

2002 Olympic Winter Games

**Economic, Demographic
and Fiscal Impact**

**Presented By:
Governor's Office of Planning and Budget
September 25, 1998**

Presentation Summary

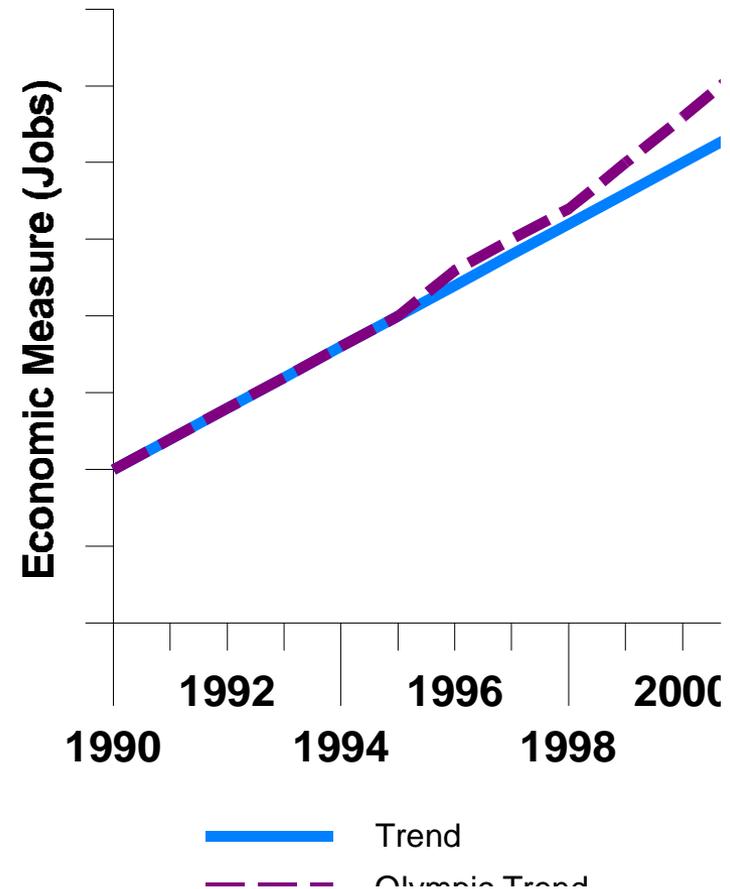
- P Provide Background**
- P Share Methods and Limitations**
- P Present Findings**
- P Highlight Fiscal Impacts to State Government**

Background

- P Planning document – projections for planning, not precise accounting**
- P Work in progress – still many unknowns**
- P Update of 1994 and earlier work**
- P Will be updated several times before the Games**
- P Estimated costs of public services included for first time**

Methods

- P** Estimate the difference between the trend without the Olympics and with the Olympics
- P** Impact results from new money entering the Utah economy
- P** Economic benefits are partially offset by displacement in the economy (skiers during the Games)
- P** Government revenues are estimated based on historic relationships between tax collections and economic growth
- P** Government expenditures are



