



# ECONOMIC AND FISCAL IMPACT STUDY

April 2019





April 24, 2019

Mr. Michael Freimuth  
Executive Director  
Capital Region Development Authority  
100 Columbus Boulevard, Suite 500  
Hartford, CT 06103-2819

Dear Mr. Freimuth:

Stone Planning LLC has completed its analysis of the XL Center's estimated historical and future economic and fiscal impacts. The attached report presents the results of our research, analysis, findings, and conclusions.

The analyses presented in this report are based on estimates, assumptions, and other information developed from industry research, data provided by the CRDA, Spectra, and others, interviews with local and industry stakeholders, and analysis of other facilities and markets. The sources of information and the basis of assumptions, estimates, and forecasts are stated in this report. Unanticipated events and circumstances may occur and therefore, actual results may vary from those presented in this report.

The findings presented are based on analysis of present and near-term conditions in the Hartford area. Any significant changes in the characteristics of the local community, such as change in population, corporate inventory, and/or competitive facilities, could materially impact conclusions and estimates developed in this study. As in all studies of this type, the estimated results are based on continued competent and efficient management of the facility and assume that no significant changes in the event markets or assumed immediate and local area market conditions will occur beyond any set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

This report has been prepared for use by the CRDA, and should not be relied upon by any other party. The report has been structured to provide research, conclusions, and forecasts to strategically plan for the future of the XL Center and should not be used for any other purpose. This report and its findings may not be included or reproduced in any public offering statement or other financing document.

We appreciate the assistance and cooperation that has been provided in the completion of this report, and have enjoyed working with you. Should you need anything else, please let us know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stone Planning", written over a light blue horizontal line.

**Stone Planning LLC**





## EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

Stone Planning LLC was engaged to complete an economic and fiscal impact study of the XL Center's historical operations and its projected future operations following a potential \$100-million transformation of the arena. Stone Planning is a Chicago-based consulting firm that specializes in the planning and operations of sports, entertainment, and other public-assembly venues. In general, this independent analysis is aimed at understanding the scale of benefits captured by the City of Hartford and State of Connecticut by the presence and operations of the facility, and the incremental benefits that could accrue to the two areas based on the potential transformation plan.

In preparing these estimates, we completed the following major tasks:

- Analysis of detailed past XL Center operations, including its events and attendance, revenues and expenses, characteristics of ticket buyers and attendees,
- Analysis of detailed forecasts of future facility operations,
- Met with and interviewed CRDA staff and board members, facility management, local businesses, and other stakeholders, and
- Analysis of other relevant data related to past facility operations, including spending for past renovations, taxes paid, and others.

This executive summary provides an overview of the analyses that appear in the full report.

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### The XL Center and its Historical Operations

The XL Center is the primary indoor public-assembly venue in Hartford, and the largest arena in Connecticut (with a maximum capacity of more than 15,000). It originally opened in 1975 and is owned by the City of Hartford and operated by the Capital Region Development Authority (CRDA), a quasi-public State agency. Spectra Venue Management manages the facility, pursuant to a contract with the CRDA. The arena is the home of the AHL's Hartford Wolf Pack and the University of Connecticut's hockey program, and the part-time home of UConn men's and women's basketball. It also hosts a wide range of other sports, entertainment, community, and other events.

The 2017-18 fiscal year is the most recently-completed year of facility operations and is the year that is considered for our estimates of historical impacts. The facility's ticketed events and attendance for the year are shown below. (We do not include a relatively small number of other events and attendees in our impact analysis, as they are not thought to generate significant impacts to the facility or surrounding community. Including all events, the XL Center hosted 116 events and more than 470,000 attendees in 2017-18.)



### 2017-18 XL CENTER TICKETED EVENTS AND ATTENDANCE

	# of Events	Avg. Atten.	Total Atten.
Wolf Pack	38	3,312	125,858
UConn MBB	8	7,192	57,539
UConn WBB	7	9,043	63,300
UConn Hockey	17	3,004	51,070
Concerts	5	10,513	52,565
Family Shows	16	3,933	62,926
<b>Total</b>	<b>91</b>		<b>413,258</b>

Source: XL Center

In the last five years, the XL Center has undergone a number of improvements totaling nearly \$45 million. Most of this investment (\$33.5 million) took place in 2014-15 and is the portion that is considered for the renovation-related impacts to the City and State.

### Assumed Transformation Plan and Future Operations

An investment of \$100 million in improving the XL Center is being contemplated. The following table summarizes the forecasted number of ticketed events and attendance for the facility's first year following completion of the transformation. The future projection includes a category of other sporting events, which includes collegiate and high school tournaments, professional wrestling, mixed martial arts, and other competitions (none of which were held in 2017-18).

