 1994 FIFA Men's World Cup XV (final played at the Rose Bowl) generated an economic impact of \$600 million, and the 1999 FIFA Women's World Cup III (final played at the Rose Bowl) \$30 million (*See Appendix 5*)

- **(e)** The estimate is based on the assumption that a tournament will be hosted in San Jose once every 10 years, with each tournament holding two days of games, with each day's game(s) on a single ticket. College Cup games are played on Friday and Sunday, with Saturday off. (Additional economic impact that can be expected on Saturday is not reflected in this report.)
- **(f)** San Jose hosted the Women's College Cup at Spartan Stadium in 1999 and 2000. The attendance at the 1999 final game was 14,410. Attendance at the 2000 final game was 9,566. Attendance at the 1999 men's final was about 15,000, and at the 2000 final, 11,421 (*See Appendix 1.*)
- **(g)** The 15,000 estimate is based on the league average attendance figures given at [www.kenn.com](http://www.kenn.com) (*See Appendix 8*) as well as the league average attendance figures on Slide 23 of the June 7, 2004, San Jose Task Force Preliminary Market Analysis and Facility Review (the Skiem Report, *See Appendix 2, Slide 23*). However, one should note Slide 30 of that report, (*See Appendix 2, Slide 30*) which states: "Based on the results of the penetration analysis, it appears that the opportunity exists for the Earthquakes to grow their attendance if they can achieve penetration levels equal to the league average", or 19,900 at league average penetration at a 50-mile radius from the stadium. (This is a conservative estimate because MLS league attendance has been increasing since 2003 (from which the most recent attendance figures were available for the Skiem Report), and because between 2003 and 2005 (when the existing team departed for Houston), San Jose's attendance increased more rapidly than the league average.
- **(h)** Major League Soccer has often awarded an MLS Cup game and an MLS All-Star game to cities with new stadiums. For example, the 2005 MLS Cup game was played in the newest stadium in Frisco, Texas. The previous two years, the MLS Cup was played in the then new Home Depot Center Carson, California. Over the course of a decade San Jose, with its pleasant climate, could reasonably expect to host each event.

In 2001 San Jose's Spartan Stadium hosted the MLS All-Star Game with an attendance of 23,512 (*See Appendix 7*).

- **(i)** The Los Angeles Sports Council valued the economic impact of MLS Cup when held at the Rose Bowl in 1998 at \$5 million. In 2003 the San Jose Earthquakes won their second MLS Cup Championship at the Home Depot Center in Carson, California before a sellout crowd of 27,000 (*See Appendix 6 for attendance at all MLS Cup games*).
- **(j)** The MLS All-Star game is a weekend event with other activities also scheduled (*See Appendix 7 regarding the 2004 event*). Additional economic impact that can be expected on that weekend is not reflected in this report.
- **(k)** This Visitor Projection Report reflects the schedules with the current twelve teams now in the league. MLS plans to expand to 16 teams by 2010 (*See Appendix 3*).
- **(l)** This Visitor Projection document assumes 16 MLS home regular-season matches, and one playoff game. Teams that progress past the first round of playoffs may host more than one game. The San Jose Earthquakes advanced through the rounds to win the MLS Cup Championship in 2001 and 2003. Currently, two-thirds of MLS teams qualify for the playoffs and all playoff teams host at least one game.
- **(m)** The San Jose Earthquakes (aka San Jose Clash) have played exhibition home games against professional teams from Germany (Bayer Leverkusen), Mexico (UNAM Pumas, Atlas, Morelia, Club America, and Toluca), England (Aston Villa), China (Shanghai Shenhua FC), Portugal (Sporting Club

of Lisbon), Spain (Alaves) and against the Canadian National Team. There are also domestic (*i.e.* the annual US Open Cup) and international tournaments (*i.e.* The CONCACAF Champions Cup) the team has played in the past and may qualify for in the future. (*Source: San Jose Earthquakes 2005 Media Guide*).

- **(n)** San Jose's "Sister Cities" are all from countries where soccer is very popular. A tournament or individual games can be arranged to complement current City activities to attract more international tourists and attention to San Jose (*See Appendix 9 and Appendix 10*).
- **(o)** Weather is a powerful asset for San Jose soccer, and could result in San Jose becoming a "Spring Training" center for professional soccer teams, like Scottsdale, Arizona is for baseball teams . According to former Earthquakes General Manager Johnny Moore, several European clubs would be interested in setting up in San Jose for preseason games (summer is off-season for the European league seasons), resulting in 2-5 games a year. MLS teams, many of whom have bad weather in February and March, would also be interested in playing preseason games here (the MLS season begins in April) which could result in anywhere from 5–25 games. The European games would be fewer in number but more likely to draw larger crowds with visitors from all over the US (*See Appendix 12*).
- **(p)** The BEBR analyzed 465 interviews with spectators at a June 4, 2005 doubleheader, featuring the US Men's team versus Costa Rica World Cup qualifier and a MLS match involving Real Salt Lake versus FC Dallas. The study had 95 percent confidence factor, +- 4.52 percentage points. The game was televised internationally and to 521,975 US households. The average length of stay for the non-Utah visitors was 3.15 nights. Close to 38% of the attendees were out-of-state visitors (and about 10% of the total attendance came from out of the country). In addition, 203 visiting team members and media were at the game. The out-of-state visitors spent \$12,708,903 on hotels, restaurants, shopping, and entertainment, or about \$821.10 per person during the average three-night stay. "Considering people are traveling on their own dime [compared with convention goers who probably charge their companies], I thought it was a high-spending crowd," said Alan Isaacson (to the Salt Lake Tribune 7/16/05), who analyzed the data for RSL as a research analyst with the University of Utah's Bureau of Economic and Business Research (*See Appendix 11*).
- **(q)** In 2005, Club America (Mexico) drew some 26,000 to an exhibition match in San Jose. Large European clubs, such as Manchester United, bring large crowds from all over the country. (*See Appendix 12*). During the summer of 2006, European clubs Real Madrid and Barcelona toured the USA, playing exhibition matches against MLS teams in New Jersey, Seattle, and Salt Lake City, and appearing in the second game of doubleheaders that featured MLS games as the openers in Los Angeles and Houston. The attendance numbers were:
  - 92,650 (Chivas Guadalajara vs. Barcelona) Los Angeles, CA
  - 79,002 (Red Bulls vs. Barcelona) East Rutherford, N.J.
  - 70,550 (Club America vs. Barcelona) Houston, TX
  - 66,830 (D.C. United vs. Real Madrid) Seattle, WA
  - 45,511 (Real Salt Lake vs. Real Madrid) Salt Lake City, UT
- **(r)** Recent attendance figures for foreign teams playing friendlies in the Bay Area:
  - 45,000 (Mexico vs. Norway) San Francisco, CA (2006)
  - 37,365 (USA vs. Japan) San Francisco, CA (2006)
  - 30,000 (South Korea vs. Costa Rica) Oakland, CA (2006)

Spartan Stadium in San Jose was not chosen to host an international friendly in 2006 (*See Appendix 14*).

- **(s)** US Men's matches now routinely draw more than 25,000 spectators, even in communities that are not known for soccer. Attendance figures for the most recent US Men's matches prior to the 2006



#### World Cup in Germany:

- 24,636 (US vs. Latvia) East Hartford, Connecticut (May 28, 2006)
- 29,745 (US vs. Venezuela) Cleveland, Ohio (May 26, 2006)
- 26,141 (US vs. Morocco) Nashville, Tennessee (May 23, 2006)

The May 23 match was a 6 pm Tuesday night game, May 26 was a Friday night game, and May 28 was a 7 pm Sunday night game. In Birmingham, Alabama, a self-proclaimed “football capital”, the economic impact of one 2005 game on the community was \$6,868,757 (*See Appendix 15*). Women’s games had smaller attendance, but higher per capita spending. There are regional tournaments for the US Men’s Team that need host stadiums. One example is the bi-annual CONCACAF Gold Cup (*See Appendix 4*).

- **(t)** WUSA projects a resumption of operations in 2008. (*See Appendix 16*). For purposes of this Visitor Projection Report we assume that a local team will again have 5-6 home games. The CyberRays averaged 7,000 per game when they were here (Attendance figures drawn from: <http://www.kenn.com/soccer/wusa.html> ), but this report will conservatively project a figure of 5,000 per game until the team becomes established. As mentioned (*See Note (v)* above), women’s soccer audiences tend to have a higher per capita spending than men’s audiences.
- **(u)** In 2003 the Women’s World Cup was relocated at the last minute to the USA from China due to the SARS epidemic, which led to a huge positive economic impact for American host cities. In Portland, half of the advance ticket buyers were from outside of that city. Soccer teams, support staff, media and event organizers booked almost 1,500 room nights, and out-of-town visitors another 19,000 room nights. “Drew Mahalic, chief executive officer of the Oregon Sports Authority, said that the number of people coming to watch is “absolutely staggering, like nothing we’ve ever seen before.” (*See Appendix 17*). Notably, San Jose had the highest female fan base in MLS (*See Appendix 2, Slide 6*).
- **(v)** The FIFA Men’s World Cup was held in the US in 1994 and was the most financially successful World Cup ever (*See Appendix 18*). We assume the Men’s and the Women’s World Cup each return once in the next 20 years with two games hosted here.
- **(w)** This figure assumes the Summer Olympics will return to the US sometime in the next twenty years. Soccer has been an attendance mainstay at the Olympic Games (*See Appendices 13 and 19*).
- **(x)** Soccer will surpass hockey to become the fourth major sport by the time a new San Jose stadium is in operation (*See Appendices 20 and 21*).
- **(y)** FIFA sanctions international tournaments for many different age groups (and for both genders) besides the Men’s World Cup and Olympic soccer. For men and youth, they include the U-20 World Cup, the U-17 World Cup, the Confederations Cup, the Club World Cup, and the Youth Cup. For women, they include the U-20 Women’s World Championship and the U-17 Women’s World Cup. (*See <http://www.fifa.com>*).

San Jose, with its agreeable weather, would have opportunities to host games every year. Canada is expecting a \$166 million economic impact from the 2007 FIFA U-20 world Championship (*See Appendix 24*).

- **(z)** A new San Jose Earthquakes soccer stadium (The Epicenter) can be an asset in helping promote downtown revitalization (*See Appendix 22*). Besides soccer games, the stadium could include an in-stadium museum to bring tourists in when games are not being played, as well as reaching out to the US Soccer Hall of Fame Museum in Oneonta, New York (<http://www.soccerhall.org/index.htm>) to bring more exposure to San Jose. In Buenos Aires, for example, where there are scores of museums (including several art galleries and an Evita museum), the museum for the “Boca Juniors” soccer team



is the most popular and charges among the highest prices for tickets. Tickets for the museum and stadium tour can be booked in tandem with tickets for other attractions in the city.

The museum's website is found at <http://www.museoboquense.com> and a virtual tour of the exhibits is available at <http://www.museoboquense.com/museo-01.php> (See Appendix 23).

- **(aa)** Former San Jose Earthquakes owner AEG estimated six concerts (19,000 each) annually in a submission to San Jose mayoral aide Joe Guerra in August 2004.
- **(bb)** Local communities are bursting at the seams with youth soccer players looking for fields for recreational, competitive and tournament play. The national youth soccer tournament industry is booming, with substantial revenue flowing to the local businesses in the area that is able to host such activities. With the presence of nationally-ranked men's and women's college soccer teams, a state-of-the-art soccer stadium, strong grassroots support and tradition, accompanied by a professional soccer team, our area will continue to be a major focus for youth soccer.

Many other communities, even without these advantages, enjoy lucrative returns from youth soccer events:

- The six-day 2005 US Youth Soccer East Regional Championships in the Hampton Roads area of Virginia were estimated to have provided more than \$6 million of economic impact to the area from 10,000 visitors, including 40,000 room nights at area hotels.
- In Chattanooga, Tennessee, the 2005 Redoubt Generals Invitational Soccer Tournament's economic impact was estimated at \$925,000.
- Rockford, Illinois was awarded the 2008 Midwest Regional Championships youth tournament. They project 3,800 players and 12,000 spectators will attend, with a six-day fiscal impact for the area of \$7,000,000.
- In Wisconsin, the 2006 SNICKERS USYSA Region II tournament brought in approximately 150,000 visitors to the area with an estimated economic impact of 2.5 million dollars for the Fox Cities.
- One of the top ten annual tourism events for Birmingham, Alabama, is the Vulcan Cup, generating between \$2.2 million and \$2.5 million in 2002. 177 teams competed (145 from out-of-state), which meant 2,800 players and a total attendance of over 6,000. 2,500 hotel rooms were booked for a two-night stay.
- The invitation-only Dallas Cup brings 160 teams from across Texas, the U.S. and the world to Dallas each year. This means almost 3,000 players and more than 150,000 fans, will rent more than 6,000 hotel room nights and consume more than 100,000 restaurant meals during the tournament's weeklong run. This is about a \$4 million economic boost to the area, not including tax revenue from the hotel rooms or airline revenue from attendees.
- Plano, Texas hosts an annual Labor Day tournament with more than 500 teams. In 2004, they needed seven thousand hotel room nights.
- In Frisco, Texas, the 2005 Southern Regional Championships in June, 2005 used between 14,000 to 18,000 room nights between June 23 and June 30.
- Dayton, Ohio, was the host for the 19<sup>th</sup> annual adidas Warrior Classic held on May 27-30, 2005, with 400 teams, over 6,000 players, and more than \$2 million for Dayton/Montgomery County.

As an example of what can be done here, we provide a "case study" by using the economic impact report of the San Diego Surf Cup from 2005. (See Appendix 28). We derived the figure \$19,534,322 (the combined impact of the Surf Cup for the San Diego area for the dates July 30-August 1, 2005, August 6-8, 2005, and November 25-27, 2005) for our own spreadsheet model from the Surf Cup results, to illustrate what economic impact several weekends of youth tournaments of that caliber could bring to our area.

**(cc)** This economic impact is directly derived from the addition of youth fields that are anticipated to be associated with the new stadium facility.

# Appendices

- 1** NCAA College Cup Attendance
- 2** San Jose Sports Facility Task Force Report, June 7, 2004
- 3** Twenty Questions with Commissioner Garber
- 4** CONCACAF Tournaments: The Gold Cup
- 5** Los Angeles Sports Council Economic Impact Report
- 6** MLS Press Release: MLS Cup Attendance History
- 7** The MLS All-Star Game
- 8** Weekend vs. Weekday MLS Attendance
- 9** City of San Jose Press Release: San Jose and Dublin
- 10** San Jose Sister City Program
- 11** BEBR Spectator Characteristics and Visitor Spending
- 12** CNN May 13, 2005: Chris Isadore column “Man Who?”
- 13** USOC Interest in 2016 Sites
- 14** Soccer America: Spartan Stadium Snubbed
- 15** US National Team Games at Legion Field
- 16** WUSA to Return
- 17** Portland Tribune: “City Cashes in on World Cup”
- 18** Business America, May 17, 1993: World Cup Impact
- 19** Soccer Attendance at the Olympics
- 20** The 2006 Sports Business Market Research Handbook
- 21** Sports Biz: May 1, 2006: “A Breakout Year for Soccer?”
- 22** The Brookings Institution: “Turning Around Downtown”
- 23** Boca Juniors Museum and Stadium Tour, Buenos Aires
- 24** Canadian Soccer Association Press Release: FIFA U-20
- 25** The San Jose Visitor Study
- 26** The SJCVB Economic Impact Calculator
- 27** Marquee Events at RFK Stadium 1996-2005
- 28** San Diego Surf Cup Economic Impact Report 2005

# Appendix 1

## *NCAA College Cup Attendance*

Extracted from THE YEAR IN AMERICAN SOCCER 1999 and THE YEAR IN AMERICAN SOCCER 2000, Maintained and written by Dave Litterer [spectrum@sover.net](mailto:spectrum@sover.net) , and available at: <http://www.sover.net/~spectrum/year/1999.html>

### **The Year in American Soccer 1999**

#### **The College Game**

The NCAA moved the [men's] tournament final four to Ericcson Stadium in Charlotte NC, in an effort to go big time. This 74,000 seat stadium, used for NFL's Carolina Panthers symbolized the NCAA's aspirations, but looked somewhat incongruous with the 15,000+ crowds that actually turned out. This raised the question about whether it was better to build the sport first through advertising and competition, and follow that with moving to a larger stadium rather than the other way around. A wiser decision was made with the women's tournament. This was moved to Spartan Stadium in San Jose, a 31,000 seat venue. The final championship drew 14,410, almost as much as the men's final, but in the more intimate stadium, the crowd felt and sounded much louder.

### **The Year in American Soccer 2000**

#### **The College Game**

**NCAA Division I Men's tournament:** In the quarterfinals, Southern Methodist defeated Stanford 2-1, Creighton defeated Virginia 3-0, Indiana defeated North Carolina 1-0, and Connecticut defeated Brown 1-0. The College Cup was December 8-10 in Charlotte, NC. In the semifinals, Connecticut defeated Southern Methodist 2-0 and Creighton defeated Indiana 2-1. In the final, Connecticut defeated Creighton 2-0 before 11,421 fans to take the national title.

**NCAA Division I Women's tournament:** In the quarterfinals, North Carolina defeated Connecticut 3-0, Notre dame defeated Santa Clara 2-1 (OT), Portland defeated Penn State 1-0 (OT), and UCLA defeated Clemson 2-1. The College Cup was held December 1-December 3 in San Jose, CA. In the semifinals, North Carolina defeated Notre Dame 2-1, and UCLA defeated Portland 1-0. In the final, North Carolina won their 16th national title in 19 years by defeating UCLA 2-1 before 9,566 fans.

## **Appendix 2**

*San Jose Sports Facility Task Force Report  
June 7, 2004*

# **San Jose Sports Facility Task Force**

## **Preliminary Market Analysis And Facility Review**

**June 7, 2004**

**San Jose Sports Facility Task Force** 1

**Contents of this report were taken from industry publications and various other sources of public information. No attempt has been made to verify or alter this information. Information presented may vary from actual and these differences may be material.**

**San Jose Sports Facility Task Force** 2

## **Major League Soccer**

**San Jose Sports Facility Task Force** 3

## **Major League Soccer**

### **Demographic Analysis**

**San Jose Sports Facility Task Force** 4



## Demographic Introduction

- An important component in assessing the potential success of sports franchises and facilities is the demographic and socioeconomic profile of the market area. Specific demographic characteristics discussed herein include:
  - Population
  - Household Income
  - Age Distribution
  - Corporate Base
- The San Jose/Bay Area is unique due to the presence of the San Francisco Bay, which affects the ability of residents to easily access certain areas of the market. This can have an impact on the attendance patterns of local sports fans and the population bases from which area teams draw attendees.
- The Bay Area is comprised of three distinct metropolitan areas.
- Demographic analyses are performed using MSA/CMSA statistics, as well as analyses of 25 and 50-mile radii surrounding each market.

**San Jose Sports Facility Task Force** 5

## MLS Fan Demographics

	MLS Fans	NFL Fans	MLB Fans	NBA Fans	NHL Fans	U.S.
<b>Gender</b>						
Male	52.8%	56.8%	53.5%	53.2%	59.2%	48.9%
Female	47.2%	43.2%	46.5%	46.8%	40.8%	51.1%
<b>Ethnicity</b>						
Caucasian	65.3%	71.4%	74.0%	63.2%	77.4%	71.5%
Hispanic	17.6%	11.3%	11.3%	13.7%	10.0%	11.7%
African-American	10.8%	12.8%	10.4%	17.9%	8.2%	12.1%
Other	4.7%	3.6%	3.5%	4.0%	3.6%	3.8%
Asian	1.6%	0.8%	0.8%	1.3%	0.8%	0.9%
<b>Household Income</b>						
Under \$20,000	16.9%	16.4%	17.6%	18.4%	14.0%	22.6%
\$20,000 to \$29,999	14.4%	16.0%	15.6%	16.2%	14.7%	12.6%
\$30,000 to \$49,999	28.5%	28.6%	27.6%	28.0%	28.8%	22.2%
\$50,000 to \$99,999	29.5%	29.2%	29.7%	27.7%	31.6%	30.3%
\$100,000 to \$149,000	7.1%	6.3%	6.3%	6.2%	7.4%	7.3%
Over \$150,000	3.6%	3.4%	3.2%	3.6%	3.6%	5.0%

Source: ESPN; Claritas, Inc.

- MLS has the highest female fan base compared to the other professional sports leagues and the second highest minority fan base, trailing only the NBA.
- MLS draws a higher percentage of Hispanics than any of the other four major sports leagues, representing nearly 18 percent of the MLS fan base.
- Compared to the other four major sports leagues, MLS fans have the second highest percentage of households with incomes in excess of \$50,000, trailing only the NHL.

**San Jose Sports Facility Task Force** 6

## Soccer Participation

### U.S. Soccer Participation by State

Rank	State	Number of Participants
1	California	2,154,000
2	New York	1,345,000
3	Texas	1,277,000
4	Ohio	1,116,000
5	Pennsylvania	1,070,000
6	Michigan	781,000
7	New Jersey	643,000
8	Florida	613,000
9	Minnesota	561,000
10	North Carolina	467,000

Source: Soccer Industry Council of America

- California ranks 1<sup>st</sup> in the United States in Soccer Participation.
- California has 60% more soccer participants than the 2<sup>nd</sup> state (New York).

**San Jose Sports Facility Task Force** 7

## Consolidated Market Statistical Area Definition

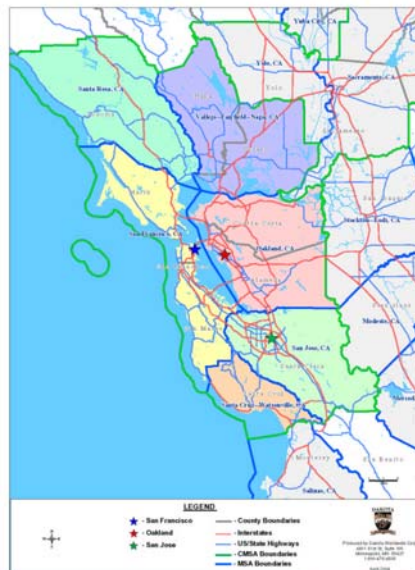
The San Francisco-Oakland-San Jose Consolidated Market Statistical Area (CMSA) is comprised of the following Metropolitan Statistical Areas (MSA's) and counties:

Bay Area CMSA Summary

MSA	Counties	MSA Population	% of Total
Oakland	Alameda, Contra Costa	2,498,300	34%
San Francisco	Marin, San Francisco, San Mateo	1,777,500	24%
San Jose	Santa Clara	1,741,700	24%
Vallejo-Fairfield-Napa	Napa, Solano	542,400	7%
Santa Rosa	Sonoma	480,300	7%
Santa Cruz-Watsonville	Santa Cruz	263,100	4%
Total Population (CMSA)		7,303,300	100%

Source: Sales & Marketing Management.

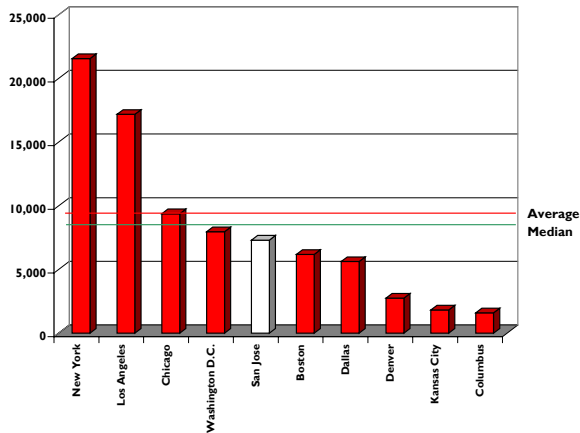
Analysis of CMSA and MSA statistics provides a general overview of overall area demographics.



**San Jose Sports Facility Task Force** 8

## CMSA Comparison

The following chart compares the population of the San Francisco-Oakland-San Jose CMSA with the CMSA or MSA of each MLS franchise.

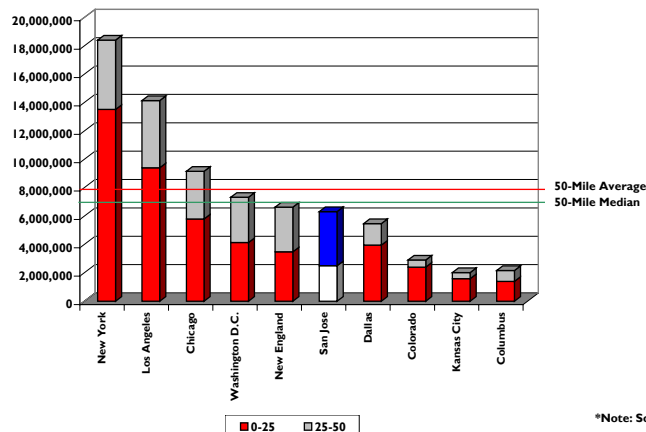


- The San Jose-San Francisco-Oakland CMSA ranks 5<sup>th</sup> of the 10 MLS markets.

**San Jose Sports Facility Task Force** 9

## Ring Population Comparison

MSA's and counties may not accurately reflect a franchise's primary market area. Rings surrounding a market may provide a more accurate picture of potential fan base. The following chart compares the populations of each MLS team within 25 and 50 miles of its home stadium.



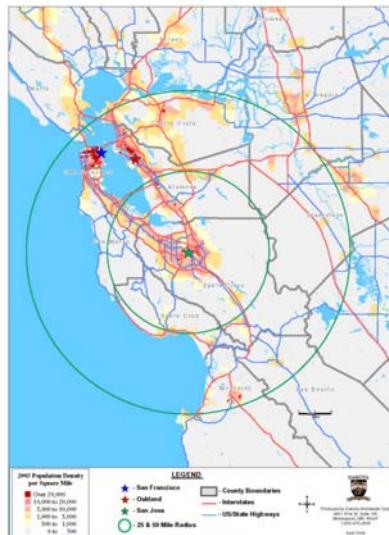
\*Note: Sorted by 50-mile population.

**San Jose Sports Facility Task Force** 10

## Ring Population Comparison

Variable	San Jose		Population			
	Total	Rank	MLS High	MLS Average	MLS Median	MLS Low
<i>Current Population</i>						
25-mile	2,489,300	7	13,511,500	4,810,200	3,709,700	1,389,400
50-mile	6,313,400	6	18,399,300	7,448,100	6,466,800	2,018,200

Source: Dakota Worldwide, Claritas.  
Rankings are of 10 MLS teams.

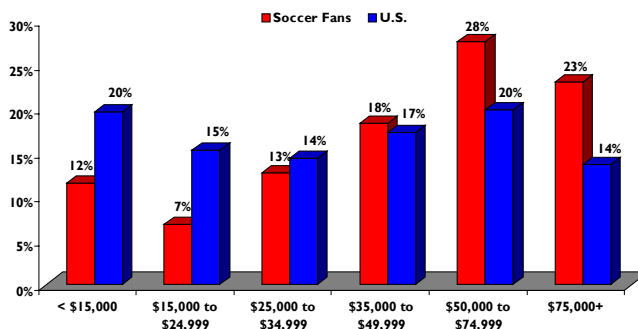


- The San Jose market ranks 7<sup>th</sup> in terms of population within 25 miles and 6<sup>th</sup> in terms of 50-mile population as compared to other U.S. MLS franchises.

**San Jose Sports Facility Task Force**

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## U.S. Soccer Participation by Household Income



Source: Sports Business Research Network

- Nearly 51 percent of U.S. soccer households have annual income of at least \$50,000, compared to the approximately 34 percent of all U.S. households.
- The larger income of soccer participants indicates that the core group of spectators at a new soccer stadium may have more discretionary income to spend on tickets, concessions, merchandise, and parking as well as in the San Jose community in hotels, restaurants, and retail establishments.

**San Jose Sports Facility Task Force**

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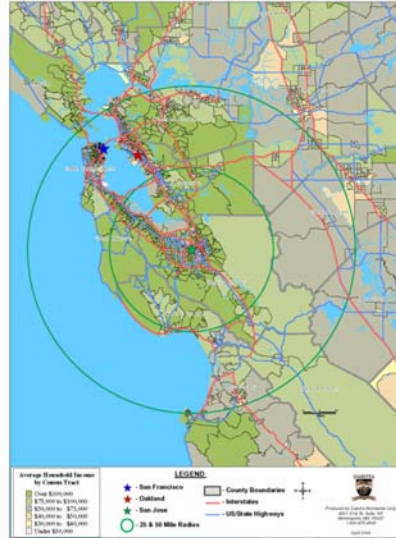
## Household Affluence

Household Income

Variable	San Jose		MLS High	MLS Average	MLS Median	MLS Low
	Total	Rank				
% of HH's with Income > \$50,000						
25-Mile	73.0%	I	73.0%	55.5%	53.6%	45.6%
50-Mile	65.3%	I	65.3%	55.3%	54.4%	48.2%
Median HH Income						
25-Mile	\$85,300	I	\$85,300	\$57,800	\$54,800	\$45,600
50-Mile	71,700	I	71,700	57,100	56,100	48,400

Source: Claritas, Inc.  
Rankings are of 10 MLS franchises.

- San Jose is the most affluent of the MLS markets in terms of the household income characteristics analyzed.



**San Jose Sports Facility Task Force** 13

## Age Distribution

- While professional sporting events attract a wide variety of age groups, the 18 to 49 age group often represents the primary market for professional sports attendees.

Age Distribution

Variable	San Jose		MLS High	MLS Average	MLS Median	MLS Low
	Total	Rank				
% of Population 18-49						
25-Mile	51.6%	I	51.6%	48.8%	48.6%	46.3%
50-Mile	50.4%	I	50.4%	48.0%	47.7%	46.5%

Source: Claritas.  
Rankings are of the 10 MLS franchises.

- San Jose demonstrates the highest percentage of market population within the key age range of 18 to 49.

**San Jose Sports Facility Task Force** 14

## Gender and Ethnicity

Gender and Ethnicity

Variable	San Jose		MLS High	MLS Average	MLS Median	MLS Low
	Total	Rank				
% Male						
25-Mile	50.3%	1	50.3%	49.0%	48.8%	47.8%
50-Mile	50.0%	1	50.0%	49.1%	49.0%	48.0%
% Female						
25-Mile	49.7%	10	52.2%	51.0%	51.2%	49.7%
50-Mile	50.0%	10	52.0%	50.9%	51.0%	50.0%
% Caucasian						
25-Mile	46.7%	8	77.7%	57.0%	52.1%	28.3%
50-Mile	46.7%	9	83.2%	62.0%	57.7%	35.4%
% Hispanic						
25-Mile	22.6%	4	46.3%	18.2%	19.6%	2.2%
50-Mile	22.8%	2	42.2%	16.5%	17.8%	1.7%
% African American						
25-Mile	3.3%	10	30.2%	14.3%	14.5%	3.3%
50-Mile	7.0%	8	27.7%	12.4%	11.5%	4.3%
% Asian						
25-Mile	26.2%	1	26.2%	7.9%	5.2%	1.9%
50-Mile	20.9%	1	20.9%	6.6%	4.3%	1.7%
% Other						
25-Mile	4.5%	1	4.5%	2.8%	2.7%	1.8%
50-Mile	4.6%	1	4.6%	2.7%	2.5%	1.7%

Source: Claritas, Inc.  
Rankings are of 10 MLS franchises.

- San Jose has a relatively high proportion of male population.
- San Jose is in the top four among MLS markets in terms of percentage of Hispanic population within both radii analyzed.
- San Jose also has a relatively high Asian population.

**San Jose Sports Facility Task Force** 15

## Corporate Base

Corporate Base

Variable	San Jose		MLS High	MLS Average	MLS Median	MLS Low
	Total	Rank				
Total CMSA Corporate Inventory <sup>(1)</sup>	11,900	4	25,300	11,500	9,900	3,220

(1) Corporate headquarters with at least 25 employees and \$5 million annual sales and corporate branches with at least 25 employees.

Source: Dun & Bradstreet.

- The Bay Area CMSA's total corporate inventory ranks 4<sup>th</sup> among the 10 MLS markets. Further, San Jose's Silicon Valley location provides it with several major corporations located in close proximity.
- Focusing specifically on the San Jose MSA, San Jose's ratio of corporate inventory to total population is the highest of any MLS market.

**San Jose Sports Facility Task Force** 16



## Demographic Analysis Summary

- While San Jose's 25-mile population ranks 7<sup>th</sup> among the ten MLS markets, while its 50-mile population ranks 6<sup>th</sup>. It should be noted that among the markets ranking ahead of San Jose in terms of population include major metropolitan areas such as New York, Los Angeles and Chicago.
- The San Jose-San Francisco-Oakland CMSA ranks fifth out of the 10 MLS markets.
- San Jose's population is more affluent than that of all other MLS markets in terms of household income characteristics analyzed.
- San Jose demonstrates the highest percentage of population within the key age range of 18 to 49.
- The San Jose region has a strong ethnic base. MLS fan demographics tend to exhibit relatively strong ethnic interest.
- The Bay Area's CMSA corporate base ranks 4<sup>th</sup> among MLS markets. San Jose's, Silicon Valley location provides it with several major corporations located in close proximity.
- The San Jose MSA's corporate inventory as a proportion of total population is highest among MLS markets.

**San Jose Sports Facility Task Force** 17

## Major League Soccer Overview

**San Jose Sports Facility Task Force** 18

## Current MLS Ownership

### Anschutz Entertainment Group

- Chicago Fire
- DC United
- Los Angeles Galaxy
- New York/New Jersey MetroStars
- San Jose Earthquakes

### Hunt Sports Group

- Columbus Crew
- Dallas Burn
- Kansas City Wizards

### Robert Kraft

- New England Revolution

### Kroenke Sports Enterprises

- Colorado Rapids

**San Jose Sports Facility Task Force** 19

## Facility Development

### Soccer-Specific Facilities:

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Crew Stadium               <ul style="list-style-type: none"> <li>• Columbus Crew</li> <li>• Opened in 1999</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>• Frisco Center               <ul style="list-style-type: none"> <li>• Dallas Burn</li> <li>• Opening in 2005</li> </ul> </li> </ul>         | <ul style="list-style-type: none"> <li>• Harrison, New Jersey               <ul style="list-style-type: none"> <li>• NY/NJ MetroStars</li> <li>• Opening in 2006</li> </ul> </li> </ul> |
| <ul style="list-style-type: none"> <li>• Home Depot Center               <ul style="list-style-type: none"> <li>• LA Galaxy</li> <li>• Opened in 2003</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Bridgeview, Illinois               <ul style="list-style-type: none"> <li>• Chicago Fire</li> <li>• Opening in 2006</li> </ul> </li> </ul> |   |

### NFL Facilities:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Arrowhead Stadium               <ul style="list-style-type: none"> <li>• Kansas City Galaxy</li> <li>• Opened in 1972</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Gillette Stadium               <ul style="list-style-type: none"> <li>• New England Revolution</li> <li>• Opened in 2002</li> </ul> </li> </ul> |
| <ul style="list-style-type: none"> <li>• Invesco Field               <ul style="list-style-type: none"> <li>• Colorado Rapids</li> <li>• Opened in 2001</li> </ul> </li> </ul>        | <ul style="list-style-type: none"> <li>• RFK Stadium               <ul style="list-style-type: none"> <li>• DC United</li> <li>• Opened in 1961</li> </ul> </li> </ul>                   |

### College Facilities:

- Spartan Stadium
  - San Jose Earthquakes
  - Opened in 1933

**San Jose Sports Facility Task Force** 20

## MLS Financial Structure

	Investor- Operator	MLS
<b>Revenues:</b>		
Gate Receipts	70%	30%
Concessions	100%	0%
Parking	100%	0%
Local Sponsorships	100%	0%
National Sponsorships	0%	100%
Other Stadium Revenues	100%	0%
National Media	0%	100%
Local T.V. & Radio	100%	0%
<b>Expenses:</b>		
Player Salaries	0%	100%
Front-Office Expenses	100%	0%
Team Travel	100%	0%
Broadcast Expense	100%	0%
Rent	100%	0%
Game-Day Expenses	100%	0%

- The **MLS** is a single-entity limited liability company. The league owns the member clubs, while investors purchase operating rights for an individual team.
- Some revenues and expenses are shared between the **MLS** franchise and the host stadium. The revenue presented herein is net of revenue and expense sharing between the stadium owner and the **MLS** team.