Limitations

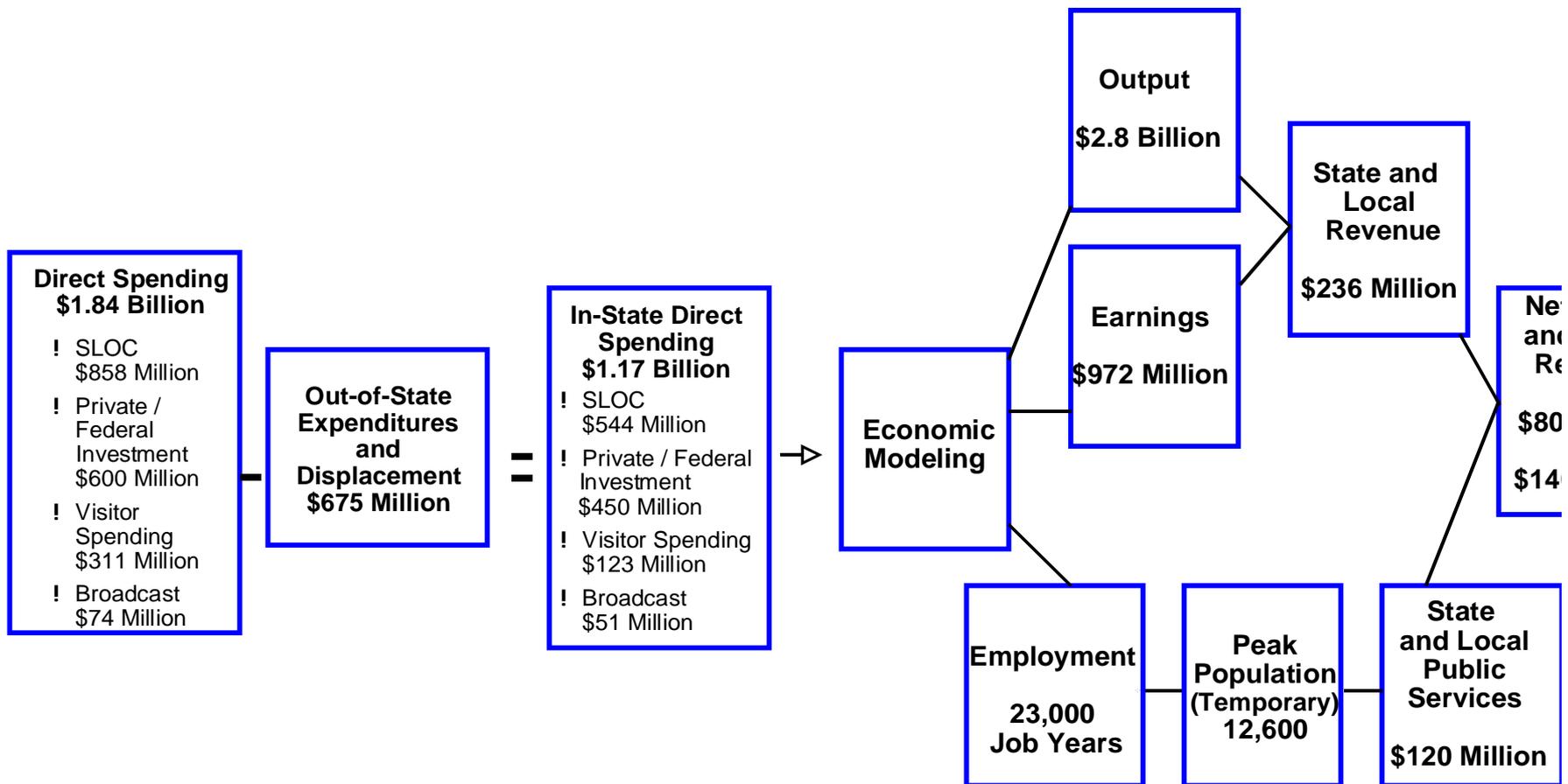
- P No evaluation of environmental or social impacts**
- P Long term benefits to the economy, in general, and the tourism sector, in particular, not assessed**
- P Impacts on individual communities are not yet analyzed, but a preliminary report is scheduled for**