### FUTURE XL CENTER TICKETED EVENTS AND ATTENDANCE

	# of Events	Avg. Atten.	Total Atten.
Wolf Pack	38	3,754	142,655
UCONN MBB	10	8,467	84,675
UCONN WBB	10	8,113	81,126
UCONN Hockey	10	3,683	36,828
Concerts	5	12,192	60,958
Family Shows	28	3,713	103,964
Other Sports	19	5,425	103,066
<b>Total</b>	<b>120</b>		<b>613,272</b>

Source: Stafford Sports

The number of events is projected to increase from the current 91 to 120, and attendance is projected to increase from approximately 413,000 to 613,000.

### Summary of Past and Future Economic and Fiscal Impacts

Based on the XL Center's actual historical and projected future operations, characteristics of event attendees, and other assumptions, the following table compares the estimated past economic and fiscal impacts to those following the transformation plan.



**ESTIMATED PAST AND FUTURE ECONOMIC AND FISCAL IMPACTS**

	2017-18			Post-Transformation			Incremental Net Impacts	
	Gross	Net		Gross	Net		To Hartford	To CT
		To Hartford	To CT		To Hartford	To CT		
Total Direct Spending	\$18,949,000	\$17,851,000	\$7,190,000	\$32,994,000	\$31,061,000	\$13,920,000	\$13,210,000	\$6,730,000
Total Indirect Spending		\$6,342,000	\$6,160,000		\$11,098,000	\$11,995,000	\$4,756,000	\$5,835,000
<b>Total Spending - Direct and Indirect</b>		<b>\$24,193,000</b>	<b>\$13,349,000</b>		<b>\$42,159,000</b>	<b>\$25,914,000</b>	<b>\$17,966,000</b>	<b>\$12,565,000</b>
Room Nights	17,200	16,400	8,300	29,800	28,300	18,600	11,900	10,300
Total Jobs (Full-Time Equivalent)		44	218		52	261	9	43
Total Earnings		\$1,950,000	\$11,052,000		\$2,407,000	\$13,424,000	\$457,000	\$2,372,000
Fiscal Impacts								
Admissions Tax	\$880,000	--	\$880,000	\$1,391,000	--	\$1,391,000	--	\$511,000
Sales & Use Tax	\$567,000	--	\$176,000	\$1,081,000	--	\$332,000	--	\$156,000
Excise Tax	\$20,000	--	\$20,000	\$51,000	--	\$51,000	--	\$31,000
Hotel Tax	\$308,000	--	\$150,000	\$533,000	--	\$329,000	--	\$179,000
Personal Income Tax	\$296,000	--	\$264,000	\$376,000	--	\$335,000	--	\$71,000
Payroll Tax	\$514,000	--	\$458,000	\$633,000	--	\$564,000	--	\$106,000
CT Athletes and Entertainer Tax	\$110,000	--	\$110,000	\$154,000	--	\$154,000	--	\$44,000
Reduced Operating Subsidy	--	--	--	\$2,996,000	--	\$2,996,000	--	\$2,996,000
<b>Total</b>	<b>\$2,695,000</b>	<b>--</b>	<b>\$2,058,000</b>	<b>\$7,215,000</b>	<b>--</b>	<b>\$6,152,000</b>	<b>--</b>	<b>\$4,094,000</b>
Construction Impacts*								
Net Labor Expenditures		\$925,000	\$10,083,000		\$2,832,000	\$30,880,000	\$1,907,000	\$20,797,000
Employment		15	173		46	529	31	356
Purchases of Materials and Services		\$2,900,000	\$33,878,000		\$8,883,000	\$103,755,000	\$5,983,000	\$69,877,000

\*Past construction impacts are from 2014-15 improvements.  
Source: Stone Planning

Based on the assumed increase in events and attendance at the XL Center following the transformation, the economic and fiscal impacts from operations are expected to increase. This includes spending (within the arena and throughout the City and State), room nights, jobs and earnings captured by City and State residents, and a combination of new State tax revenues and decreased State costs. Construction of the transformation project will also increase spending, jobs, and income to City and State companies and workers.

This report focuses on the past and future impacts of the XL Center, and the resulting anticipated incremental changes following the planned transformation. While we have not directly addressed the effects of closing the XL Center per se, the calculated historical impacts to Hartford and Connecticut would generally be lost should the facility close. It is possible that some of the impacts would be redirected to other areas of the City and State economy, but the XL Center is a unique asset that would not be directly replaced within the State.





## THE XL CENTER



## THE XL CENTER

This section summarizes the XL Center’s major characteristics, including an overview of past operations and assumed future operations. These characteristics will generally serve as the basis of our economic and fiscal impact calculations in the following section.