**San Jose Sports Facility Task Force** 21

## Major League Soccer Attendance Analysis

**San Jose Sports Facility Task Force** 22

## MLS Attendance by Franchise

MLS 5-Year Attendance Summary

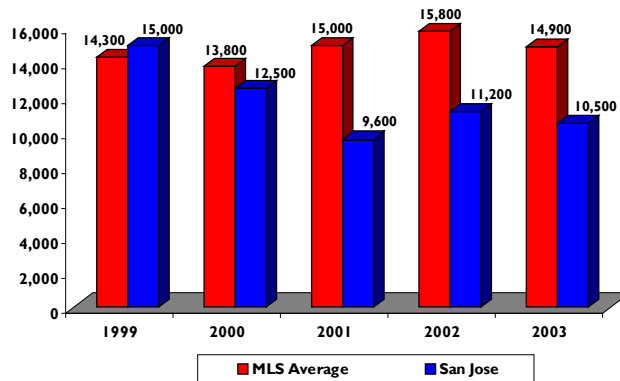
Team	Average Per-Game Attendance					5-yr ave
	1999	2000	2001	2002	2003	
Los Angeles Galaxy	17,600	20,400	17,400	19,000	22,000	19,300
D.C. United	17,400	18,600	21,500	16,500	15,600	17,800
NY/NJ MetroStars	14,700	17,600	20,800	18,200	15,800	17,300
Columbus Crew	17,700	15,500	17,500	17,400	16,300	16,900
Colorado Rapids	14,000	12,600	16,500	20,700	16,800	16,000
New England Revolution	16,700	15,500	15,700	16,900	14,600	15,900
Chicago Fire	16,000	13,400	16,400	12,900	14,000	14,500
<b>San Jose Quakes</b>	<b>15,000</b>	<b>12,500</b>	<b>9,600</b>	<b>11,200</b>	<b>10,500</b>	<b>11,900</b>
Dallas Burn	12,200	13,100	12,600	13,100	7,900	11,800
Kansas City Wizards	8,200	9,100	11,000	12,300	15,600	11,100
Tampa Bay Mutiny	13,100	9,500	10,500	n/a	n/a	11,000
Miami Fusion	8,700	7,500	11,200	n/a	n/a	9,000
<b>MLS Average</b>	<b>14,300</b>	<b>13,800</b>	<b>15,000</b>	<b>15,800</b>	<b>14,900</b>	<b>14,700</b>

Source: Sports Business Journal

- San Jose ranked 9<sup>th</sup> out of the 10 MLS franchises in attendance for 2003 and had the lowest attendance in 2001 and 2002.
- In terms of 5-year attendance, San Jose ranks 8<sup>th</sup> among MLS franchises.

**San Jose Sports Facility Task Force** 23

## Historical Attendance Comparison



Source: Sports Business Journal

- Earthquakes attendance has decreased approximately 30 percent since 1999, while the MLS as a whole has seen an increase of approximately four percent.

**San Jose Sports Facility Task Force** 24

## Penetration Introduction

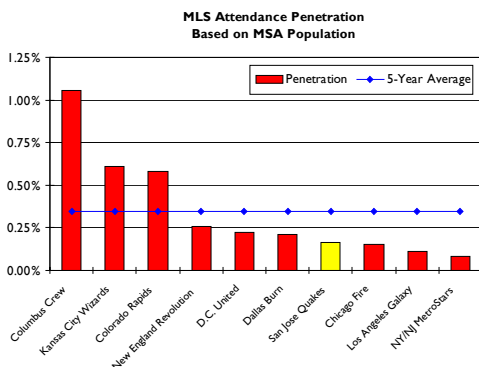
- A penetration analysis compares a team's attendance with the population of its market.
- Two penetration ratios were calculated, based on:
  - Total market population, and
  - Population per major professional sports franchise in the market
    - Includes MLS, MLB, NFL, NBA and NHL franchises
- MLS markets have a very diverse range of populations. Because the penetration ratios of the smallest MLS markets tend to skew the averages, it may be more useful to focus on the penetration ratios achieved by the league's larger and mid-sized markets.
- Attendance penetration tends to be inversely proportional to market size. Larger markets tend to exhibit lower penetration ratios, while smaller markets generally exhibit higher penetration ratios.

**San Jose Sports Facility Task Force**

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## Penetration Analysis – Total Population

- The following chart summarizes the rate at which each MLS team has penetrated its market based on five-year average per-game attendance and MSA or CMSA population.



- The Earthquakes have penetrated the Bay Area CMSA at a rate of 0.16% of total population per game. This ratio ranks seventh among MLS franchises.

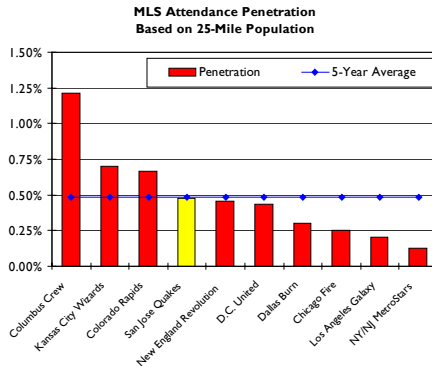
- Assuming that penetration is inversely proportional to total population, San Jose would be expected to rank 6<sup>th</sup> in terms of penetration, based on its rank of 5<sup>th</sup> in terms of overall population. The D.C. United have penetrated their market at a higher rate than the Earthquakes despite the larger population of the Washington market.

**San Jose Sports Facility Task Force**

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## Penetration Analysis – Total Population

- The following chart summarizes the rate at which each MLS team has penetrated its market based on five-year average per-game attendance and 25-mile population.

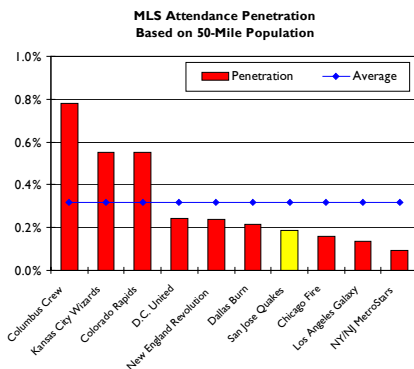


- The Earthquakes have achieved a penetration ratio of 0.48% of 25-mile population per game, ranking fourth among MLS franchises.
- The Earthquakes' 4<sup>th</sup> place ranking in terms of 25-mile penetration is on par with their 7<sup>th</sup> place ranking in terms of total 25-mile population, assuming that penetration is inversely proportional to population.

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## Penetration Analysis – Total Population

- The following chart summarizes the rate at which each MLS team has penetrated its market based on five-year average per-game attendance and 50-mile population.



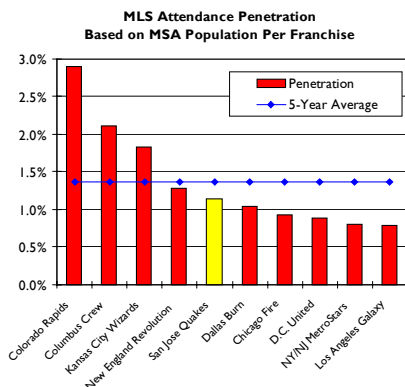
- The Earthquakes' 50-mile penetration ratio of 0.19% ranks seventh among MLS teams.
- Based on 50-mile population rankings, the San Jose market could be expected to rank 5<sup>th</sup> in terms of penetration.
- The New England Revolution and D.C. United have achieved higher penetrations than the Earthquakes despite their larger 50-mile populations.

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## Penetration Analysis – Population Per Franchise

- The following chart summarizes the rate at which each MLS team has penetrated its market based on five-year average per-game attendance and MSA or CMSA population per franchise.



- The Earthquakes have penetrated the Bay Area CMSA at a rate of 1.14% of population per franchise per game. This ratio ranks fifth among MLS franchises.
- The San Jose CMSA has the 7<sup>th</sup> largest population per franchise among MLS markets, indicating that it could be expected to rank 4<sup>th</sup> in terms of population per franchise.
- The New England Revolution have a higher penetration ratio than the Earthquakes despite having a higher population per franchise.

**San Jose Sports Facility Task Force** 29

## Penetration Summary

**Attendance Penetration Summary**  
Based on 5-Year Average Attendance

Average MLS Penetration Ratio	
Metropolitan Area	0.34%
50-Mile Ring	0.32%
San Jose Population	
Metropolitan Area	7,303,000
50-Mile Ring	6,313,000
Estimated San Jose Attendance	
Metropolitan Area	25,200
50-Mile Ring	19,900
Actual Earthquakes 5-Year Average Attendance	11,900

- The chart presents the attendance levels that would result in San Jose if the Earthquakes penetrated the market at a rate equal to the league average.
- Based on the results of the penetration analysis, it appears that the opportunity exists for the Earthquakes to grow their attendance if they can achieve penetration levels equal to the league average.

**San Jose Sports Facility Task Force** 30

## Reverse Penetration

**San Jose Penetration Required to Reach 5-Year League Average Attendance**

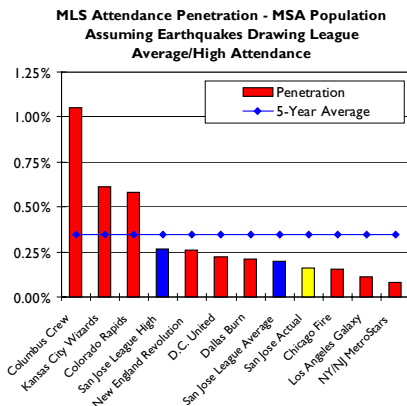
MLS 5-Year Average Attendance	14,700
MLS 5-Year High Attendance	19,300
San Jose Population	
Metropolitan Area	7,303,000
50-Mile Ring	6,313,000
San Jose Penetration Resulting in MLS Ave. Att.	
Metropolitan Area	0.20%
50-Mile Ring	0.23%
San Jose Penetration Resulting in MLS High Att.	
Metropolitan Area	0.26%
50-Mile Ring	0.31%
Actual Earthquakes 5-Year Penetration	
Metropolitan Area	0.16%
50-Mile Ring	0.19%

- As an additional analysis, the chart to the left presents the penetration ratios the Earthquakes would need to achieve to reach the MLS 5-year average and high attendance level.
- The Earthquakes would need to penetrate the Bay Area CMSA at a rate of 0.20% to achieve the league average attendance or 0.26% to reach the 5-year league high.
- The Earthquakes would need to achieve penetrations of 0.23% or 0.31% to reach the 5-year league average and high attendance levels, respectively.

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## Reverse Penetration – Metropolitan Area

- The following chart compares the Bay Area penetration ratios the Earthquakes would have to achieve to reach the league average or high attendance levels with the penetration ratios of existing MLS franchises, based on CMSA or MSA population.

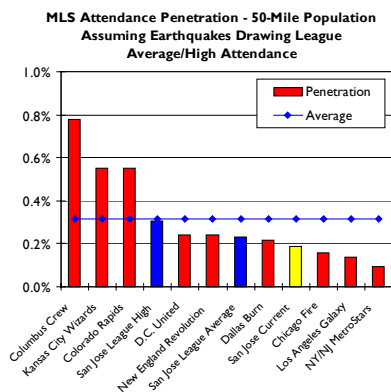


- The Bay Area penetrations resulting in league average attendance would be slightly higher than the current penetration ratio achieved by the Earthquakes, but would be within the range of penetrations of similar sized markets.
- In order to achieve the league high penetration, the Earthquakes would need to penetrate the Bay Area market at a rate similar to the ratio currently achieved in the Boston area.

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## Reverse Penetration – 50-Mile Ring

- The following chart compares the 50-mile penetration ratios the Earthquakes would have to achieve to reach the league average or high attendance levels with the penetration ratios of existing MLS franchises.



- In order to achieve league average attendance, the Earthquakes would need to penetrate their 50-mile population at a rate similar to the current penetration of the Boston and Dallas markets.
- In order to reach the league high attendance level, the Earthquakes penetration would need to be near the league average, and would be higher than the penetrations of all franchises except those in the three smallest league markets.

**San Jose Sports Facility Task Force** 33

## Attendance Analysis Summary

- The Earthquakes' 5-year average attendance of 11,900 fans per game ranks 8<sup>th</sup> among MLS franchises despite the Bay Area's ranking as the 5<sup>th</sup> largest market in the league in terms of CMSA population.
- The Earthquakes' 2003 average attendance of 10,500 per game ranked 9<sup>th</sup> among MLS franchises.
- Based on the penetration analysis, the Earthquakes have penetrated the market within 25 miles of San Jose at a strong rate. However, the Earthquakes' penetration of their CMSA and 50-mile populations tend to fall short of their expected ranking based on market size.

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## Attendance Analysis Summary

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- The San Jose market appears to have potential to support higher attendance levels than have been achieved in the past few seasons based on the penetration ratios set forth herein, as they are within the range of penetrations currently achieved by similar-sized markets.
- The San Jose/Bay Area market exhibits strong demographics in areas such as ethnic population, household affluence, age distribution and corporate inventory.
- Based on these factors, it appears that there is opportunity for growth in terms of attendance levels that could be achieved by the Earthquakes.

**San Jose Sports Facility Task Force** 35

## New MLS Facility Development

**San Jose Sports Facility Task Force** 36

## Facility Development Introduction

- As noted previously, historical Earthquakes attendance has not consistently remained at the level that could be expected given the region's strong demographics.
- The lack of fan amenities associated with Spartan Stadium may be one factor limiting Earthquakes attendance.
- Several MLS franchises have developed or are planning new facilities to address issues similar to those faced by the Earthquakes at Spartan Stadium.
- The following is a brief summary of several recent and planned MLS stadium developments.

**San Jose Sports Facility Task Force** 37

## Home Depot Center Case Study

- Opening June 2003
- Location: Carson, CA (Los Angeles)
- Components: 27,000-seat stadium
- Cost: \$60.0 million - soccer stadium  
\$130.0 million - total complex
- Annual events: est. 30
- Annual attendance: approximately 425,000 (estimated)



- Other complex components:

Tennis Stadium

Track and Field Complex

Velodrome

Jogging Trail

Sports Medicine/Therapy Center

Gymnasium

**San Jose Sports Facility Task Force** 38

## Crew Stadium Case Study

- **Opened: 1999**
- **Location: Columbus, Ohio**
- **Components:**
  - 22,500-seat stadium
  - 18 loge boxes
  - 1,200 club seats
- **Cost: \$31.0 million**
- **Annual events: 32**
- **Annual attendance: approximately 375,000**
- **Most financially stable team in MLS due to soccer-specific stadium and strong season ticket base in the smallest MLS market.**



**San Jose Sports Facility Task Force** 39

## Frisco Soccer & Entertainment Center Case Study

- **Opening: 2005**
- **Location: Frisco, Texas**
- **Components:**
  - 20,000-seat stadium
  - 17 soccer fields
- **Cost: \$65.0 million**
  - \$10 million from team
  - \$20 million from City
  - \$20 million from State
  - \$15 million from Frisco School District
- **Annual events: In addition to hosting Dallas Burn home games, facility representatives indicated that the venue will host major concerts, international soccer matches, and high school football.**
- **Annual attendance: approx. 1,400,000 spectators and participants.**



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## Bridgeview, Illinois Case Study

- Opening: 2006
- Location: Bridgeview, Illinois
- Tenant Franchise: Chicago Fire
- Components:
  - 20,000-seat stadium
  - Team Offices
  - Training Center
- Cost: \$70.0 million
- The new site will also be the center point of a re-development that is expected to include restaurants, theaters and other commercial establishments.



**San Jose Sports Facility Task Force**

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## Harrison, New Jersey Case Study

- Opening: As early as 2005
- Location: Harrison, New Jersey
- Tenant Franchise: MetroStars
- Components:
  - 25,000-seat stadium
  - 15,000 sq ft of indoor meeting space
  - Two practice fields
- Cost: \$152.0 million; comprised of a mix of private investment which includes approximately \$30 million from the MetroStars and tax increment financing revenues.
- The new stadium is envisioned to spark a nearly \$900 million Urban Renewal Project in Harrison including residential units, and office and retail space.
- AEG, the MetroStars' parent company, is guaranteeing the operation of the facility and a minimum number of events including concerts, women's professional soccer, collegiate and high school sporting events, conventions and community events and youth sporting events.



**San Jose Sports Facility Task Force**

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## **San Jose Facility Summary**

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- The Earthquakes are exploring their facility issues.
- Considerations of various facility scenarios are being discussed:
  - Renovation of Spartan Stadium
  - Development of a new facility in or near San Jose
- Continued discussions are underway with the City, SJSU and the Earthquakes/ AEG.

**San Jose Sports Facility Task Force** 43

## Appendix 3

### *Twenty Questions with Commissioner (Don) Garber*

From: <http://www.mlsnet.com/>

04/10/2006 4:16PM

#### **Twenty questions with Commissioner Garber**

##### **MLSnet.com Staff:**

*We appreciate the tremendous response with submitting questions to MLS Commissioner Don Garber. More than 500 questions were submitted. The MLSnet.com staff has collected the most popular questions and put them in front of Commissioner Garber. Here's his response.*

**Peter F. in Provo, Utah: I loved the 2005 season. Will we see any more expansion teams for the 2007 MLS season?**

**Don Garber:** I understand expansion questions accounted for more than 30 percent of all questions and I'll answer it first from a global perspective and then touch upon the many markets our fans asked about when submitting questions.

First, we'll be adding Toronto as the 13th MLS team in 2007. We'll have an official announcement in Toronto soon that will provide more details, but we're very excited about the opportunity in Canada.

Second, it is my understanding we received many questions about San Jose and the Bay Area. It is our intention to bring Major League Soccer back to the Bay Area with a new expansion team as early as possible. You may have read that we are in discussions with Oakland A's co-owner and managing general partner Lew Wolff about purchasing the rights to an expansion team in the Bay Area. We are continuing those discussions and hope to be able to announce more details soon.

As for the other cities that many of you asked about, we have had significant interest across the country. In fact, we regularly receive cold calls from potential investors looking at MLS expansion. This is not something that was occurring even a few years ago. Here's a brief overview on each market:

**Philadelphia:** Philadelphia is a market we've always wanted to be in, but we did not have a suitable home for an MLS team. We recently announced that we have entered into an exclusive negotiating period with Rowan University as the potential site of a soccer-specific stadium and an MLS team. Rowan is located about 20 miles outside of Philadelphia in Southern New Jersey. The president of the university looked at The Home Depot Center as the model for what they want to do at Rowan. There is still work to be done, but our plan is to have a team playing at the new stadium in Rowan in 2009.

**St. Louis:** Another great soccer market ... we continue to have discussions with a few potential owners for an expansion team in St. Louis, and each prospective owner realizes that a soccer-specific stadium is needed to bring an MLS team to the area.

**The Southeast:** Many of you asked about Atlanta and we had multiple questions about Cary, North Carolina and Orlando. We're intrigued by Atlanta and the market's growing Hispanic population. We've also had discussions in Atlanta about soccer-specific stadiums since there is currently not an appropriate home for an MLS team. We are not in serious discussions with a potential owner in Atlanta but we continue to look at the market for the future. We hear great things about Cary (N.C.) and the Raleigh-Durham area, but we are not in discussions with a potential owner for that market. It is great to see how fast the U.S. vs. Jamaica match sold out.

Miami: MLS President Mark Abbott recently visited Miami and met with city officials and other interested parties. It's a market that we'd like to return to some day, but we do not have specific plans for the area right now.

Phoenix: We've had good success on the Soccer United Marketing side of our business with Mexican national team matches in Phoenix, but we do not have any plans to expand the market in the near future. Phoenix-area native Greg Vanney and Robin Fraser, who recently moved to Phoenix, are good resources when we inquire about Phoenix.

Detroit: Another market with potential, but we do not currently have plans for an expansion team in Detroit.

Seattle: We continue to closely monitor the Seattle-Tacoma market along with Portland, but we do not currently have plans for expansion in the Pacific Northwest. It's an area that we want to be in, but we need to make sure it is the right fit when we do expand to that part of the country. Neil Farnsworth and the Seattle Sounders are a great resource that we speak with on a regular basis.

Milwaukee: Former Chicago Fire GM Peter Wilt is really doing a lot of great things in Milwaukee. You may have seen the agreement with the Wisconsin Youth Soccer Association that was recently signed. We continue to work closely with Peter and his group. The Chicago-Milwaukee rivalry could be a great one.

Hartford, Connecticut: Rentschler Field is a great venue as we saw for the U.S.-Trinidad match last year, but we currently do not have plans to expand to Hartford.

Southern Orange County, California: This is a great soccer market, but we have two teams in Carson, Calif., that are within an hour of South Orange County. We have recently had some discussions with prospective owners about an MLS team and soccer-specific stadium in San Diego.

Rochester, New York: The USL's Rhinos really do a great job up there and we look forward to the debut of PAETEC Park this year. Although we have no specific plans for expansion into Rochester, we are in regular conversations with Frank DuRoss of the Rhinos.

**Jeffrey B. from Pewaukee, Wisconsin: It seems that the quality of talent in MLS is improving based on the number of players we are losing talent to other leagues. Any remedies for keeping players here and preventing MLS in becoming a farm league to the world?**

**DG:** Soccer is a global game and players transfer between various leagues on a regular basis. Although it may be foreign to some American sports fans, soccer fans certainly know it does happen all the time. David Beckham goes from Manchester United to Real Madrid or Ronaldinho goes from PSG to Barcelona as part of this business. We strategically look at each player move and the analysis of the costs versus the benefits in regards to transfers. Many players will go to Europe and then come back to MLS and we'll also see many rising international talents like Juan Pablo Garcia of Chivas USA choose MLS over other options. Most importantly, our main focus is on American players and Landon Donovan is an example of how the league's owners stepped up to bring him back to MLS. And we'll also strategically look at veteran international players to bring into MLS. Claudio Suarez and Yuri Djorkaeff are two World Cup veterans who embraced MLS and have made a positive impact on soccer in America.

**Torben W. from Littleton, Colorado: Why doesn't MLS drop the league divisions and have a single table like the rest of the world? And, how is the MLS attempting to get late-season interest in the games (the rest of the world has relegation which makes the last weeks interesting)?**

**DG:** Unfortunately our country does not have the infrastructure to support promotion/relegation at this time. We'll continue to monitor this, but it will likely be at least 10 years before promotion/relegation could be considered.

In regards to making games more meaningful, we have a new technical committee that consists of coaches, former players, owners and even [U.S. Soccer head coach] Bruce Arena that will closely monitor our 2006 season and then make recommendations at the end of the year for the 2007 MLS season. We've told the committee that they have an open slate to make necessary recommendations. You could see a radically different format for MLS in 2007. The technical committee will look at a single table, split season, various playoff formats and many other competition issues.

Also, I would like to clarify that MLS does provide the league's players bonus money as set forth by our Collective Bargaining Agreement. For example, players receive regular season win bonuses, playoff bonuses and bonuses for winning MLS Cup. The distribution on a team-by-team basis is determined by each club.

**Nick H. from Santa Maria, California: MLS is going to lose a lot of players to national team duty at the World Cup this year. Are you working on a way to fix this scheduling problem?**

**DG:** This is another area that we continue to analyze. Although scheduling with the majority of the rest of the world may work better with some of the competition aspects, we face many challenges with weather, television programming and other issues if we change the time of year when we play our games. It would be very hard to play games in Chicago, New England, Columbus, D.C., etc. during the winter.

On the World Cup front, it's a privilege to have our players and former players compete in the world's most popular sporting event. The Mexican first division faces similar challenges as they are allowing their World Cup players to go play and train exclusively for the national team during the lead-up to World Cup. This means Mexico's national team players will miss the majority of the final six weeks of the current season. Ricardo Lavolpe named 26 players to his roster the other day, including Claudio Suarez of Chivas USA, and those players will report to national team camp soon. Once they report, 23 of those players are with the Mexican team until they are finished with World Cup.

We believe the World Cup will raise the profile of our players that are competing in the tournament and MLS will benefit in the long run. That said, we'll continue to look closely at this scenario for the 2010 World Cup.

**Justin C. from Charlotte, North Carolina: With the excitement that surrounds this year in soccer, and the continued importance of establishing national presence for MLS, why has the league gone back to only one broadcast partner? Was this decision solely based on future World Cup rights?**

**DG:** We actually have nationally televised games on three networks in 2006: ABC, ESPN and HDNet. I assume you are asking about FOX Soccer Channel as we currently do not have an agreement with FOX for 2006. Our agreement with FOX Soccer Channel was not impacted by World Cup rights. However, nearly every game is available nationwide via the MLS Direct Kick package and games are also available at MLSnet.com.

**Josh M. from Cincinnati, Ohio: Many fans are concerned about the rate of planned expansion, with potentially four new teams by 2010. With concerns such as failing markets and a diluted player pool, how do you respond to such concerns and what's your plan to ensure expansion success?**

**DG:** We will only expand if it makes sense, both on and off the field. Soccer is unlike other U.S. pro sports where we have a global talent pool. The expansion of our rosters to 28 players will help as we now have many players who are becoming experienced pros and playing Reserve Division games. This will make a significant impact as we expand the depth of our player pool.

**Alex T. from London, England: As the league enters its 11th season, does it surprise you how successful MLS has been, considering soccer is not the major sport in the USA and will expansion of the league mean that the MLS will one day be as successful as its competitors?**

**DG:** Soccer in this country has made a great deal of progress during the past 10 years, and many, many people have played key roles in the success of MLS. Our vision is to be the top soccer league in the world and the No. 1 sports league in America. We realize that is a very bold vision, but you need to aim high. We still have a long way to go, but we're making progress. We'll have four soccer-specific stadiums when Bridgeview opens in June and we'll have eight soccer stadiums by the end of 2008. Our plan is to build the footprint of MLS and have 16 teams by 2010.

**Mark O. from Canyon, Texas:** Is MLS negotiating with the English PFA for an exchange program? It would be great to see.

**DG:** We are not in negotiations with the English PFA for an exchange program, but we do have regular contact with many clubs in the Premiership and throughout Europe and the rest of the world. We expect to have multiple Premiership clubs come over and play against MLS teams this summer.

**Matt R. from Palatine, Illinois:** What relationship do you see for MLS and a new woman's league within the US?

**DG:** We are in regular discussions with Tonya Antonucci and the potential women's league regarding a variety of ways we can help. We have many supporters of the women's game and some former WUSA employees work at our league Office and at our teams. We're hopeful that we can work together.

**Matthew G. from Zionsville, Illinois:** This inter-league border battle with the Mexican First Division has been rumored for awhile, can you give us any detail on what you hope will come of this in the future?

**DG:** Our goal is to create a competition between MLS clubs and Mexican clubs similar to the European Champions League. It is very preliminary, but the tentative plan would see meaningful games played on Wednesdays from August to November. Also, our long-term goal with this competition would be to secure a spot for an MLS team in Copa Libertadores.

**Joseph A. from Bolling Air Force Base in Washington, D.C.:** How will domestic and foreign player rules work with a team located in Toronto?

**DG:** Our technical committee will review the rules for the new Toronto team and make recommendations to the league's Board of Governors. Although it is far from finalized, our plan is to have Canadian players as domestic players for the new team in Toronto and all others will be international players, including Americans.

**Nicholas P. from Potomac Falls, Virginia:** Recently Ivan Gazidis said the overall competition format will be very different in 2007. Could you elaborate?

**DG:** This is an area that we are adding more resources to analyze for 2007. Ivan did state in meetings with media members that we could see a very different competition format in 2007, but he also stated that we are undergoing a very thorough review of all areas of our competition in 2006 before making any final decisions. Could we see a single table? A different playoff format? These are all areas that we'll review. Our technical committee is conducting a detailed analysis of every aspect of our competition format and will make recommendations to our Board at the end of the year.

**Gary G. from Millburn, New Jersey:** Are you a candidate for the NFL Commissioner job after Paul Tagliabue's retirement? Will you be interested if approached?

**DG:** Paul Tagliabue was a tremendous mentor and I wish him well in his retirement. I'm very happy at MLS and Soccer United Marketing and look forward to elevating the profile of the league during our second decade.

**Raul Z. from Pasadena, California: Has there been any thought about putting sponsors on the fronts of the jerseys, like they do in the EPL? It seems that this could be a very healthy revenue source for MLS.**

**DG:** Although Red Bull owns the New York Red Bulls, the company also is a sponsor of MLS. Red Bull's relationship is unique since they own the team. We have a business development committee made up of senior executives with our teams that meet to decide issues such as putting sponsors on the front of jerseys. This topic is actually on the agenda for their next meeting. We'll keep everyone posted if we decide to add sponsors to the fronts of the jerseys for other teams outside of Red Bull.

**Mike S. from New York, New York: How does the performance of the U.S. national team impact the MLS in your view?**

**DG:** Without a doubt, the U.S. team's appearance in the 2002 World Cup quarterfinals elevated the profile of soccer in this country, but ultimately, that is not what will drive the future growth of the game in this country. The soccer culture in this country needs to be dominated by the pro game and supported by the national team. I know Bruce agrees with me on that point. Until we have the transition of mass interest from the World Cup and the national team to the local players and the pro teams, then we have not fully arrived. Both entities play a key role in building the sport in this country. Much of the national team's recent success is directly attributed to the existence and growth of MLS. But our growth, in this next chapter in our history, is not in any way dependent on -- and on a grand scale, scarcely even effected by -- the national team's results. Also, Bruce always has emphasized that the national team's success depends on the continued growth and prosperity of MLS.

**Stephen W. from Champaign, Illinois: Do you see a time when the league will move away from the draft?**

**DG:** No, we don't have any plans to move away from the MLS SuperDraft. We believe the SuperDraft is an extremely fair way to allow teams to secure young talent.

**Luis M. from Riverside, California: I read MLS has a new contract with Univision and ESPN for 2007, can you please give a little more detail on the situation and explain what we can expect from the deal please?**

**DG:** We've been in discussions with both ABC/ESPN and Univision regarding a future television agreement. We hope to be able to announce these agreements soon. We've been with ABC/ESPN for all 11 seasons and look forward to returning to Spanish-language television with Univision. The league was on Univision during the first few seasons.

**Shane S. from Honolulu, Hawaii: How realistic is the "Franchise Player" option being added to MLS in the next two years? (Franchise Player = 1 player's salary not being included in the teams cap.)**

**DG:** The MLS Board of Governors carefully analyzed the "marquee player" option at our meeting during MLS Cup in Frisco, Texas, last November. Although we elected not to incorporate a "marquee player" option for 2006, it is a topic that we regularly discuss at board meetings. I'm sure we'll closely evaluate this option once again at our board meeting at the All-Star Game and at MLS Cup 2006.

**Todd H. from Long Beach, California: Now that AEG has sold the MetroStars, what is the stadium situation in Harrison (N.J.) like now at this point? Has MLS looked at other sites, for example the railyards in Manhattan that was considered by the N.Y. Jets?**

**DG:** Red Bull purchasing the team and 50 percent ownership in the stadium was a very positive move for the venue. AEG, which will own the other 50 percent of the stadium, will manage the facility. The current plan is to break ground in Harrison in August or early fall. Also, Red Bull's ownership provided more investment into the stadium which means you'll see even more world-class amenities on the venue. Stay tuned for more details.

**Michael M. from New York, New York: How important do you think a show like SportsCenter plays in "pushing" MLS to sports fans in addition to "pulling" them in with live games?**

**DG:** ESPN has been a great partner of ours throughout the league's history. That said, SportsCenter operates with a separate editorial staff from the individuals we deal with in programming and sales. SportsCenter is important because it reaches general sports fans, but also because it sets the tone with other editorial decision makers with other media outlets. In other words, the thought process is if it is on SportsCenter then it must be important. We are in regular contact with SportsCenter to provide them with ideas, and actually have a member on our PR staff that calls them each game night to offer recommendations on the best highlights. We're not so sure SportsCenter has a direct impact with pulling fans to games, but every little bit helps.



## Appendix 4

### *CONCACAF Tournaments: The Gold Cup*

Source: <http://www.concacaf.com/graphics/newsletters/pdf/February2005/February2005.pdf>

#### **PAGE 2 CONCACAF NEWS - February 2005**

##### **2005 CONCACAF Gold Cup Venues Announced**

CONCACAF has unveiled the stadiums that will host matches in the 2005 CONCACAF Gold Cup, the eighth edition of the tournament that crowns the region's top national team. The 2005 event will feature more games in more cities than ever before, as a record seven stadiums in six US cities will host 25 matches from 6-24 July. Previous editions of the CONCACAF Gold Cup have been held in up to three different venues.

The 2005 CONCACAF Gold Cup venues include four stadiums new to the event; Qwest Field in Seattle (Washington); the Home Depot Center near Los Angeles in Carson (California); Reliant Stadium in Houston (Texas); and Giants Stadium close to New York City in East Rutherford (New Jersey). The other three venues are the Orange Bowl in Miami (Florida); Gillette Stadium close to Boston in Foxboro (Massachusetts), both of which were Gold Cup venues in 2003, and; the L.A. Memorial Coliseum in Los Angeles (California) which last saw Gold Cup action in 2000.

The first round of the 2005 tournament will consist of three groups of four teams competing on a round-robin basis from 6-13 July. Group A will be based at the Orange Bowl in Miami while Group B will have two game days in Seattle's Qwest Field before traveling to Gillette Stadium for the third and final day of Group B play. Group C will start out in Los Angeles with matches at the Home Depot Center and the L.A. Memorial Coliseum, before playing the final Group C games in Houston's Reliant Stadium. The top two teams from each group, along with the two best third- place teams, will proceed to the Quarterfinals that will take place in Gillette Stadium on July 16 and Reliant Stadium on 17 July. Giants Stadium will host the Semifinals on 21 July and Gold Cup Final on 24 July.

Commenting on the announcement of venues, CONCACAF General Secretary Chuck Blazer said, "The popularity of the CONCACAF Gold Cup has grown year over year and the 2005 edition promises to be the biggest and best Gold Cup yet. There will be more games in more stadiums in more cities than ever before, bringing the region's leading soccer event for national teams to millions more fans. All the venues being announced today are first-class facilities fitting for an event that crowns the CONCACAF Champion." Mr. Blazer added, "Fans of every country in the CONCACAF region will witness an incredible spectacle of world-class soccer with 12 doubleheaders on 12 match-days with the crowning of the Gold Cup champion coming in one of the greatest venues in the world, Giants Stadium."

The 12-team field of the 2005 CONCACAF Gold Cup will be comprised of 10 CONCACAF nations and two invitees. The 10 CONCACAF countries will include three teams to emerge from Caribbean Qualifying (Digicel Cup), four from Central American Qualifying (UNCAF Nations Cup), three automatic qualifiers from the North Zone (Canada, Mexico & USA) along with guest team South Africa, host of the 2010 FIFA World Cup, and another invitee to be announced. Once Gold Cup Qualification concludes in the Caribbean and Central America, CONCACAF will announce the groupings of teams for the 2005 CONCACAF Gold Cup.

