

# **Economic and Fiscal Impact Analysis for Select Outdoor Sports Tournaments Held in Harford County, Maryland**



**Presented to:**

**Visit Harford!**

**Presented by:**



**Final Report  
March 2016**



March 31, 2016

Mr. Greg Pizzuto, Executive Director  
Visit Harford!  
108 S. Bond Street  
Bel Air, MD 21014

Dear Mr. Pizzuto:

In accordance with our agreement, Crossroads Consulting Services LLC has completed its economic and fiscal impact analysis on select outdoor sports tournaments held in Harford County over the last three years. The report presented herein summarizes our analysis.

The information contained in the report reflects analysis of primary and secondary sources. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. All information provided to us by others was not audited or verified and was assumed to be correct. We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or conditions occurring after the date of this report.

In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by Visit Harford! and may not be relied upon by any third party for any purpose including financing.

Although you have authorized reports to be sent electronically for your convenience, only the final hard copy report should be viewed as our work product.

We have enjoyed working on this engagement and our on-going relationship with Visit Harford! and look forward to the opportunity to provide you with continued service.

Sincerely,

*Crossroads Consulting Services LLC*

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## ECONOMIC AND FISCAL IMPACT ANALYSIS

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### Project Background

Located 25 miles northeast of Baltimore, Harford County is positioned along the shores of the Chesapeake Bay. One of Harford County's objectives is to establish itself as a sports tourism destination and as such it currently hosts a variety of sporting events within the community.

Tournament producers consider both facility attributes (e.g., the number, type, and configuration of fields; spectator seating; parking; patron amenities such as restrooms, concessions, Wi-Fi, etc.) as well as supporting infrastructure in terms of accessibility, hotel supply, and affordability when deciding where to host their events.

Harford County has multiple indoor and outdoor sports facilities that are able to accommodate tournament activity, foster sports tourism, and support the local sports needs of residents. The following provides a brief description of the outdoor facilities that host the majority of baseball/softball, lacrosse, and soccer tournaments in Harford County.

- The Ripken Experience Aberdeen has nine total baseball and softball fields and is the home to Cal Ripken Stadium which has 6,300 seats.
- Cedar Lane Regional Park is a 110-acre multi-sport recreation complex that has 12 natural grass fields and one turf field that can accommodate field hockey, football, lacrosse, and soccer. The same management team operates the 12-field Carsins Run complex.
- The Harford Polo Grounds is used for polo during the summer months and is available in the spring and fall months to host field hockey, lacrosse, and soccer tournaments. A maximum of nine fields can be created at the Harford Polo Grounds.

Major highway access for Harford County is provided by Interstate 95 which runs north/south. Commercial air service is provided by the Baltimore/Washington International Airport, which ranked 22<sup>nd</sup> in the U.S. with more than 11.0 million enplanements in 2014. The Federal Aviation Administration (FAA) defines enplanements as domestic, territorial, and international passengers who board an aircraft in scheduled and non-scheduled service of aircraft. Proximate, convenient air access can be beneficial in accommodating the needs of sporting event promoters/producers, athletes/teams or their VIPs.

Proximity to hotels with multiple service levels and price points is advantageous in attracting competitive sporting events that draw overnight attendees. Harford County currently has 33 hotel/motel properties that offer approximately 2,600 rooms. All of the hotel properties are limited service or economy.

Visit Harford! retained Crossroads Consulting Services LLC (Crossroads) to estimate the economic and fiscal impacts associated with baseball/softball, lacrosse, soccer, and tennis tournaments held in Harford County over the last three years.

## Work Plan

Tasks completed as part of this study effort include, but were not limited to, the following:

- Conducted interviews with stakeholders including, but not limited to, representatives from Visit Harford! and event organizers who produced/hosted outdoor sports tournaments in Harford County over the last three years.
- Analyzed historical data related to outdoor sports tournaments held in Harford County for which data was provided.
- Developed estimates of economic and fiscal impacts associated with outdoor sports tournaments held in Harford County in 2013, 2014, and 2015 based on information provided by Visit Harford! and individual tournament organizers as well as other secondary research.
- Summarized our analysis in a written report.