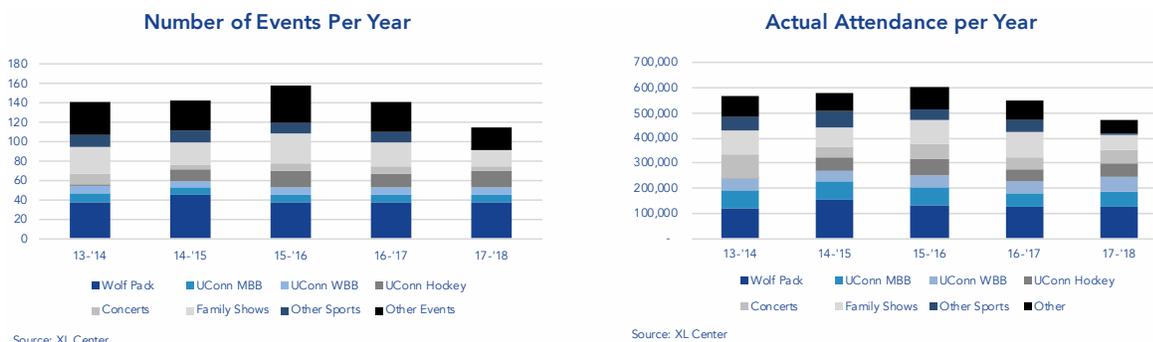
### Past XL Center Operations and Recent Renovations

The XL Center is the primary indoor public-assembly venue in Hartford, and the largest arena in Connecticut (with a maximum capacity of more than 15,000). It originally opened in 1975 and is owned by the City of Hartford and operated by the Capital Region Development Authority (CRDA), a quasi-public State agency. Spectra Venue Management manages the facility, pursuant to a contract with the CRDA. The arena is the home of the AHL’s Hartford Wolf Pack and the University of Connecticut’s hockey program, and the part-time home of UConn men’s and women’s basketball. It also hosts a wide range of other sports, entertainment, community, and other events.

In addition to the arena seating and the 25,000-square foot event floor, the XL Center currently has 42 luxury suites, ten loge boxes, the Coliseum Club, 69,000 square feet of exhibition space, and other assembly/meeting rooms.

### Events and Attendance

The following charts show the arena’s events and attendance for its last five fiscal years, through June 2018.



The XL Center has hosted approximately 115 to 160 total events per year in recent years. The largest share of events is typically Wolf Pack games (38 regular-season games plus potential playoff games), in addition to an average of approximately eight UConn men’s basketball games, seven UConn women’s basketball games, and 15 UConn hockey games (not including 2013-14, when just one UConn hockey game was at the arena). The number of concerts has ranged from five to 11, and family shows have ranged from 16 to 30. “Other” events, which include trade shows, graduations, and other similar events, have ranged from 23 to 38 in the last five years.



Changes in attendance have generally correlated with changes in event levels. Total attendance reached a five-year high in 2015-16 (604,000) and its low in 2017-18 (470,000).

The following table shows the number of ticketed events and attendance for the 2017-18 fiscal year, which is the historical year considered in the economic impact analysis. For the purposes of the analysis, we focus on the ticketed events, which generally have greater attendance and financial implications to the facility and city. The arena’s “other” events, including smaller and/or private events such as high school graduations, small trade shows, and others, are not thought to generate significant impacts.

<b>2017-18 XL CENTER TICKETED EVENTS AND ATTENDANCE</b>			
	<b># of Events</b>	<b>Avg. Atten.</b>	<b>Total Atten.</b>
Wolf Pack	38	3,312	125,858
UConn MBB	8	7,192	57,539
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Family Shows	16	3,933	62,926
<b>Total</b>	<b>91</b>		<b>413,258</b>

Source: XL Center

### **Revenues and Expenses**

The following table summarizes the XL Center’s revenues and expenses for the 2017-18 fiscal year.

<b>2017-18 XL CENTER REVENUES AND EXPENSES (\$000s)</b>	
Direct Event Income	(\$191)
Ticketing Fees and Revenue	\$1,469
Net Ancillary Income	\$1,130
<b>Event Operating Income</b>	<b>\$2,408</b>
Indirect Expenses	(\$6,467)
Premium Sales/Advertising	\$1,731
<b>Total Arena Income</b>	<b>(\$2,328)</b>
Hockey Operations	(\$523)
<b>Net Income (Loss)</b>	<b>(\$2,851)</b>

Source: XL Center

While all arena revenues and expenses are summarized above, these amounts are not necessarily those used for the economic impact analysis. This is described in more detail in the following section.



## Recent Renovations

In the last five years, the XL Center has undergone a wide range of improvements, including a new video board, chiller and ice rink, retractable seating, infrastructure, and many others. The annual amounts, totaling nearly \$45 million, are summarized below by year and the majority of improvements took place in 2014-15. In the economic impact analysis, we separately identify actual amounts paid to vendors based in the City and State (as these are considered to be the City- and State-level impacts).

RECENT XL CENTER CAPITAL IMPROVEMENTS (\$000s)	
2014-15 Total	\$33,452
2016-17 Total	5,771
2018 Total	5,618
<b>TOTAL</b>	<b>\$44,840</b>

Source: CRDA

## Post-Transformation Operations

### Events and Attendance

The following table summarizes the projected post-transformation number of events and attendees for the XL Center. In addition to the event categories included for the past operations, the future operations also include an Other Sports category, which includes events such as collegiate and high school tournaments, professional wrestling, mixed martial arts, and other competitions (none of these events were held in 2017-18).