# Appendix 5

## Los Angeles Sports Council Economic Impact Report

From the Los Angeles Sports Council at:

<http://www.lasports.org/aboutus/sports.php>

The Super Bowl. Olympic Trials. Two FIFA World Cups. These are just some of the outstanding events attracted by the Sports Council to the Los Angeles area. A combination of partnerships and outright bids orchestrated by the Sports Council has brought major events to the area that have created more than \$1 billion in economic impact:

Year	Event (Venue)	Economic Impact
1990	Baseball Winter Meetings (Los Angeles Hilton)	3,000,000
1990	U.S. Open Badminton Championships (Bren Center at UCI)	100,000
1991	U.S. Olympic Festival (Multiple venues)	30,000,000
1991	U.S. Open Badminton Championships (Bren Center at UCI)	150,000
1991	IBA World All Star Baseball Game (Dodger Stadium)	500,000
1991	International Sport Summit (The Beverly Hilton)	1,000,000
1992	NCAA Women's Basketball Final Four (LA Sports Arena)	4,000,000
1992	U.S. Open Badminton Championships (Bren Center at UCI)	250,000
1992	Olympic Synchronized Swimming Trials (McDonald's Swim Stadium)	250,000
1993	Super Bowl XXVII (Rose Bowl)	182,000,000
1993	Breeders' Cup (Santa Anita Park)	50,000,000
1993	International Sport Summit (The Beverly Hilton)	1,000,000
1994	NCAA Men's Basketball West Regional (Arrowhead Pond/Anaheim)	1,000,000
1994	U.S. Rowing National Convention (Westin Bonaventure Hotel)	250,000
<b>1994</b>	<b>FIFA Men's World Cup XV (Rose Bowl)</b>	<b>600,000,000</b>
1995	Baseball Winter Meetings (Downtown Los Angeles hotels)	3,500,000
1997	Reese's Gymnastics Cup (Anaheim Arena)	250,000
1997	Breeders' Cup (Hollywood Park)	60,000,000
<b>1998</b>	<b>Major League Soccer MLS Cup (Rose Bowl)</b>	<b>5,000,000</b>
1999	NCAA Men's Ice Hockey Frozen Four (Arrowhead Pond/Anaheim)	5,000,000
<b>1999</b>	<b>FIFA Women's World Cup III (Rose Bowl)</b>	<b>30,000,000</b>
2000	City of Los Angeles Triathlon I (Multiple sites)	7,000,000
2001	City of Los Angeles Triathlon II (Multiple sites)	7,000,000
2002	U.S. Figure Skating Championships (Staples Center)	25,000,000
2002	City of Los Angeles Triathlon III (Multiple sites)	7,000,000
2003	Gymnastics World Championships (Arrowhead Pond of Anaheim)	30,000,000
2003	City of Los Angeles Triathlon IV (Multiple sites)	7,000,000
2004	U.S. Olympic Trials – Gymnastics (Arrowhead Pond of Anaheim)	15,000,000
2004	City of Los Angeles Triathlon V (Multiple sites)	7,000,000
2004	U.S. Olympic Trials – Swimming (Long Beach Aquatic Centre)	15,000,000
2005	City of Los Angeles Triathlon VI (Multiple sites)	7,000,000
<b>Totals:</b>	<b>31 events</b>	<b>\$1,104,250,000</b>

The economic impact estimates for all events include both direct and indirect spending. Estimates for the 1993 Super Bowl were made by the UCLA Anderson Graduate School of Management; the estimate for the 1994 FIFA Men's World Cup was made by World Cup USA.

# Appendix 6

## *MLS Press Release: MLS Cup Attendance History*

Excerpt from: Major League Soccer press release on **11/06/2005 8:01PM MLS Cup 1996-2004**

**MLS Cup 2004** D.C. United 3 vs. Kansas City Wizards 2  
The Home Depot Center - Carson, California  
November 14, 2004  
MVP: Alecko Eskandarian (D.C. United)  
Attendance: 25,797

**MLS Cup 2003** San Jose Earthquakes 4 vs. Chicago Fire 2  
The Home Depot Center - Carson, California  
November 23, 2003  
MVP: Landon Donovan (San Jose Earthquakes)  
Attendance: 27,000

**MLS Cup 2002** Los Angeles Galaxy 1 vs. New England Revolution 0 (Overtime)  
Gillette Stadium - Foxboro, Massachusetts - October 20, 2002  
MVP: Carlos Ruiz (Los Angeles Galaxy)  
Attendance: 61,316

**MLS Cup 2001** San Jose Earthquakes 2 vs. Los Angeles Galaxy 1 (Overtime)  
Columbus Crew Stadium - Columbus, Ohio - October 21, 2001  
MVP: Dwayne De Rosario (San Jose Earthquakes)  
Attendance: 21,626

**MLS Cup 2000** Kansas City Wizards 1 vs. Chicago Fire 0  
RFK Stadium - Washington D.C. - October 15, 2000  
MVP: Tony Meola (Kansas City Wizards)  
Attendance: 39,159

**MLS Cup 1999** D.C. United 2 vs. Los Angeles Galaxy 0  
Foxboro Stadium - Foxboro, Massachusetts - November 21, 1999  
MVP: Ben Olsen (D.C. United)  
Attendance: 44,910

**MLS Cup 1998** Chicago Fire 2 vs. D.C. United 0  
Rose Bowl - Pasadena, California - October 25, 1998  
MVP: Peter Nowak (Chicago Fire)  
Attendance: 51,350

**MLS Cup 1997** D.C. United 2 vs. Colorado Rapids 1  
RFK Stadium - Washington D.C. - October 26, 1997  
MVP: Jamie Moreno (D.C. United)  
Attendance: 57,431

**MLS Cup 1996** D.C. United 3 vs. Los Angeles Galaxy 2 (Overtime)  
Foxboro Stadium - Foxboro, Massachusetts - October 20, 1996  
MVP: Marco Etcheverry (D.C. United)  
Attendance: 34,643

# Appendix 7

## *The MLS All-Star Game*

From: <http://www.mlssnet.com>

### MLS History

#### 2005

**Fulham FC vs. MLS All-Stars July 30, 2005 -- Columbus Crew Stadium**

**Scoring Summary:** MLS -- Taylor Twellman (Landon Donovan) 23 FFC -- Claus Jensen (penalty kick) 36 MLS -- Ronnie O'Brien (Clint Dempsey) 56 MLS -- Jeff Cunningham (Christian Gomez) 85 MLS -  
- Jeff Cunningham(Shalrie Joseph)89

**Attendance:** 23,309

The 2004 Sierra Mist MLS All-Star Weekend is an extravaganza of soccer-themed events and programs, all of which aim to pay tribute to the past, present and future of American soccer. Through clinics, on-field presentations, pre-game and halftime ceremonies, "Soccer Celebration" events for families and youth, player autograph sessions and more, MLS and Sierra Mist will recognize the importance of youth participation as the future of our sport.

### All-Star Game

<b>2004</b>	<b>East 3, West 2</b> Recap & Box Score >	<b>MVP:</b> Amado Guevara <b>Attendance:</b> 21,378
<b>2003</b>	<b>MLS 3, CD Guadalajara 1</b> Recap & Box Score >	<b>MVP:</b> Carlos Ruiz <b>Attendance:</b> 27,000
<b>2002</b>	<b>MLS 3, USA 2</b> Recap & Box Score >	<b>MVP:</b> Marco Etcheverry <b>Attendance:</b> 31,096
<b>2001</b>	<b>East 6, West 6</b> Recap & Box Score >	<b>MVP: Landon Donovan</b> <b>Attendance: 23,512</b>
<b>2000</b>	<b>East 9, West 4</b> Recap & Box Score >	<b>MVP:</b> Mamadou Diallo <b>Attendance:</b> 23,495
<b>1999</b>	<b>West 6, East 4</b> Recap & Box Score >	<b>MVP:</b> Preki <b>Attendance:</b> 23,227
<b>1998</b>	<b>MLS USA 6, MLS World 1</b> Recap & Box Score >	<b>MVP:</b> Brian McBride <b>Attendance:</b> 34,416
<b>1997</b>	<b>East 5, West 4</b> Recap & Box Score >	<b>MVP:</b> Carlos Valderrama <b>Attendance:</b> 24,816
<b>1996</b>	<b>East 3, West 2</b> Recap & Box Score >	<b>MVP:</b> Carlos Valderrama <b>Attendance:</b> 78,416

## Appendix 8

### Weekend vs. Weekday MLS Attendance

From: [http://www.kenn.com/soccer/mls/day\\_analysis.html#WEEKDAYS](http://www.kenn.com/soccer/mls/day_analysis.html#WEEKDAYS)

What teams have had the biggest differences between their weekday attendance and their weekend attendance? And how big is the difference, league-wide?

#### Friday as a Weekend Day

Team	Monday-Thursday		Friday-Sunday		Total	Av=Difference
	G	Total	Average	G		
Chicago	25	251,778	10,071	81	1,382,583	17,069=69.5%
Colorado	33	456,869	13,845	104	1,527,007	14,683=6.1%
Columbus	27	392,049	14,520	110	1,847,054	16,791=15.6%
Dallas	26	8,431	10,324	111	1,324,838	11,935=15.6%
DC United	29	341,880	11,789	107	1,983,044	18,533=57.2%
Kansas City	31	231,979	7,483	106	1,294,679	12,214=63.2%
Los Angeles	27	482,103	17,856	110	2,447,204	22,247=24.6%
MetroStars	42	587,796	13,995	95	1,866,307	19,645=40.4%
Miami	9	63,409	7,045	53	515,993	9,736 =38.2%
New England	29	407,104	14,038	108	1,905,685	17,645=25.7%
San Jose	24	257,798	10,742	113	1,525,973	13,504=25.7%
Tampa Bay	21	166,669	7,937	73	874,144	11,975=50.9%
<b>TOTAL</b>	<b>323</b>	<b>3,907,865</b>	<b>12,099</b>	<b>1,171</b>	<b>18,494,511</b>	<b>15,794 30.5%</b>

#### Friday as a Weekday

Team	Monday-Friday		Saturday-Sunday	G	Total	Av=Difference
	G	Total				
Chicago	31	352,002	11,355	75	1,282,359	17,098=50.6%
Colorado	46	720,092	15,654	91	1,263,784	13,888=11.3%
Columbus	28	408,792	14,600	109	1,830,311	16,792=15.0%
Dallas	31	323,478	10,435	106	1,269,791	11,979=14.8%
DC United	34	433,142	12,739	102	1,891,782	18,547=45.6%
Kansas City	37	294,579	7,962	100	1,232,079	12,321=54.8%
Los Angeles	32	607,679	18,990	105	2,321,628	22,111=16.4%
MetroStars	47	662,144	14,088	90	1,791,959	19,911=41.3%
Miami	9	63,409	7,045	53	515,993	9,736 =38.2%
New England	36	514,493	14,291	101	1,798,296	17,805=24.6%
San Jose	29	326,583	11,261	108	1,457,188	13,492=19.8%
Tampa Bay	29	264,171	9,109	65	776,642	11,948=31.2%
<b>TOTAL</b>	<b>389</b>	<b>4,970,564</b>	<b>12,778</b>	<b>1,105</b>	<b>17,431,812</b>	<b>15,775=23.5%</b>

Whether you count Fridays as a weekday or a weekend (let's face it - Friday numbers seem to have more in common with weekend numbers than weekday numbers, but feel free to draw your own conclusion), we're looking at a difference of between 23-30% in announced attendance between your average weekday game and your average weekend game.

## Appendix 9

### *City of San Jose Press Release: San Jose and Dublin*

From: **Press Release**

Source: City of San Jose

#### **San José and Dublin, Ireland, Today Kick Off the 20th Anniversary of Their Sister City Relationship at Welcome Breakfast**

*Monday March 13, 10:28 pm ET*

#### **"Twinning" of The Two Cities to Be Marked by Arrival of Prime Minister of Ireland**

SAN JOSE, CA--(MARKET WIRE)--Mar 13, 2006 -- The 20th anniversary of the sister city designation between San José, California, and Dublin, Ireland, began today with San José Mayor Ron Gonzales hosting a celebratory kick-off welcome breakfast for the Dublin Lord Mayor Catherine Byrne and members of the Dublin Sister City Delegation.

Established in 1986, the San José & Dublin Sister City Program relationship was initiated by then Mayor of San José, Tom McEnery, and the current Prime Minister of Ireland, Bertie Ahern, then Lord Mayor of Dublin. The program, known as "twinning" in Ireland, has thrived throughout its twenty-year existence serving to nurture cultural, economic, artistic, sporting, and educational ties between San José/Silicon Valley and Dublin.

"Irish Week in San José celebrates two decades of strong friendship between our energetic cities and our two countries. Our communities share a passion for the arts, and are proud of the robust, productive businesses that call both places home. Our residents, companies and universities are enriched because of cross-cultural collaboration motivated by the Sister City partnership," said Gonzales.

Emceed by KRON-TV anchorwoman, Catherine Heenan, the welcome event, a traditional Irish breakfast complete with bangers (sausages) and rashers (bacon), was held at the Silicon Valley Capital Club, on the top floor of the Knight Ridder Building, in the heart of downtown San José. The 360-degree view from one of the tallest buildings in the City provided a geographical overview for the day about to unfold. The welcome breakfast was followed by a flag-raising ceremony held a few blocks away on the plaza of the new San José City Hall. Designed by Richard Meier, the 18-story building served as a contemporary backdrop to the annual ceremonial proceedings that included bagpipes and a children's choir.

Program aids Irish and U.S. marketplace leadership

After a tour of city hall and its landmark glass rotunda, the delegation took a break from the pomp-and-circumstance and got down to business. As part of their goal to learn more about current Silicon Valley technologies, they were treated to a tour of the IBM Silicon Valley Labs hosted by Jeanette Horan, Vice President, Worldwide Information Management and General Manager, IBM Silicon Valley Labs. During their stay, they also will visit the San José headquarters of online auction giant, eBay, as well as the new San José BioCenter, a state-of-the-art lab and business space for high potential bioscience companies, located in San José's Edenvale Technology Park.

"The sister city mission is about working to build cooperation at the municipal level, promote cultural understanding and stimulate economic development with each other. To this last point, we want to help both Irish and U.S. companies grow and sustain positions in the global marketplace by strengthening relationships and continually building our business networks that will benefit companies on both continents," said David Oliver, President of the San José & Dublin Sister City Program.

According to Paul Krutko, Director, Office of Economic Development, City of San José, there are more than 35 Silicon Valley companies with an Irish presence, including Adobe, Cadence Design Systems, Cisco Systems, eBay, Flextronics, IBM, Quantum and Xilinx. "Companies understand that success depends largely on having a positive business climate and a strong, well-educated talent pool to produce high value, ground-breaking products and services. Both of these attributes have helped to earn Dublin as being the top technological hotbed within the European Union. Likewise, it has kept San José in the spotlight as the world's center for innovation," Krutko said.

To further that spirit of innovation and deepen economic ties, the Prime Minister of Ireland, Bertie Ahern, will join the Dublin delegation during his five-day U.S. visit. His visit will culminate in the traditional presentation of a bowl of shamrock to President George W. Bush on Friday. While in San José, Ahern will be engaged in business development talks with San José business and civic leaders and will also take part in the Spirit of Ireland Award Dinner, 6:30 p.m., Tuesday, March 14. The Dinner honors those individuals and/or organizations whose accomplishments have exemplified the relationship between San José/Silicon Valley and Ireland. Recipients have included Gordon Moore of Intel, John Lewis of Amdhal, Wim Roelandts of Xilinx, Nobel Peace Prize recipient John Hume, and President Bill Clinton as well as The National Theatre of Ireland (The Abbey Theatre) and the San Jose Repertory Theatre. For tickets to the Spirit of Ireland Award Dinner, visit, [www.sanjosedublin.org](http://www.sanjosedublin.org).

Other Irish-themed sporting and cultural events demonstrate breadth of San José /Dublin tie

Throughout the weekend prior to the March 13 welcome breakfast, the Dublin delegation experienced first-hand the impact of Irish culture in San José and Silicon Valley. After a transatlantic, transcontinental flight on Friday, March 10, they were welcomed by Ray O'Flaherty at his pub, O'Flaherty's Pub, located in San José's historic San Pedro Square dining and entertainment district.

On Saturday, they were treated to a luncheon -- sponsored by the Irish Week Committee and organized by Irish Week Committee Member and former San José City Council Member, Charlotte Powers -- at Clos La Chance Winery, in nearby San Martin, and an evening concert performance with the Dublin Youth Symphony Orchestra performing along with the San Jose Youth Symphony Philharmonic Orchestra.

Sunday began with an Irish Mass and reception at St. Joseph's Church in Mountain View. Later in the afternoon, the group attended the Ireland vs. California Olympic Style Boxing, presented by the San José Sports Authority and the Irish Week Committee.

"The past two decades are only the beginning of our vibrant and active Sister City relationship with Dublin. We look forward to exploring new, innovative and creative ways in the next 20 years that we can share opportunities to benefit the families of San José and Dublin," Gonzales said.

Gonzales will make his final visit to Dublin as Mayor in September.



# Appendix 10

## *San Jose Sister City Program*

This document available at: <http://www.sjeconomy.com/sistercities/default.asp>

### **Sister City Program**

#### *History of Sister City Programs*

Sister city, county and state affiliations between the United States and other nations began shortly after World War II, and developed into a national initiative when President Dwight D. Eisenhower proposed the people-to-people program at a White House conference in 1956.

President Eisenhower's intention was to involve individuals and organized groups at all levels of society in citizen diplomacy, with the hope that personal relationships, fostered through sister city, county and state affiliations, would lessen the chance of future world conflicts.

#### *San Jose Sister City Program*

The Office of Economic Development coordinates the San Jose Sister City Program. This program consists of seven sister cities including, Okayama, Japan (established in 1957)(link) (pictures); San Jose, Costa Rica (1961); Veracruz, Mexico (1975); Tainan, Taiwan (1975); Dublin, Ireland (1986); Pune, India (1992); and Ekaterinburg, Russia (1992).

San Jose is a charter member of Sister Cities International (SCI)-a national organization that certifies US Sister City affiliations. San Jose-Sister City organizations are members of Sister Cities International by virtue of the City's affiliation. SCI links municipalities from the United States with cities from other countries through Sister City agreements signed by the respective Mayor of each city, and ratified by each City Council. To be official, a Sister City relationship must have the endorsement of local authorities, and the support of community volunteers.



## **Appendix 11**

### *BEBR Spectator Characteristics and Visitor Spending*

**THE USA / COSTA RICA WORLD CUP QUALIFYING  
AND  
REAL SALT LAKE / FC DALLAS  
SOCCER MATCHES  
  
SPECTATOR CHARACTERISTICS AND  
VISITOR SPENDING**

**Based on 465 Interviews Conducted  
With Spectators at the Soccer Matches**

**July 2005**

# **THE USA / COSTA RICA WORLD CUP QUALIFYING AND REAL SALT LAKE / FC DALLAS SOCCER MATCHES**

## **SPECTATOR CHARACTERISTICS AND VISITOR SPENDING**

### **INTRODUCTION AND SUMMARY OF FINDINGS**

The Bureau of Economic and Business Research (BEBR) analyzed 465 interviews with the 40,586 spectators at the USA / Costa Rica World Cup Qualifying and the Real Salt Lake / FC Dallas soccer matches. The soccer matches were held on June 4, 2005 at Rice-Eccles Stadium on the University of Utah campus. All interviews took place at Rice-Eccles Stadium during the event. The interviews were conducted by volunteers with Love Communications, a public relations firm with Real Salt Lake. A sample of 465 is sufficient to produce a maximum, 95 percent confidence interval of plus or minus 4.52 percentage points.

A large number of the spectators at the soccer matches live outside of Utah. Of the 465 persons surveyed, 290 live in Utah, leaving 175 surveys from persons who reside outside of Utah. Visitors from other countries accounted for 48 of those surveyed, leaving 127 visitors to Utah who reside United States. With 40,586 spectators, these data indicate 25,109 Utah residents, 15,274 residents of other states, and 4,190 international visitors attended the soccer matches. In addition to visiting spectators, other visitors associated with the soccer matches include 83 out-of-state journalists, 45 members of US Soccer's board of directors, 40 team members and staff with the USA soccer team and 35 team members and staff with the Costa Rican team. Including media and persons associated with the two national soccer teams, results in a total visitation to Utah of 15,477.

Utah residents from 14 of the 29 counties were surveyed, although Utah residents attending the soccer match were concentrated in the Wasatch Front counties of Davis, Salt Lake, Utah, and Weber. These four counties accounted for 90.6 percent of the Utah residents attending the soccer matches. Salt Lake County accounted for 59.4 percent of the Utah residents surveyed. An estimated 14,915 spectators live in Salt Lake County and 10,194 live in other Utah counties.

Visitors to Utah spent an average of \$821.10 during their stay in Utah, with an average of \$349.85 per night of stay. The average length of stay was 3.15 nights. Total spending by out-of-state visitors is estimated to be \$12,708,903 with a 95 percent confidence interval of plus or minus \$1,127,262.

The USA / Costa Rica qualifying match was televised internationally. In the United States, the match was watched by 521,975 households, exposing a large number of persons to Utah.

## VISITOR SPENDING

Interviewed spectators were asked their spending during their visit to Utah in five categories. The estimated spending amounts for attendees on both a total trip and a per day basis are shown in Table 1, with further details such as standard errors of the mean (SEM) being presented in the appendix (Tables M and N).

Based on survey data, the average spending by visitors to Utah during the soccer matches was \$821.10, with average spending per night of stay of \$349.85.

<b>Table 1</b> <b>Estimated Spending by Visitors to Utah</b>		
<b>Spending Category</b>	<b>Spending Throughout</b>	<b>Spending per Night of Stay</b>
Hotels	\$215.11	\$87.38
Food	165.15	73.64
Entertainment	197.60	85.83
Shopping	154.30	61.89
Transportation	88.94	41.10
<b>Total</b>	<b>\$821.10</b>	<b>\$349.85</b>

With an estimated 15,477 out-of-state visitors associated with the soccer matches, total estimated visitor spending is \$12,708,165 (Table 2). Data including 95 percent confidence limits for the estimated total spending is included in the appendix (Table O).

<b>Table 2</b> <b>Estimated Total Spending by Visitors to Utah</b>	
<b>Spending Category</b>	<b>Total Spending</b>
Hotels	\$3,329,257
Food	2,556,027
Entertainment	3,058,255
Shopping	2,388,101
Transportation	1,376,165
<b>Total</b>	<b>\$12,708,165</b>

## RESIDENCE OF SPECTATORS

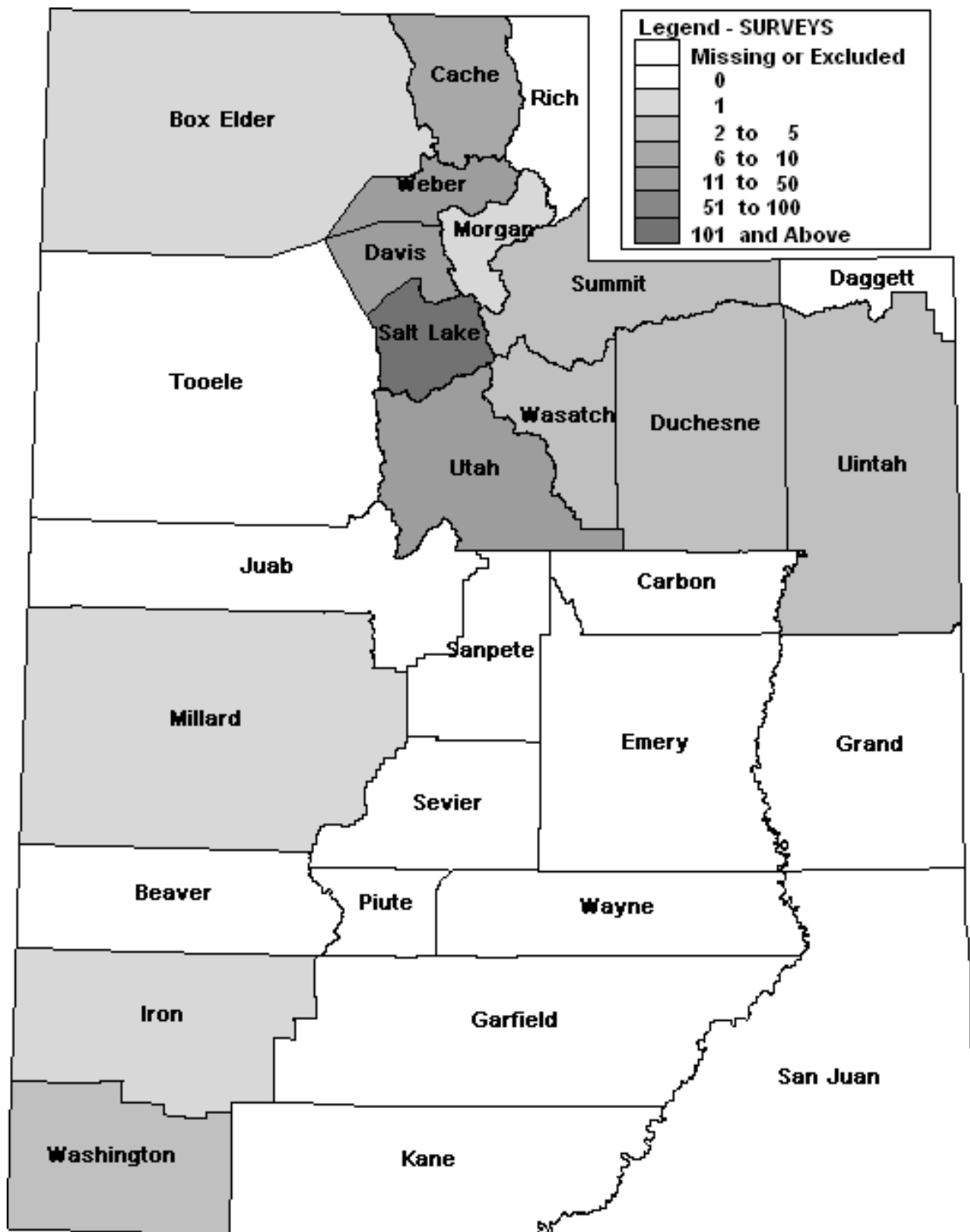
Utah residents accounted for the majority of the spectators attending the soccer matches, although a significant number were visitors from other states or foreign countries. Of 465 persons surveyed, 290 were Utah residents (62.4 percent), while 127 were residents of other U.S. states and 48 were residents of foreign countries. With 40,586 spectators, these data indicate that 25,109 Utah residents, 15,274 residents of other states, and 4,190 visitors from other countries attended the soccer matches.

After Utah, the states that accounted for the most persons surveyed were California (31 surveys for 6.7 percent), Idaho (19 surveys for 4.1 percent), and Colorado and Nevada (both with 12 surveys for 2.6 percent). Costa Rica was the most commonly represented foreign country, with 35 surveys or 7.5 percent of all persons surveyed. Costa Rica accounted for 72.9 percent of the 48 residents of foreign countries surveyed (Appendix Table C).

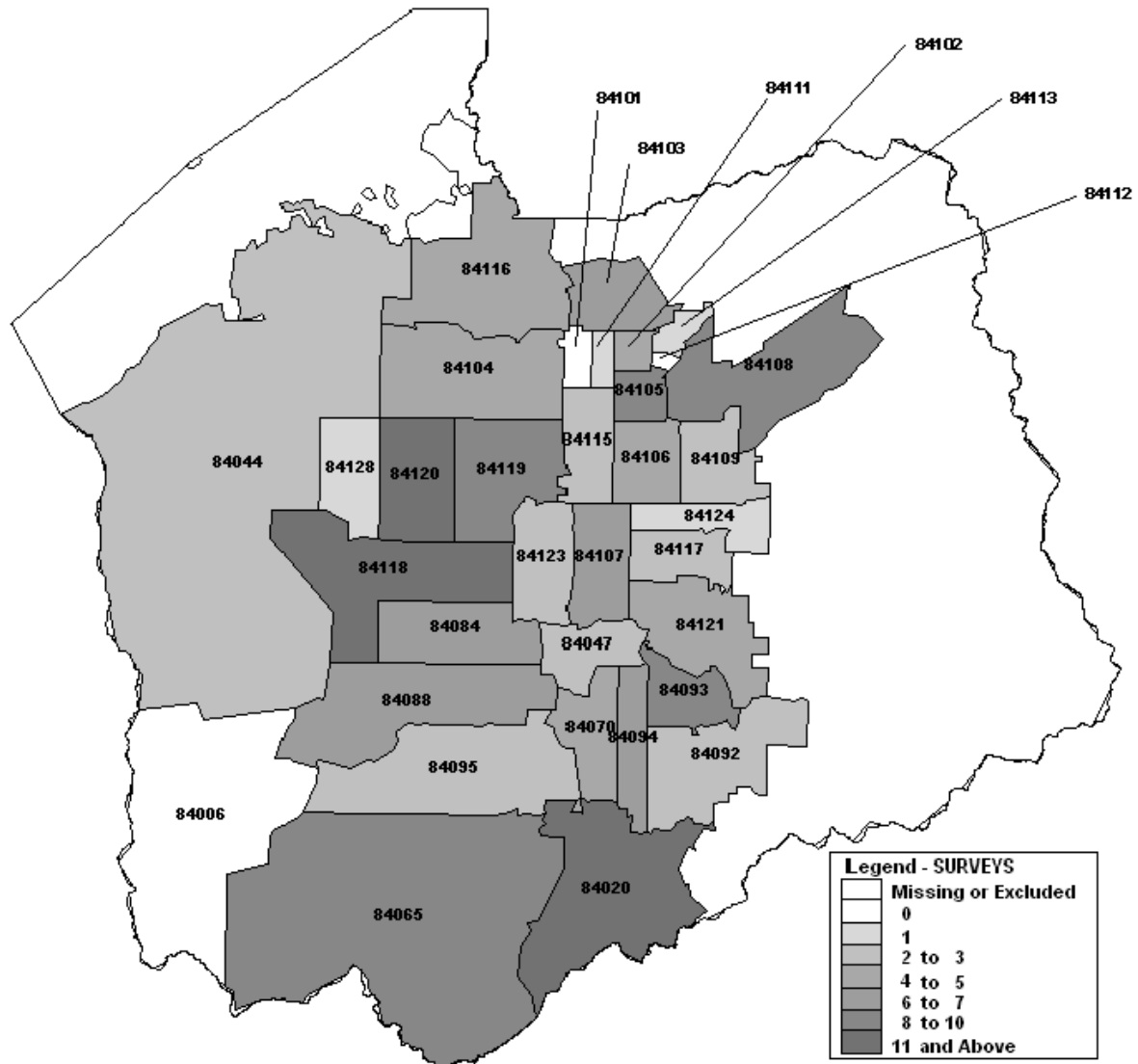
Of the 290 residents of Utah surveyed, most reside in the four Wasatch Front counties of Davis, Salt Lake, Utah, and Weber. Of 286 Utah residents with identifiable counties of residence, 259 or 90.6 percent live in these four counties. Salt Lake County accounted for 170 of 286 Utah residents who were identifiable by county, or 59.4 percent. Overall, residents of 14 of Utah's 29 counties were surveyed. Figure 1 is a map of Utah by county, with darker shading in the counties corresponding to higher attendance. The corresponding data is presented in tabular form in Appendix Table D.

Spectators were drawn from all portions of Salt Lake County. Figure 2 is a map of Salt Lake County by ZIP code, with darker shading indicating more spectators were surveyed from that area. Numerical data for the number of surveys by Salt Lake County ZIP code is presented in Appendix Table E. The ZIP code with the most spectators surveyed was 84120 in West Valley City, with 13 out of 170 surveys or 7.6 percent of Salt Lake County spectators, followed by 84020 in Draper (12 out of 170 or 7.1 percent), 84118 in West Valley City (11 out of 170 or 6.5 percent). No spectators were surveyed from three ZIP codes in Salt Lake County. These ZIP codes were 84112 - the University of Utah, 84101 - downtown Salt Lake City, and 84006 - Copperton and Bingham Canyon.

**Figure 1**  
**Number of Utah Residents Surveyed by County**



**Figure 2**  
**Number of Salt Lake County Residents Surveyed by ZIP Code**



## SPECTATOR CHARACTERISTICS

The majority of the spectators surveyed attended the soccer matches out of personal interest, 73.1 percent of those surveyed indicated they attended the soccer matches because they are a soccer fan or play soccer. The second most common reason for attending the soccer matches was check it out (10.3 percent), followed by children play soccer (9.5 percent), was given tickets (5.4 percent), and employer provided tickets (1.7 percent) (Appendix Table F).

Attending the soccer matches was the primary reason Utah nonresidents were visiting Utah. Out of 175 Utah nonresidents surveyed, 147 for 84.0 percent stated attending the soccer match was the reason they were visiting Salt Lake City, followed by visit family and friends (6.3 percent), and vacation (5.1 percent) (Appendix Table G).

Among international visitors surveyed, soccer was also the primary reason for visiting Salt Lake City, but not to the extent it was among all visitors to Utah. Of those visiting from outside the United States, 30 out of 48 for 75.0 percent stated soccer was the reason they were visiting Salt Lake City, followed by vacation (12.5 percent) and visit family and friends (6.3 percent) (Appendix Table H).

Most visitors to Utah stayed several nights. The average length of stay was 3.15 nights although the most commonly cited number of nights of stay was two nights. Several persons who stayed in Utah for several weeks resulted in the average number of nights of stay being higher than the most common value. Of 175 visitors to Utah, 12 (6.9 percent) stayed more than one week. The longest length of stay was 21 nights. Twelve of the visitors to Utah (6.9 percent) reported they were not staying overnight in Utah (Appendix Table I).

Visitors to Utah tended to travel in small groups, although there were several that reported they traveled in groups of 100 or more. The average number of persons in travel groups was 10.13, although the most commonly reported number was two, which was cited 41 out of 175 times for 23.4 percent. Five persons (2.9 percent) stated they were traveling in a group of 100 or greater and eleven persons (6.3 percent) reported they were in a group of 50 or more (Appendix Table K).



**APPENDIX**

**SURVEY OF SPECTATORS**

**AT THE**

**USA / COSTA RICA WORLD CUP QUALIFYING**

**AND**

**REAL SALT LAKE / FC DALLAS**

**SOCCER MATCHES**

**A. Attendance and Sample Size**

Spectators	40,586
Visiting Team Members and Media	203
Total Population	40,789
Interviews	465

The sample size of 465 from a population of 40,789 is sufficient to generate, for an estimate of proportions, a maximum 95 percent confidence interval half-width of 4.52 percentage points.

**B. Estimated Proportion of Spectators Visiting from Outside of Utah**

Visitor to Utah?	Frequency	Percent
No	290	62.4
Yes	175	37.6
Total	465	100.0

The point estimate for the number of spectators visiting Utah is 15,274 of the 40,586 spectators. A 95 percent confidence interval estimate (based on the exact hypergeometric distribution) is that from 13,576 to 17,122 spectators, or from 33.4 percent to 42.2, were visitors to Utah.