## General Methodology Overview

An estimate of the economic benefits that occurred in Harford County as a result of hosting outdoor sports tournaments can be approached in several ways. The approach used in this analysis focuses on estimated spending by attendees (which includes both participants and spectators) outside the facility on items such as lodging, food/beverage, retail/shopping, entertainment/recreation, and transportation as the initial measure of economic activity in the marketplace.

Once the amount for direct spending is quantified, a calculated multiplier is applied to generate the indirect and induced effects. The sum of direct, indirect and induced effects equals total economic impact which is expressed in terms of spending (output), employment (jobs), and personal earnings. This analysis also estimates the fiscal impacts (or tax revenues) generated from outdoor sports tournaments held in Harford County.



The number of events and attendance, event mix, estimate of overnight vs. non-overnight attendees, industry trends, economic conditions, direct spending categories used, per person spending amounts, distribution of spending, multipliers, and specific taxes quantified are all variables that influence the economic and fiscal impact estimates.

## **Methodology - Economic Impact Analysis**

Regional input-output models are typically used by economists as a tool to understand the flow of goods and services among regions and measure the complex interactions among them given an initial spending estimate.

### Direct Spending

Estimating direct spending is the first step in calculating economic impact. Direct spending represents the initial change in spending that occurs as a direct result of outdoor sports tournaments held in Harford County. This analysis focuses on estimated spending by attendees (both participants and spectators) outside the facility on items such as lodging, food/beverage, retail/shopping, entertainment/recreation, and transportation. Because all of this spending does not occur in Harford County, adjustments are made to account leakage. This analysis does not consider estimated revenues or expenditures generated from operations of the facilities that host the outdoor sports tournaments or spending by the organizations producing the event, only attendee-related spending outside of the host facility which provides a conservative approach.

### Indirect/Induced Impacts

The economic activity generated by outdoor sports tournaments held in Harford County affects more than just the venue where the event occurs. In preparation for new spending in the economy, several other economic sectors are impacted and jobs are created. Indirect effects reflect the re-spending of the initial or direct expenditures or the business-to-business transactions required to satisfy the direct effect. Induced effects reflect changes in local spending on goods and services that result from income changes in the directly and indirectly affected industry sectors. The model generates estimates of these impacts through a series of relationships using local-level average wages, prices, and transportation data, taking into account commute patterns and the relative interdependence of the economy on outside regions for goods and services.

### Multiplier Effect

In an effort to quantify the inputs needed to produce the total output, economists have developed multiplier models. The estimation of multipliers relies on input-output models, a technique for quantifying interactions between firms, industries and social institutions within a local economy. This analysis uses IMPLAN software and databases which are developed under exclusive rights by the Minnesota IMPLAN Group, Inc. IMPLAN, which stands for Impact Analysis for Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a defined economic area. Its proprietary methodology includes

a matrix of production and distribution data among all counties in the U.S. As such, the advantages of this model are that it is sensitive to both location and type of spending and has the ability to provide indirect/induced spending, employment, and earnings information by specific industry category while taking into account the leakages associated with the purchase of certain goods and services outside the economy under consideration. Once the direct spending amounts are assigned to a logical category, the IMPLAN model estimates the economic multiplier effects for each type of direct new spending attracted to or retained in Harford County as a result of hosting outdoor sports tournaments.

For purposes of this analysis, the following industry multipliers were used:

Summary of Multipliers - Harford County			
Category	Spending	Employment*	Earnings
Hotels	1.3793	15.1	0.4085
Eating & Drinking Places	1.3615	20.8	0.4446
Entertainment	1.5333	26.6	0.4406
Transportation	1.5075	16.0	0.5886
Retail Trade	1.4667	19.7	0.5733

Note: \*indicates the number of jobs per \$1 million in spending.  
Source: IMPLAN.