FUTURE XL CENTER TICKETED EVENTS AND ATTENDANCE			
	# of Events	Avg. Atten.	Total Atten.
Wolf Pack	38	3,754	142,655
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<b>Total</b>	<b>120</b>		<b>613,272</b>

Source: Stafford Sports

The total number of ticketed events is projected to increase from 91 to 120, and attendance is projected to increase to approximately 613,000 from 413,000.



## Revenues and Expenses

The following table summarizes the XL Center’s projected revenues and expenses for its first fiscal year following completion of the transformation. (Major revenue and expense categories vary from those used for historical operations but have been analyzed in detail for the purposes of economic impacts.)

### **FUTURE XL CENTER REVENUES AND EXPENSES (\$000s)**

Total Revenues	\$10,062
Total Expenses	\$9,497
<b>Net Operating Income</b>	<b>\$565</b>
Arena Management Fees	\$420
<b>Net Operating Income before Debt Service and Capital Reserve</b>	<b>\$145</b>

Source: Stafford Sports





## DOWNTOWN BUSINESS SURVEY



This section includes results of a survey of local businesses regarding the impact of the XL Center on their business, as well as feedback provided in other meetings by business representatives and other local stakeholders. Survey results will inform specific assumptions of the economic impact analysis in the following section, and they also provide an additional set of quantitative and qualitative information regarding the impact and importance of the XL Center to local businesses.

## LOCAL BUSINESS SURVEY

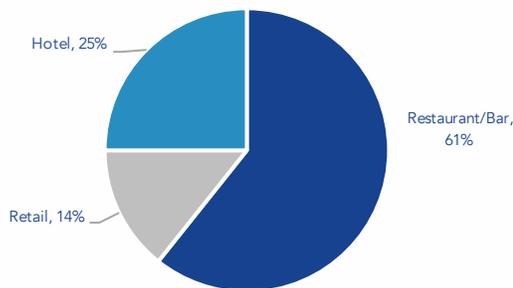
With cooperation from Business for Downtown Hartford, we conducted a survey of BFDH's membership regarding the impact of the XL Center's operations and events on their businesses. This section analyzes the results of the surveys (questions did not require an answer, and therefore not all respondents provided a response to every question).



### Type of Business

The first question asked what type of business the respondents represent.

Respondents by Type of Business



Source: Stone Planning survey

The majority (more than 60 percent) of respondents were restaurants and bars, followed by hotels (25 percent) and retail businesses (14 percent).

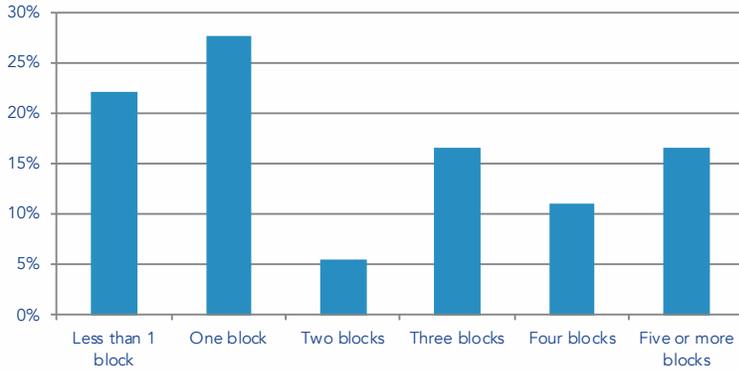
Each business was then asked a set of questions that are specific to its business type, as described below.

### Restaurants and Bars

#### Business Characteristics

Responding restaurants and bars were first asked to provide their distance from the XL Center, as shown below.

### Restaurants/Bars - Distance from XL Center



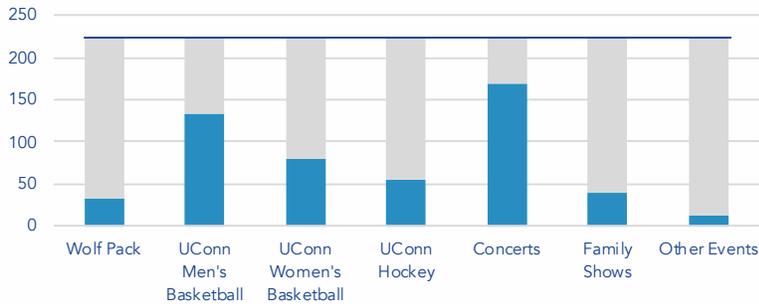
Source: Stone Planning survey

More than half of the restaurants and bars are one block or less from the XL Center, and others are as much as five or more blocks from the arena.

### XL Center Impacts

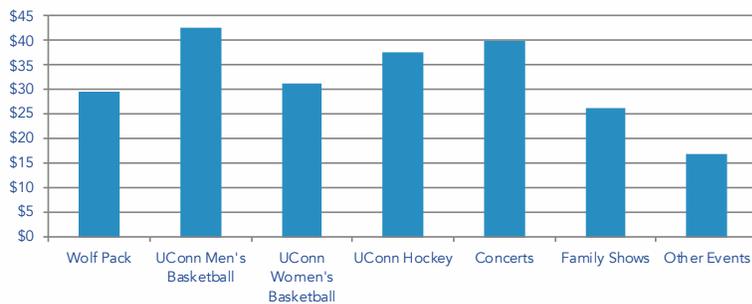
The following questions asked respondents to provide information regarding how their operations are impacted by XL Center attendees on event days/nights. The results are summarized below.