In addition to the visiting spectators, visitors to Utah included the USA and Costa Rica soccer teams and staff and out-of-state media. Including these visitors, the total out-of-state visitation associated with the soccer matches are:

Estimated number of visiting spectators:	15,274
Estimated number of visiting team members and media:	<u>203</u>
Estimated total of event-related visitors:	15,477

**C. State or Country of Residence of Interviewed Spectators**

State or Country	Frequency	Percent	Cumulative Percent
Utah	290	62.4	62.4
Costa Rica	35	7.5	69.9
California	31	6.7	76.6
Idaho	19	4.1	80.6
Colorado	12	2.6	83.2
Nevada	12	2.6	85.8
Oregon	7	1.5	87.3
Montana	5	1.1	88.4
New York	5	1.1	89.5
Mexico	4	0.9	90.3
Arizona	3	0.6	91.0
Connecticut	3	0.6	91.6
Georgia	3	0.6	92.3
New Jersey	3	0.6	92.9
Washington	3	0.6	93.5
Wyoming	3	0.6	94.2
Florida	2	0.4	94.6
Maryland	2	0.4	95.1
Missouri	2	0.4	95.5
New Mexico	2	0.4	95.9
Texas	2	0.4	96.3
Virginia	2	0.4	96.8
Brazil	1	0.2	97.0
Illinois	1	0.2	97.2
Kansas	1	0.2	97.4
Louisiana	1	0.2	97.6
Mississippi	1	0.2	97.8
Nebraska	1	0.2	98.1
Ohio	1	0.2	98.3
El Salvador	1	0.2	98.5
India	1	0.2	98.7
Columbia	1	0.2	98.9
Germany	1	0.2	99.1
France	1	0.2	99.4
Guatemala	1	0.2	99.6
Congo	1	0.2	99.8
Canada	1	0.2	100.0
Total	465	100.0	

Valid Cases 465

Missing Cases 0

**D. County of Residence for Utah Residents Surveyed**

County	Frequency	Percent	Cumulative Percent
Salt Lake	170	59.4	59.4
Utah	37	12.9	72.4
Davis	34	11.9	84.3
Weber	18	6.3	90.6
Cache	8	2.8	93.4
Duchesne	4	1.4	94.8
Uintah	3	1.0	95.8
Wasatch	3	1.0	96.9
Washington	3	1.0	97.9
Summit	2	0.7	98.6
Box Elder	1	0.3	99.0
Iron	1	0.3	99.3
Millard	1	0.3	99.7
Morgan	1	0.3	100.0
Total	286	100.0	

Valid Cases 286

Missing Cases 4

**E. ZIP Code of Surveyed Salt Lake County Residents**

ZIP Code	Frequency	Percent	Cumulative Percent
84120 - West Valley City	13	7.6	7.6
84020 - Draper	12	7.1	14.7
84118 - West Valley City	11	6.5	21.2
84065 - Riverton	10	5.9	27.1
84093 - Sandy	10	5.9	32.9
84108 - Salt Lake City	10	5.9	38.8
84105 - Salt Lake City	8	4.7	43.5
84119 - West Valley City	8	4.7	48.2
84084 - West Jordan	7	4.1	52.4
84094 - Sandy	7	4.1	56.5
84103 - Salt Lake City	7	4.1	60.6
84107 - Murray	7	4.1	64.7
84088 - West Jordan	6	3.5	68.2
84106 - Salt Lake City	5	2.9	71.2
84116 - Salt Lake City	5	2.9	74.1
84070 - Sandy	4	2.4	76.5
84102 - Salt Lake City	4	2.4	78.8
84104 - Salt Lake City	4	2.4	81.2
84121 - Holladay	4	2.4	83.5
84047 - Midvale	3	1.8	85.3
84092 - Sandy	3	1.8	87.1
84095 - South Jordan	3	1.8	88.8
84117 - Holladay	3	1.8	90.6
84123 - Murray	3	1.8	92.4
84044 - Magna	2	1.2	93.5
84109 - Salt Lake City	2	1.2	94.7
84115 - Salt Lake City	2	1.2	95.9
84091 - Sandy	1	0.6	96.5
84111 - Salt Lake City	1	0.6	97.1
84113 - Salt Lake City	1	0.6	97.6
84114 - Salt Lake City	1	0.6	98.2
84124 - Holladay	1	0.6	98.8
84128 - West Valley City	1	0.6	99.4
84113 - Salt Lake City	1	0.6	100.0
<b>Total</b>	<b>170</b>	<b>100.0</b>	

Valid Cases 170

Missing Cases 0

**F. Spectators' Reason for Attending the Soccer Matches**

Reason	Frequency	Percent
Play Soccer/Soccer Fan	340	73.1
Check It Out	48	10.3
Children Play Soccer	44	9.5
Was Given Tickets	25	5.4
Employer Provided Tickets	8	1.7
Total	465	100.0

Valid Cases 465

Missing Cases 0

**G. Reason for Visiting Salt Lake City for Utah Nonresidents**

Reason	Frequency	Percent
Soccer	147	84.0
Visit Family/Friends	11	6.3
Vacation	9	5.1
Business	3	1.7
Other	5	2.9
Total	175	100.0

Valid Cases 175

Missing Cases 0

**H. Reason for Visiting Salt Lake City for United States Nonresidents**

Reason	Frequency	Percent
Soccer	36	75.0
Vacation	6	12.5
Visit Family/Friends	3	6.3
Business	2	4.2
Other	1	2.1
Total	48	100.0

Valid Cases 48

Missing Cases 0

**I. Reported Nights of Stay by Visitors to Utah**

Number of Nights	Frequency	Percent	Cumulative Percent
0	12	6.9	6.9
1	37	21.1	28.0
2	61	34.9	62.9
3	28	16.0	78.9
4	8	4.6	83.4
5	7	4.0	87.4
6	3	1.7	89.1
7	7	4.0	93.1
11	1	0.6	93.7
13	4	2.3	96.0
14	4	2.3	98.3
15	1	0.6	98.9
20	1	0.6	99.4
21	1	0.6	100.0
Total	175	100.0	

**J. Summary Statistics on Number of Nights of Stay for Visitors to Utah**

Mean	3.15		
Standard error	0.27		
Median	2.00		
Standard deviation	3.55		
Minimum	0.00		
Maximum	21.00		
Valid cases	175	Missing cases	0



**K. Reported Number of Persons in Travel Group by Visitors to Utah**

Number of Persons	Frequency	Percent	Cumulative Percent
0	3	1.7	1.7
1	20	11.4	13.1
2	41	23.4	36.6
3	32	18.3	54.9
4	19	10.9	65.7
5	19	10.9	76.6
6	8	4.6	81.1
7	9	5.1	86.3
8	6	3.4	89.7
9	1	0.6	90.3
10	2	1.1	91.4
11	1	0.6	92.0
12	1	0.6	92.6
15	1	0.6	93.1
40	1	0.6	93.7
50	2	1.1	94.9
60	1	0.6	95.4
80	2	1.1	96.6
87	1	0.6	97.1
100	1	0.6	97.7
120	1	0.6	98.3
150	1	0.6	98.9
160	1	0.6	99.4
200	1	0.6	100.0
Total	175	100.0	

**L. Summary Statistics on Number of Persons in Travel Group for Visitors to Utah**

Mean	10.13		
Standard error	2.05		
Median	3.00		
Standard deviation	27.15		
Minimum	0.00		
Maximum	200.00		
Valid cases	175	Missing cases	0

**M. Average Spending per Visitor to Utah for Length of Stay**

	Average	SEM
Hotel	\$215.11	\$19.83
Food	165.15	12.77
Entertainment	197.60	15.98
Shopping	154.30	22.07
Transportation	88.94	9.08
Total	\$821.10	\$37.16

Valid Cases 175 Missing Cases 0

**N. Average Spending per Visitor to Utah per Night of Stay**

	Average	SEM
Hotel	\$87.38	\$7.09
Food	73.64	6.65
Entertainment	85.83	7.90
Shopping	61.89	10.08
Transportation	41.10	4.49
Total	\$349.85	\$16.69

Valid Cases 175 Missing Cases 0

**O. Total Spending by Visitors to Utah**

	Total Spending	95 percent Confidence	
		Lower Limit	Upper Limit
Hotel	\$3,329,257	\$2,727,807	\$3,930,708
Food	2,556,027	2,168,710	2,943,343
Entertainment	3,058,255	2,573,564	3,542,947
Shopping	2,388,101	1,718,579	3,057,623
Transportation	1,376,524	1,101,235	1,651,814
Total	\$12,708,165	\$11,580,903	\$13,835,427

Valid Cases 175

Missing Cases 0

# Appendix 12

## Man Who?

Source: CNN/Money Senior Writer Chris Isadore

May 13, 2005

### **Man who? UK team has big US prospects**

*Brits may hate Man U's new American owner -- while Americans fall in love with the team.*

NEW YORK (CNN/Money) - The biggest sports story in the world was basically ignored on U.S. sports pages this week, even though an American was the central player.

Malcolm Glazer, owner of the National Football League's Tampa Bay Buccaneers, bought a controlling stake in Manchester United, the British soccer club that is the world's most popular team. In any sport.

The purchase sparked near riots in England, where fans are worried about the debt Glazer assumed to raise the \$1.5 billion he needs to buy the club. They also didn't like the idea of a Yank owning something so inherently British.

That purchase price is 50 percent more than the most expensive NFL team, the Washington Redskins. It would also be enough to buy both the Yankees and their rival Red Sox.

But USA Today didn't run a word about the deal in its print edition, while the New York Times ran the story in its World Business section. The Wall Street Journal had more complete coverage than the Washington Post or LA Times, combined. Yet even the Journal gave far better play to a story about baseball pitchers wearing single digit numbers.

On the other side of the pond, British papers covered the story as at least slightly more important than the end of the British Empire. And just as tragic.

It's easy for U.S. editors to think that Americans don't care about soccer. They're partly right -- Americans don't care about U.S. soccer teams such as those in Major League Soccer.

But that ignores the fact that Man U has become a U.S. fan favorite.

"American does love a winner," said Charlie Stillitano, a former MLS team executive and CEO of ChampionsWorld, the sports promoter which has organized tours of top overseas soccer teams here, including Man U. "We're used to best baseball players, best basketball players, best hockey players in the world. I think Man U is popular because they're seen as the best of the best."

One of those fans who fell in love with Man U is Joel Glazer, Malcolm Glazer's son, who is expected to run the team when his family assumes control.

"We are long-term sports investors and avid Manchester United fans," said the younger Glazer in a statement Friday. "Our intention is to work with the current management, players and fans to ensure Manchester United continues to develop and achieve even greater success."

Strong sales for any sport

According to SportsScan Info, a sales tracking service, Man U has sold more licensed jerseys in the United States year to date than all the MLS teams combined.

Granted it's not a huge number -- about 2,500 shirts at 12,000 stores nationwide. But it's more than the

number of uniforms sold by Glazer's cross-bay rivals Tampa Bay Devil Rays, and it tops sales totals of 19 out of the 24 U.S. National Hockey League teams (OK, maybe that's not a fair fight).

Former Man U star David Beckham is as well known to the average U.S. sports fan (52 percent) as the reigning Most Valuable Players of the American League and the National Basketball Association, according to a survey last month by Marketing Evaluations.

More important, when it played on the ChampionsWorld tours of exhibition games around the United States the last two summers, the team drew an average of 65,655 fans to each game.

That's better than the average attendance of 10 NFL teams last year, including Glazer's Bucs. It's almost triple the average attendance of the MLS' most popular team, the Los Angeles Galaxy. And remember, Man U was playing exhibition games.

"They happened to be at the right place at the right time," said Paul Kennedy, managing editor of Soccer America magazine, who has seen marketing surveys that estimate that Man U has about 4 million U.S. fans.

The team will get more attention in years to come, as more games became available through satellite TV and digital cable.

David Sternberg, general manager of the Fox Soccer Channel, which shows English Premier League games and other European matches, said it's not uncommon for Man U matches to get twice the viewership of its other games.

Fortunately for Glazer, popularity in the United States is gravy for the team. Unlike most major U.S. sports -- where teams have to share merchandise sales and overseas revenues equally with the other teams in the league -- Man U's global expansion is all its own to enjoy.

Of course, the United States is still a relatively small part of its revenue stream, well less than 10 percent according to most estimates. And other non-European markets may offer even more growth potential.

"Soccer is much bigger there than it is here, and Asia is just much bigger," said Kennedy. The team will tour Asia this summer rather than the United States.

Man U's American fans can be happy one of their own is to run the team, because it probably means another U.S. tour is in the offing.

"I didn't think they'd be back (touring the U.S.) for at least a couple of years," said ChampionsWorld's Stillitano. "With the new ownership, that could change."

## Appendix 13

### *USOC Interest in 2016 Sites*

Posted on Tue, Jun. 13, 2006

#### **USOC interest in 2016 bid appears to be perking up**

##### *S.F. One of Five Cities Asked for Proposal*

Elliott Almond

*San Jose Mercury News*

The U.S. Olympic Committee last week signaled that it plans to pursue a bid for the 2016 Summer Games by requesting San Francisco and four other cities to provide details of their proposals to serve as host.

The cities -- including Chicago, Houston, Los Angeles and Philadelphia -- were invited to make brief presentations June 23 at the USOC board of directors meeting in La Jolla.

After meeting the cities' mayors last month, USOC President Peter Ueberroth wouldn't say whether his group was ready to bid. The request for more information shows that the USOC interest is real.

If it does bid, one of the five cities involved will win the U.S. nomination. The International Olympic Committee will select the host city in 2009.

## Appendix 14

### *Soccer America: Spartan Stadium Snubbed*

Source: Soccer America.com

#### **SNUBBED AGAIN**

Of the three international matches being played in Northern California this winter, none will be held at Spartan Stadium in San Jose.

Mexico beat Norway, 2-1, Jan. 25 at Monster Park (formerly Candlestick Park) in San Francisco. The U.S. plays Japan Friday night a bit further north at SBC Park (formerly Pac Bell Park and soon-to-be AT&T Park). On Saturday afternoon, South Korea -- a 3-0 winner over the Galaxy Wednesday night -- plays Costa Rica at the (MacAfee) Oakland Coliseum.

Spartan had been proposed as a site for the South Korea match, but the match was moved to Oakland, partially because Coach Dick Advocaat declined to play at Spartan, citing the tight confines. Advocaat should know: he played three seasons (1978-1980) with the NASL Chicago Sting and on at least one occasion slid into the retaining wall surrounding the field while making a tackle.

The surface has been widened since then and there's more room between the sideline and the new wall, but not that much. The dimensions and a conflict with playing dates prompted the switch to Oakland, which also had an NASL team, the Stompers, during Advocaat's first NASL season. But he joined the Sting after it had made its trip to Oakland that year.

# Appendix 15

## *US National Team Games at Legion Field (Birmingham, AL)*

February 1, 2006

*Courtesy of:*

David F. Galbaugh

National Sales Manager

Greater Birmingham Convention and Visitors Bureau

2200 Ninth Avenue North

Birmingham, AL 35203

[www.birminghamal.org](http://www.birminghamal.org)

YEAR	TEAMS	ATTENDANCE	ECONOMIC IMPACT	TELEVISION
2005	U.S. Men's National Team vs. Guatemala	31,624	\$6,868,757	ESPN2
2004	U.S. Women's National Team vs. Brazil	11,782	\$2,921,018	ESPN2
2003	U.S. Women's National Team vs. England	12,102	\$3,011,285	ESPN
2002	U.S. Men's National Team vs. Ecuador	24,133	\$4,702,846	ABC
2000	U.S. Men's National Team vs. Tunisia	21,637	\$3,962,498	ESPN2



## Appendix 16

### *Women's United Soccer Association (WUSA) to Return*

From Foxnews.com:

## **U.S. Women's Pro League Prepares to Blast Back Onto Soccer Scene**

Wednesday, June 28, 2006

By Liza Porteus

NEW YORK — While the best men's soccer teams in the world do battle in this year's World Cup in Germany, there is a quiet but determined effort in the United States to relaunch the world's premier women's professional soccer league.

The Women's United Soccer Association launched in 2001, propelled by the U.S. Women's National Team's stirring victory in the 1999 Women's World Cup. That on-field performance not only featured the now-legendary play of Mia Hamm, Julie Foudy and Joy Fawcett, but it also is remembered as the game in which Brandy Chastain immortalized the sports bra.

More important for women's soccer, the victory earned in the United States before sold out stadiums, inspired thousands of girls to discover and play the game. The WUSA's backers, meanwhile, hoped the stars were aligned to finally grow a profitable professional women's sports league.

The WUSA's run, however, was short lived. The league suspended play in September 2003, citing financial reasons, and the retirement of star founders like Hamm, Foudy and Fawcett caused many to wonder whether professional women's soccer would ever return to the U.S.

Enter former Yahoo, Inc. executive Tonya Antonucci, who almost single-handedly is trying to rally investors around a bigger and better WUSA, now scheduled to blast back onto the soccer scene in 2008. Antonucci is counting on the hundreds of thousands of girls around the country now playing soccer to help fill the stands.

"Women's soccer has a strong audience base, it's appealing to the community," said Antonucci, who has spearheaded the creation of Women's Soccer Initiative, Inc. (WSII) to help steer the WUSA revival effort.

"We believe the fundamental mission is to relaunch the premier women's soccer league in the world with the best players around the world, competing and participating in the sport," Antonucci said. "We're excited that it can be major in that respect and for the fan's

enjoyment, but we can be a little more realistic about the development of the business side of the sport."

Antonucci, who spent more than seven years heading up Yahoo! Sports, and was a teammate of Foudey's at Stanford University, said this time around the WUSA is focusing less on convincing corporate America to underwrite the sport and more on lining up sponsors who are invested in sport. To that end, Antonucci also is targeting team owners who either own or control their own facilities. Groups like Major League Soccer (MLS), meanwhile, have expressed interest in helping WUSA sell sponsorships.

Antonucci believes corporate sponsors are excited about a new and improved WUSA.

"They [investors, sponsors] like being associated with these female athletes, they're great ambassadors of these sports," she said. "The relaunch of this league is, for many ways, the final aspect of their legacy, so they want to get involved and help," Antonucci said of the veteran league players. "You'll see those folks doing what they can to really transition to these new crop of female players, many of whom are really established."

## Appendix 17

*Portland Tribune: "City Cashes in on World Cup"*

### **City Cashes In On World Cup**

*Relocation of Soccer Matches to Portland Could Bring Unexpected Windfall of \$7 Million*

*By Jeanie Senior  
The Tribune  
September 30, 2003*

Portland is in for a weeklong, \$7 million economic shot in the arm, an estimate that Oregon Sports Authority officials and Mayor Vera Katz call conservative.

With tens of thousands of soccer fans, hundreds of sports reporters and soccer teams from six continents here for the Women's World Cup this week and 8,000 runners arriving for the Portland Marathon on Oct. 5, cash registers at stores, hotels and restaurants across the city should be clicking with joy.

The first of two soccer matches -- Ghana vs. Australia and China vs. Russia -- were played Sunday at PGE Park. And two more doubleheaders are coming up, the quarterfinals on Thursday and semifinals Oct. 5.

Drew Mahalic, chief executive officer of the Oregon Sports Authority, sounds almost giddy talking about the World Cup's economic impact on Portland. The number of people coming to watch is "absolutely staggering, like nothing we've ever seen before," he said.

Mahalic and Joe D'Alessandro, CEO of the Portland Oregon Visitors Association, agree that the visitors, and their money, are more than welcome. "This is a major economic infusion for Oregon at a time when we could really use one," Mahalic said.

D'Alessandro estimated the impact on the Portland area's tourism industry alone at about \$2.1 million. He said soccer teams and support staff, the media and event organizers have booked almost 1,500 room nights, with out-of-town visitors accounting for another 19,000 room nights.

The World Cup matches are an unexpected boon. China had been planning for three years to host the competition, but the SARS epidemic caused the games to be moved out of the country. The United States won the bid as the substitute location.

Besides Portland, matches are being held in Boston; Washington, D.C.; Philadelphia; Los Angeles; and Columbus, Ohio.

"This is kind of one of those mannas from heaven," D'Alessandro said. "This was not on our books in January, and all of a sudden the World Cup games were relocated to the U.S."

According to sports authority officials, about half of the advance ticket buyers are from outside the Portland metropolitan area. They include soccer fans from 46 states and numerous foreign countries.

If the U.S. team qualifies for the semifinals, it's expected to bring a last-minute rush of people to the matches.

Many of the 8,000 participants in the Portland Marathon will be coming from outside Oregon and from overseas.

"We're referring to it as a celebration of Oregon sports from dawn to dusk," said Meyer Freeman, the Oregon Sports Authority's director of operations.

Because the marathon mostly takes place in the morning and the soccer matches begin at 4:30 p.m., there shouldn't be any conflict between the two events, he said. In fact, promoters for both the marathon and the World Cup have been providing information to participants in both events.

Freeman said the sports authority has set up an area in PGE Park to accommodate 300 members of the media. In addition, six satellite trucks on a cordoned-off area of Southwest 20th Avenue will broadcast the matches to an estimated 3.2 billion viewers worldwide.

"If we have the U.S. team in the semifinals on Oct. 5, almost every major paper in the country will send someone to cover that," Freeman said.

The impact is expected to continue long after the event is over. Marty Brantley, the Oregon Economic and Community Development director, said the state should expect further economic benefits "from both the fans attending the matches and from fans watching from around the world who will want to visit Oregon after seeing our natural wonders on television."

With Oregon's 8 percent unemployment rate the highest in the nation, all contributions to the economy are appreciated, said D'Alessandro, who also is chairman of the Oregon Tourism Commission. "Our economy needs everything we can get."

Extra seating has been added so PGE Park can accommodate 29,000 for the matches. Freeman said ticket sales are brisk, but seats are still available. For the first two events, prices range from \$20 to \$65; tickets to the semifinals cost from \$35 to \$175, but lower-end tickets are sold out.

He said that at various times a Chinese dragon parade, an African drum group, a samba group and a Russian accordion player will be entertaining fans outside PGE Park.

"It'll be quite a festive atmosphere," he said. "The World Cup in itself is a truly international-flavored event."

## Appendix 18

### *Business America: World Cup Impact*

Excerpted from Business America / May 17, 1993

An economic impact summary, completed in December 1992 by professors Peter Rosendorff and Andy Neumeyer of the University of Southern California's Economics Department, estimates that the 1994 FIFA World Cup economic impact could conservatively exceed \$4 billion in the United States.

The summary encompasses the nine World Cup venues: Boston, Chicago, Dallas, Detroit, Los Angeles, New York/New Jersey, Orlando, San Francisco, and Washington, D.C., and includes venue figures only (including organizing committee expenditures in each venue). The summary is based on the behavior patterns of four basic groups: media, local residents, non-local domestic visitors, and foreign visitors.

The study used the same methodology for all nine venues, although different market-specific figures were used for hotel prices, expected attendance, and local tax rates. Rosendorff and Neumeyer took a conservative approach to their methodology in terms of multipliers, assigning a multiple of only two across all markets to measure effect derived from re-spending of original spending.

# Appendix 19

## *Soccer Attendance at the Olympics*

**From: The Year in American Soccer 1996**

Maintained and written by Dave Litterer [spectrum@sover.net](mailto:spectrum@sover.net)

Available at <http://www.sover.net/~spectrum/year/1996.html#olympics>

### **1996 Olympic Games**

The Olympic Games returned to the United States, and provided the USA national Soccer teams a major opportunity to showcase themselves to the world.

This was a particularly good opportunity for the women, as the Olympics had just added women's soccer. The women hoped to make up for their disappointing finish in the 1995 World Championships, and had improved greatly in the ensuing months. The men also hoped for a much better finish to demonstrate their vast improvements since the last US Olympics when the National Team was little more than a sidelight in American Soccer. The hometown crowds would provide an advantage, even though the soccer games were not being held in Atlanta like the rest of the Olympic tournament.

The USOC had gone all out to ensure that these games would be a major affair. To expose the competition to a broad audience, summer games were played in Miami, Washington, Birmingham and Athens, GA. The finals would be played in 84,000 seat Stanford Stadium in Athens, and the women pool games would be doubleheaders with the men's games to ensure maximum exposure.

Although total attendance was not as high as for the 1984 Olympics in Los Angeles (1,421,627, average 44,426), they were still impressive, drawing more fans than for any other Olympic event, with 1,364,142 (average 40,122). This is more than the combined total for the Seoul 1988 games (728,712 average 22,772) and Barcelona 1992 (466,300 average 14,572) combined.

## Appendix 20

### *The 2006 Sports Business Market Research Handbook*

#### **THE 2006 SPORTS BUSINESS MARKET RESEARCH HANDBOOK**

Published by:

Richard K. Miller & Associates

4132 Atlanta Highway, Suite 110-366

Loganville, GA 30052

(770) 416-0006

[www.rkma.com](http://www.rkma.com)

RKMA foresees that by 2010, Major League Soccer (MLS) will clearly have replaced the National Hockey League (NHL) as the fourth major professional sports league. With a 4% rise in attendance in 2004 to an average of 15,559 per game, MLS had nearly caught up with the NHL's average game attendance of 16,533.

Despite its current modest following in the U.S., soccer is the number one spectator sport worldwide. The most recent World Cup attracted an estimated 40 billion global viewers. The growth in soccer among American youth has increased steadily throughout the last decade. According to the National Sporting Goods Association ([www.nsga.org](http://www.nsga.org)) 13.3 million people age 7 and over participated in soccer in 2004. For comparison, 15.9 million played baseball, 11.7 million in-line roller skated, and 10.3 million participated in skateboarding. The growth in soccer participation is not yet totally reflected in the MLS fan base, however. Children generally prefer to play sports rather than watch, then become spectators as adults after their playing days are over. It is only a matter of time until today's players become future fans of Major League Soccer.

# Appendix 21

## *A Breakout Year for Soccer?*

Source: Stanley Holmes, Sports Biz / May 1, 2006

### **A Breakout Year For Soccer?**

*Investors seem to think MLS has a big future. You be the judge*

Suddenly, the future of Major League Soccer seems less about survival and more about a sport coming into its own. The league once dismissed as boring and doomed to fail is entering its 11th season as possibly the hottest investment in professional sports. Here are three reasons why this could be its breakout season:

#### **1. Influx of money**

Over \$1 billion has flowed into MLS in less than two years as investors sense that the league may be at a tipping point. Red Bull, the sassy Austrian energy-drink company, recently plunked down \$100 million to buy the New York franchise. The owners of the Toronto Maple Leafs hockey team announced they would buy an MLS franchise next season. Dave Checketts, former general manager of the NBA's New York Knicks and Utah Jazz, bought Real Salt Lake last year. Jorge Vergara, CEO of Grupo Omnilife and owner of Mexico's famed Chivas of Guadalajara soccer club, bought Chivas USA in Los Angeles. More important, Adidas-Salomon last year said it would invest \$150 million in the league over the next 10 years. Beyond money for player development, advertising, and outfitting the 12 teams with Adidas uniforms, the deal has helped generate much-needed momentum at a critical juncture. "The credibility and legitimacy that the Adidas deal brought to our league has been priceless," says MLS Commissioner Don Garber.

#### **2. New Venues**

Capital is flowing into new stadium development and into broadcast contracts. Five soccer-specific arenas are under construction in such cities as Chicago and Denver at an estimated \$80 million each. That will bring the total number of soccer stadiums, which will hold roughly 20,000 fans, to eight by 2008. The league's marketing arm, Soccer United Marketing, just raked in more than \$400 million for selling U.S. broadcast rights for the next two World Cups. And for the first time in 10 seasons the league may have its own TV deal: ABC([DIS](#))/ESPN, Univision ([UVN](#)), and HDNet are close to agreement with the league.

#### **3. Surge in Ticket Sales**

Season-ticket sales are up 20% this year, and the league drew an average of 19,073 in its first three weeks, up 26% over 2005. Also, this is a FIFA World Cup year, which means casual American fans will actually tune into the matches. The MLS will supply half the players for the U.S. Men's National Team.

### **The Counterargument**

The quality of play has yet to reach the level of the top European leagues. The league still hasn't won over either casual or hard-core fans: The latter prefer European matches. Despite the money flowing into MLS, it has not generated an overall operating profit after 10 years. "A lot of this new money is coming in for mixed reasons, not purely to own the operating rights to an MLS team," says Jeffrey Bliss, president of Javelin Group, a marketing company specializing in soccer, who sees the investor attraction as more of a real-estate play than a bet on the sport. "I think they



are turning the league toward profitability, but what they need to do is turn it toward a quality product on the pitch." For that, MLS may have to figure out soon how to pay for world-class stars.

## **Appendix 22**

*The Brookings Institution: “Turning Around Downtown”*

METROPOLITAN POLICY PROGRAM  
THE BROOKINGS INSTITUTION

*“Downtown  
revitalization  
requires a high  
degree of cooper-  
ation and is best  
achieved when a  
unique ‘private/  
public’ process  
is used.”*

# Turning Around Downtown: Twelve Steps to Revitalization

Christopher B. Leinberger<sup>1</sup>

*Though every downtown is different there are still common revitalization lessons that can be applied anywhere. While any approach must be customized based on unique physical conditions, institutional assets, consumer demand, history, and civic intent, this paper lays out the fundamentals of a downtown turnaround plan and the unique “private/public” partnership required to succeed. Beginning with visioning and strategic planning to the reemergence of an office market at the end stages, these 12 steps form a template for returning “walkable urbanity” downtown.*

## Introduction

Over the past 15 years, there has been an amazing renaissance in downtowns across America. From 1990 to 2000 the number of households living in a sample of 45 U.S. downtowns increased 13 percent.<sup>2</sup> The fact that many downtowns have experienced such growth and development—in spite of zoning laws spurring suburban sprawl and real estate and financial industries that don’t understand how to build and finance alternatives—is testament to the emotional commitment to our urban heritage and the pent-up consumer demand for walkable, vibrant places in which to live and work.

The appeal of traditional downtowns—and the defining characteristic that sets those that are successful apart from their suburban competitors—is largely based on what can be summarized as *walkable urbanity*.

Since the rise of cities 8,000 years ago, humans have only wanted to walk about 1500 feet until they begin looking for an alternative means of transport: a horse, a trolley, a bicycle, or a car. This distance translates into about 160 acres—about the size of a super regional mall, including its parking lot. It is also about the size, plus or minus 25 percent, of Lower Manhattan, downtown Albuquerque, the Rittenhouse Square section of Philadelphia, the financial district of San Francisco, downtown Atlanta, and most other major downtowns in the country.

But the willingness to walk isn't just about the distance. Certainly no one is inspired to stroll from one end of a super regional mall parking lot to the other. People will walk 1500 feet or more only if they have an interesting and safe streetscape and people to watch along the way—a mix of sights and sounds that can make a pedestrian forget that he is unintentionally getting enjoyable exercise. Depending on the time of day, the day of the week, or the season of the year, the experience of walking downtown will be entirely different, even if you are traveling along a well trod path. A new experience can be had, in fact, nearly every time you take to the streets.

Fostering such walkable urbanity is the key to the revival of any struggling downtown. But doing so can be a challenging process, requiring the development of a complex mix of retail boutiques, hotels, grocery stores, housing, offices, artists' studios, restaurants, and entertainment venues. A "critical mass" of these pedestrian-scale uses must be established as quickly as possible, before the initial revitalization efforts stall for lack of support. This means making certain that visitors can find enough to do for 4 to 6 hours; that residents daily needs can be comfortably met; and that rents and sales prices continue to justify new construction or renovation.

Ultimately, reaching critical mass means that the redevelopment process is unstoppable and cannot be reversed. At that point, an upward spiral begins to create a "buzz," increases the number of people on the streets, raises land and property values, and makes the community feel safer. More activity attracts more people which increase rents and property values creating more business opportunity which means more activity and people on the street, and so on. Simply put, in a viable downtown, *more is better*.

This contrasts starkly with suburban development, where *more is worse*. The lure of the suburbs is lawns, open space, and the freedom to travel by car. But adding more activity brings a geometric increase in automobile trips, more congestion, pollution, inconvenience, and the destruction of the very features that enticed residents and businesses to the suburbs in the first place. This drives the continuous sprawl which makes yesterday's "edge cities" obsolete, as demand and development marches outward to what Robert Lang calls "edgeless cities."<sup>3</sup> In fact, more suburban development nearly guarantees its decline as demand is pushed continuously toward the ever-expanding fringe.

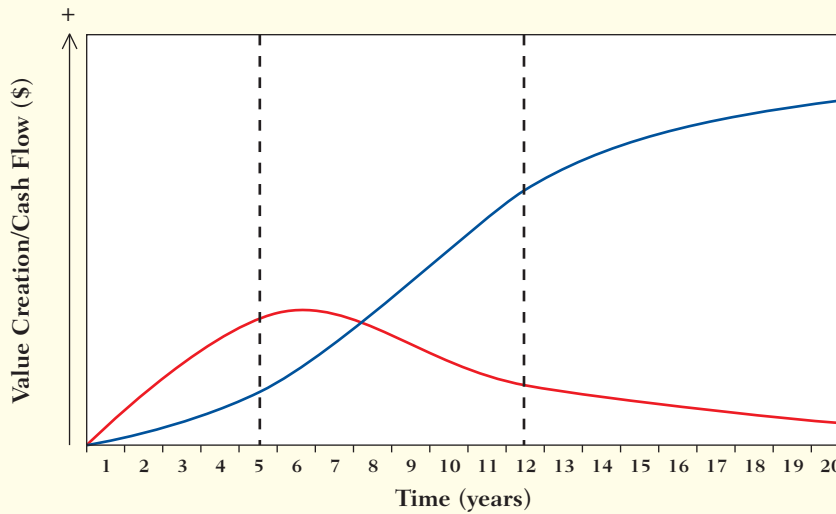
These divergent models of urban and suburban development also have very different financial structures. Conventional suburban development, based upon standard national formulas and car-friendly access and parking, financially performs well in the short-term but peaks in years 7 through 10. It is built cheaply to help drive the required early financial returns; besides, anything new looks reasonably good. Investors are not willing to commit to a specific site for the long-term since sprawl may take demand further out in less than a decade anyway. And so, in essence, they build disposable developments.

Downtown development exhibits an opposite pattern. Among many factors, including constrained sites and underground work, the construction budget for downtown development is also generally much higher because people are walking past the buildings in close proximity. In the suburbs, you drive past the buildings at 35 miles or more per hour and they are set back from the street by 100 feet or more, allowing cheaply built structures to suffice. However, the higher construction costs downtown mean that financial returns are reduced in the early years

There will be substantially better financial returns for a downtown asset, however, if the developer and investor hold the building for the mid- to long-term. This occurs because, in a revitalizing downtown, other developers and investors will build new projects within walking distance. This increases the excitement on the street, pushing up rents, sales prices, and property values of existing property owners, even if the owners have done little more than maintain their properties. As the *more is better* upward spiral of value creation takes place, the mid- to long-term holders of property are ultimately rewarded much more than suburban property owners, as represented in Figure 1.<sup>4</sup>

The real estate industry, which includes developers, service providers, and bankers and investors, has become extremely efficient in producing suburban development and reaping its short term rewards. Yet an increasing share of the market is now demanding other options. Numerous consumer surveys by national research firms—including Robert Charles Lesser &

**Figure 1. Financial Characteristics of Downtowns with Critical Mass (Blue) versus Suburban Development (Red)**



Source: Christopher B. Leinberger, Arcadia Land Co. and Robert Charles Lesser & Co.

Co., Zimmerman-Volk, and Real Estate Research Co. among others—have shown that between 30 percent and 50 percent of all households in the metropolitan areas surveyed want walkable urbanity. And certainly the rapid comeback of American downtowns over the past 15 years—along with the many new urbanist communities and traditional-looking “lifestyle retail” projects popping up in suburban locations—is on-the-ground evidence of pent-up demand.

Despite many developers’ and national retailers’ lingering reluctance to engage in urban markets, downtown research and experience of the past 15 years, along with the rediscovery of traditional urban planning principles, demonstrate that we have a better understanding of how to bring our downtowns back. It is no longer a mystery how to start a downtown revitalization process, though it is more complex than suburban real estate development, and takes longer than most politicians are in office. It requires a degree of cooperation that is difficult to pull off and is best achieved when a unique “private/public” process is used. Yet many downtowns have managed to revitalize their downtowns in recent years, and we have gained valuable insight as a result.

This paper attempts to summarize the lessons learned from many years of hands-on experience consulting in dozens of urban areas across the United States and Europe. These lessons have been condensed into 12 steps urban leaders should follow to successfully rebuild and reinvigorate their downtowns.<sup>5</sup>

The first six steps focus on how to build the necessary infrastructure, both “hard” and “soft,” for turning around a downtown, and define the public and non-profit sector roles and organizations required to kick off the revitalization process. The next six steps are the means by which a viable private real estate sector can be re-introduced to a downtown that may not have had a private sector building permit in many years. In one fashion or another, this strategic process has been implemented by all of the downtowns in which the author has worked.