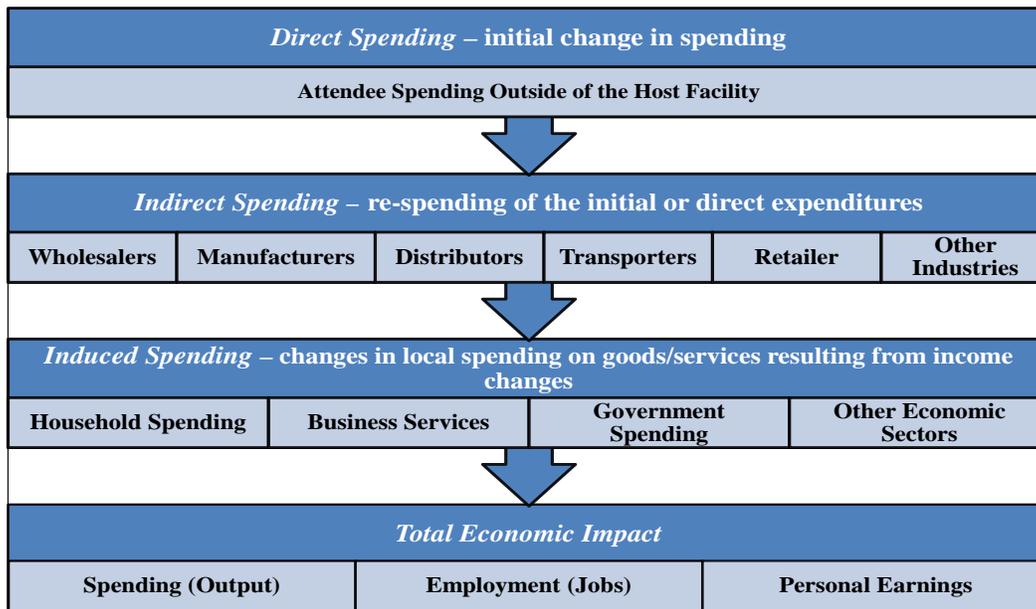
These multipliers reflect IMPLAN's latest available economic data reflecting 2014 transactions and the complex interactions among regions.

### Total Economic Impact

The calculated multiplier effect is then added to the direct impact to quantify the total economic impact in terms of spending, employment, and earnings which are defined below:

- *Spending* (output) represents the total direct and indirect/induced spending effects generated from outdoor sports tournaments held in Harford County. This calculation measures the total dollar change in spending (output) that occurs in the local economy for each dollar of output delivered to final demand.
- *Employment* (jobs) represents the number of full and part-time jobs supported by outdoor sports tournaments held in Harford County. The employment multiplier measures the total change in the number of jobs supported in the local economy for each additional \$1.0 million of output delivered to final demand.
- *Personal Earnings* represent the wages and salaries earned by employees of businesses associated with or impacted by outdoor sports tournaments held in Harford County. In other words, the multiplier measures the total dollar change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.

The following graphic illustrates the multiplier effects for calculating total economic impact.



## Methodology – Fiscal Impact Analysis

The estimated spending generated from outdoor sports tournaments held in Harford County creates tax revenues for Harford County and the State. Although experience in other markets suggests that a significant portion of the direct spending would occur near the host facility, spending also occurs in other areas within the State, particularly such spending as business services and the everyday expenditures of residents. Major tax sources impacted by tournament activity were identified and taxable amounts to apply to each respective tax rate were estimated. This analysis estimates revenues generated from hotel occupancy tax in Harford County as well as State sales/use tax, personal income tax, and corporate income tax.

## Summary of Outdoor Tournament Activity Held in Harford County

Estimating the economic impact of a sporting event is based on the inputs used, primarily those related to the number of participants and spectators attending and the amount that they spend on items outside the facilities where the event occurs.