### Restaurants/Bars - Estimated # of Event Attendees Served and Avg. Capacity



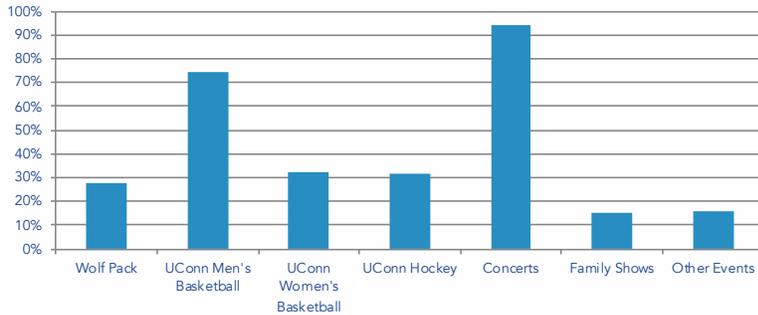
Source: Stone Planning survey

### Restaurants/Bars - Estimated Per-Person Event Attendee Spending



Source: Stone Planning survey

Restaurants/Bars - Estimated Increase in Sales on Event Days/Nights

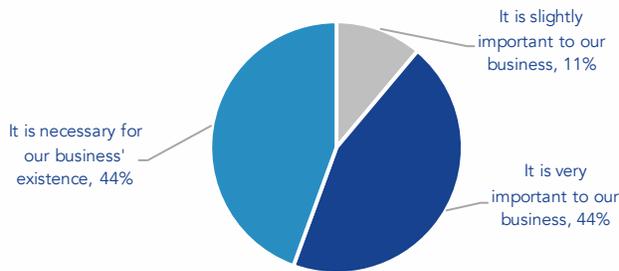


Source: Stone Planning survey

- Event attendees served and capacity – the average restaurant/bar that responded to the survey has a capacity of approximately 225 customers (with a range from 45 to 500). According to the responses, concerts attracted the largest numbers of attendees to the restaurants and bars, followed by UConn men’s basketball, women’s basketball, and hockey. Events such as the Wolf Pack, family shows, and other events drew relatively few customers to the downtown restaurants and bars, according to the responses.
- Customer spending – according to estimates provided by respondents, the average UConn men’s basketball attendee spent the most at restaurants and bars (more than \$40), followed by concerts, UConn hockey, UConn women’s basketball, and Wolf Pack attendees (approximately \$30 to \$40 each). These spending estimates are only based on event attendees that are served at the downtown bars and restaurants (which does not represent all event attendees), and not an average across all attendees.
- Businesses’ increase in sales on event days/nights – consistent with other responses, bars and restaurants, on average, experience the greatest percentage increase in sales (compared to a similar non-event day/night) from concerts and UConn men’s basketball games.

The next question for responding restaurants was to rate the importance of the XL Center to the business’ success and profitability.

### Restaurants/Bars - Importance of XL Center to Success and Profitability



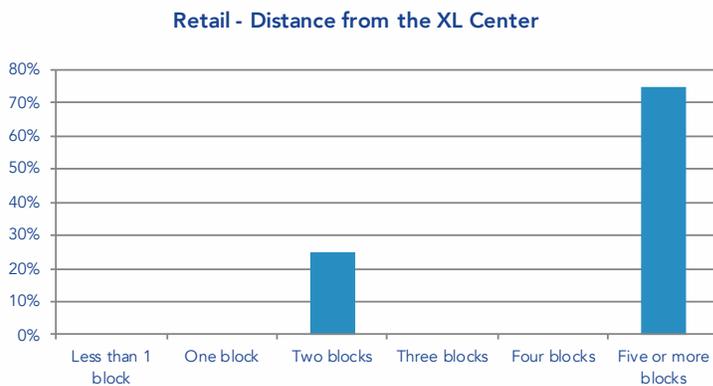
Source: Stone Planning survey

Nearly 90 percent of the responding bars and restaurants described the XL Center as “very important” or “necessary” to their businesses, and 11 percent said that the arena is “slightly important.” No respondents indicated a neutral or negative impact from the arena.

## Retail

### Business Characteristics

Downtown retailers were asked to respond to a similar set of questions as restaurants and bars. Their reported distance from the XL Center is shown below.