Every downtown is a little different in its physical condition, institutional assets, consumer demand, history, and civic intent, requiring that any approach be customized. Yet there are still common lessons, and more is learned each day. In spite of the many formidable obstacles, it is important to remember that every downtown has a unique set of strengths, no matter how depressed it might be; it is these strengths that must be built upon in developing the revitalization strategy. With enough consumer demand and the intention to succeed, there is a way.

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## Setting the Stage for Development

With conventional suburban development, the necessary pre-conditions for growth include the provision of roads, water, sewer, gas, electric and communications line extensions, public safety services, and schools. Creating walkable urbanity requires all of this and much more. There is a need for a physical definition of the place, a comprehensive strategy for the place to be created, and management to implement the strategy. Such a strategy must include, among other things, the creation of walkable streets and sidewalks; intra- and inter-core transit; shared-use structured parking; culture and entertainment; increased safety and cleanliness; and programming and marketing.

Early progress must be made in building this expanded definition of infrastructure—along with a believable commitment to provide the rest—in order to attract the private sector developers and investors who will ultimately drive the downtown turnaround. Only by re-establishing a private sector real estate market (the focus of steps 6 to 12) can a downtown prosper. In fact, successful downtown turnarounds have shown that for every \$1 of public investment, there will be \$10 to \$15 of private money. The bulk of the public investment must be made in the early years, however, in order to set the stage for private development.

## Step 1: Capture the Vision

### *The best intentions...*

Beginning any journey, especially one as arduous as revitalizing a depressed downtown, requires *intention*. Without the intention of actually revitalizing a downtown, there is little reason to begin the process in the first place. There are many skeptics that will never see the point of bringing back an obsolete, forsaken downtown and give it little if no chance of succeeding. If there is one bromide heard by most people with experience working on downtown revitalization efforts, it is a suburban resident saying something to the effect of “I haven’t been downtown in 20 years and have no reason or desire to go there ever in the future.” If this attitude predominates in the business, real estate, non-profit and public communities, it may make sense to reconsider the community’s ability to pull it off.

Another reason for re-considering whether to start a downtown revitalization effort is if there has been a recent (within 20 years) failure of a previous attempt. It takes a full generation to get over the collapse of a revitalization effort and the injection of fresh leadership unencumbered with the “we tried that once and it did not work” mindset.

Determining whether the intention for a long-term effort is present in the community requires the mining of the most important asset a downtown revitalization has: memory and the emotion it unleashes. This is surprisingly powerful asset has always had a hidden impact on the tough, bottom-lined real estate business. Emotion is the reason we generally overpay and over-improve our homes, where 50 percent of national real estate value lies.<sup>6</sup> Emotion is why we create great civic structures, such as city halls, performance halls, arenas, and museums. Emotion is the reason great historic buildings are renovated, even though the cost of renovation is usually greater than tearing down and building a new building.

Contrary to evocative memories of downtowns past, however, is the reality of the great suburban land rush, starting in the 1950s, which led to the disinvestment in our downtowns in the first place. The desire for a suburban American Dream led to it being legally mandated and massively subsidized, essentially becoming *de facto* public policy. The market desire to embrace suburban living—a historically unique experiment in city building—combined with the subsidies for suburban growth, left our downtowns and surrounding neighborhoods to decline. With the exception of Manhattan and the downtowns of Boston, Chicago, and San Francisco, nearly every downtown in the country went into severe decline, virtually becoming “clinically dead,” to the point that market rents and sales prices could not warrant new construction or redevelopment, except for some construction during the office boom of the 1980s.

Nonetheless, many of those who grew up in the 1940s, 1950s, and 1960s, when our downtowns were still vibrant, if fading, have indelible memories of the place. Downtown in the

afterglow of World War II was “where all the lights were bright,” where first dates occurred, where parents worked and parades were held. The downtowns of this era were where you went for the fancy department stores and to see tall buildings. It was where the sidewalks were jammed with people, unlike any other place in the region. Today, in many cases, those who remember the downtowns of yore are now in positions to do something about their current decline.

Of course, there are also significant fiscal and financial motivations to undertake a downtown revitalization process. By definition, a downtown recovery means more residents and more jobs, in both the downtown itself and eventually in other parts of the city. It also means more out-of-town and suburban visitors bringing more outside money into the area. Further, experience shows that the most expensive real estate in a metropolitan area is increasingly found in revitalized downtowns. The public sector realizes significant fiscal benefits as a result, the most obvious accruing from increased tax revenue.

Downtown revitalization can bring additional economic development benefits as well. With increasing demand for walkable urbanity and a dearth of such neighborhoods in most metropolitan areas, cities with vibrant downtowns have a better shot of recruiting or retaining the “creative class” of workers economists, like Richard Florida, have shown is key to future growth.<sup>7</sup> When the strategy for downtown Albuquerque was being crafted, for example, a senior executive from Sandia National Laboratory spent many hours volunteering in the process. However, the laboratory—employing 5,000 scientists, engineers, and professional managers—is located five miles from downtown. When asked why he spent so much time on the downtown strategy, he replied, “If Albuquerque does not have a vibrant, hip downtown, I do not have a chance of recruiting or retaining the twenty-something software engineers that are the life’s blood of the laboratory.” If 30 percent to 50 percent of the market cannot get walkable urbanity, why would they come or stay in a place without that lifestyle option when Austin, Boston, and Seattle beckon? A purely suburban, car-dominated metropolitan area is at a competitive disadvantage for economic growth.

### ***Rallying the troops, setting the vision***

Once the motivation is clearly there, the downtown revitalization process generally begins by lining up the political and business stars. Perhaps a mayor has been elected with downtown revitalization as a major priority. Or a foundation’s board or executive director decides to provide grants to start the process. It could be the state governor who feels that in-fill, smart growth investment in downtowns should receive financial or other incentives. Whatever the specifics, it probably starts with a handful of people who make it their top priority. These people and the other stakeholders they select should come together as an informal downtown advisory group. The group should include representatives of local government, neighborhood groups, retailers, business owners and managers, non-profit groups, service providers, arts groups, etc. The advisory group will fundraise, and begin early stage planning.

A good starting point is to engage in a “visioning” process. While denigrated by some for being “soft and fuzzy,” a visioning process not only determines if there is community support but it also uncovers the emotional, economic, and fiscal reasons for turning around the downtown. This process should be professionally managed, with money allocated to pay for it. It is best if the money raised starts the entire revitalization process off on the right foot; it should be primarily private and non-profit sector funded. The public sector can and should participate, both to have a stake in and to give legitimacy to the process. This will eventually give way to a *private/public* partnership, an intentional reversal of the way this phrase is usually stated.

It is also often useful for the advisory group, and anyone else who wants to come along, to visit comparable downtowns throughout the country which have undertaken a redevelopment process. Probably the most visited model downtowns over the past decade have been Baltimore, Portland (OR), Chattanooga, Denver, and San Diego. The visits can provide insights into what worked and what did not but more importantly, they help demonstrate that revitalization is possible. Every downtown has unique assets that must be understood and built upon to achieve the turnaround. It is a rare downtown that cannot succeed, if there is the intention.

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During this period, it is important that the advisory group undertake research to create a technical portrait of downtown. Such a portrait includes the history, a definition of its size and specific boundaries, the number of jobs and businesses, its role in the local economy, the contribution downtown makes to local government taxes, the structure and state of its transit system, the condition of the infrastructure, etc. The assets of downtown need to be identified as well, including universities, hospitals, neighborhoods, housing stock, and cultural organizations. A short report summarizing this information will become the basis for the rest of the effort.

After drafting the technical report, a more subjective picture of downtown needs to be compiled—what is valued, what is missed, what is good, what is negative, and some of the stories that make it special on a personal level. It is also essential to explore the hopes of people regarding what downtown could be. This information can be obtained through public meetings, surveys, focus groups, newspaper polls, informal voting, school contests, or other methods. Summarizing these findings in a brief report will complement the technical portrait.

After the technical and subjective findings have been collected and documented, a series of special public meetings should be held to further engage the citizens of the region. The findings should be presented and vetted, and participants should be queried regarding their vision for downtown—what is absent from their lives that downtown could provide, and what would make them visit, work, and maybe even live there. Once these meetings have been completed, the advisory group must determine if there is the vision and the will to take on the major, long-term process of reviving a downtown. If not, it is better to determine that early than to waste time and resources better spent on some other civic undertaking. Moreover, taking on a revitalization process that is doomed to failure means that another effort will probably not be undertaken for another generation.

Summarizing the findings of the visioning process and widely disseminating it throughout the city is an important wrap-up step. Once the advisory group ascertains that they have correctly identified downtown's assets, as well as the challenges that must be addressed, they will have laid a good foundation for the next step in the process—developing the strategic plan.

## Step 2: Develop a Strategic Plan

**D**owntown is one of the largest mixed-use developments in a metropolitan area. However, there is almost never a strategic plan for downtown, nor any formal management of it. By contrast, the typical regional mall, a much smaller and far simpler development, has a comprehensive strategy for the positioning of the mall and 24/7 oversight.

Having a strategy and management plan for downtown is absolutely imperative. It is even more critical when you consider that achieving *walkable urbanity* is a complex “art” that may be achieved by accident given a couple hundred years, but which requires concerted planning and strategic implementation by many organizations to accomplish in a shorter time frame.

Building upon the memory and vision outlined in Step 1, strategic planning takes a comprehensive approach to creating walkable urbanity that encompasses many individual strategies. These strategies fall into ten categories:

- **Character.** Define the boundaries of downtown, how dense it should be, and how it addresses the immediate surrounding neighborhoods. Generally, urban character (floor area ratio over 1.0) is selected for the core of the downtown, pushing densities to the highest level in the metropolitan area. If there is a suburban character (floor area ratio of between 0.2 and 0.4) in the neighborhoods surrounding downtown, this can and should be maintained, thus providing those residents with the best of two worlds: suburban homes a short distance from walkable urbanity.
- **Housing.** Encourage a vast array of moderate and high density housing at both market rate and affordable levels. Downtown planners must work to ensure that such housing is



legally allowed. They should also take an inventory of city-owned land and buildings that could be available for early development or redevelopment since the land will have to be written down or creatively provided to make it financially feasible in the early years of the turnaround process. It is important to realize that housing is two-thirds of the built environment, so it is always a critical part of the strategy.

- **Retail.** Determine the retail concentrations that a downtown market could support, including urban entertainment (movies, restaurants, night clubs); specialty retail (clothing, furniture, and jewelry boutique stores); regional retail (department stores, lifestyle retail); and local-serving retail (grocery, drug, book, video stores). These different retail options should be concentrated into walkable districts, creating, in essence, regional destinations that give the area critical mass, identity, and a reason to live there.
- **Culture.** Determine which one-of-a-kind cultural facilities should be downtown and how existing facilities can be strengthened. With very few exceptions, these facilities—arenas, stadiums, performing arts centers, museums, historic sites and buildings, and others—do in fact perform better downtown.
- **Public Infrastructure.** Focus on essential issues such as water and sewer, intra-core transit, transit to the downtown, structured parking, conversion of one-way streets to two-way, tighter turning radiuses at intersections for a better pedestrian experience, and enhanced security and cleanliness, among others. Parks and open space, and, when appropriate, opportunities for waterfront development, should also be included in the strategy. Paying for this new and improved infrastructure often involves “tax increment financing” (“TIFs”), a controversial tool in some places, which usually needs state legislative authorization.
- **Employment.** Focus recruitment efforts on businesses that could be downtown, which includes both “export” employment (businesses that export goods and services from the metropolitan area which provide fresh cash into the economy) and regional-servicing employment (support businesses or organizations which locate in regional concentrations such as downtown). Generally these strategies occur later in the turn-around process, after a critical mass of urban entertainment and housing has occurred.
- **Community Involvement.** Ensure that citizens, particularly residents of surrounding neighborhoods, have continuous opportunities for input and involvement. It is also important to keep the opinion-makers and the media informed about the revitalization process, as the public image of downtown during the early phases of revitalization is generally negative. One example is creating a local cable TV show highlighting individuals and businesses helping turn around the downtown, putting a human face on the revitalization effort.
- **Involvement of Non-profit Organizations.** Bring existing non-profits into the process, and create new organizations to fill needed roles. These include business improvement districts and possibly a transportation management organization, as well as temporary task forces, a parking authority, an arts’ coordinating group, and others.
- **Marketing.** Continuously market downtown, as well as specific new downtown events. The image of most downtowns is so negative prior to revitalization and such skepticism exists during the early phases that constant attention must be paid to re-positioning the area. It is especially important to communicate the strategy and progress in implementing it to the investment and banking community so they will have faith in the process in which they are being asked to invest.

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- **Social Values.** The social values of downtown need to be defined and plans put in place to enforce them. The ultimate goal of a downtown revitalization is to make it the community gathering place, a place for the entire community regardless of income or race. Housing affordability and other “equity” programs may be essential components of the revitalization effort.

The process for determining the comprehensive strategy starts by bringing together an expanded version of the advisory group. The group should include neighborhood group representatives, retailers, investors, developers, property owners, churches, the mayor and key city councilors, the heads of select city departments, non-profit organizations, artists, homeless advocates, and others. Selecting the right composition is extremely important to ensure that no significant group feels left out. The group needs to be relatively small (less than 25 individuals), however, in order to both build a sense of trust and cohesion and, ultimately, to ensure the process stays focused on results. It is also crucial that the individuals be people who are interested in successful solutions, not narrow political gain.

Two one-day sessions devoted to the strategic planning process, separated by about a month, are generally sufficient to crafting the strategy and implementation plan. Before the first day, a “briefing book” should be assembled to provide the group with a common set of data about the existing conditions downtown. This briefing book should include findings from the visioning process (technical and subjective portraits), market and consumer real estate research for all product types (office, hotel, rental housing, retail, etc.), data on the existing condition of the downtown infrastructure and public services, and other relevant information.

The first day will be used to introduce the group to one another and to understand the contents of the briefing book. The day will also lay out the possible strategic options, outlined above, that need to be considered in crafting a strategy. In the next meeting, participants will develop the strategy, selecting the general and specific items that are most appropriate for their downtown. Finally, the group will determine what initially needs to be done to implement the individual strategies, who is responsible for these next steps, and when these steps should accomplish.

The results of the strategy and implementation plan should be summarized in writing very quickly after the second meeting and distributed for comments. A final plan will probably be only 10 to 15 pages long and should be sent out to politicians and citizens as part of the marketing and community involvement strategies.

Follow-up sessions should be scheduled every few months to constantly modify the strategy and monitor progress on its implementation to date. At each subsequent meeting, a new implementation plan should be fashioned with tasks and dates assigned to volunteers and the next follow-up session set.

### Step 3: Forge a Healthy Private/Public Partnership

Successful downtown revitalizations are generally private/public partnerships, not the other way around. The public sector, usually lead by the mayor or some other public official, may convene the strategy process but it must quickly be led by the private entities whose time and money will ultimately determine the effort’s success. A healthy, sustained partnership is crucial to getting the revitalization process off the ground and building the critical mass needed to spur a cycle of sustainable development.

The key to the public sector’s successful involvement in downtown redevelopment is to avoid making it overly political. Once it has been launched, it is essential for future politicians to “keep their hands off” to the maximum extent possible. Unfortunately, this can be difficult. With an eye on future elections, they often seek acclaim for positive things happening in their city and look for people to blame if it suits their agenda. And once the downtown revitalization process appears to begin yielding results, there is added motivation for politicians to want to take control over the process.

It is important to the revitalization process that the private sector not cave-in to this pressure. Investors, developers, and volunteers helping to revive downtown are motivated by emotion, passion, long-term financial returns, and many other unique and personal reasons. A politician trying to advance his career can very easily quash this momentum and destroy the private/public partnership in the process.

All this is not to say that the public sector should be completely laissez-faire. City leaders must be absolutely committed to the process both in word and in deed, and be willing and able to do what it takes to help create the right environment for private sector development and investment.

The potential roles of the public in this process can vary tremendously based upon the needs of the particular downtown and how much political capital politicians are willing to expend in the effort. There are a host of activities the public sector may be well-positioned to undertake, however, such as improving public safety, increasing transit options and availability, constructing parking facilities, attracting and retaining employment, providing appropriate tax incentives for new real estate development, developing an impact fee system, assembling land, and perhaps most importantly, creating easy-to-use zoning and building codes to enable the walkable urbanity that defines a thriving downtown.

## Step 4: Make the Right Thing Easy

If the downtown area around Santa Fe, New Mexico's much beloved and vibrant 400 year-old Plaza burned to the ground, legally it would only be possible to rebuild strip commercial buildings, likely anchored by Wal-Mart Super Centers, Home Depots, and the other usual suspects.

In downtown Santa Fe and dozens of others around the country, zoning and building codes of the past fifty years actually outlaw the necessary elements of walkable urbanity. In many cities, for example, often well-intended setback and floor-area ratio rules mean that new construction cannot maintain consistency with older historic structures. Also, excessive parking requirements can create large surface lots fronting once-lively streets, eroding the vitality of otherwise coherent places. Coupled with an emphasis on separation of land uses and limited densities, downtown revitalization becomes nearly impossible from a legal perspective.

Rather than reform the existing zoning codes—which often makes them even more confusing and cumbersome—it is generally best to throw them out and start from scratch, putting in place a new code that will make it easy to produce the density and walkability a downtown needs to thrive.

First and foremost, the new code must clearly delineate downtown boundaries such that boundary lines are not in the middle of streets but inclusive of both sides. It is important that the line be firm, to ensure that the character of the surrounding neighborhoods remains intact. Most neighborhoods close to a reviving downtown see significant housing value increases as a result.<sup>8</sup>

Second, once the boundaries are agreed upon, a “form-based” code should be put in place that reinforces the development of walkable urbanity. Unlike traditional zoning codes, which focus on allowed uses, form-based codes focus on form, namely, how building envelopes—and ultimately whole blocks—address the street. They do not mandate parking ratios, making the assumption the investors and bankers in a project are better able to decide what makes market sense. Most importantly, the form-based code is simple and allows for great flexibility and certainty in obtaining building permits. The Downtown 2010 Plan for downtown Albuquerque, for example, has 21 principles that are the core of the code. One of the codes states “Streets and sidewalks lined with buildings rather than parking lots,” and there are three pictures of examples, one with a “X” through it. Once a developer demonstrates these 21 principles are being followed, they are issued a building permit in three weeks administratively.<sup>9</sup>

Encouraging this mixed-use development is central to creating walkable urbanity. Conventional suburban development is legally mandated and financed for single purpose uses

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customized to a single tenant; you will always know a building was built for a McDonald's even if it is now a Chinese takeout. By contrast, the form-based downtown code encourages retail, residential or live/work on the first floor, and residential, hotel or office on the upper floors. It also recognizes that what is an office building today may be a residential building tomorrow, or vice versa.

Third, the new code must re-establish the historic right-of-way fabric of the city, whether it was laid out as a classic American grid or as a seemingly more random collection of streets. Most downtowns were created before the automobile and were thus required to be walkable. Yet over the years, streets as freeways (one way streets meant to encourage automobile speed), streets as regional malls (streets closed off to traffic), and streets as on-ramps became ubiquitous fads. Restoring the original street right-of-way fabric, including tight corner turning radiuses, will bring back one of downtowns major assets and help re-create the walkable urbanity these cities were designed for.

Finally, adopting the new 2004 International Building Code is a major step in the right direc-

## Chattanooga

By the 1980s Chattanooga, TN had terrible air and water pollution, a declining economy and population base, and few prospects. At that time the downtown was in the typical condition of many across America: employment in the financial service, government, and professional services sectors—along with one major insurance company headquarters and the headquarters of TVA—dominated downtown. There was little entertainment, only one department store, and virtually no housing. Downtown was a 9-to-5, weekday place.

All this began to change in the mid-1980s, as Chattanooga Vision set out to determine if there was any intention by the citizens to see their sadly neglected downtown revive. Over several years, this non-profit organization—funded by the Lyndhurst Foundation, the city, and the county—polled residents, held countless meetings, and did research on what made downtown Chattanooga special. The major finding was that the downtown turned its back on its major asset, the Tennessee River. From here a tremendous effort was started to turn downtown around.

Engendering great citizen, business, and political support backed by a strong vision of what citizens wanted the downtown to be, Chattanooga's civic leaders initiated a strategic planning process for downtown in 1987. The strategy's primary goal was to make a walkable connection to the Tennessee River, and there were 14 task forces set up to make it happen. These task forces focused on building the world's largest fresh water aquarium, improving the streetscape, obtaining specialty retail, putting in place a "clean" circulator bus system, building parking garages, introducing housing, building a children's museum and, most importantly, creating a river walk to integrate the downtown with the Tennessee River.

Much of the success of this strategy was the result of the River Valley Company, a non-profit "catalytic" development firm that took above market-rate risks to get initial projects underway, showing the private sector that there was demand for new developments. Within four years, nearly everything laid out in the original strategy had been accomplished. Since then, Chattanooga has continued with ever more ambitious strategic plans, and implementation success, including new baseball and football stadiums, an ambitious and successful affordable housing program, a new neighborhood in an abandoned industrial area, two new public schools, another phase of the aquarium, hotels, more retail, a multiplex movie theater, and many other improvements.

Through strategic planning, a catalytic development company, appropriate government involvement, philanthropic and private sector investment, downtown Chattanooga has become a "poster child" for how to undertake a winning revitalization process.

tion. Among other things, this code allows for higher density, “stick-built” construction, many times the only financially feasible construction type for new residential. Adopting a rehabilitation code similar to the current New Jersey Rehabilitation Subcode can cut costs for historic rehabilitation by up to 50 percent, making historic rehabilitation much more feasible. It works under the assumption that historic buildings need not imitate new construction in every detail for it to be safe and accessible. For example, many historic buildings have been torn down because, among other things, their five foot marble clad hallways were not up to the new building code, which is six feet, and could not be widened in an economical manner.

## Step 5: Establish Business Improvement Districts and Other Non-Profits

One of the leading ways the private/public process is implemented is through various non-profits, particularly business improvement districts (BID). There are over 1400 BIDs in the country and it is now well understood that establishing a BID is crucial to the successful revitalization of a downtown. In essence, the BID is the quasi-government for the downtown, the “keeper of the flame” of the downtown strategy, and the provider of services the city government cannot deliver.

A downtown BID is funded by property owners who voluntarily increase their property taxes by 5 to 15 percent to pay for BID functions. The tax is collected through the normal city channels, so there is always the temptation by the city council or mayor to co-opt the use of those funds. It is important that the legislation, typically enacted by the state legislature, be written to mandate control of the funds by the BID’s board of directors.

The BID’s main leadership role is managing the implementation of the strategy, which must be constantly updated. The BID may be responsible, for example, for ensuring the various task forces charged with implementing parts of the strategy are motivated to complete their efforts. The BID might also create a new signage program for downtown, work for the development and approval of the form-based code, and market the downtown to new developers.

The BID’s operational role is usually (1) increasing the perceived and actual safety of downtown; (2) making the place cleaner; (3) creating festivals and events to encourage suburbanites to come downtown, and; (4) improving downtown’s image. BIDs typically include a force of trained “safety ambassadors” who offer a friendly face on the street, are trained to handle quality of life infractions, and who are wired to the police. They also have permanent staff performing the cleaning, events, and marketing functions.

The downtown revitalization effort may spur the creation of additional non-profit organizations. A parking authority can often more efficiently manage and market the availability of parking in downtown, for example. Another non-profit could take responsibility for encouraging the development of affordable housing and commercial space. A separate non-profit might focus just on keeping artists and galleries downtown in the face of rising rents and values. It is critical that these non-profits either have a dedicated source of funding and/or offer services which generate revenue so that they don’t have to rely upon perpetual foundation grants or government subsidies.

In short, the BID and other non-profits are a downtown’s management team—ensuring its many complex elements work together to create a safe, attractive, unique, and well-functioning place.

## Step 6: Create a Catalytic Development Company

Most conventional suburban developers do not have the experience, investors, bankers, or inclination to come downtown. The difference between modular, single product, car-oriented suburban development and integrated, mixed-use, walkable urban development is substantial. And the very fact that a downtown sorely needs revitalization generally scares off the development community. The market risk is perceived as

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being too high for most developers, most of whom do not relish being pioneers.

Revitalizing downtowns have overcome the problem of attracting developers by establishing a “catalytic developer.” This organization is formed to develop the initial projects that the market and consumer research shows have potential demand but above market risk. The catalytic development firm demonstrates to the rest of the development community and their investors that downtown development can make economic sense.

A catalytic development company can engage in varying activities in the development process. Among the possibilities are: undertaking land assemblage and land development to prepare lots for new construction; financing the gap between conventional financing and the amount of money required to make the project happen; or developing a complete building from start to finish.

In the early years of the revitalization process, it is probable that the catalytic development firm will have to engage in complete building development. Eventually, once the market is proven, the catalytic developer can joint venture with other building developers, possibly providing land for deals. In a successful downtown, the catalytic developer will eventually work itself out of business as more developers come to understand the financial benefits of downtown development.

The major challenge the catalytic development firm faces, particularly in a clinically dead downtown, is that until critical mass is reached, it is likely there will be little return on invested equity capital. There will be projects that will take far longer to develop and lease up than conventional development. There will be financial returns which do not appear to be worth the market risk. And there may be projects that fail altogether. However, once critical mass is achieved, the catalytic developer should be well-positioned to take advantage of the upward spiral of value creation that should occur downtown. There should hopefully be sufficient land and buildings tied up at favorable prices that will rapidly appreciate in value as the spiral takes off.<sup>10</sup>

Given the fundamentally different approach to development that is required to create walkable urbanity, a catalytic developer pioneers this new market and speeds up the revitalization process. It deviates from traditional development, particularly regarding construction quality and investment time horizon, but given the upward spiral of value creation that downtowns can potentially generate, it can be an attractive approach from a financial perspective. A catalytic developer is a manifestation of “doing well while doing good” or “double bottom line” investing.

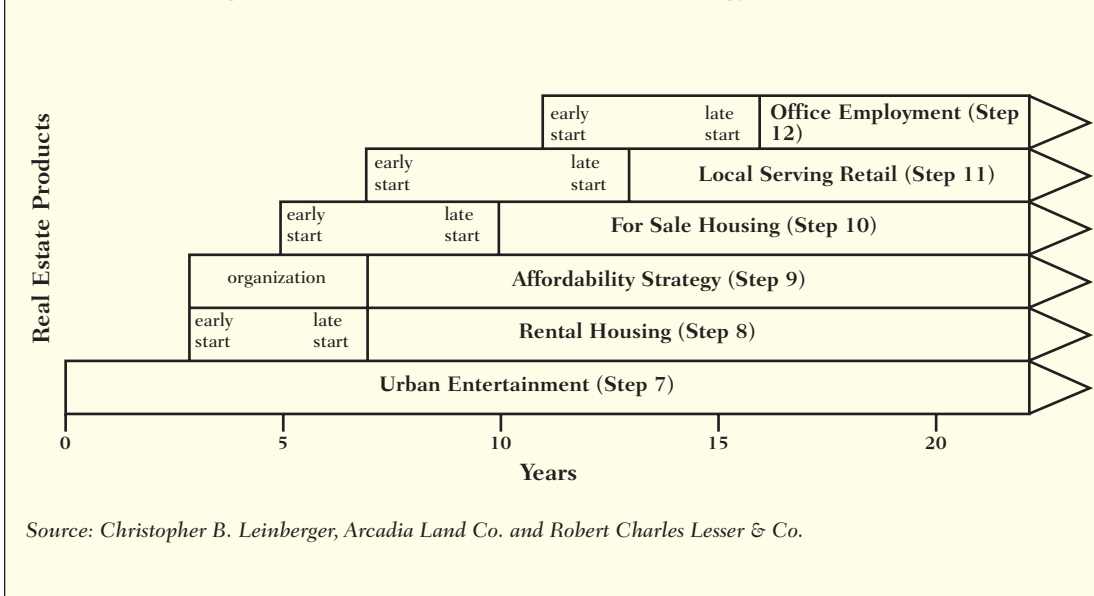
### *Implementation of the Real Estate Strategy*

Once the stage for downtown development is set, as outlined in the first six steps above, the private real estate market begins to emerge. The implementation of the real estate strategy for downtown revitalization follows a process observed over the past 20 years in most downtowns throughout the country. It involves an overlapping layering of ever greater complexity that ultimately leads to a critical mass of walkable urbanity. It starts with urban entertainment, which creates a “there there,” the initial reason people want to live downtown. It is followed by rental housing, where young urban pioneers come for a unique lifestyle not available in the suburbs. Rental housing is followed by for-sale housing, usually targeting older households who are willing to put their largest household asset, their home, in a reviving downtown. As the number of rooftops downtown increases, the need for local-serving retail becomes obvious. Finally, office employment expands and there is a need for more office space. Through this process, land and building values accelerate, necessitating mechanisms very early on to ensure affordability for residential and commercial space.

This implementation process takes anywhere from 10 to 20 years from the time the initial urban entertainment appears until the first new speculative office building is built. However, given that for-sale housing comprises half of the built environment, critical mass is usually achieved once there is a proven for-sale housing market, usually in six to ten years.

These next six steps outline how a downtown can become a viable, sustainable, private real estate market, propelling the upward spiral of value creation.

Figure 2. Downtown Real Estate Strategy Time Chart



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## Step 7: Create an Urban Entertainment District

**W**alkable urbanity starts with urban entertainment venues and retail that are within walking distance of one another. It must be in place before households can be enticed to move downtown.

It all starts, as in any real estate development, with market demand. Understanding which of the many urban entertainment options that have the greatest potential for success is a crucial first step. These can include:

- **Arenas, performing arts centers, or stadiums.** Since 1990, the vast majority of all new arenas, performing arts centers, and stadiums have been built downtown. They work better financially by having higher average attendance than their suburban competitors, and there is significant economic spin-off within walking distance.
- **Movie theaters.** The new generation of movie theaters—mega-plexes with digital sound and stadium seating—also benefit from a downtown location, assuming large amounts of evening and weekend parking can be provided for free. They also spark significant restaurant demand.
- **Restaurants.** A crucial part of any urban entertainment strategy, downtown restaurants provide lunch for the office workers and dinner for the night-time crowd, broadening their appeal and financial success.
- **Specialty retail.** Unique clothing, shoes, cosmetics, gift, and other specialty stores—as well as service providers such as day spas and design studios—can be attracted downtown. These will be mostly small, locally-owned retailers but will also include national chains.
- **Festivals.** One of the initial urban entertainment concepts, street festivals can be introduced relatively quickly to a reviving downtown since there is little or no capital outlay.
- **Arts.** The vast array of arts organizations, particularly music performers and visual artists, has a natural affinity for downtown. They are generally in the vanguard of urban dwellers.

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Arts festivals, galleries, museums, and workshops are among the best and earliest urban entertainment providers.

- **Night Clubs.** Generally aimed at people in their 20s and 30s, night clubs also have a natural affinity for downtown; these venues tend to be loud and stay open late so there are constraints on where else they can locate in the region.

These urban entertainment concepts appeal to different clientele, yet can all be accommodated within walking distance. There can be a night club district a few blocks away from the performing arts center. There can be an arts district close to a movie theater and restaurants. An arena can be shoe-horned near office towers, double using the commuter roadways, transit, and office parking lots. This complexity gives all sorts of people a reason to come downtown, which is particularly important in the early years when downtown's image may not be positive.

The most important benefit of entertainment is to get "feet on the street," especially at night. And just as a crowded restaurant is the best recommendation that it is a good place, crowded sidewalks recommend downtown, signaling a safe environment, and providing an excitement and spectacle that draws people to the area.

## Step 8: Develop a Rental Housing Market

The initial urban pioneers looking to live within walking distance of the urban entertainment growing in downtown will tend to be young, often students and those in their 20s. This age group was probably raised in the suburbs, and probably doesn't have as negative an impression of downtown as their elders. They also look upon it as exciting and interesting, especially compared to where they were raised.

The young also tend to rent, as they don't have the assets, income, or location stability required to buy a home. They are more flexible, tied only to the lease they have signed, probably for a year or less. Once an urban entertainment concentration begins to emerge, this group generally has both the propensity to move downtown, and the ability to make the move quickly.

Rental housing projects can be conversions of existing office, industrial, or institutional buildings or new construction. The renovation of existing buildings offers some of the most exciting new housing options, as they are unlike other rental products in the regional market. Though often a source of great challenge for developers, converting obsolete, sometimes decrepit buildings into attractive, active uses has ancillary benefits. This type of development also begins to take lower end, class C office buildings off the market, paving the way for the eventual recovery of the office market.

New construction of rental housing has its own unique trials. While construction costs are much better known up front, with fewer surprises than conversions, these new costs tend to be high. There is no existing steel or concrete structure frame, parking, or re-useable heating and cooling systems to recycle. Since apartment rents tend to have an absolute ceiling in any market, the cost of new construction must come in at a level that is financially feasible, which can be very difficult to do, especially early in the redevelopment process when rents are probably low.

Like suburban development, an initial downtown turnaround requires sufficient parking. Only after critical mass is reached will parking ratios begin to drop, as more of the residents are walking or taking transit for their daily needs. The majority of the parking for rental apartments typically needs to be on-site. While converted office or industrial buildings may have more than sufficient parking, new construction will likely require structured parking, which is approximately 10 times more expensive than surface parking to build. In either case, the amount of parking on the site will drive the number of units that can be built.

In spite of the obstacles, downtown can often achieve the highest rents in the metropolitan area. If you offer a unique rental product in a unique, walkable downtown that is on the way back, the rents are likely to float to the top of the market.



## Albuquerque

Since 1945, 31 studies have been conducted on how to turn downtown Albuquerque around. Every one of these studies focused on one or two “solutions,” such as a new convention center, a civic plaza, streetscape improvements of the main retail street (redone twice), a pedestrian mall, and so on.

None of these “magic bullets” worked.

Then, in 1998, the newly elected Mayor Jim Baca made revitalizing downtown his number one priority, building upon initiatives started by his predecessor, Mayor Martin Chavez. He convened civic and business leaders to ask whether they would contribute the necessary financial and other support to kick off a strategic planning process. Within 15 minutes, \$150,000 in contributions had been pledged, and the strategic planning process took off.

The strategy process resulted in 17 task forces to implement plans for constructing new parking structures, creating a business improvement district, building a new arena, sparking the development of new housing, developing a signage program, and replacing the existing zoning code with a “form-based” code that was easy to understand and resulted in building approvals in a rapid 21 days. In addition, a catalytic development company, the Historic District Improvement Co. (HDIC), was identified to help re-introduce private real estate development to downtown, where there had not been a private-sector building permit in 15 years.

HDIC is a for-profit/non-profit joint venture, organized as a for-profit limited liability corporation. It is partly owned by two non-profits, the McCune Charitable Foundation and the Downtown Action Team, which manages the BID; and the for-profit managing member is Arcadia Land Co, a new urbanism development company. HDIC combines the long-term, social perspective of its non-profit partners with the “get it done yesterday” perspective of a for-profit firm.

The McCune Foundation investment in HDIC has been unique in the nation. Characterized as a “program-related investment” (PRI), McCune provided below-market interest rate loans to HDIC to spur downtown development, making it one of the first times a foundation has attempted to line up its charitable mission with its investments. The foundation offered a type of investment capital that is crucial for downtown redevelopment yet is extremely rare: patient capital. Combined with the social mission of the foundation, this patient capital allows for much higher quality projects to be built with the kind of construction walkable urbanity demands. The managing member, Arcadia, is also in a position to be patient in achieving financial returns.

HDIC has developed over \$50 million in new projects between 2000 and 2004, including a 14-screen movie theater, restaurants, specialty retail, office, and for-sale housing. It has an additional \$60 million in the planning pipeline, which is primarily housing.