Visit Harford! reached out to sports organizers that produced/hosted baseball/softball, lacrosse, soccer, and tennis tournaments in Harford County over the last three years. Representatives from Ripken Baseball, which hosted approximately 46 baseball/softball events (including the Cal Ripken World Series) in Harford County over the last three years, responded. Data was also obtained for 10 lacrosse tournaments held in Harford County in 2013 and 12 lacrosse tournaments in both 2014 and 2015 which represented approximately 80% of the target list of tournament organizers for lacrosse. Representatives from Elite Tournaments, which hosted four soccer tournaments in Harford County each of the three profiled years, also responded. None of the tennis tournament organizers who were contacted provided data on their events. As such, the economic and fiscal impacts associated with tennis tournaments held in Harford County could not be calculated as part of this report.



Crossroads analyzed event-specific attributes such as the number of teams, average roster size, number of participants, number of spectators, length of event, etc. for baseball/softball, lacrosse, and soccer tournaments held in Harford County in 2013, 2014, and 2015 for which data was provided. Although this data does not reflect all events held in Harford County, it encompassed boys' and girls' tournaments representing various age groups as well as size, type, and scope.

Although all of the baseball/softball events are held at the Ripken Experience Aberdeen, some lacrosse and soccer tournaments utilize multiple locations to host their event, not just facilities in Harford County. On average, approximately 93% of the teams playing in the lacrosse tournaments and 32% of the teams playing in the soccer tournaments played in Harford County. It is important to recognize that soccer tournaments were impacted by weather in each of the three profiled years. Key inputs used in the economic model only include activity for teams that played at facilities in Harford County. Based on information provided by Visit Harford! and individual tournament organizers, the following tables summarize key event attributes for baseball/softball, lacrosse, and soccer tournaments held in Harford County over the last three years.

For tournament activity, an attendee day is defined as total attendance (including participants and spectators) multiplied by the event length. For example, a three-day tournament with 200 attendees equates to 600 attendee days which reflects that attendees return to the event multiple days.

Baseball/softball tournament activity averaged 46 events and approximately 281,700 attendee days over the last three years (including the Cal Ripken World Series).

Summary of Key Event Attributes - Baseball/Softball Tournaments Held in Harford County						
Category	2013	2014	2015	Average	Percent Change	
					2013-14	2014-15
Total Events*	46	45	46	46	-2%	2%
Total Teams*	1,720	1,774	1,776	1,757	3%	0%
Total Teams Playing in Harford County*	1,720	1,774	1,776	1,757	3%	0%
% Teams Playing in Harford County*	100%	100%	100%	100%	0%	0%
Total Participants Playing in Harford County*	24,100	24,900	24,900	24,600	3%	0%
Total Spectators at Tournaments in Harford County	47,600	49,200	49,200	48,700	3%	0%
Average Spectators Per Participant	2.0	2.0	2.0	2.0	0%	0%
Total Attendance (Participants & Spectators)	71,700	74,100	74,100	73,300	3%	0%
Average Event Length	3.0	3.0	3.0	3.0	0%	0%
Attendee Days - Regular Tournament Activity	214,200	221,400	221,400	219,000	3%	0%
Attendee Days - Cal Ripken World Series*	62,700	62,700	62,700	62,700	0%	0%
Total Attendee Days at Tournaments in Harford County*	276,900	284,100	284,100	281,700	3%	0%

Notes: \* denotes these statistics include activity from the Cal Ripken World Series.

Other categories reflect data/statistics for the non-Cal Ripken World Series tournaments.

Lacrosse tournament activity averaged 11 events and approximately 38,300 total participants and 78,900 total spectators to Harford County for a total of 193,800 attendee days. Although total attendance at lacrosse tournaments increased by 5% in 2015, the average event length was lower resulting in a slight decrease in total attendee days.