Key Findings

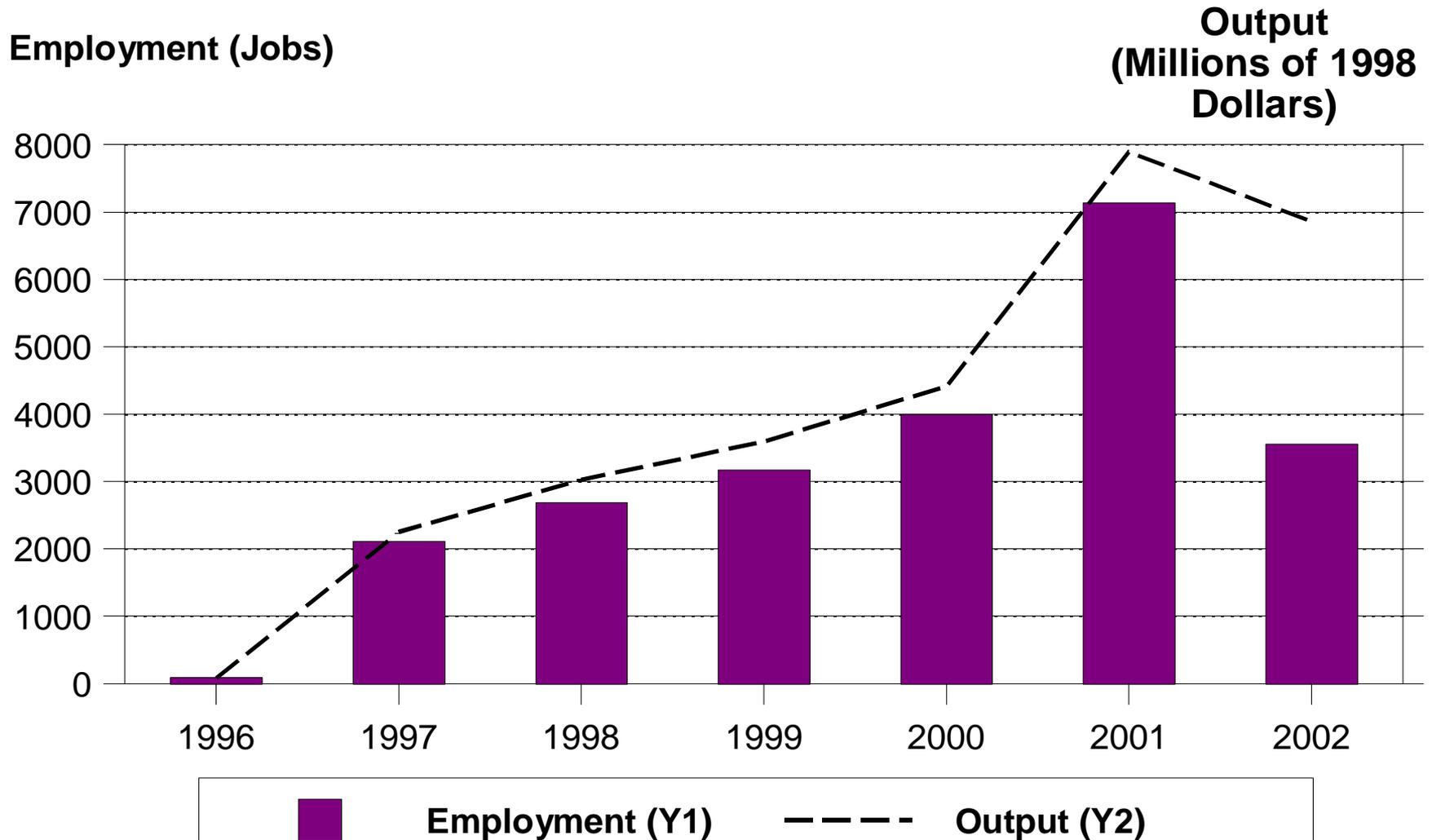
- P The 2002 Olympic Winter Games are Good for Utah and Utahns Financially**
 - ▶ **\$2.8 billion in economic output**
 - ▶ **23,000 job years of employment**
 - ▶ **\$972 million in income to Utah workers and business owners**
 - ▶ **After public safety and other services have been paid, state and local governments will have \$80 million to \$140 million in new revenue to invest in schools, streets, parks, and human services**
- P Impacts started in 1996 and will continue through 2002; the peak year is 2001**
- P The largest sources of impact are the Organizing Committee's expenditures and private/federal investment**
- P The impacts benefit a wide array of industries, but are particularly significant in the construction, service, and tourism industries**
- P There is no evidence based on research from Calgary and**