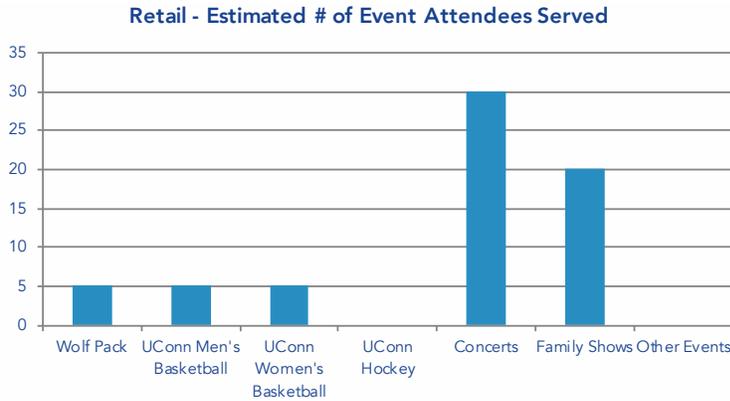
Source: Stone Planning survey

Of a limited set of responses from downtown retailers, the majority are located five or more blocks from the XL Center.

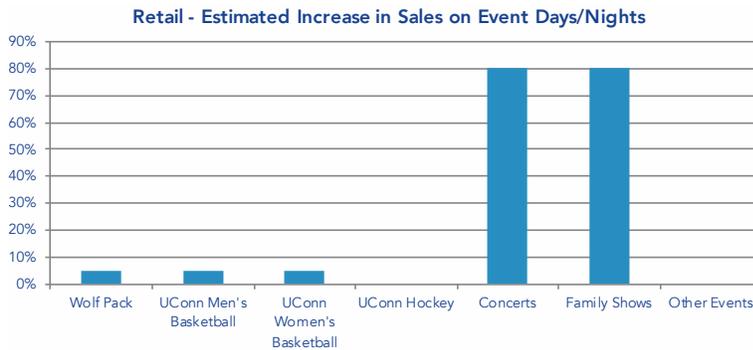
### XL Center Impacts

Similar to restaurants and bars, the following questions asked respondents to provide information regarding how their operations are impacted by XL Center attendees on event days/nights. However, we acknowledge that pre- and post-event visits to retailers will not necessarily result in

sales as they do at restaurants and bars. (This is addressed in other feedback provided by retailers.) Potentially due to this dynamic, sufficient responses were not received to the question that asked retailers to estimate the per-person spending by event attendees.



Source: Stone Planning survey

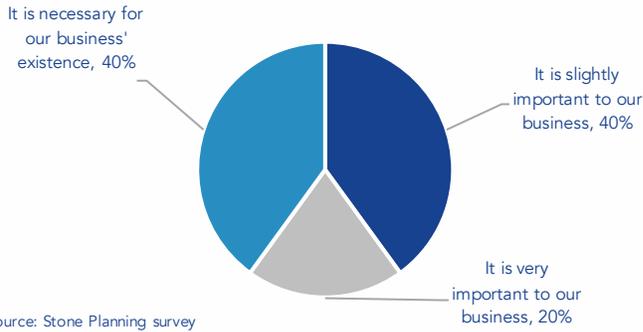


Source: Stone Planning survey

- Event attendees served – similar to restaurants and bars, retail establishments experienced the greatest visitation from concert attendees, followed by UConn events and the Wolf Pack.
- Businesses' increase in sales on event days/nights – according to responding retailers, concerts and family shows generated significant increases in daily/nightly sales, with smaller increases from Wolf Pack and UConn basketball games.

The next question for responding retailers was to rate the importance of the XL Center to the business' success and profitability.

### Retail - Importance of XL Center to Success and Profitability

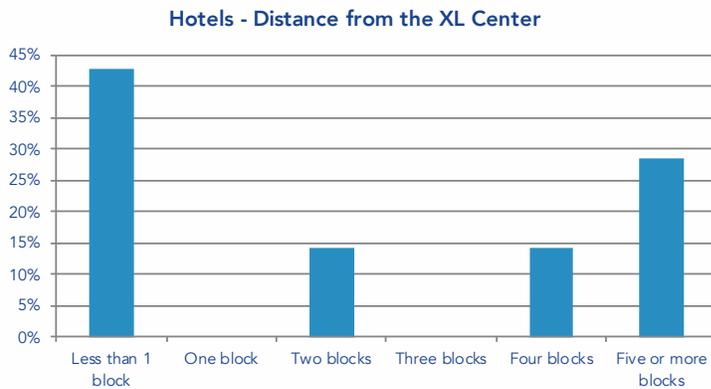


According to the responding retailers, 60 percent said that the XL Center is “necessary” or “very important” to their business, and an additional 20 percent said the facility is “slightly” important. No respondents indicated a neutral or negative impact from the arena.

## Hotels

### Business Characteristics

Downtown hotels were also asked to provide their distance from the XL Center.

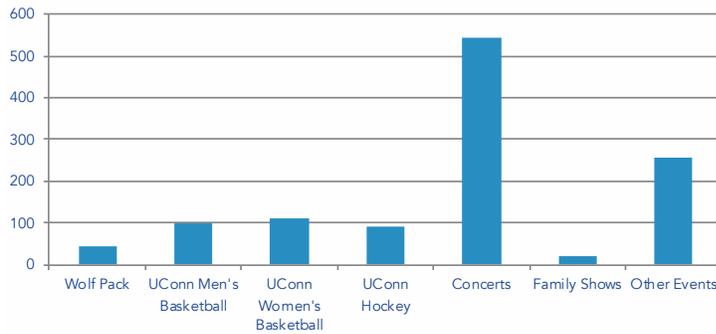


The largest share of responding hotels are within one block of the XL Center, and others are two or more blocks from the facility.