Summary of Key Event Attributes - Lacrosse Tournaments Held in Harford County						
Category	2013	2014	2015	Average	Percent Change	
					2013-14	2014-15
Total Events	10	12	12	11	20%	0%
Total Teams	1,807	1,935	2,017	1,920	7%	4%
Total Teams Playing in Harford County	1,667	1,803	1,905	1,792	8%	6%
% Teams Playing in Harford County	92%	93%	94%	93%	1%	1%
Total Participants Playing in Harford County	35,700	38,600	40,500	38,300	8%	5%
Total Spectators at Tournaments in Harford County	73,800	79,400	83,500	78,900	8%	5%
Average Spectators Per Participant	2.1	2.1	2.1	2.1	0%	0%
Total Attendance (Participants & Spectators)	109,500	118,000	124,000	117,200	8%	5%
Average Event Length	1.7	1.7	1.6	1.7	0%	-6%
Total Attendee Days at Tournaments in Harford County	184,400	199,500	197,400	193,800	8%	-1%

Soccer tournament activity averaged two events and approximately 5,500 total participants and 12,600 total spectators to Harford County for a total of 36,200 attendee days. Two tournaments were cancelled in 2013, one in 2014, and three in 2015 due to inclement weather which accounts for the fluctuation in events. Typically, four soccer tournaments are scheduled annually that utilize fields in Harford County.

Summary of Key Event Attributes - Soccer Tournaments Held in Harford County						
Category	2013	2014	2015	Average	Percent Change	
					2013-14	2014-15
Total Events	2	3	1	2	50%	-67%
Total Teams	1,059	1,202	636	966	14%	-47%
Total Teams Playing in Harford County	211	576	127	305	173%	-78%
% Teams Playing in Harford County*	20%	48%	20%	32%	141%	-58%
Total Participants Playing in Harford County	3,800	10,400	2,300	5,500	174%	-78%
Total Spectators at Tournaments in Harford County	8,700	23,800	5,300	12,600	174%	-78%
Average Spectators Per Participant	2.3	2.3	2.3	2.3	0%	0%
Total Attendance (Participants & Spectators)	12,500	34,200	7,600	18,100	174%	-78%
Average Event Length	2.0	2.0	2.0	2.0	0%	0%
Total Attendee Days at Tournaments in Harford County	25,100	68,400	15,100	36,200	173%	-78%

Based on information provided by individual sports organizers as well as other secondary sources, the following table summarizes the estimated number of hotel rooms generated from baseball/softball, lacrosse, and soccer tournaments held in Harford County for the last three years based on the estimated percentage of attendees staying overnight in hotels in Harford and the average number of people per hotel room. It is important to recognize that the estimate of hotel room nights does not include any visitors staying at apartments/condos, with family/friends etc. or any attendees who visit only for the day. On average, baseball/softball tournaments were estimated to generate approximately 52,000 room nights annually in Harford County followed by lacrosse tournaments (29,700) and soccer tournaments (5,500).

Estimated Hotel Room Nights Generated From Outdoor Sports Tournaments Held in Harford County				
Type of Sports Tournament	2013	2014	2015	Average
Baseball/Softball	50,900	52,500	52,500	52,000
Lacrosse	28,300	30,600	30,300	29,700
Soccer	3,800	10,500	2,300	5,500
<b>Total</b>	<b>83,000</b>	<b>93,600</b>	<b>85,100</b>	<b>87,200</b>
<b>% Change</b>		<b>13%</b>	<b>-9%</b>	

## Summary of Economic Impacts Generated from Outdoor Sports Tournaments Held in Harford County

The table below summarizes the estimated economic impacts generated from select baseball/softball, lacrosse, and soccer tournaments held in Harford County over the last three years in terms of direct, indirect/induced and total spending, total jobs, and total earnings and is followed by a discussion of each component.