Economic, Demographic, and Fiscal Impacts

2002 Olympic Winter Games

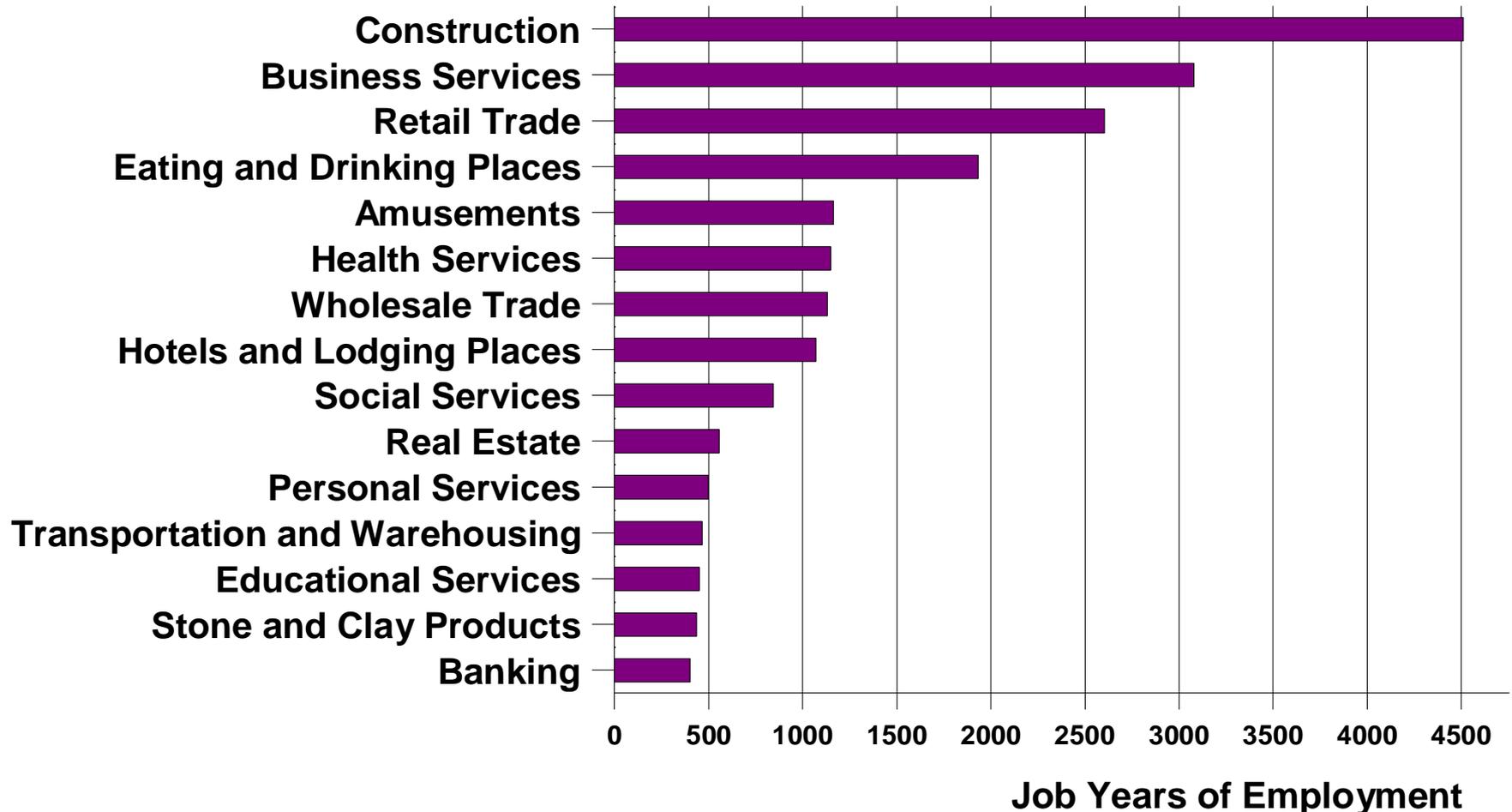


Employment and Output



Employment

Top 15 Detailed Industries



Olympic-Related Local Revenues

P Sales Taxes

- ▶ **Local Option - 1%**
- ▶ **County Option - 0.25%**
- ▶ **Resort Communities - 1% (Park City)**
- ▶ **Public Transit - 0.25%**
- ▶ **Transient Room - 3%**
- ▶ **Municipal Transient Room Tax - up to 1 1/2%**
- ▶ **Restaurant - 1%**
- ▶ **Car Rental - up to 7%**
- ▶ **Room Rental - 1/2%**
- ▶ **Zoo, Arts, and Parks - 1/10 of 1% (Salt Lake County)**

P Property Taxes

P Charges

Summary of Olympic Related State Services

- P** The projected additional tax revenues from the Games are more than sufficient to compensate the State for the cost of required services
- P** The estimates are preliminary and will be refined if and when more information is available
- P** The estimates represent the additional net revenue and direct service impacts from the Games
- P** Approval for all related expenditures will go through a formal state budgetary process

State Agency Services and Estimated Budgetary Impact

- P Several state agencies have already entered into contracts with SLOC**
- P There are many services the state must provide, which are not directly requested by SLOC**
- P \$28.1 Million = Estimated cost for direct state services**
- P \$47.4 Million = Estimated revenues collected by the state from Games related activity**

State Services Requested by SLOC

Contracts are created between SLOC and state agencies provide specific services or exclusive use of state facilities

- P Winter Sports Park (Bobsled, Luge)**
- P Oquirrh Park (Skating Oval)**
- P Soldier Hollow (Cross-Country, Biathlon)**
- P University of Utah - Student Housing (Athlete Village)**
- P University of Utah - Rice Stadium (Ceremonies)**

Required State Services Not Requested by SLOC

Preliminary Estimation of Cost for State Services
\$28.1 million

- P Public Safety**
- P Public Health**
- P Workplace and Labor Safety**
- P Transportation**
- P Economic Development**
- P State Park Winter Operations**