In the past two years, there have also been a number of new developers attracted to downtown Albuquerque. HDIC has provided these prospective developers access to its market and consumer research, introductions to their investors and bankers, and partnerships on parcels HDIC controls. HDIC has recently acted as the land, or horizontal developer, partnering with a building or vertical developer for 109 units of new rental housing. After critical mass is achieved in downtown, it is probable that HDIC will go out of business, leaving the field to private developers attracted to the then proven market, and it will eventually return the capital, hopefully significantly appreciated, to the McCune Foundation.

In 2003, National Public Radio’s Smart City program called downtown Albuquerque “the fastest downtown turnaround in the country,” due to the implementation of its complex strategy for downtown. To date, there has been over \$400 million of new public and private sector development in downtown Albuquerque since the development and initial implementation of the 1998 strategy.

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**Develop a Rental Housing Market**

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## Step 9: Pioneer an Affordability Strategy

**L**ike most things in life, turning around a downtown means good news and bad news. The good news is that if a critical mass of walkable urbanity is created, the rents, sales values, and land values will probably be the highest in the metropolitan area, rewarding those willing to take the risk, build high quality construction, and wait patiently for returns. The bad news is that the values will be some of the highest in the metropolitan area, meaning only the well-to-do can live downtown. To address this issue, an affordability strategy must be developed early-on in the revitalization process.

The issue of affordability generally focuses on housing. Specifically, lower paid workers who are employed downtown will not be able to afford the newly converted or new construction rental or for-sale housing due to the basic cost to deliver the product, and the high demand generated for it. Federal government-sponsored affordable housing programs have recently been cut back and the red-tape is discouraging to some developers. And the community development corporations (CDC's) who specialize in affordable housing generally do not have the capacity to fill the need.

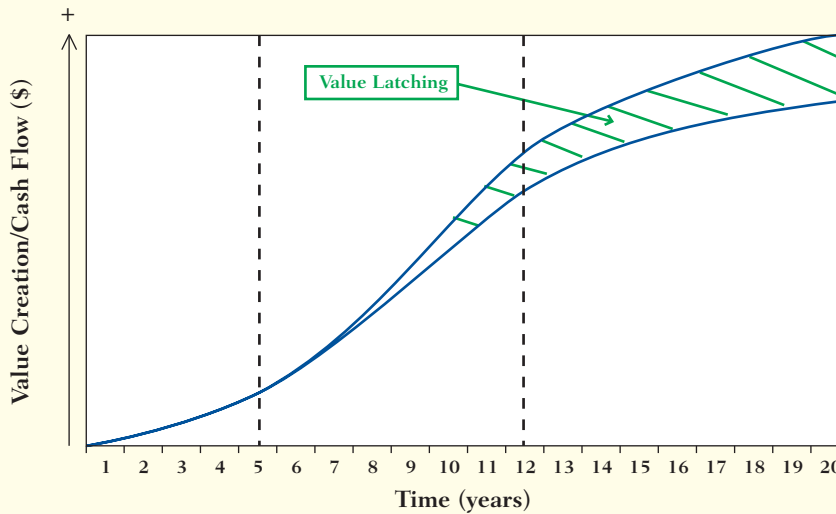
However, affordability is also an issue for commercial space. For example, even in a depressed downtown, there are unique retail and service establishments which will probably be pushed out as rents increase. In downtown Albuquerque, for example, there is a 60-year old, four generation-owned shoeshine parlor paying approximately \$8 per square foot per year for its space. As redevelopment occurs, fancy new retail a block away is obtaining rents above \$20 per foot. When the shoe shine parlor's lease ends, it will probably have to move; given that its customer base is downtown, this may push it out of business altogether. Artists who work and show in downtown face a similar fate by rehabilitating obsolete space in a dead downtown that is then rediscovered and renovated for higher-income professionals.

One of the usual approaches to affordability is to simply mandate it be addressed. Some downtown projects have a quota of affordable housing, such as 20 percent, particularly if the project had some form of government assistance. While this approach is required if federal housing tax credits are employed, it is counter-productive if they are arbitrarily used. In essence, the use of an affordable set-aside means the other 80 percent of the tenants or buyers must pay for the 20 percent being subsidized. So just at a time the downtown is struggling to come back, the very families they are trying to attract are "taxed" for pioneering the downtown revitalization. If all housing developments in the metropolitan area, or even in the city, had an affordable housing set-aside, that would be both fair and socially beneficial. Yet almost no affordable housing advocates have the will to take on the powerful suburban homebuilders. It is much easier to mandate affordable housing program on developers willing to take on socially-oriented development, like the revitalization of downtown.

An alternative experiment in downtown Albuquerque may bear watching. The Albuquerque Civic Trust has been established to finance affordable housing and commercial space and provide new parks for the reviving downtown.<sup>11</sup> Initially funded by the Ford, Enterprise, and McCune foundations, it is an attempt to have gentrification pay for affordable space on a permanent basis by the private sector. It works under the assumption that as the upward spiral of value creation occurs in a redeveloping downtown, there will be unanticipated profits made by the private sector. These private developers are being encouraged to dedicate a portion of those profits to the Civic Trust, a concept known as "value-latching" (Figure 3). If a development project exceeds the financial projections the project's backers used to underwrite their investment, only then will a portion of the unanticipated profits be given to the Civic Trust.

Why would a developer do such a thing? First, the developer is being asked to give a portion, say 20 percent to 40 percent, of the profits that were not anticipated and thus will not affect the underlying financial feasibility of the project. Second, it will be known by the consuming public that by patronizing the restaurant, movie theater, or business located in the project, they are helping to support the good work of the Civic Trust. This is similar to using an affiliation credit card that helps one's favorite charity, and in turn increases customer loyalty. Third, the work of the Civic Trust will add to the complexity of downtown, keeping the funky retail and

Figure 3. Progressive Real Estate Cash Flows with Value Latching



Source: Christopher B. Leinberger, Arcadia Land Co. and Robert Charles Lesser & Co.

artists in the area and providing potential housing within walking distance for the business' employees. This complexity just adds to the upward spiral of value creation. Fourth, the use of old-fashioned guilt at not participating can be very influential. Finally, there are still civic-minded people and developers who would do it because it is a good thing to do for the community.

The future cash flows that are dedicated to the Civic Trust can be employed to provide equity investments in market-rate housing projects in return for an agreed upon number of affordable housing units. These housing units will be affordable for the long-term, not for 15 years like Federal programs. For example, the Civic Trust may finance CDCs in their development work, buy land and hold it and then contribute the land for future development which includes affordable commercial space and housing.

The obvious problem with value-latching is that the funds from the market rate development projects are not available to the Civic Trust when the downtown is just in the beginning stage of redevelopment, when the prices are the most affordable. Waiting until those funds become available then means that the prices of land and buildings have already begun to rapidly escalate, making it harder for the Civic Trust to fulfill its mission.

The answer to this dilemma is to borrow money from foundations who have a "program related investment" (PRI) loan program. First created by the Ford Foundation in the 1970s, PRIs allow foundations to lend substantial amounts of money which fulfill their mission. PRIs are usually invested in affordable housing or commercial projects that must then pay back the loan from that project's cash flow. Basically, this constitutes a non-recourse loan with the real estate project as the only potential source of repayment, a daunting proposition for most lenders. As a result, PRIs have a relatively high default rate. However, the Civic Trust can obtain PRI loans which will have two sources of repayment to the foundation making the loan: the market rate real estate project which dedicated its unanticipated profits to the Civic Trust and the affordable housing or commercial project that the money was invested in. This mechanism allows the Civic Trust to get in front of the gentrification curve, obtaining a capital base before the gentrification of downtown drives prices too high.

Getting in front of the issue of affordability adds tremendously to the complexity and social equity of downtown. At the same time, having households of all income levels living within

*"Having households of all income levels living within walking distance provides another unique aspect to life in downtown."*

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walking distance provides another unique aspect to life in downtown, something not available in any other part of largely income-segregated America. This is yet another competitive advantage for a reviving downtown.

## Step 10: Focus on For-Sale Housing

Following the establishment of urban entertainment and the initial “colonization” of downtown by urban pioneers who rent, for-sale housing can return to downtown. For-sale housing appeals to a very different set of households than renters. They are generally older, not as adventuresome, and are prepared and able to invest in the largest asset of their personal net worth, their home.

The natural markets for for-sale housing in a reviving downtown include young professional singles and couples and Baby Boomer empty nesters. These are typically childless households who likely demand less living space, and aren’t concerned about the quality of the schools. Still, far-sighted civic strategists responsible for downtown revitalization would be wise to include improving the downtown schools in their strategic plan. This would allow for the young professionals to stay in downtown if they eventually have children. In downtown Albuquerque, for example, the schools were a part of the strategy. There is a magnet elementary school serving downtown and in the fall of 2005, a charter high school with 200 students is moving into an old federal Building.

Another likely market to come downtown, though generally after the initial wave of for-sale housing, is retirees. The ability to access goods and services without the need for a car, coupled with close proximity to medical care in many cities, make downtown an ideal location for this group. This allows them to stay in the same city near friends and family while maintaining their self-sufficiency, especially if they are not able to drive.

Having an established for-sale housing market is the ultimate test of whether the downtown has achieved critical mass. Given the size of the for-sale housing market, it is crucial to the success of a downtown turnaround. Bringing middle and upper-middle housing to downtown will provide the tax base so sorely needed by most cities, and members of these households will demand a level of service that will continue the upward spiral. These services—whether they be safety, cleanliness, or parades—will benefit all elements of the community, not just those who choose to make their home downtown.

Today, with around two-thirds of U.S. downtowns in some stage of revitalization, there are many more examples of cities where for-sale housing has been profitably built. Well-known successes in downtown Denver, San Diego, Dallas (Uptown), Houston, Baltimore, Atlanta, and others have given the buyers, developers, bankers, and investors confidence that it can work in other downtowns around the country sooner than one might expect.

## Step 11: Develop a Local-Serving Retail Strategy

Once downtown begins to be repopulated, the demand for local-serving retail will grow. As new downtowners often come to realize, however, long-time inner-city households have had to drive to the suburbs for most of their daily shopping needs for the past 20 to 30 years. In the initial stages of redevelopment, the new downtown residents have to as well. There are two primary reasons why many of these urban areas are under-retailed, despite their high density of demand for goods and services.

First, the structure of retail has changed considerably over the past several decades, evolving into fewer and larger outlets. These larger outlets draw from a consumer radius that has become wider and wider, increasingly undercutting smaller retailers in the area in price and selection. In the grocery business, A & P and Winn-Dixie put the small mom and pop corner grocer out of business, just as Wal-Mart is putting A & P and Winn-Dixie out of business today. The mom and pop grocer had a three to four block consumer draw, A & P had a one to two mile

consumer draw and Wal-Mart has a three to five mile consumer draw. Store sizes went from 5,000 square feet mom & pop stores to 20,000 to 40,000 square feet regional and national chains to 180,000 square feet super centers. More significantly, the 40,000 square foot grocery store had about five acres of land, 80 percent under asphalt for parking, while the super center has a need for about 20 to 25 acres of land, most of it used for parking. Finding five acres in or near downtown is difficult, and finding 20 to 25 acres is nearly impossible in many cities.

As each succeeding generation of retailer's stores and parking lots became geometrically larger in size, the obsolete retail space was abandoned or under-utilized, resulting in the miles of deteriorating strip commercial littering American arterial highways. The big retail boxes went further to the fringe to obtain the vast amount of land required for their "modern" concepts. This includes selling goods in larger quantities and portions than those found in traditional grocery stores (flats of soda, not six-packs, and 180 ounces of dishwasher detergent, not 16 ounces), which then requires a car, or an SUV, to haul the stuff home. No one walks to a Sam's Club.

Second, local-serving retail is a "follower" real estate product, i.e., the housing must be in place before a grocery store can build a store. As a downtown redevelops, there are not enough households initially to justify the conventional grocery store. This is coupled with the fact they these stores have little or no experience in an in-fill urban location with parking challenges. Over the past three decades, these stores have been built primarily in the suburbs, relying upon new housing sub-divisions for demand and cheap surface parking. These national and international companies have top down policies for site selection, based upon this suburban paradigm. Obtaining an exception to these policies is very difficult, even if the local or regional management understand the demand for their store in downtown.

The super-sizing of retail and its subsequent flight to the fringe meant that as people began moving into American downtowns, they had no choice but to drive to the suburbs to shop. That, however, is changing.

There are some national and regional local-serving retailers who are experimenting with downtown and inner-city locations, making significant modifications to their format to fit the smaller urban sites and confined parking. These include the Ralph's, Safeway, and Kroger grocery chains, Home Depot, and the major book stores, among others. Grocery stores in particular are finding urban locations exceeding profitable due to less shelf space devoted to low-profit paper goods, like diapers, and more space for more profitable take-out food for busy professional households. The limitation on land that can be assembled in and near downtown also has an advantage for national, regional, and local chains that move there: Wal-Mart super centers will have a hard time getting very close.

Of course, there are still locally-owned retailers who provide groceries, drugs, and hardware and offer the "in and out" convenience—especially for one and two item trips—that larger stores lack. Unfortunately, they have become a dying breed. These companies often have weak balance sheets and thus have difficulty obtaining financing from banks for new development. Only if a project has sufficient patient long-term equity is it possible to lease or build space for smaller retailers with a shaky financial history. Thus while some of these stores will continue to thrive, as a group they are probably only part of the solution to downtowns' growing local-serving retail demands. The other part of the solution is finding ways to entice national "big box" retailers to integrate into a walkable landscape.

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## Step 12: Re-create a Strong Office Market

As entertainment, housing, and retail are established downtown, the office market will begin to follow.

In every metropolitan area in the country, there is at least one major concentration of upper-income housing. This concentration may be to the northeast, like Phoenix, the south, like Kansas City or the west, like Philadelphia. In each area, this is also where most of the office space has been built over the past 40 years.<sup>12</sup> It is known as the “favored quarter,” the 90 degree arc coming out from downtown that includes the bulk of high end housing, the major regional malls, most of the new infrastructure, and the vast majority of new office space in the metropolitan area for two generations. The explosion of growth in the favored quarter is the major reason downtowns went into decline from the 1950s to the 1990s.

As upper-middle income for-sale housing is built in downtown, there will gradually be a return of a healthy office market and the employment it houses.

Once the bosses, who make the ultimate decision about office location, begin to live downtown, they will decide to bring their office there as well. Why should they drive to the suburbs from downtown when they could walk to work or have a very short drive? This has happened in those downtowns that have been redeveloping the longest over the past generation, particularly Denver, Portland, and Seattle. Denver, for example, had a vastly overbuilt office market following the energy bust of the early 1980s, which left office vacancies over 30 percent. Due to the combination of the 1990s economic boom, the conversion of obsolete office space into housing, and the construction of new for-sale housing in downtown, office buildings were once again being built in the last few years.

This step in the redevelopment process will probably only fill existing, vacant office space in most cities, due to the past overbuilding and the weak demand for office employment in the economy in general. However, it will be a tremendous benefit for city revenues and the employment prospects of other downtown and city residents. With most new metropolitan jobs located in the favored quarter of the suburbs, they were hard to reach by city residents, especially those with lower incomes. A growth in office development will address this imbalance, though it generally takes 15 to 20 years from the start of the revitalization process.

## Conclusion

**T**his paper summarizes what is known today about how to revitalize a downtown. In succeeding years, much more will be learned as greater numbers of American downtowns revitalize and the process proceeds to successive levels of development. As such, this paper will become dated.

As the demand for walkable urbanity continues to grow, so does the number of revitalized downtowns. Moreover, enclaves of density and walkable urbanity are also being created in other city neighborhoods—such as around universities, hospitals, and new or existing transit stops—as well as in both older and newer suburban business districts. More traditional looking lifestyle centers are rising in greenfield locations. Edge cities are being remade. And in some places, obsolete commercial corridors are now being retrofitted with high density development fronting the street. In short, there are plenty of places for walkable urbanity to emerge. While not as obvious, and without the emotional attachment of downtown, they will be the next frontier in the rediscovery of great urbanity in America.

Downtown revitalization is one of the most complex, challenging undertakings anyone can embark on. There are many skeptics and even those who support the process may have unrealistic expectations and frustrations. Yet, seeing a dead downtown come to life is a great reward for any community—and worth investing time, energy, and emotion.

*“Ultimately, reaching critical mass means that the redevelopment process is unstoppable and cannot be reversed.”*

## Endnotes

1. Christopher B. Leinberger is a partner in Arcadia Land Co, a new urbanism development company with projects in Pennsylvania, Missouri, and New Mexico. Arcadia is the managing member of the Historic District Improvement Co. (HDIC), the catalytic development company in downtown Albuquerque. Leinberger is also a managing director of Robert Charles Lesser & Co., one of the leading real estate advisory firms in the country, and has consulted on downtown revitalizations in over 50 cities world-wide. He has written or contributed chapters to six books on metropolitan development and strategy and his articles have appeared in numerous national magazines and trade and academic journals. Leinberger is a graduate of Swarthmore College and the Harvard Business School. His web site, which has copies of his articles and links to various development projects, is [www.cleinberger.com](http://www.cleinberger.com).
2. Eugenie Birch, "Who Lives Downtown" (Washington: Brookings Institution, forthcoming).
3. Robert E. Lang, *Edgeless Cities: Exploring the Elusive Metropolis* (Washington: Brookings Institution, 2003).
4. For more in-depth analysis of this phenomenon, see "Building for the Long-Term" (Urban Land, December, 2003), at [www.cleinberger.com](http://www.cleinberger.com).
5. These lessons come predominantly from Robert Charles Lesser & Co. experience consulting in large cities that include Baltimore, Los Angeles, Seattle, Portland (OR), Chicago, Minneapolis, Chicago, Dallas, Houston, El Paso, Phoenix, San Diego, Denver, Atlanta, Miami, Orlando, Jacksonville, Savannah, Nashville, and one of the finest examples in recent years, Chattanooga. There has also been consulting work in many small towns, such Provo (Utah), La Grange (Georgia), and Hershey (Pennsylvania), among others. Finally, they are also based on direct development experience in two very different places, St. Petersburg, Russia and Albuquerque, New Mexico.
6. *America's Real Estate*, Urban Land Institute, 1997
7. Richard Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002).
8. Ansley Park, just north of downtown Atlanta, is a prime example. Averaging under \$30,000 twenty years ago, today homes in this neighborhood are among the most valuable single family housing in the region, with values topping \$1 million.
9. Go to [www.cabq.gov/planning/publications/down2010](http://www.cabq.gov/planning/publications/down2010) to see the Albuquerque Downtown 2010 Plan.
10. The first catalytic development companies were the redevelopment agencies cities set up in the 1950s and 1960s to spur downtown redevelopment, generally called community redevelopment agencies or something similar. These were government departments, managed by public employees. By the 1970s, however, the opportunity for political interference, combined with the fact that public employees had no entrepreneurial incentives to motivate their work, made it clear that an alternative structure was required. That alternative took the form of quasi-independent special purpose government organizations with their own board of directors. While still managed by government employees, there was less political interference and a focused purpose for the organization. However, the incentives this type of organization could offer its employees were constrained, as it was still an arm of government. Two of the best examples of this kind of catalytic developer have been the Centre City Development Corporation in downtown San Diego and the Portland Development Commission, which have overseen two of the most impressive revitalization processes in the country over the past 30 years.
11. For more information go to [www.abqcivictrust.org](http://www.abqcivictrust.org)
12. Robert E. Lang, *Edgeless Cities* and Christopher B. Leinberger, "The Changing Location of Development and Investment Opportunities" (Urban Land, May, 1995). Available at [www.cleinberger.com](http://www.cleinberger.com)



## Acknowledgements

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## **Appendix 23**

*Boca Juniors Museum and Stadium Tour, Buenos Aires*




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Tours and Activities



BUENOS AIRES AREA

Soccer Stadium Tour in Boca Jrs.

 Marcelo Sola

**I**n Capital Federal , you will have the chance of visiting the installations of one of the biggest soccer clubs of Argentina and remember the glorious moments of its history while you visit Boca Juniors Stadium.

**A**s you enjoy this tour, you will be able to visit " The Museum of Boca Fans Passion", its changing rooms, preferential stalls and then, enter the field feeling a real protagonist.

## Appendix 23



Once in the field, guides will tell you thrilling anecdotes and will give you enough information about the soccer team for you to enjoy the experience as much as it is possible.

As you go around the legendary Stadium called " La Bombonera" , you will observe mural paintings by Benito Quinquela Martín representing the moment in which the club took its colors: blue and yellow- since its fans made out a boat with Swedish flag.



You will go by the main lot of the stadium, by the entrance gate of the visiting team and you will observe the stalls and grandstand, stopping at one called Natalio Pescia which is reserved for Boca Jrs. hooligans and is popularly known as Nº 12.

## Appendix 23



**All** along the tour, the guide will tell you about different events that turned this club into one of the most popular and well known in America taking you back to those moments in which different soccer stars forged the feeling called " Passion of crowds".



## Appendix 23



You will start doing the circuit that Boca Jrs. players do to get to the field, going by the changing rooms and the legendary tunnel until you reach the lawn of the field.



The feeling is unique. Once in the field, observing around you, you will have an experience which is difficult to describe. However, you will be able to imagine the

## Appendix 23

grandstands full of fans singing rhythmic chants that catch everyone, the rain of little papers and the smell of the traditional "choripanes" which will always be present in these scenes.



**A**fter some amazing moments, you will visit "Bernardino Vega Press Room" named after a famous narrator from the '50s that followed the local campaigns of Boca team for twenty two years and whose personal feature was never to shout a goal of the visitor team.

**Y**ou can also visit the different rooms of Boca Museum observing shirts, national and international prizes and the idols room to leave the place pleased at the experienced moments.



Appendix 23



**Lasts:** half day.

**Timetable:** Tuesdays to Fridays, 10:00 a.m. and 1:00 p.m.



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Welcome Argentina - Outings in Ciudad de Buenos Aires

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## Appendix 24

### *Canadian Soccer Association Press Release: FIFA U-20*

Press Release from the Canadian Soccer Association:

Ottawa, Ontario – The Canadian Soccer Association (CSA) recently retained Deloitte & Touche LLP to conduct a high-level economic impact study concerning all aspects of the FIFA World Youth Championship Canada 2007, including the construction of the York University Stadium.

The review measured the economic impacts of staging the games in Canada, and the associated spending of athletes, FIFA executives, organizing committees, scouts, media and fans coming to Canada to attend the games.

Results of the study indicate an economic impact of an estimated \$105.7 million associated with construction of a new stadium at York University in Toronto, \$17.7 million for staging the event, and \$45.2 million in associated spending. Although additional economic benefits were not included in the assessment, overall projections came-in at over \$166 million.

“We are pleased to provide the CSA with our final report of the high-level economic impact assessment of the CSA hosting the FIFA Men’s U-20 World Soccer Championship in 2007,” said Ronald Bidulka, Firm Director, Deloitte. “In addition to the direct and indirect economic impacts resulting from the staging of this event, Canada should also expect to see a number of other benefits which are beyond quantification in this study, including ‘marketing value’ arising from increased media exposure, the ‘value’ of the keeping entertainment spending within Canada, and National pride.”

“We are pleased that the championship itself will have a total economic impact on the Canadian economy of \$63 million dollars,” stated Kevan Pipe, Chief Operating Officer of the Canadian Soccer Association. “As the \$35 million of public funding for the \$70 million York University Stadium project was directly linked to the CSA securing hosting rights of the FIFA World Youth Championship 2007, we are pleased to see an overall economic impact of \$166 million associated with both the championship and the stadium. When one factors in world wide television coverage as well as attendance levels, it is easy to understand why this championship will be one of the largest sporting events ever in this country outside of the Olympic Games.”

York University President and Vice-Chancellor Lorna Marsden added: "We are absolutely delighted with the economic impact that this tournament and the stadium will generate for the area, and are proud to be associated with The Canadian Soccer Association and FIFA in playing host to the world in 2007."

The CSA is delighted with the York University stadium project, as well as its location, as it will have a significant impact on the future role of the development of soccer in Canada, beginning with the inaugural match of the FIFA World Youth Championship Canada 2007 scheduled for July 1, 2007.

## **Appendix 25**

*The San Jose Visitor Study*



# The San José Visitor Study

## Market Profile and Economic Impact FY 2003-04 Report

*Prepared for The San José Convention and Visitors Bureau*

*A Project of The Survey and Policy Research Institute  
at San José State University*

*June 2005*



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### **Dear San José Community Stakeholder:**

The San José Convention & Visitors Bureau (SJCVB) would like to present the findings of “The San José Visitor Study: Market Profile and Economic Impact” report, showing that visitors to the city created an estimated \$1.2 billion in direct visitor spending to the local economy. The study highlights the ability of the tourism industry to weather tough economic times, even as other industries still face uncertainty.

Commissioned by the SJCVB and conducted by The Survey and Policy Research Institute at San José State University (SPRI), this yearlong, biennial study found that between FY 2003 and FY 2004, San José attracted 6.7 million visitors, an increase of nearly 10 percent over the 2001-2002 report.

This report highlights the impact of tourism on the City of San José and was designed to give the SJCVB reliable information about the spending of visitors. In particular, the measurable impact that convention business creates in San José due to the direct efforts of the Bureau.

### **San José’s Tourism Industry Stimulates Economy, Community**

As a result of visitor spending, San José’s tourism industry stimulated the economy by generating 16,000 full-time jobs in San José, a 19% increase from the 13,500 jobs created in FY 2001-02.

In all, visitors spent \$254 million on shopping, \$220 million on meals and beverages, \$218 million on car rental, \$150 million on lodging, \$142 million on other daily transportation, \$114 million on recreation and entertainment, and \$57 million on groceries and other convenience items.

### **Business Travelers, Convention-goers Lead the Way**

The study also showed that convention visitors were by far the largest source of revenue for the hotels, representing 57%. Business travelers who did not attend a convention were the second largest source, accounting for 20% -- bringing the business traveler representation total to 77% of San José lodging industry revenues. Convention and meeting attendees spent an average of \$117 per day while visiting the city.



Since the last study was conducted, the city has undertaken a number of initiatives to drive convention business. Most notably is the Bureau's diversification efforts, which reached out to market segments beyond Silicon Valley's technology and tradeshow markets, such as National Association, State Association, Religious, Ethnic, and National Corporate market segments.

### **Leisure Visitors Represent 36% of Total Visitor Number**

Leisure visitors have also made an important impact in San José, according to the study. During the period covered by the report, San José attracted 2.4 million leisure (non-business) travelers -- 36% of the total visitor number. Of those traveling to San José for personal reasons, 38% were in town for a special event, 28% were on vacation and 24% were visiting friends or relatives.

Other visitors made their way to San José for a day to explore the many sights and sounds that the nation's 11<sup>th</sup> largest city has to offer, from museums to world-class dining experiences and a safe, walkable downtown. The study reported that 4 million day visitors came to San José, down 6% from the 4.3 million day visitors in FY 2001-02. Though they only visited for a few hours, the \$58 each day visitor spent was a valuable addition to the local economy -- representing \$235 million, up 15% from FY 2001-02.

A one-page summary of the study and its findings is available on the SJCVB Web site at <http://www.sanjose.org/2004visitorstudy.pdf>. To request a full copy of the study, please contact Meli James, SJCVB Market Analyst, at 408.792.4144 or via email at [mjames@sanjose.org](mailto:mjames@sanjose.org).

Looking ahead, FY 2005-06 appears to offer some exciting opportunities to enhance San José's tourism industry. With Team San José and the South Hall expansion of the convention center, the SJCVB and the city are poised to take advantage of new business opportunities and improve customer retention.

We look forward to working with the City and our community partners to continue our program of marketing San José as a convention and tourism destination. As industry leaders, we encourage all community stakeholders (civic, arts and business) to continue supporting tourism and other economic development initiatives.

Sincerely,

**Your San José Convention & Visitors Bureau Team**



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## At a Glance

### The San José Visitor Study: Market Profile and Economic Impact (FY 2003-04 Report)

<b>Total Economic Impact to San José</b>	<b>\$1.19 billion</b>
<b>Total Direct Visitor Spending</b>	<b>\$1.16 billion</b>
<b>Employment Created</b>	<b>16,000 full-time jobs</b>
<b>Total Visitors</b>	<b>6.7 million visitors</b>
- Hotel/Motel	805,200 visitors
- Private Home (friends & relatives)	1.89 million visitors
- Day	4.03 million visitors
<b>Spending Categories</b>	
- Shopping	\$252 million
- Meals & Beverages	\$218 million
- Car Rental	\$217 million
- Lodging	\$146 million
- Other Daily Transportation	\$142 million
- Recreation & Entertainment	\$113 million
- Groceries & Other Convenience Items	\$70 million
<b>Visitor Spending Per Day</b>	
- Hotel/Motel	\$141 per day
- Private Home	\$111 per day
- Day	\$58 per day
<b>% Of Leisure Visitors</b>	<b>36%</b>
<b>% Of Business/Convention Visitors</b>	<b>64%</b>
<b>Tourism Occupancy Tax (TOT) Collected</b>	<b>\$14.6 million</b>
<b>Total Hotel/Motel Revenue</b>	<b>\$146 million</b>
<b>Average Length of Stay for Hotel/Motel Visitors</b>	<b>3.5 days</b>
<b>Average Number in Hotel/Motel Visitor Group</b>	<b>2.44 visitors</b>

# **The San José Visitor Study: Market Profile and Economic Impact (FY 2003-04 Report)**

*Prepared for:  
The San José Convention  
and Visitors Bureau*

**A Project of  
The Survey and Policy Research Institute  
at San José State University**

**June 2005**

Thayer Watkins, Ph.D., Professor of Economics, SJSU  
Philip J. Trounstone, Director, Survey and Policy Research Institute



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## **Preface**

This report is the result of a yearlong study of tourism and its impacts on the City of San José. The study is designed to give the San José Convention and Visitors Bureau reliable information about the spending of visitors to the city, particularly the impact that convention business creates in San José. The information developed here will also provide the Bureau with valuable information in its efforts to market San José as a convention and tourism destination.

The study involved three key elements:

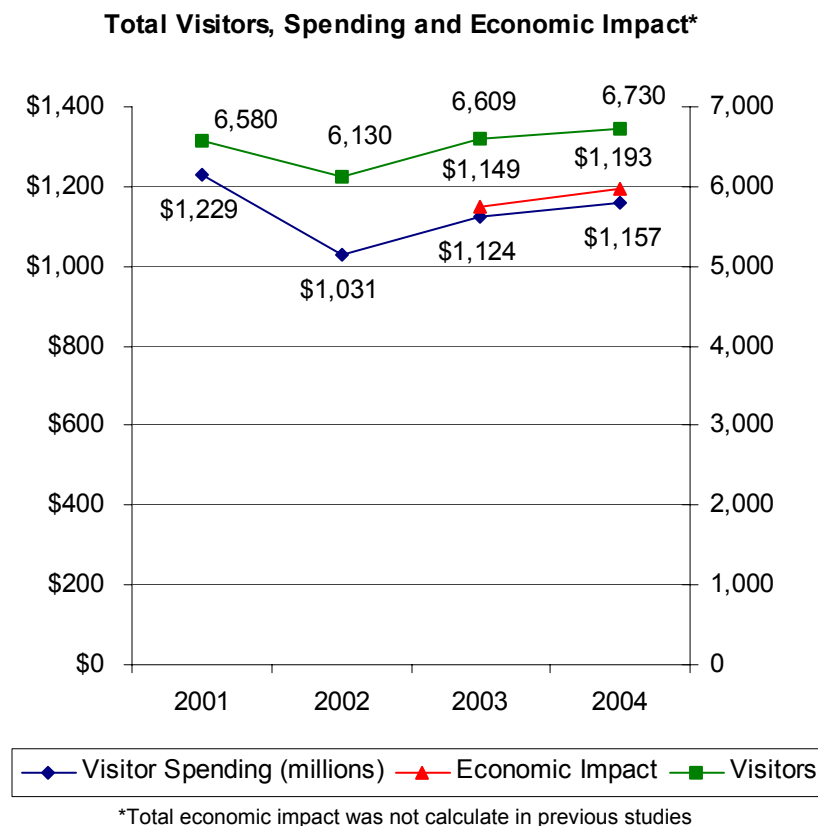
- Intercept interviews with 1,344 visitors to the city between September 2003 and June 2004
- Telephone interviews with a random sample of 1,230 San José residents during the same time period
- Economic impact analysis of these and other data

The project was managed by Philip J. Trounstone, Director of the Survey and Policy Research Institute at San José State University (SPRI), who oversaw the design of the survey instruments, the collection and compilation of the data from these. Dr. Thayer Watkins, Professor of Economics at San José State University, analyzed these data and other significant information provided by Meli James, Market Analyst for the San José Convention and Visitors Bureau. Dr. David Jones, Assistant Professor of Hospitality Management at San Francisco State University, served as adviser and consultant to the project.

## Executive Summary

The study demonstrates the powerful impact that convention and business travel and tourism have on San José's economy. Despite a downturn in the national and state economies and a depression in tourism in the post 9-11 era, San José drew approximately 2.7 million visitors to hotels, motels and private homes in fiscal 2004. In addition, based on the indexing of findings from previous studies for the Convention and Visitors Bureau, it may be estimated that San José drew an additional 4.03 million day-only visitors in FY2004, bringing the total estimated number of visitors to 6.73 million.

In all, these visitors were responsible for approximately \$1.157 billion in spending and \$1.193 billion in direct, indirect and induced impacts on the economy of San José<sup>1</sup>.



About \$399 million of the direct spending and \$409 million of the total economic impact was driven by 805,200 overnight guests in San José hotels and motels, demonstrating the importance of the lodging industry to the local economy. Convention and tradeshow visitors who stayed in hotels accounted for about \$208 million (52%) of the \$399 million spent by all overnight guests in hotels and motels. These visitors spent about \$337 per day per group in San José, including

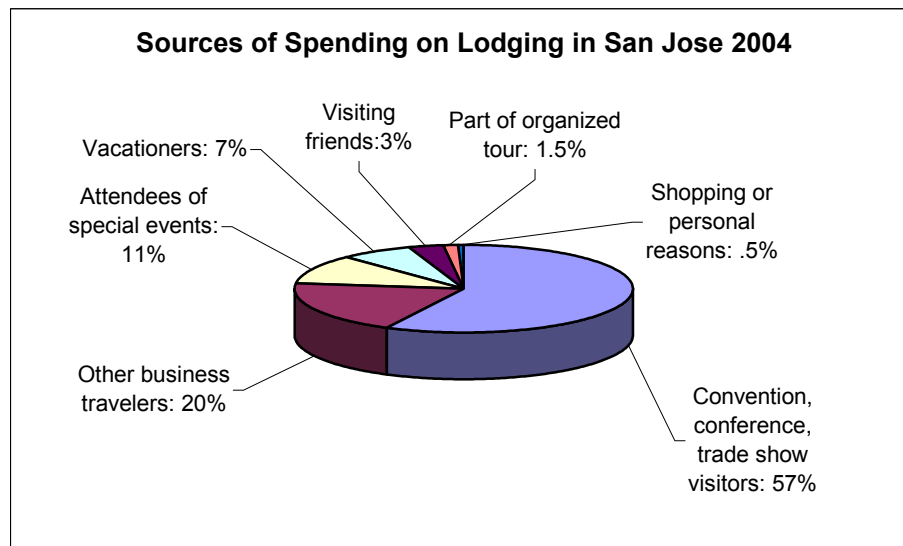
<sup>1</sup> Indirect impacts are the result of the changes in sales, income or jobs in sectors within the region that supply goods and services to the tourism sectors. Induced impacts are the increased sales within the region from household spending of the income earned in the tourism and supporting sectors.

\$146 on average for lodging. This was \$112 per room per day. The other business travelers to San José who stayed in San José hotels and motels spent about \$382 per day per group, including \$155 for lodging at \$133 per room per day.

As SPRI's intercept interviews found that day visitors spent \$58 per day, it may be estimated that day visitors to San José accounted for an additional \$240 million in direct, indirect and induced impacts on the economy of San José. This amount added to the nearly \$954 million due to overnight visitors brings the total impact of visitors to the San José economy to \$1.193 billion in FY 2004.