Estimated Economic Impacts Generated From Baseball/Softball Tournaments Held in Harford County				
Category	2013	2014	2015	Average
<b>Spending</b>				
Direct Spending	\$22,516,000	\$23,324,000	\$23,481,000	\$23,107,000
Indirect/Induced Spending	\$9,724,000	\$10,063,000	\$10,123,000	\$9,969,000
<b>Total Spending</b>	<b>\$32,240,000</b>	<b>\$33,387,000</b>	<b>\$33,604,000</b>	<b>\$33,076,000</b>
<b>Total Jobs</b>	440	450	460	450
<b>Total Earnings</b>	\$10,899,000	\$11,280,000	\$11,344,000	\$11,173,000

Estimated Economic Impacts Generated From Lacrosse Tournaments Held in Harford County				
Category	2013	2014	2015	Average
<b>Spending</b>				
Direct Spending	\$13,576,000	\$14,787,000	\$14,718,000	\$14,360,000
Indirect/Induced Spending	\$5,879,000	\$6,398,000	\$6,363,000	\$6,213,000
<b>Total Spending</b>	<b>\$19,455,000</b>	<b>\$21,185,000</b>	<b>\$21,081,000</b>	<b>\$20,573,000</b>
<b>Total Jobs</b>	270	290	290	280
<b>Total Earnings</b>	\$6,588,000	\$7,166,000	\$7,127,000	\$6,960,000

Estimated Economic Impacts Generated From Soccer Tournaments Held in Harford County				
Category	2013	2014	2015	Average
<b>Spending</b>				
Direct Spending	\$1,845,000	\$5,072,000	\$1,121,000	\$2,682,000
Indirect/Induced Spending	\$800,000	\$2,194,000	\$486,000	\$1,156,000
<b>Total Spending</b>	<b>\$2,645,000</b>	<b>\$7,266,000</b>	<b>\$1,607,000</b>	<b>\$3,838,000</b>
<b>Total Jobs</b>	40	100	20	50
<b>Total Earnings</b>	\$894,000	\$2,459,000	\$544,000	\$1,299,000

### Direct Spending

As mentioned previously, the first step in calculating economic impact is estimating the direct spending generated in Harford County. Direct spending calculated in this analysis relates to attendee spending outside of the host facility before and after the event.

The estimated total attendee days shown earlier in the report were categorized as high-impact tournament attendees (who stayed overnight in a hotel in Harford County) and low-impact tournament attendees (who originated in the area, stayed with family/friends, or traveled to and from Harford County for the event on the same day) and assigned different spending amounts based on data provided by Visit Harford!, Maryland Sports, Tourism Economics, individual tournament organizers, surveys conducted for other clients, and other secondary resources. These spending amounts were then allocated among various spending categories including lodging, eating and drinking places, retail, entertainment/recreation, and transportation.

For purposes of this analysis and based on information provided by individual sports organizers as well as other secondary sources, it was estimated that approximately 66% of attendees at baseball/softball tournaments (excluding the Cal Ripken World Series, which is calculated separately in the analysis) and 46% of attendees at lacrosse and soccer tournaments stayed overnight in hotels in Harford County and spent between \$119 and \$121 per person, per day during the profiled three-year period. This spending amount is comprised of the average daily rate (ADR) for April through November in Harford County (which is when the majority of outdoor sports tournament activity occurs) divided by an average of three people per room which equates to per person, per day lodging-related spending amounts of \$29 in 2013, \$30 in 2014, and \$31 in 2015 in addition to an average of \$90 per person, per day for non-lodging related spending. The remaining attendees were categorized as low impact and were estimated to spend an average of \$35 per person, per day.

Based on these assumptions, the following table summarizes direct spending related to outdoor sports tournaments held in Harford County for the profiled three-year period.