### XL Center Impacts

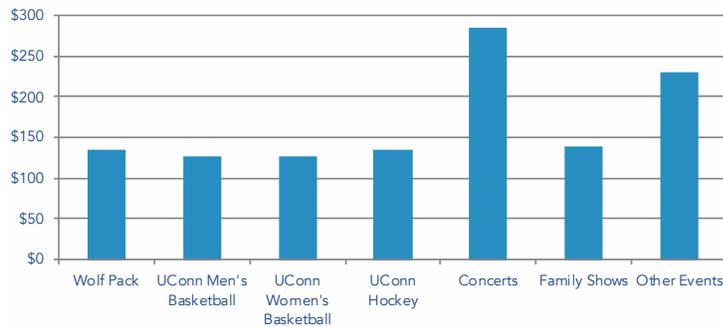
Hotels were then asked a set of questions that are specific to hotel-room usage by event attendees, such as the number of event attendees accommodated and the approximate per-room rate paid. (Later in this section, hotel usage by event participants is addressed.)

**Hotels - Estimated # of Event Attendees Accommodated**



Source: Stone Planning survey

**Hotels - Approximate Per-Room Rate**

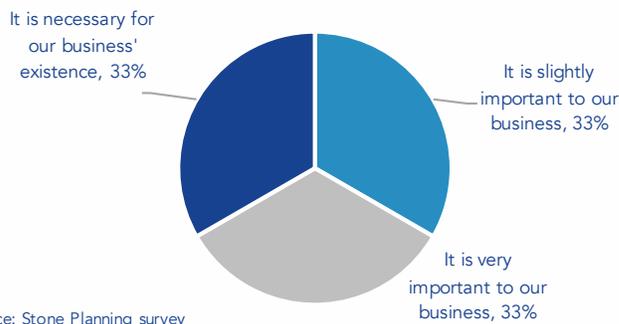


Source: Stone Planning survey

According to the responding hotels, concert attendees generate the most room usage and pay the highest room rates.

Hoteliers were then asked to rate the importance of the XL Center to their success and profitability.

**Hotels - Importance of XL Center to Success and Profitability**



Source: Stone Planning survey

An equal share of the responding hotels indicated that the XL Center is "necessary," "very important," and "slightly important" to their business. Responses were not necessarily affected by distance from the arena.

## All Respondents – Open-Ended Question

In addition to the questions described above, all respondents were also given the opportunity to provide additional input regarding the XL Center. These responses are summarized and paraphrased below, some of which were repeated in similar terms by multiple businesses.

- The XL Center drives people to downtown Hartford.
- On event nights, Hartford feels like a “real” city, with people walking the streets and a buzz in the air.
- The arena brings suburbanites into the city and they realize how great it is.
- Many smaller businesses in downtown Hartford are marginally profitable and the XL Center makes the difference for them; without the facility, many would have to close.
- It is incredibly important for the state to have a strong Hartford.
- A restaurant’s staff knows that event days are days to make money. Without the XL Center, nobody would be downtown and it would be difficult to fill the condos that are being built.
- The XL Center is the only venue in the Hartford area that also benefits surrounding towns.

## OTHER STAKEHOLDER INPUT

In addition to the survey completed by downtown businesses, we also met with a sample of local businesses and other stakeholders, such as CRDA staff and board members, the Connecticut Convention & Sports Bureau, Spectra, and others. Their input regarding the XL Center is summarized below.

- Some of the XL Center’s major events impact areas beyond Hartford. This year’s NCAA Men’s Tournament first- and second-round games (which are not included in our economic impact analysis) will use hotels for teams and officials in Windsor, Glastonbury, and Cromwell. Hartford hotels include the Marriott and Hilton (both of which were sold out for the weekend by late 2018), the Red Lion, and Residence Inn.
- For many regional residents, the XL Center is easier to get to than arenas in New York City.
- The XL Center draws many non-Hartford residents into the city who would not otherwise come downtown, and who later return for other reasons.
- Downtown residential development has increased in recent years, and the XL Center is a major part of the attraction to living downtown.
- Event nights are guaranteed profitable nights for many downtown restaurants, and many would have difficulty staying in business without the arena.
- Retailers do not necessarily see a direct benefit on event days/nights, particularly

depending on the nature of what any individual retailer sells, but visitation before or after an event can lead to a return visit and purchase.