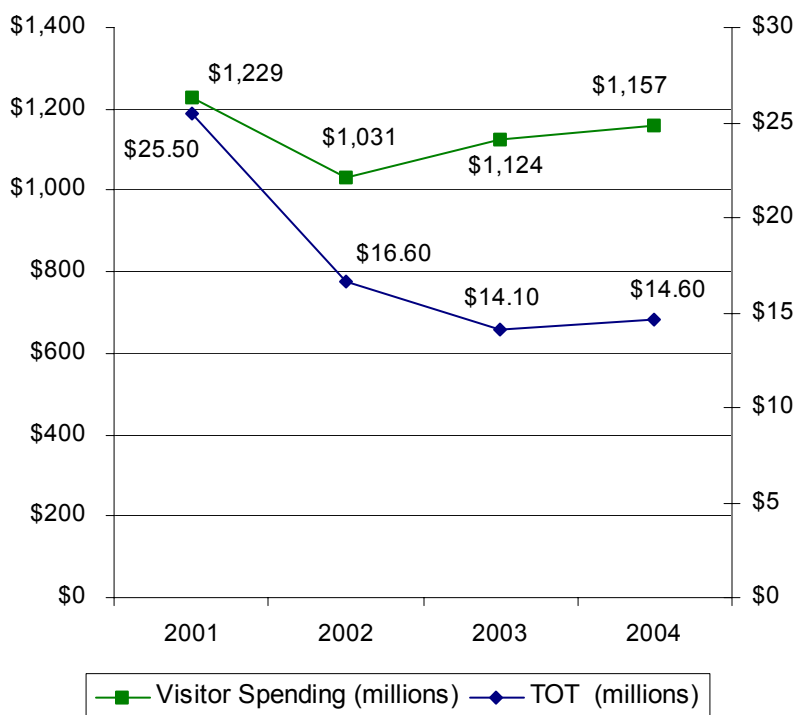
While the number of day visitors is substantial, this report focuses primarily on the impact on the local economy from overnight visitors, and especially convention attendees, because convention business is the most significant force in economic impact.

One measure of the importance of the convention business to the lodging industry is demonstrated by the finding that 57% of the \$146 million spent on lodging alone was driven by attendees -- and their traveling companions -- to conventions, conferences and trade shows in San José. In all, business travelers accounted for 77% of spending for lodging.



San José convention and visitor activity began to recover in fiscal year 2004 after a sharp drop-off following 9-11 and the national recession. The decline and subsequent rise in tourism and its economic impact is most clearly seen in the reduction and slight increase in transient occupancy tax (TOT) the city has experienced over the past four fiscal years:

### Total Visitor Spending and TOT Collections



Note: 2003 FY spending reported in 2004 dollars

There are many different types of visitors, each having different impacts on the local economy. Two types of visitors can be accurately documented in terms of numbers and economic impact: the guests of San José hotels and motels, and the overnight guests of San José households. The numbers and impact of these two types of visitors are shown in the table below:

### Visitors to San José in Fiscal Year 2004

	Guests of San José Hotels & Motels	Guests of San José Households	Totals
Number of People	805,200	1,890,000	2,695,000
Number of People-Nights of Stay	2,830,000	19,950,000	22,780,000
Direct Impact on Sales in San José	\$398,700,000	\$523,000,000	\$921,700,000
Induced Impact on Value Added Production in Santa Clara Co.	\$169,800,000	\$251,000,000	\$420,800,000
Total Impact, Direct, Indirect & Induced on Production in Santa Clara Co.	\$568,500,000	\$775,000,000	\$1,343,500,000
<b>Total Impact, Direct, Indirect &amp; Induced, on Production in San José</b>	<b>\$408,600,000</b>	<b>\$545,000,000</b>	<b>\$953,600,000</b>

As earlier studies have found, at least twice as many visitors to San José stay in residents' homes as stay in hotels and motels. Both have large economic impacts on the region. In-home visitors stay longer and spend about as much per day on expenses other than lodging. But convention and other hotel/motel visitors spend more per day because of their lodging expenses, which also generate TOT receipts for the City.

Only a small percentage of in-home visitors (3-6%, depending on the quarter) come to San José for conventions or other business. But they stay for about three times as long, generating business for restaurants, attractions, rental car business and retailers. They are consequently a significant element in the city's tourism portfolio.

The following summary chart demonstrates the various components of the visitor industry in San José:

#### **Economic Impact Summary of Visitors to San José 2003-2004**

<b>Number of Visitors</b>	<b>FY 2003</b>	<b>FY2004</b>
Hotel/Motel Visitors	778,800	805,200
Private Home Visitors	1,780,000	1,890,000
<b>Subtotal Overnight Visitors</b>	<b>2,558,800</b>	<b>2,695,200</b>
Day Visitors	4,050,000	4,030,000
<b>Total Visitors</b>	<b>6,608,800</b>	<b>6,725,200</b>
<b>Direct Impact of Spending</b>	<b>(FY2004 prices)</b>	<b>(FY2004 prices)</b>
Spending by Convention Visitors in Hotels	\$200,490,000	\$207,600,000
Per Person Per Day	\$117/day	\$117/day
Spending by All Hotel/Motel Visitors	\$385,000,000	\$398,700,000
Per Person Per Day	\$141/day	\$141/day
Private Home Visitors Spending	\$493,010,000	\$523,480,000
Per Person Per Day	\$111/day	\$111/day
<b>Subtotal for Overnight Visitors</b>	<b>\$887,610,000</b>	<b>\$922,180,000</b>
Day Visitors Spending	\$236,292,000	\$235,125,000
Per Person Per Day	\$58/day	\$58/day
<b>Total Visitors Spending</b>	<b>\$1,123,902,000</b>	<b>\$1,157,305,000</b>
<b>Total Economic Impact of Spending on San José</b>		
(Direct, Indirect & Induced)		
Hotel/Motel Visitors	\$394,400,000	\$408,600,000
Private Home Visitors	\$513,100,000	\$544,700,000
Day Visitors	\$241,190,000	\$240,000,000
<b>Total Economic Impact of Visitors</b>	<b>\$1,148,690,000</b>	<b>\$1,193,300,000</b>
<b>Estimated Employment Generated</b>	<b>15,400</b>	<b>16,000</b>

## **Introduction and Background Information**

The visitor industry, and in particular the convention component of the industry, are critical elements in the economic base of San José and the rest of the Silicon Valley. There are many different types of visitors each having different impacts on the local economy. One useful categorization of the visitors is in terms of the nature of their lodging:

- Hotel/Motel Guests
- Other Overnight Visitors
- Day-Only Visitors

The purpose of this report for the San José Convention and Visitors Bureau is to tabulate estimates for the numbers and the economic impact of the visitors of the three types listed above, with particular attention paid to overnight visitors. The emphasis is on the economic impact they represent on the local economy.

The sources of the information for estimating the numbers and economic impact of visitors are a San José visitor intercept survey and a telephone survey of a random sample of San José households, both conducted by the Survey and Policy Research Institute at San José State University (SPRI) during 2003 and 2004.

## **Economic Impacts**

Among the important immediate impacts of the visitors are on the following industries:

- Commercial Lodging (Hotels and Motels)
- Air Transportation
- Ground Transportation
- Eating & Drinking Places
- Retail Trade
- Amusement & Entertainment

When these industries experience increased sales they make payments to other sectors of the economy as taxes, purchases of supplies and as wages and salaries. These sectors in turn respond to their increased demand by making their payments to government as taxes, to other businesses for supplies and to employees. These impacts course (flow) through the regional economy bringing an increase in incomes that stimulates consumer spending. When all of the effects are added up, it is a multiple of the immediate impact of the visitors' spending.

## The Total Impact of Visitor Spending

In estimating the cumulative total effects of visitor spending, it is best to consider a regional perspective and estimate the impact on the entire Silicon Valley economy and then adjust the estimates to specifically the City of San José. This regional perspective is best because some of the demand induced by the visitor spending in San José leaves the boundaries of the city. However, much of that which goes to businesses and employees in the region will come back to San José.

For example, some employment in San José goes to residents of adjacent cities such as Santa Clara. The effect of this buying power is not entirely lost to San José because those Santa Clara residents working in San José also do some of their shopping in San José. Therefore the impacts of visitors to San José are estimated for Santa Clara County and in the final phase of the estimation, this report determines the impacts specifically in the City of San José.

## The Economic Impact of Hotel and Motel Guests in San José

Hotel and motel guests represent a high economic impact component of the visitors to San José. The receipts of the transient occupancy tax can track their numbers accurately. Given below are the recent figures on the tax collection and the visitor-days of occupancy which they imply.

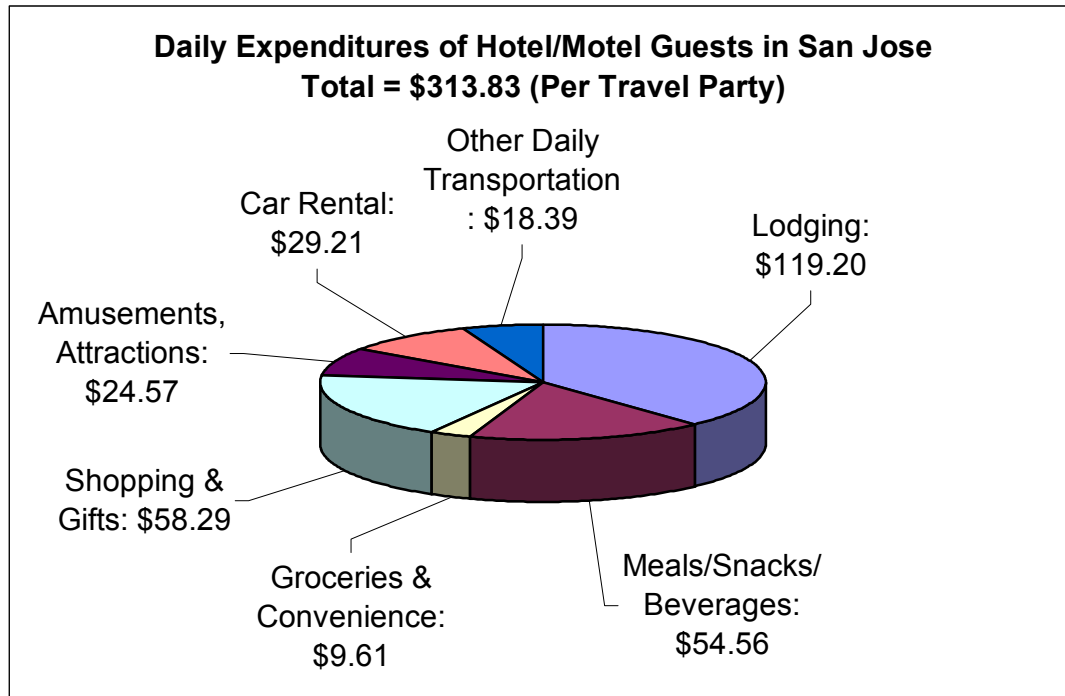
	FY2004
Transit Occupancy Tax Receipts	\$14,600,000
Hotel-Motel Revenue	\$146,000,000
Average Daily Room Cost	\$112.46
Overnight rooms	1,298,000
Average Rooms per Visitor Group	1.12
Group overnight rooms	1,162,000
Average Length of Stay	3.5 days
Visitor Groups	330,000
Average Number in Group	2.44
Visitors	805,200

When the above procedure, using FY2004 survey data, is applied for FY2003 the estimated number of hotel/motel visitors to San José was 778,800.



### *Hotel and Motel Guest Expenditures*

The survey questionnaire collected estimates of the average daily expenditures of traveling visitors groups as follows:

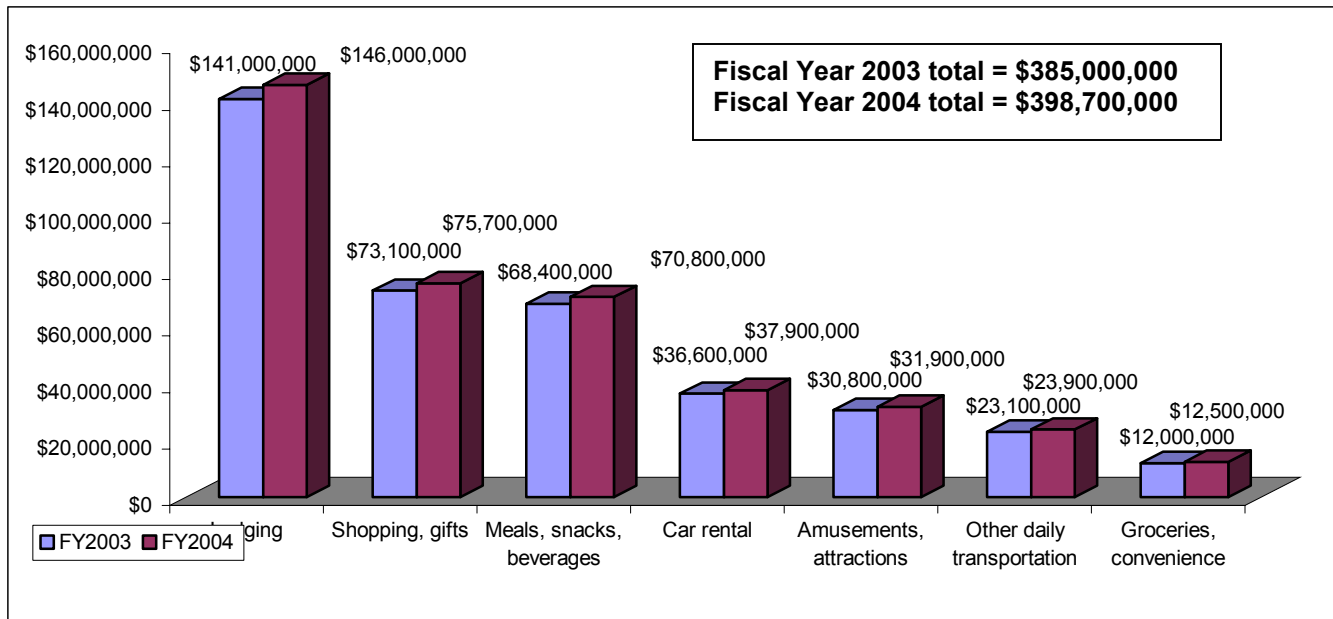


There is no doubt that there are other types of expenditures such as copying, telephone service, business services, medical services, etc. No survey can possibly include all of the expenditures and some, such as medical services, are more in the nature of the objective that brought the visitor to San José rather than something that a visitor purchases as an adjunct to a visit.

As can be found from the above chart -- in addition to the average \$112.46 spent per day on lodging by hotel/motel guests these guests spent another \$194.63 per day on other goods and services such as car rental, shopping, etc.

This is a \$1.70 impact on the other local businesses for every \$1.00 spent on the hotels and motels. The ratios of the other expenditures to the expenditures for lodging can be used to provide an estimate of the direct impact of the hotel/motel guests on the other sectors of the economy. These estimates for fiscal years 2003 and 2004 are shown below.

### Direct Expenditures of Hotel and Motel Guests in San José 2003-2004



### The Direct, Indirect and Induced Impacts of Visitor Spending

When demand in a basic industry of a local economy such as tourism increases, the direct impact occurs in the basic industry itself, but does not stop there. The basic industry has to have supplies, and the purchase of these supplies initiates a chain of impacts on other businesses. These are *indirect impacts*. The direct and indirect impacts lead to increases in household incomes, which induce increased demand for the goods and services in the local economy. These impacts are called *induced impacts*.

The immediate consequences of any increase in demand in an industry are as follows:

- Purchases from other businesses in the region
- Purchases of imports from outside the region
- Payment of taxes to governments
- Payment of wage, rental, interest income for the factors used in production:
  1. Some of these payments are to households within the region
  2. Some of these payments are to households outside of the region
- Payments for depreciation of capital goods worn out in the process of production

To summarize, the regional economic analysis that are useful terms for classifying economic impact are:

- **Direct Impacts:** The sales in the enterprises directly serving the source of demand.
- **Indirect Impacts:** The sales in enterprises serving those directly affected through supplying goods and services.
- **Induced Impacts:** The sales in enterprises resulting from consumer spending generated by employee incomes created as result of the direct impacts.
- **Value Added:** The value added by an enterprise is the value of its sales less the value of the goods and services it purchases from other enterprise. Value added is the contribution of an enterprise to local production.

### **The Impacts of the Visitor Spending for Lodging in San José**

Transient Occupancy Tax collections indicate that hotel and motel guests in San José in FY2004 resulted in \$146 million in sales of the lodging industry. This is the direct impact of these visitors on sales. About \$48 million is estimated to have paid for goods and services purchased from other enterprises. This is the first stage of the indirect effect. The other \$98 million went for the payment of taxes and compensation for the employees and owners of the facilities. This is the value-added component of the sales.

When all of the impacts, direct and indirect, on value added in the region are totaled up, they add up roughly to the direct impact on *sales* in the city of San José; i.e., \$146 million. Of this \$146 million, about \$74.5 million represents compensation of employees in Santa Clara County -- \$49.9 million of employee compensation in the lodging industry itself and \$24.6 million of employee compensation elsewhere due to the indirect impacts.

According to the U.S. Census, 78.3 percent of the jobs in Santa Clara County are filled by county residents; therefore about \$58.3 million will go to county residents. After state and federal taxes, an estimated \$43.7 million is disposable income for Santa Clara County residents. After savings, about \$40 million is available for consumer spending.

This \$40 million leads to an estimated \$30 million in increased production in Santa Clara County. Another \$3 million should be added to this for the production paid for by the taxes paid to local governments. Thus, there would be about \$33 million of county production induced by the \$74.5 million of compensation of employees created directly and indirectly by the lodging industry in San José.

This is a ratio of 0.443 to 1. So it could be expected that the \$33 million of induced demand generated by wages and salaries paid in the lodging industry would generate another \$14.6 million  $[(0.443)(\$33 \text{ million})]$  of induced demand and that in turn another \$6.5 million and so on.

This means that there is a multiplier of 1.8, which applies to the compensation of employees generated by direct and indirect impacts. Altogether then the total induced demand would be 1.8 times the \$74.5 million or \$134.1 million. This is \$59.6 million in excess of the \$74.5 million, which is already counted in the direct and indirect impacts. Thus the \$146 million in sales in the lodging industry led to \$146 million of direct and indirect impact plus \$59.6 million in induced impact. Altogether then the total impact on production in Santa Clara County was \$205.6 million.

*Hotel/Motel Guest Spending for Lodging in San José Which Accrues to San José*

Now the impacts specifically on the city of San José can be established. The value added by the direct impact is 100 percent in San José, or \$98 million. The other \$107.6 million of the \$205.6 million total impact would be distributed between San José and the rest of the county in proportion to their relative levels of economic activities. The two measures of the relative level of economic activity in San José compared to the County total are relevant: employment and sales tax collections. They both indicate that roughly one half of the economic activity in Santa Clara County takes place within the city of San José. This ratio applied to the \$107.6 million in additional total impact from the lodging industry gives \$53.8 million so the total impact on production in San José is \$98 million plus \$53.8 million or \$151.8 million. This figure is for the spending of hotel/motel guests on lodging. There is a substantially greater amount of spending on other items including shopping goods.

**Total Economic Impact of the Hotel/Motel Guests in San José in FY2004**

With the above explanation of the nature of the estimates in mind the results can now be presented.

- The Hotel/Motel Guests in San José in FY2004 accounted for \$398.7 million in direct local sales, exclusive of their spending on air transportation.
- When all of the direct, indirect and induced effects of this spending is taken into account it was responsible for \$568.5 million of production in Santa Clara County of which \$408.6 million was in the city of San José.
- Of the \$568.5 million of total impact in Santa Clara County, \$169.8 million was due to induced consumer spending resulting from the payment of wages and salaries to Santa Clara County residents.
- Outside of Santa Clara County there was about \$47.1 million in induced consumer spending from the wages and salaries paid in Santa Clara County to employees who live outside of the County. Therefore the economic impact on production in the San José Labor Market Area, which includes San José, the rest of Santa Clara County and parts of the surrounding counties was \$615.6 million (\$568.5+\$47.1).

Some of the guests at San José hotels and motels are San José residents. The telephone survey of San José provided estimates of their numbers, though is a relatively small portion of the total. Of the 1,217 respondents to the survey who answered the question about their stays in San José hotels and motels, there were 86 who reported staying in San José hotels or motels in the year, accounting for 230 room nights of stay.

When this is scaled up to the 289,000 San José households, the result is about 54,600 room-nights of stays in comparison to the 1.298 million room-nights of stay that the San José hotels and motels provided in FY2004. Moreover, the spending by San José residents in San José hotels and motels had just as much an economic impact as the other guests -- if the hotels and motels were not available that spending by San José residents staying in San José hotels and motels would have been largely lost to the local economy. For this reason, the estimated impact of the guests of San José hotels and motels was not adjusted. The unadjusted figure is the more realistic value for the economic impact of the San José lodging industry.

The economic impacts of the San José hotel/motel guests in Fiscal Years 2003 and 2004 are tabulated below:

<b>Summary of Economic Impacts of Hotel/Motel Guests in San José</b>		
Type of Impact	FY2003	FY2004
Hotel/Motel Guests in San José	778,800	805,200
Direct Impact on Sales in San José	\$385.0 mill.	\$398.7 mill.
Direct Impact on Value Added in San José	\$239.8 mill.	\$248.6 mill.
Direct & Indirect Impact on Value Added in Santa Clara Co.	\$385.0 mill.	\$398.7 mill.
Direct & Indirect Impact on Employee Compensation in Santa Clara Co.	\$205 mill.	\$212.3 mill.
Induced Impact on Value Added in Santa Clara Co.	\$164.0 mill.	\$169.8 mill.
Total Impact on Value Added in Santa Clara Co.	\$549.0 mill.	\$568.5 mill.
Total Impact on Value Added in San José	\$394.6 mill.	\$408.6 mill.

### The Distribution of Revenue Sources for San José Hotels and Motels

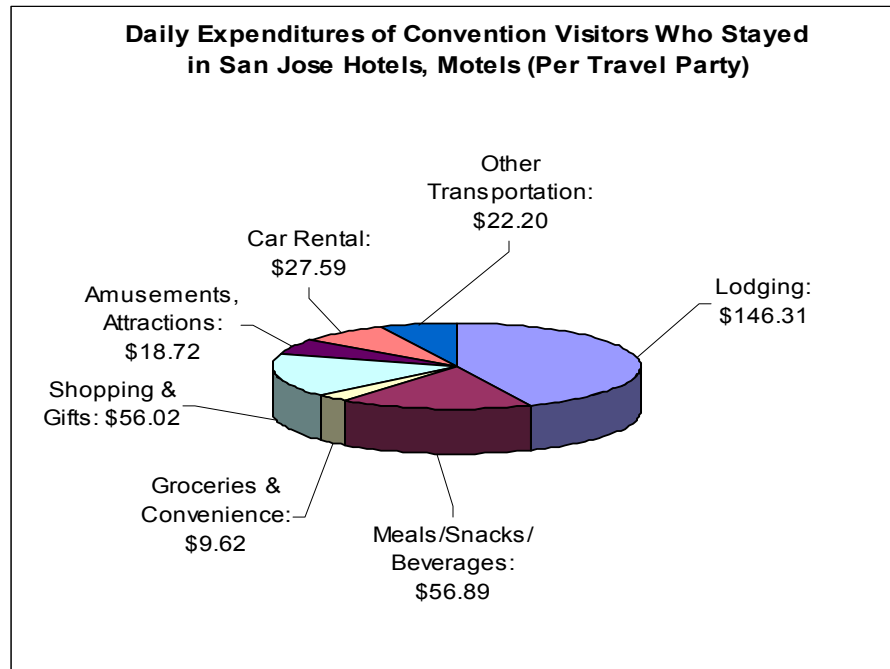
The intercept survey provides information for determining the shares of hotel and motel revenues that come from the various types of visitors.

<b>Sources of Expenditures on Lodging of Visitors to San José Who Stayed in Commercial Lodging, FY2004</b>	
Type of Visitor	Share
Attendees of San José Conventions, Conferences Or Trade Shows	57.36%
Business Travelers Not Attending Convention, etc.	19.64%
Attendees of Special Events	10.85%
Vacationers	6.94%
Visiting Friends	3.20%
Part of Organized Tour	1.53%
Shopping or Personal Reasons	0.47%
Total	100.00%

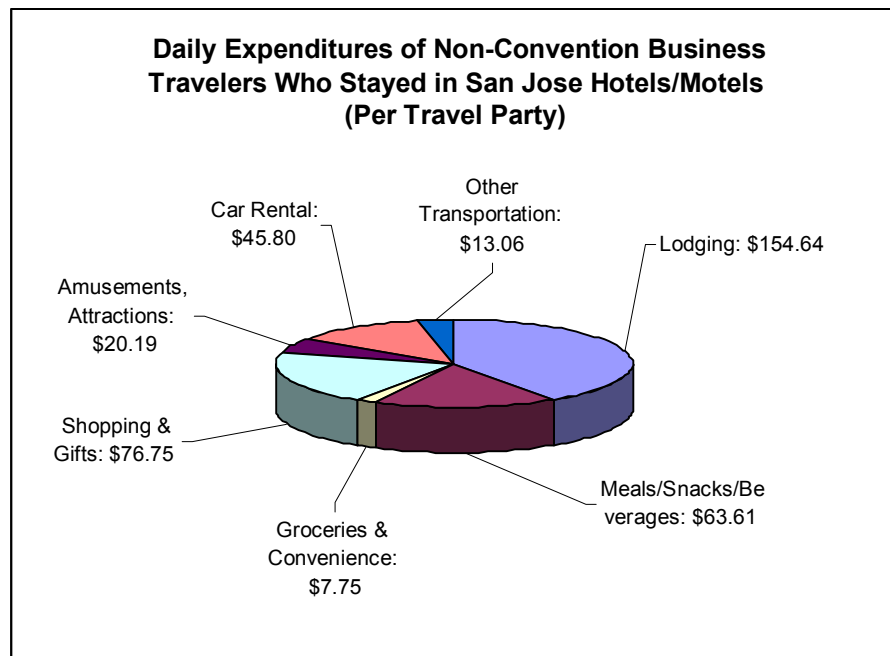
As shown above, convention visitors accounted for by far the largest share of revenue -- 57.36% -- and the business travelers who did not attend a convention were the second largest source, accounting for 19.64%. Thus, business travelers and their companions accounted for 77% of the revenues in the lodging industry in San José. Because of the economic significance of these two types of visitors, their economic impacts were estimated separately from the total for all guests in San José hotels and motels.

### Business Visitors Who Stayed in San José Hotels or Motels

The daily expenditures of convention visitors of San José who stayed in San José hotels, motels or bed-and-breakfast places are given below. These figures are for the group rather than individuals. The average cost of lodging was \$112.21 per room per day.



For the business travelers who stayed in San José hotels, motels or bed-and-breakfasts and who did not attend a convention, conference or tradeshow, the average cost of lodging was \$132.81 per room per day.



As shown in the tables below, the direct impacts of these convention attendees and other business travelers on sales in San José in FY2004 were \$192.9 million and \$70.7 million, respectively, for a total direct impact of \$263.6 million. The total economic impact on San José production of these two types of travelers was \$270.4 million.

<b>Total Economic Impact of Convention Visitors Who Stayed in San José Hotels/Motels, FY2004 (Millions)</b>			
Sector	Direct Impact San José Sales	Total Impact (Dir, Indir, Induced) SCCo Production	Total Impact San José Production
Lodging	83.7	117.9	87.1
Meals/Snacks/Beverages	32.5	50.4	33.0
Groceries & Convenience	5.5	8.0	5.9
Shopping & Gifts	32.0	46.6	34.3
Amusement, Attractions	10.7	15.5	10.9
Car Rental	15.8	18.6	13.8
Other Transportation	12.7	18.0	13.2
Total	192.9	275.0	198.2
<b>Total Economic Impact of Non-Convention Business Travelers Who Stayed in Hotels in San José, FY2004 (Millions)</b>			
Sector	Direct Impact San José Sales	Total Impact (Dir, Indir, Induced) SCCo Production	Total Impact San José Production
Lodging	28.7	40.4	29.9
Meals/Snacks/Beverages	11.8	18.3	12.0
Groceries & Convenience	1.4	2.0	1.5
Shopping & Gifts	14.2	20.7	15.2
Amusement, Attractions	3.7	5.4	3.8
Car Rental	8.5	10.0	7.4
Other Transportation	2.4	3.4	2.5
Total	70.7	100.2	72.3



### **Visitors Who Were Overnight Guests of San José Households**

The telephone survey of San José residents is an important element of the statistical documentation of visitors to San José. Households were called by telephone and queried about overnight visitors over the past year. The survey covered

- The number of different groups of visitors the household had
- The numbers people in the groups
- How long they stayed
- Where they were from
- What mode of transportation was used to travel to San José
- What the main purpose of their visit was
- Which of the local attractions were visited.

In addition the respondents were asked about their own visits to downtown San José and their purpose. Respondents were also asked of their stays in hotels or motels in San José. And finally information was collected about the socio-economic characteristics of the respondents such as age, gender, ethnicity and income.

The survey was conducted at four different times of the 2004 fiscal year and compiled 1,230 completed interviews.

#### *Attractions*

The telephone survey questionnaire included questions about visits to a number of local attractions. These attractions are:

The Tech Museum of Innovation  
 Children's Discovery Museum  
 Winchester Mystery House  
 Egyptian Museum & Planetarium  
 Great America  
 Raging Waters  
 The Mystery Spot  
 Roaring Camp & Big Trees RR  
 Santa Cruz Boardwalk

The first four are San José attractions and the last three are Santa Cruz County attractions, the others are in Santa Clara County. In addition to these attractions the interviewees were questioned about visits to San José events, to any other museums or cultural performances.

In the four telephone surveys there were 1,230 households interviewed. These households accounted for 3,528 visitor groups who visited local attractions. This is 2.87 visitor-groups per household. With 289,000 households in San José, the overnight visitors to San José households would account for 829,000 visitor groups per year. With an average group size of 2.5 this means 2.07 million people per year who were overnight guests of San José households visited the local attractions.

## **The Day Visitors to San José**

The major problem in estimating the number and economic impact of day visitors to San José is in defining them. There are numerous categories of people who enter San José daily whose numbers are large but difficult to measure. Some of these include:

- Commuting employees who work in San José but live outside the city
- Commuting students who go to educational institutions in San José but live outside the city
- Automobile travelers who pass through San José
- Bus and airplane travelers who pass through San José
- Shoppers from adjacent cities who shop in neighborhood stores in San José
- Shoppers who travel to San José to shop in specific stores, shopping centers or urban agglomerations such as Automobile Row on Capitol Expressway.
- Visitors to entertainment attractions such as The Tech Museum of Innovation

It is only the last item for which there is any quantitative information. For some of the major attractions there are total attendance figures. The total annual attendance of the San José Arena, the Tech Museum of Technological Innovation, the IMAX theater, the Center for the Performing Arts, The Children's Discovery Museum, the San José Repertory Theater, the San José Art Museum and the Winchester Mystery House was 3.3 million.

These attendance figures include the people from San José as well as visitors. The telephone survey of San José households provides information on such attendance. The set of local attractions covered in the survey differs somewhat from the set for which total attendance figures are available: The Winchester Mystery House, the Children's Discovery Museum, the Tech Museum of Innovation, the Egyptian Museum & Planetarium, Great America, and Raging Waters.

For this set of local attractions, the overnight visitors to San José households account for 829,000 annual attendees. The survey indicates that for the Winchester Mystery House, Children's Discovery Museum and Tech Museum of Innovation the overnight guests account for 47.0 percent of the total attendance. That same proportion applied to the total attendance at local attraction for which total attendance data is available suggests that the total attendance due to the overnight visitors to San José households is 1.55 million.

The remaining 1.75 million is made up of San José residents, San José hotel and motel guests and day visitors to San José. Unfortunately there is not enough information to estimate separately the number of day visitors to the local tourist attractions in San José.

According to the International Association of Convention & Visitor Bureaus (IACVB), for purposes of tourism statistics, the term *visitor* means:

*Any person traveling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the place visited.*

By excluding travel by people to places of their usual environment, many of the troublesome problems of the definition of day visitors are eliminated. The definition of course also eliminates commuting employees from the category of day visitors.

Previous studies for the San José Convention and Visitors Bureau reported 4.55 million day visitors to San José in FY2001 and 4.28 million in FY2002. By indexing these figures to sales tax receipts, it may be estimated that San José attracted 4.05 million day visitors in FY 2003 and 4.03 million in FY 2004. These annual figures correspond to about 11,000 day visitors per day -- a conservative figure, for a city of San José's size and variety of attractions.

Included in SPRI's intercept surveys were a significant numbers of visitors to San José who did not spend the night in San José (day visitors). The survey collected the information on the expenditures of these visitors, just as it did for visitors who were guests of hotels or motels. For example, there were 237 day-visitor interviewees who provided information on the expenditures of their group for meals, snacks and beverages. The total number of people in the groups of these interviewees was 767 and the average daily expenditure per person on snacks, meals and beverages was \$10.51. The complete results for the daily expenditures of the day visitors included in the Intercept Survey are given below:

<b>Daily Expenditures of Day Visitors to San José, 2004</b>	
Sector	\$ Spent/Day
Lodging	0
Meals/Snacks/Beverages	\$13.51
Groceries & Convenience	\$2.07
Shopping & Gifts	\$19.21
Amusement, Attractions	\$9.92
Car Rental	\$7.64
Other Transportation	\$6.00
Total	\$58.34

Since there were 4.03 million day visits to San José in FY2004 with each visit involving an average expenditure of \$58.34 the economic impact was substantial. As with expenditures of other visitors to San José there are indirect and induced impacts as well as the direct impacts. Below are given the total economic impacts of the day visitors to San José in FY2004.

<b>Total Economic Impact of Day Visitors to San José, FY2004 (Millions)</b>			
Sector	Direct Impact San José Sales	Total Impact (Dir, Indir, Induced) SCCo Production	Total Impact San José Production
Lodging	0	0	0
Meals/Snacks/Beverages	54.5	84.6	55.3
Groceries & Convenience	8.3	12.0	8.8
Shopping & Gifts	77.4	112.8	83.0
Amusement, Attractions	39.9	57.7	40.7
Car Rental	30.8	36.3	26.9
Other Transportation	24.2	34.3	25.2
<b>Total</b>	<b>235.1</b>	<b>337.7</b>	<b>239.9</b>

## **Intercept Interviews**

### *Information About Visitors*

The Survey and Policy Research Institute conducted intercept surveys four times over the course of FY2003-04, timing the surveys to coincide with a variety of convention events designed to draw an eclectic mix of convention attendees. Surveys were conducted at the San José McEnery Convention Center, the San José Mineta International Airport (departure gates); the Fairmont, San José Marriott, Hilton San José & Towers, Hyatt San José, Holiday Inn, Doubletree and Hyatt Sainte Claire hotels; the Tech Museum of Innovation, San José Art Museum, Winchester Mystery House, Parkside Hall, Park Plaza and on the streets of downtown San José. In all, 1,344 visitors were surveyed, representing 5,935 travelers.

About eight in ten (78.5%) of those surveyed were staying in hotels, motels or bed and breakfast establishments, about 20% in private homes and the remainder in other facilities. Eighty percent of those hotels, motels and B&Bs were located in San José itself. The average number of nights spent in the Bay Area was 5.6 and the average number of nights spent in San José was 3.47. The median size of travel parties was two persons and in all, those surveyed represented 22,658 person nights in San José establishments.