<b>Estimated Direct Spending Generated From Outdoor Sports Tournaments Held in Harford County</b>				
<b>Type of Sports Tournament</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Average</b>
Baseball/Softball	\$22,516,000	\$23,324,000	\$23,481,000	\$23,107,000
Lacrosse	\$13,576,000	\$14,787,000	\$14,718,000	\$14,360,000
Soccer	\$1,845,000	\$5,072,000	\$1,121,000	\$2,682,000
<b>Total</b>	<b>\$37,937,000</b>	<b>\$43,183,000</b>	<b>\$39,320,000</b>	<b>\$40,149,000</b>

These spending amounts are considered direct spending and serve as the basis for the multiplier analysis. Direct spending amounts were assigned logical industry categories and relevant multipliers were applied to these amounts in order to calculate estimates for total spending, jobs, and earnings.

### Indirect/Induced Spending

The IMPLAN model is used to generate the indirect and induced impacts spawned from the estimated economic activities within the area. The indirect impacts represent inter-industry trade from business to business. Likewise, the induced impacts represent the economic activity spurred by the household trade that occurs when employees make consumer purchases with their incomes. According to the IMPLAN model, indirect/induced spending spurred from outdoor sports tournaments held in Harford County was estimated to average \$10.0 million from baseball/softball tournaments, \$6.2 million from lacrosse tournaments, and \$1.2 million from soccer tournaments during the profiled three-year period.

### Total Spending

Outputs from the IMPLAN model indicate that total (i.e., direct, indirect and induced) spending generated from outdoor sports tournaments held in Harford County was estimated to average \$33.1 million from baseball/softball tournaments, \$20.6 million from lacrosse tournaments, and \$3.8 million from soccer tournaments during the profiled three-year period. Dividing the total impacts by the direct impacts yields an economic multiplier of approximately 1.43. Thus, every dollar of direct spending is estimated to generate \$1.43 in total economic activity.

### Total Jobs

Based on the IMPLAN model, which calculates the number of jobs per \$1.0 million in direct spending, the economic activity associated with outdoor sports tournaments held in Harford County was estimated to support an average of 450 total jobs from baseball/softball tournaments, 280 total jobs from lacrosse tournaments, and 50 total jobs from soccer tournaments during the profiled three-year period. These jobs are created in many sectors of the economy, which both directly and indirectly support the increased level of business activity in the area.

### Total Earnings

Outputs from the IMPLAN model indicate that total earnings generated from outdoor sports tournaments held in Harford County was estimated to average \$11.2 million from baseball/softball tournaments, \$7.0 million from lacrosse tournaments, and \$1.3 million from soccer tournaments during the profiled three-year period.

## Summary of Fiscal Impacts (Tax Revenues) Generated from Outdoor Sports Tournaments Held in Harford County

The table below summarizes the estimated tax revenues generated from baseball/softball, lacrosse, and soccer tournaments held in Harford County over the last three years. In 2015, hotel occupancy tax revenues were estimated to be \$293,000 from baseball/softball tournaments, \$169,000 from lacrosse tournaments and \$13,000 from soccer tournaments.

Estimated Fiscal Impacts Generated From Baseball/Softball Tournaments Held in Harford County				
Municipality/Tax	2013	2014	2015	Average
<b>Harford County</b>				
Hotel Occupancy Tax			\$293,000	\$293,000
Total			\$293,000	\$293,000
<b>State of Maryland</b>				
Sales and Use Tax	\$1,302,000	\$1,349,000	\$1,361,000	\$1,337,000
Personal Income Tax	412,000	426,000	429,000	422,000
Corporate Income Tax	90,000	93,000	94,000	92,000
Total	\$1,804,000	\$1,868,000	\$1,884,000	\$1,851,000
<b>GRAND TOTAL</b>	<b>\$1,804,000</b>	<b>\$1,868,000</b>	<b>\$2,177,000</b>	<b>\$2,144,000</b>