Visitors came from all over the globe. Substantial visitor numbers -- enough to suggest a significant marketing opportunity for San José -- were traveling from India, especially Delhi, Noida and Bangalore. Canadian visitors were the next most numerous, especially from Ottawa, Toronto and Montreal. The survey also encountered significant number of visitors from Germany, Japan, Great Britain and China. American visitors came from every corner of the country, especially from Seattle, Los Angeles, New York and Boston.

Country or Place of Origin	Proportion (%)
India	21.5
Canada	16.1
Germany	10.0
Japan	8.6
United Kingdom	7.2
China proper	4.7
France	4.3
Netherlands	2.2
South Korea	2.2
Israel	2.2
Australia	1.8
Ireland	1.8
Taiwan	1.4
Switzerland	1.4
Finland	1.4
Italy	1.1
Norway	1.1
Poland	1.1
Hong Kong	0.7
Austria	0.7
Spain	0.7
Denmark	0.7
Brazil	0.7
Mexico	0.7
Ethiopia	0.7
Singapore	0.4
Bangladesh	0.4
Pakistan	0.4
Malaysia	0.4
Philippines	0.4
Greece	0.4
Sweden	0.4
Turkey	0.4
Kuwait	0.4
Russia	0.4
Peru	0.4
Ecuador	0.4
Puerto Rico	0.4
South Africa	0.4
Total	100.0

About 35% of all visitors were coming to San José for the first time. For those who were return visitors, the media number of months since their last visit was nine.

About two-thirds (66.4%) of visitors to San José arrived by airplane and another quarter (24.7%) by personal car. Of air travelers, 68.9% arrived at San José's airport and 26.3% at San Francisco. For local transportation, 35.5% relied on a personal car, 31.1% used a rental car, 12.8% relied on taxis and 9.1% used public transportation.

Among those surveyed, 83.7% said San José was their main destination and for another 22.6%, San Francisco was their main destination. And for those surveyed, 64% were in San José for business and 36% for personal reasons. Of those in San José for business, about three-fourths (76.7%) were in the city for a convention or trade show and 23.1% for other business. For those in San José for a convention or trade show, nearly all -- 96% -- were attending an event in San José.

Of those traveling to San José for personal reasons, 38.3% were in town for a special event (to visit an attraction, a cultural event, etc.), 28.4% were on vacation and 24.4% were in San José to visit friends or relatives.

Among respondents, 44.5% said they used the Internet to view information about San José before visiting, 32.4% used the Internet to make some kind reservations of one form or another, 25.2% to find directions, 24.9% to make hotel or motel reservations and 17% to book transportation and 14.3% to rent a car. About a quarter of visitors used a travel agent, 22.2% for air travel, 10.5% for lodging, and 6.4% for a rental car.

### *Attractions*

Among those surveyed -- which reflected in part, the locations where surveys were conducted -- The Tech Museum of Innovation was the top attraction, followed by the Museum of Art. The following table represents the number of person visits (respondents multiplied by the number of persons in their travel parties) for various San José attractions:

2082	20.2%	The Tech
934	9.0%	Museum Of Art
924	8.9%	Convention Center
817	7.9%	Great America
807	7.8%	SC Boardwalk
782	7.6%	Other Places
636	6.2%	Night Clubs
608	5.9%	Winchester Mystery House
403	3.9%	HP Pavilion
331	3.2%	Raging Waters
276	2.7%	Children's Museum
260	2.5%	Museum Of Quilts
247	2.4%	CPA
231	2.2%	Mystery Spot
219	2.1%	Wineries
214	2.1%	Rosicrucian
164	1.6%	Golf
151	1.5%	San José Rep
76	0.7%	Xmas In The Park
60	0.6%	History Park
55	0.5%	Roaring Camp
52	0.5%	Peralta Adobe

The findings conform to official reports from various attractions, which show the following attendance figures for 2003-2004:

Tech Museum of Innovation	405,000
Children's Discovery Museum	277,327 (includes children not surveyed)
San José Museum of Art	175,000
Repertory Theater	102,000

Attendance at the Winchester Mystery House is a proprietary figure. In addition, official attendance at the San José Arena was 1.4 million for all events in 2002-2003 -- an obvious boon to the regional economy, but not one measured as a part of this visitor study as it is not possible to determine what proportion of these attendees were visitors from outside of San José.

### Employment in San José Due to the Visitors Industry

Estimates of employment can be based upon sales, value-added or payrolls of industries. There are few data sets that give consistently based data for these variables specifically for the city of San José. One such source is the *City and County Data Book*. Those data are given in the table below:

<b>Employment, Payrolls and Sales in San José, 1997</b>					
Sector	Employment	Payrolls	Payroll/ Employee	Sales	Sales/ Employee
Lodging & Food Service	23,699	\$249.5 million	\$10,528	981.3 million	\$41,407
Wholesale Trade	25,578	\$1,398.6 million	\$54,680	27,076.8 million	\$1,058,597
Retail Trade	34,278	\$700.5 million	\$20,436	6,905.0 million	\$201,441

The *City and County Data Book* for 2000 provides the information that in 1997 the average payroll cost per employee in Santa Clara County was \$50,287. But for the Lodging and Food Service sector, the payroll cost per employee was only \$11,230, reflecting the lower pay scales, the prevalence of part-time employment and the compensation of such employees through tips rather than salary.

For the Lodging and Food Service sector of San José the payroll cost per employee in 1997 were somewhat lower, \$10,528. The payroll cost per employee in the Retail Trade sector of San José in 1997 was \$20,436. In contrast the payroll cost per employee in the Wholesale Trade sector was \$54,680 in 1997.

Using the above data on sales per employee adjusted for the increase in the price level from 1997 to 2004 gives estimates of the employment generated in the San José economy by the visitors industries.

Part of this employment can be attributed to the direct effect of visitor spending but there is employment above this direct effect from the indirect and induced effects on San José employment due to the visitors' spending. This total (direct, indirect and induced ) economic impact of the San José visitors industries on employment in San José was about 15,400 in 2003 and 16,000 in 2004. The separate components are shown below.



### Employment Impact of the Visitor Industry on Various Economic Sectors

<b>Direct Impact</b>	<b>FY 2003</b>	<b>FY 2004</b>
Hotel/Motel Visitors	5,093	5,274
Private Homes Visitors	4,354	4,623
Day Visitors	1,707	1,699
<b>All Visitors</b>	<b>11,154</b>	<b>11,596</b>
<b>Total Economic Impact</b>	<b>FY 2003</b>	<b>FY 2004</b>
Hotel/Motel Visitors	7,733	8,007
Private Homes Visitors	4,696	4,986
Day Visitors	2,988	2,973
<b>All Visitors</b>	<b>15,417</b>	<b>15,966</b>



## Appendix 26

### The SJCVB Economic Impact Calculator

## San Jose Convention & Visitors Bureau Economic Impact Calculation

Figures based on the visitor spending data collected for The San Jose Visitor Study: Market Profile and Economic Impact FY 2003-04 Report)

Yellow - enter the values

Out of town - X Local - Y Exhibitors - Z

2004 Base Values 142.44 81.67 215.21

#### Fiscal Year (FY) Difference

# Mos. from 7/1/2004 until Meeting Start Date 24.00

2.00

FY Difference Value 4.00

#### Rate Values

# Out of Town Attendees 19,900.00

# Local Attendees

# Exhibitors

# Meeting Days 1.00

X-Rate 155.65

Y-Rate 89.24

Z-Rate 235.17

Booking X-Rate - X-Rate \* Out of Town 0.00

Booking Y-Rate - Y-Rate \* Local 1,775,935.98

Booking Z-Rate - Z-Rate \* Exhibitors 0.00

X-Rate + Y-Rate + Z-Rate 1,775,935.98

Economic Impact 1,775,935.98

FY Multiplier	X-Rate	Y-Rate	Z-Rate
0	142.44	81.67	215.21
1	146.71	84.12	221.67
2	151.11	86.64	228.32
3	155.65	89.24	235.17
*4	160.32	91.92	242.22
5	165.13	94.68	249.49
6	170.08	97.52	256.97
7	175.18	100.44	264.68
8	180.44	103.46	272.62
9	185.85	106.56	280.80
10	191.43	109.76	289.22
11	197.17	113.05	297.90
12	203.09	116.44	306.84
13	209.18	119.94	316.04
14	215.45	123.53	325.52
15	221.92	127.24	335.29
16	228.57	131.06	345.35
17	235.43	134.99	355.71
18	242.49	139.04	366.38
19	249.77	143.21	377.37
20	257.26	147.51	388.69
21	264.98	151.93	400.35
22	272.93	156.49	412.36
23	281.12	161.18	424.74
24	289.55	166.02	437.48
25	298.24	171.00	450.60
26	307.18	176.13	464.12
27	316.40	181.41	478.04
28	325.89	186.86	492.38
29	335.67	192.46	507.16
30	345.74	198.23	522.37
31	356.11	204.18	538.04
32	366.79	210.31	554.18
33	377.80	216.62	570.81
34	389.13	223.11	587.93
35	400.81	229.81	605.57
36	412.83	236.70	623.74
37	425.22	243.80	642.45
38	437.97	251.12	661.72
39	451.11	258.65	681.58
40	464.64	266.41	702.02

\*Calculations for the first year were made with these rates

## **Appendix 27**

*Marquee Events at RFK Stadium 1996-2005*

## Marquee Events / Washington, DC

*(all games at RFK Stadium unless specified)*

Match	Date	Attendance	Out of town (2 hrs.+)	% Out of town	Local - Metro area (within 2 hrs.)	% Local	Comments
<b>1996 Olympics</b>							
USA vs. Portugal	7/24/96	58,012	22,800	39.30%	35,212	60.70%	Preliminary round of '96 Atlanta Olympics
<b>1996 Olympics</b>							
Ghana vs. S. Korea	7/21/96	43,493	19,500	44.83%	23,993	55.17%	Preliminary round of '96 Atlanta Olympics
<b>World Cup Qualifier</b>							
USA vs. Guatemala	11/3/96	30,082	12,400	41.22%	17,682	58.78%	World Cup Qualifier for France 1998
<b>USA vs. Bolivia</b>	6/12/96	19,350	7,126	36.83%	12,224	63.17%	Stand alone international friendly
<b>Leeds United vs. D.C. United</b>	5/16/97	10,704	2,131	19.91%	8,573	80.09%	Stand alone international club friendly
<b>1997 CONCACAF Championships</b>							Tournament of Champions from North, Central America and Caribbean
D.C. United vs. United Petrotrin (T & T); L.A. Galaxy v. L.A. Firpo (ES) - Quarterfinal round	8/12/97	10,063	1,114	11.07%	8,949	88.93%	Single game
D.C. United vs. Los Angeles Galaxy (USA); Cruz Azul vs. CD Chivas (Mex.) - Semi-finals	8/22/97	16,568	3,157	19.05%	13,411	80.95%	Doubleheader matches
L.A. Galaxy vs. Cruz Azul - Final ; D.C. United vs. CD Chivas (Mexico) - 3rd place	8/24/97	8,282	2,787	33.65%	5,495	66.35%	Doubleheader matches
<b>World Cup Qualifier</b>							
USA vs. Jamaica	10/3/97	51,528	24,000	46.58%	27,528	53.42%	World Cup Qualifier for France 1998
<b>MLS Cup 1997</b>							
D.C. United vs. Colorado	10/26/97	57,431	14,223	24.77%	43,208	75.23%	MLS Championship game - Home team involved
<b>USA vs. Scotland</b>	5/30/98	46,037	5,982	12.99%	40,055	87.01%	International friendly; US Women vs. New Zealand prelim.
<b>1998 CONCACAF Championships</b>							Tournament of Champions from North, Central America and Caribbean
D.C. United vs. Joe Public (T & T); Cruz Azul (Mex) v. Dep. Saprissa (CR) - Quarterfinal round	8/11/98	7,117	655	9.20%	6,462	90.80%	Doubleheader matches
CSD Leon (Mex.) v. L.A. Firpo (ES); CD Toluca (Mex.) v. LD Alajuela (CR)	8/12/98	8,284	986	11.90%	7,298	88.10%	Doubleheader matches
D.C. United vs. CSD Leon (Mexico); CD Toluca vs. Dep. Saprissa (CR) - Semi-final	8/14/98	10,526	1,654	15.71%	8,872	84.29%	Doubleheader matches
D.C. United vs. CD Toluca (Mexico) - FINAL; CSD Leon v. Dep. Saprissa - 3rd place	8/16/98	12,607	3,403	26.99%	9,204	73.01%	Doubleheader matches
<b>InterAmerican Cup</b>							
D.C. United vs. Vasco da Gama	11/14/98	26,213	4,578	17.46%	21,635	82.54%	1st leg of North America vs. South America Champions
<b>USA vs Argentina</b>	6/13/99	40,119	13,369	33.32%	26,750	66.68%	Stand alone international friendly
<b>1999 Women's World Cup</b> (FedEx Field/Landover, MD)							Group play - 2 doubleheaders
USA vs. Germany - Quarterfinal	7/1/99	54,642	16,500	30.20%	38,142	69.80%	Quarter Final featuring USA vs. Germany.
<b>USA vs. South Africa</b>	6/3/00	16,570	2,163	13.05%	14,407	86.95%	Stand alone international friendly
<b>D.C. United vs. Newcastle United (England)</b>	7/22/00	17,610	4,268	24.24%	13,342	75.76%	Stand alone international club friendly
<b>World Cup Qualifier</b>							
USA vs. Guatemala	9/2/00	51,996	18,429	35.44%	33,567	64.56%	WCQ for Korea-Japan 2002; Doubleheader with MLS game - D.C. United vs. New England
<b>MLS Cup 2000</b>							
Kansas City vs. Chicago	10/15/00	39,159	8,613	21.99%	30,546	78.01%	MLS Championship game - No home team involved
<b>CONCACAF Giant's Cup</b> ; D.C. United vs. Arnett Gardens (Jamaica)	4/11/01	9,117	344	3.77%	8,773	96.23%	International tournament of North, Central American and Caribbean region 'major' teams
<b>D.C. United vs. Bayer Leverkusen (Germany)</b>	5/23/01	12,098	1,873	15.48%	10,225	84.52%	Stand alone international club friendly
<b>World Cup Qualifier</b>							
USA vs. Honduras	9/1/01	54,232	26,158	48.23%	28,074	51.77%	WCQ for Korea-Japan 2002; Doubleheader with MLS game - D.C. United vs. Tampa Bay
<b>D.C. United vs. C.D. Olimpia (Honduras)</b>	11/17/01	13,154	1,957	14.88%	11,197	85.12%	Stand alone international club friendly
<b>2002 CONCACAF Champions Cup</b>							
Qualifying round; D.C. United vs. CSD Comunicaciones (Guatemala)	3/13/02	13,378	1,564	11.69%	11,814	88.31%	Tournament of Champions from North, Central America and Caribbean
<b>USA vs. Uruguay; D.C. United vs. Columbus</b>	5/12/02	30,431	6,539	21.49%	23,892	78.51%	Doubleheader with MLS game
<b>D.C. United vs. BOCA Jrs. (Argentina)</b>	6/23/02	15,119	4,308	28.49%	10,811	71.51%	Stand alone International Club friendly
<b>MLS All Star Game 2002</b>	8/3/02	31,096	5,812	18.69%	25,284	81.31%	US National Team vs. MLS All Stars

<b>D.C. United vs. CD Aguila (El Salvador)</b>	10/26/02	17,453	3,107	17.80%	14,346	82.20%	Stand alone International Club friendly
<b>USA vs. El Salvador</b>	11/17/02	13,950	3,386	24.27%	10,564	75.73%	Stand alone International friendly
<b>D.C. United vs. Tottenham Hotspurs (England)</b>	5/14/03	14,028	2,954	21.06%	11,074	78.94%	Stand alone International Club friendly; John Harkes tribute match
<b>D.C. United vs. Blackburn Rovers (England)</b>	7/23/03	9,452	1,741	18.42%	7,711	81.58%	Stand alone International Club friendly
<b>D.C. United vs. El Salvador</b>	8/30/03	23,269	5,829	25.05%	17,440	74.95%	Stand alone International club vs. national team friendly
<b>2003 Women's World Cup Matches</b> Doubleheader matches featuring N. Korea, France, Germany, Sweden, Norway, Argentina, USA, Nigeria, Brazil	9/17-27/2003	61,572	20,046	32.56%	41,526	67.44%	3 dates; 6 Doubleheaders - Total attendance listed
<b>D.C. United vs. Nottingham Forest (England)</b>	7/14/04	13,333	2,016	15.12%	11,317	84.88%	Doubleheader with Washington Freedom vs. Nott. Forest Ladies
<b>MLS All Star Game 2004</b>	7/31/04	21,378	3,623	16.95%	17,755	83.05%	East vs. West format; Prelim of 1994 World Cup team vs. MLS past World Cup stars.
<b>D.C. United vs. Municipal (Guatemala)</b>	9/29/04	10,177	887	8.72%	9,290	91.28%	Stand alone international Club friendly
<b>World Cup Qualifier</b> USA vs. Panama	10/13/04	19,793	6,452	32.60%	13,341	67.40%	World Cup Qualifier for Germany 2006
<b>2005 CONCACAF Champions Cup</b> Qualifying round; D.C. United vs. UNAM Pumas (Mexico)	4/6/05	21,185	5,319	25.11%	15,866	74.89%	Tournament of Champions from North, Central America and Caribbean
Chelsea FC vs. D.C. United (FedEx Field/Landover, MD)	7/28/05	31,473	13,346	42.40%	18,127	57.60%	International friendly played at nearby stadium
<b>Copa Sudamericana</b> D.C. United vs. Universidad de Catolica (Chile)	9/13/05	10,271	2,145	20.88%	8,126	79.12%	Guest team in South American tournament - Home Leg

## **Appendix 28**

*San Diego Surf Cup Economic Impact Report -- 2005*



## **Economic Impact Report - 2005**

San Diego Surf Cup, Inc., annually publishes an Economic Impact Report for the San Diego Surf Cup youth soccer tournaments. This report provides information of concern to local government and sponsors, and details the amount of money spent in the San Diego area as a result of our tournaments. This report also presents statistical information on the participants.

Consider the following when reading this report:

- ◆ The two events detailed for this report are:
  - San Diego Surf Cup XXV (July 30-August 1 and August 6-8, 2005), and
  - San Diego Surf Girls Cup XII (November 25-27, 2005).
- ◆ The economic impact of both events has been totaled to provide an aggregate for the year.

The Economic Impact for the San Diego area from our two events in 2005 is:

San Diego Surf Cup XXV:	\$ 13,867,815
San Diego Surf Girls Cup XII:	5,666,506
Total Economic Impact:	<u>\$ 19,534,322</u>

The methodology for this report includes the compilation of actual numbers from our audited tournament accounting as well as questionnaires completed by each soccer team participating in the tournament. Note air fare expenditures are not part of this economic impact as the expenditures for airline tickets occur outside of our economic area.

Review of this report methodology by personnel at the San Diego Convention and Visitors Bureau indicates the accuracy of this report is better than most associated with the travel industry since it relies primarily on verifiable data and not industry averages.

San Diego Surf Cup, Inc., is a non-profit organization incorporated in the State of California as a qualified amateur sports organization, organized and operated exclusively to foster local, state, national and international sports competition.

Please contact Mick Dawson at (760) 944-7888 or by e-mail at [surfimick@surfcup.com](mailto:surfimick@surfcup.com) should you have any questions or require further information.

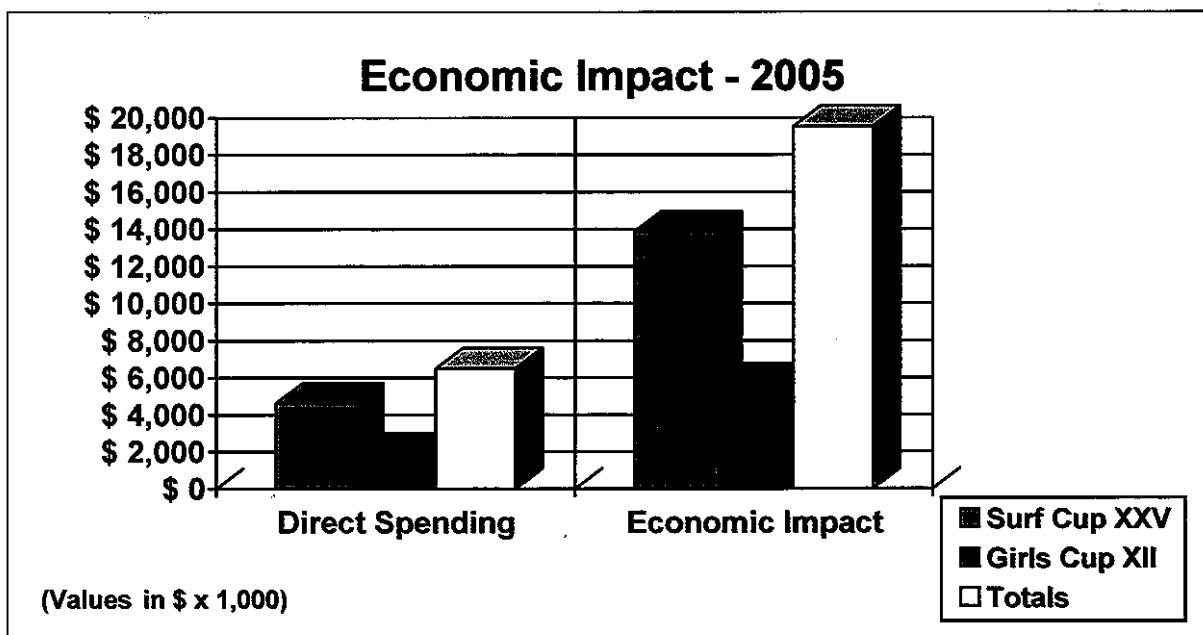
Mick Dawson  
Public Relations & Marketing  
January 12, 2006



## Economic Impact Report - 2005

### Summary

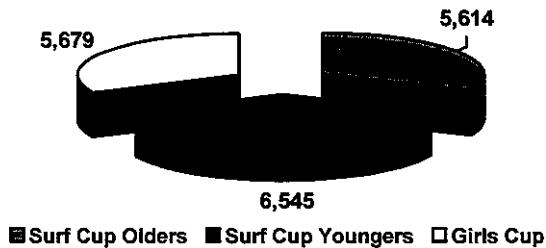
Category	Surf Cup XXV	Girls Cup XII	Totals - 2005
Contributions from Travel (See pages 2 & 3)	\$ 3,410,316	\$ 1,384,319	\$ 4,794,635
Soccer Fields & Rental Expenditures	80,200	45,400	125,600
Support Activities	68,100	37,000	105,100
Parking Fees	125,000	58,000	183,000
On-site Retail Sales	320,235	128,086	448,321
Concessions Sales	223,100	73,566	296,666
Tournament Payroll	32,967	12,310	45,277
Referees Expense	41,000	19,000	60,000
Tournament Hotel Expenditures	5,300	3,300	8,600
Taxes Paid	316,387	127,855	444,242
Total Direct Spending	\$ 4,622,605	\$ 1,888,836	\$ 6,511,441
Economic Multiplier x 2	<u>\$ 9,245,210</u>	<u>\$ 3,777,672</u>	<u>\$ 13,022,882</u>
Economic Impact	\$ 13,867,815	\$ 5,666,508	\$ 19,534,323



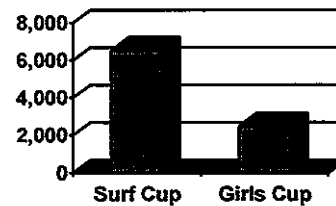
## Contributions to Economic Impact: Visitor's Travel Tendencies and Expenditures

Item	Surf Cup XXV			Girls Cup XII	Totals
	Youngers	Olders	Total		
Total Number of Teams	176	160	336	152	488
Number Teams Traveling	151	142	293	132	425
Number of Participants	2,735	2,740	5,475	2,478	7,953
Ave. Number Participants Per Team	15.5	17.1	16.3	16.3	16.3
Number Traveling From Outside SD	6,326	4,913	11,239	5,374	16,613
Average Number Traveling Per Team	41.9	34.6	38.4	407	39.1
Number Registered Hotel Rooms	1,905	1,578	3,483	1,776	5,259
Number Hotel Room-Nights	6,545	5,614	12,159	5,679	17,838
Average Length Hotel Stay (Nights)	3.4	3.6	3.5	3.2	3.4
Total Spent on Hotels (excluding tax)	\$ 866,953	\$ 726,932	\$ 1,593,885	\$ 603,771	\$2,197,656
Average Hotel Room Rate	\$ 132.46	\$ 129.49	\$ 131.09	\$ 106.32	\$ 123.20

Hotel Room-Nights Booked - 2005



Airline Tickets - 2005



Item	Surf Cup XXV			Girls Cup XII	Totals
	Youngers	Olders	Total		
Per Diem Expense	\$ 760,697	\$ 611,759	\$ 1,372,456	\$ 601,443	\$1,973,899
Number Teams Traveling by Air	87	97	184	73	257
Number Airline Tickets *	3,389	3,144	6,533	2,479	9,012
Number Rental Car Days	2,652	2,465	5,117	2,271	7,388
Amount Spent on Rental Cars	\$ 119,340	\$ 110,925	\$ 230,265	\$ 102,195	\$ 332,460

\* Note: Airline ticket expenditures are not included in Economic Impact as the charges originate outside of our area.

Item	Surf Cup XXV			Girls Cup XII	Totals
	Youngers	Olders	Total		
Visitors to Legoland	353	71	424	89	513
Amount Spent at Legoland	\$ 21,180	\$ 4,260	\$ 25,440	\$ 5,340	\$30,780
Visitors to Sea World	1,272	498	1,770	584	2,354
Amount Spent at Sea World	\$ 76,320	\$ 29,880	\$ 106,200	\$ 35,040	\$141,240
Visitors to Zoo	738	427	1,164	642	1,806
Amount Spent at Zoo	\$ 36,900	\$ 21,350	\$ 58,250	\$ 32,100	\$ 90,350
Visitors to Wild Animal Park	396	83	479	196	675
Amount Spent at Wild Animal Park	\$ 19,800	\$ 4,150	\$ 23,950	\$ 9,800	\$ 33,750

### Average Amount Spent by Each Team Traveling (Excluding Air Fare)

Surf Cup - \$ 12,634.42

Surf Girls Cup - \$ 11,420.88

### Taxes Paid

Tax	Surf Cup XXV	Girls Cup XII	Totals
Transit Occupancy Tax	\$ 167,358	\$ 63,396	\$ 230,754
Sales Tax (Meals)	106,365	46,612	152,977
Sales Tax (Rental Cars)	17,846	7,920	25,766
Sales Tax (Retail)	24,818	9,927	34,745
Total Taxes Paid	\$ 316,387	\$ 127,855	\$ 444,242

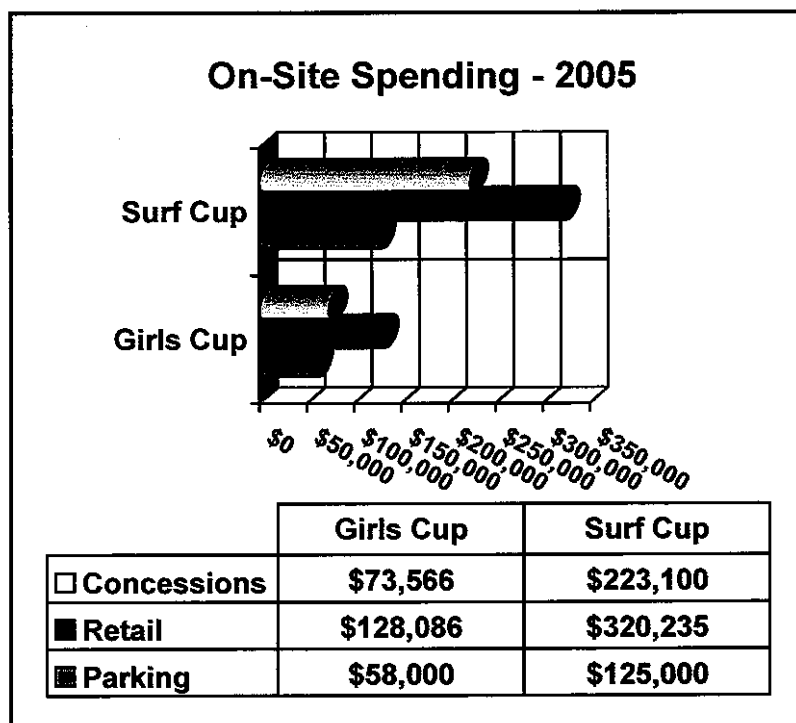
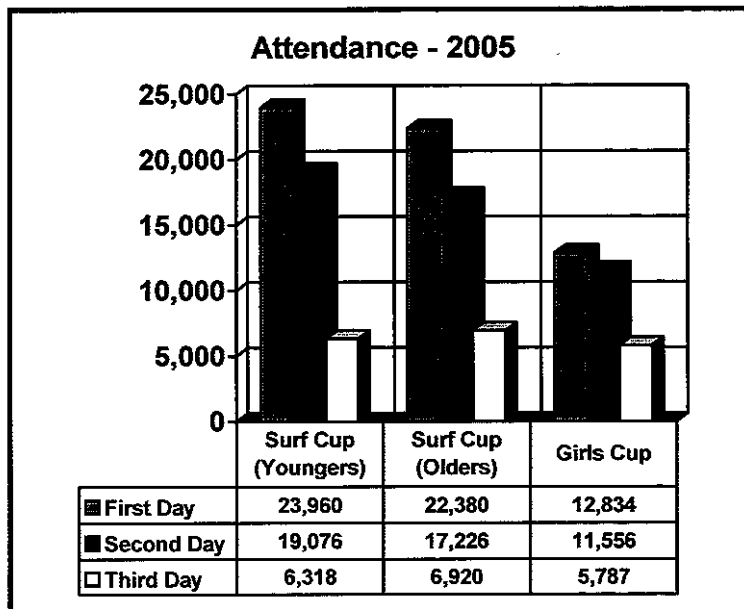
## Attendance and On-Site Spending

Attendance (Turnstile Count):

Surf Cup XXV – 95,880

Girls Cup XII – 30,177

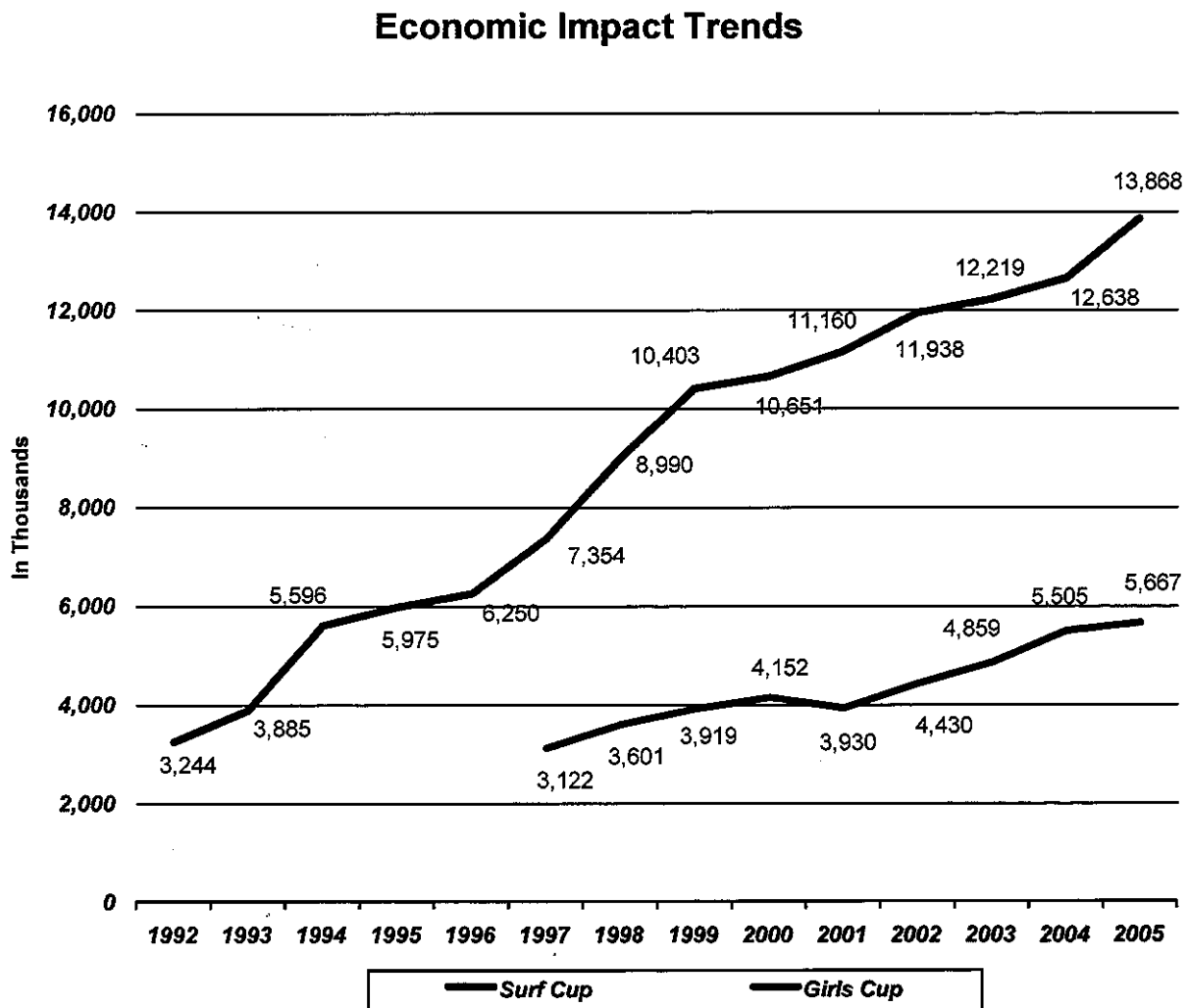
Total for 2005: 126,057



**Total On-Site Spending for 2005: \$ 927,987**

## Trends

Economic Impact Reports have been compiled for the San Diego Surf Cup tournament since 1992. San Diego Surf Girls Cup economic impacts were calculated beginning in 1997.



## Team Information and Profile

### Team participation in Surf Cup XXV for 2005 included:

Canada - 5	Illinois - 14	Ohio-North - 1
Japan - 2	Iowa - 1	Oklahoma - 1
Mexico - 4	Kansas - 1	Oregon - 3
-----	Maryland - 2	Pennsylvania-East - 2
Cal North - 46	Massachusetts - 3	Texas-North - 16
Cal South - 134	Minnesota - 1	Texas-South - 7
Colorado - 15	Nebraska - 1	Utah - 5
Connecticut - 2	Nevada - 8	Virginia - 5
Georgia - 10	New Mexico - 1	Washington - 22
Hawaii - 14	New York-East - 9	Wisconsin - 1

### Team participation in Surf Girls Cup XII for 2005 included:

Australia - 1	Georgia - 1	New Mexico - 3
Canada - 4	Hawaii - 1	Oregon - 2
-----	Idaho - 2	Pennsylvania (East) - 1
Arizona - 11	Illinois - 4	Texas (North) - 3
California (North) - 21	Michigan - 3	Utah - 8
California (South) - 64	Minnesota - 2	Virginia - 1
Colorado - 8	Nevada - 3	Washington - 6
Florida - 1	New Jersey - 1	Wisconsin - 1

Item	Surf Cup XXV		Girls Cup XII
	Youngers	Olders	
Number of Teams	176	160	152
Average Roster Size	15.5	17.1	16.3
San Diego County Teams	25	18	20
Orange & LA County Teams	53	35	43
International Teams	9	2	5
Out of State Teams	104	87	88
State Cup Champions	54	58	49
State Cup Finalists	31	30	27
State Cup Semi-Finalists	28	25	22
Regional Finalists	2	4	4
Regional Champions	4	6	6
National Champions	0	2	3
Farthest Traveler	Japan	Massachusetts & Hawaii	Australia