Estimated Fiscal Impacts Generated From Lacrosse Tournaments Held in Harford County				
Municipality/Tax	2013	2014	2015	Average
<b>Harford County</b>				
Hotel Occupancy Tax			\$169,000	\$169,000
Total			\$169,000	\$169,000
<b>State of Maryland</b>				
Sales and Use Tax	\$782,000	\$853,000	\$850,000	\$828,000
Personal Income Tax	249,000	271,000	269,000	263,000
Corporate Income Tax	54,000	59,000	59,000	57,000
Total	\$1,085,000	\$1,183,000	\$1,178,000	\$1,148,000
<b>GRAND TOTAL</b>	<b>\$1,085,000</b>	<b>\$1,183,000</b>	<b>\$1,347,000</b>	<b>\$1,317,000</b>

Estimated Fiscal Impacts Generated From Soccer Tournaments Held in Harford County				
Municipality/Tax	2013	2014	2015	Average
<b>Harford County</b>				
Hotel Occupancy Tax			\$13,000	\$13,000
Total			\$13,000	\$13,000
<b>State of Maryland</b>				
Sales and Use Tax	\$106,000	\$293,000	\$65,000	\$155,000
Personal Income Tax	34,000	93,000	21,000	49,000
Corporate Income Tax	7,000	20,000	4,000	10,000
Total	\$147,000	\$406,000	\$90,000	\$214,000
<b>GRAND TOTAL</b>	<b>\$147,000</b>	<b>\$406,000</b>	<b>\$103,000</b>	<b>\$227,000</b>

Note: Hotel Occupancy Tax became effective in March 2015.

The following outlines significant assumptions utilized in this fiscal impacts analysis.

## Harford County

*Hotel Occupancy Tax* – Beginning in March of 2015, Harford County began levying a 6% hotel occupancy tax on the rent paid for use or occupancy of a room in a hotel in the County. For purposes of this analysis, the 6% hotel occupancy tax rate was applied to 100% of the estimated direct hotel spending generated from outdoor sports tournament held in Harford County in 2015.

## State of Maryland Taxes

This analysis estimates the amount of sales and use tax, personal income tax, and corporate income tax generated from outdoor sports tournaments held in Harford County. While other taxes may be positively impacted by the event, they are not quantified in this analysis.

In general terms, all State tax proceeds are collected in the State's General Fund and then allocated to variety of program areas, such as education, transportation, public safety, and others. As such, individual revenue sources, such as the sales and use tax, are not designated to fund specific programs. As a result of this process, municipalities and counties may benefit from a variety of State and locally administered programs. For purposes of this analysis, only collections have been quantified, without regard as to how these funds are ultimately spent through the individual State departments/funds.

The following describes the primary State-level taxes quantified in this analysis based on information obtained from the State of Maryland Comptroller.

*Sales and Use Tax* – The State of Maryland collects a sales and use tax from sales and leases of tangible personal property and services throughout the State. Sales and use tax is uniform throughout the State at 6%. For purposes of this analysis, the tax rate was applied to estimated taxable direct and indirect/induced spending at the State level generated from outdoor sports tournaments held in Harford County.

*Personal Income Tax* – The State of Maryland imposes a personal income tax assessed against personal income earned in the State. The State income tax is a graduated rate ranging from 2.0% to 5.75% of taxable income. Non-residents are subject to a special nonresident tax rate of 1.25% in addition to the State income tax rate. This tax source is the State's largest single source of general fund revenue. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an effective tax rate of 3.78% was calculated based on the federal adjusted gross income and the total personal income tax paid to the State in 2014 (the most recent year for which data was available). This effective tax rate was applied to total earnings estimated to be generated from outdoor sports tournaments held in Harford County.

*Corporate Income Tax* – A corporate income tax of 8.25% of corporate federal taxable income adjusted by State modifications is also levied by the State of Maryland on corporations. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an effective tax rate of 0.28% was calculated based on the Gross State Product and the total corporate income tax paid to the State in 2013 (the most recent year for which data was available). This effective tax rate was applied to total spending estimated to be generated from outdoor sports tournaments held in Harford County.