- The potential loss of the XL Center would also trigger broader problems for Hartford; for example, it could hurt the convention center by making the city a less-attractive destination.
- Event representatives and hoteliers that host others associated with events (such as teams/players, performers, promoters, crew, and others), in addition to attendees, also provided additional information regarding hotel usage:
  - Half of Wolf Pack opponents stay in Hartford overnight and generally use 20 rooms per stay, at an average rate of approximately \$135 to \$140.
  - UConn opponents (as well as the Huskies, who also stay in a Hartford hotel before a game) can book approximately 20 to 50 rooms for one to two nights. The average rate paid is approximately \$135 to \$140.
  - For concerts, we assume that bands and their crew do not generate hotel stays, although some could.
  - For family shows, we assume that the average event generates 30 room nights per stay over an average of three nights.



## THE ECONOMIC AND FISCAL IMPACTS OF THE XL CENTER



This section estimates the economic and fiscal impacts that are captured in Hartford and Connecticut based on the past operations of the XL Center, and estimates its future impacts assuming a facility renovation.

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## THE CONCEPT OF ECONOMIC IMPACTS

In general, economic impacts estimate the incremental spending, as well as the resulting jobs, income, and tax revenues, that are captured by a geographic area as a result of an event. In this case, “event” can refer to anything ranging from a weather event to the presence of an institution, industry, facility or an event such as a concert. For the purposes of this analysis, the event is the past and future operations of the XL Center, including spending on renovations. The geographic areas for which we are interested in quantifying these impacts are the City of Hartford and the State of Connecticut.

For an entertainment venue, economic impacts to an area (such as Hartford or Connecticut) are generally considered to be based on the spending of non-local residents that come to the area primarily for the purpose of attending a facility event. As an example, the spending by a Hartford resident who attends a concert at the XL Center is considered to be part of the economic activity created by the facility, but not the economic impacts. A Norwalk resident who travels to Hartford for an event would generate economic impacts to Hartford from her visit, but not to Connecticut because she is a state resident.

Economic impacts that can be estimated include the following:

- **Spending** – for the arena, this includes the actual spending by event attendees for purchases of tickets, food and drinks, merchandise, and other items, both within the facility and throughout the area. The spending that is captured locally (which would not include ticket sales that are retained by a non-local artist but does include spending at a local restaurant) is part of a facility’s economic impacts.

This spending can be separated into gross and net impacts. Gross impacts include the spending by local residents, as described above, and can be considered the full economic activity associated with an arena. This spending by local residents is considered to be “transfer spending” that would have otherwise been spent locally (for example, at a movie), although some would likely leave the area for entertainment in other markets. Net impacts, which are a subset of gross impacts, only include the spending by non-local residents.

- **Jobs and Income** – these impacts estimate new employment and the associated income earned by local residents as a result of the new spending described above. For example, spending captured at local restaurants will support that industry’s employment base and will lead to income for its employees.
- **Fiscal impacts** – represent new tax revenues that are created by the spending impacts.



Applicable tax revenues generated by the XL Center and its usage include admissions tax, sales and use tax, hotel tax, and others, and are all captured by the state's general fund rather than any local governmental bodies.

- **Construction impacts** – in addition to the impacts generated from operations, the construction of facility improvements will also create economic impacts, to the extent that local firms and individuals participate in the construction project. Similar to the other types of impacts, construction-related impacts will include spending on local firms and workers, associated employment, and any resulting taxes.

In addition to the direct spending impacts, economic multipliers are applied to estimate later rounds of spending before the initial spending leaves the local economy. For example, some of the spending captured by a local restaurant is then spent on various items to support the restaurant's operations, and these multipliers estimate the amount that is spent locally based on the presence of suppliers and other industry partners within a geographic area. This later spending – or indirect impacts – are added to the direct impacts to estimate total impacts.

We estimate the economic impacts generated by past facility operations, and under the assumed renovation scenario, as described below.

## **ECONOMIC IMPACTS FROM OPERATIONS – 2017-18**

### **Facility Revenues and Attendee Spending Inside the XL Center**

The revenues generated by the facility can represent a significant part of the overall economic activity that it creates. This facility revenue includes spending on items such as tickets, concessions, and others, although some of these revenues are retained by an event, promoter, and/or artist rather than the XL Center.

The following table summarizes the gross revenues generated by facility operations, regardless of the ultimate recipient of the revenues (with the exception of ticket sales).





GROSS REVENUES (\$000s)	
Ticket Sales*	\$2,104
Premium Seating	765
Concessions	2,202
Merchandise	326
Facility Fee Revenue	828
Net Rental Income	1,246
Naming/Other Sponsorships	1,538
Conv/Ticket Proc. Fee	554
Suite Ticket Revenue	87
Other Revenue	329
<b>TOTAL</b>	<b>\$9,980</b>

\*Wolf Pack games only.  
Source: Spectra, Stone Planning

As shown above, we consider approximately \$10 million in XL Center revenues to be the gross impacts from its operations. Ticket revenues only include sales from Wolf Pack games, as these are retained locally by the facility rather than by a third-party promoter and/or artist.

### Attendee Spending Outside of the XL Center

The other component of the economic activity generated by a facility’s operation is the money spent locally by event attendees on items such as lodging, parking, meals, entertainment, and shopping outside of the facility but as a result of their trip to the facility.

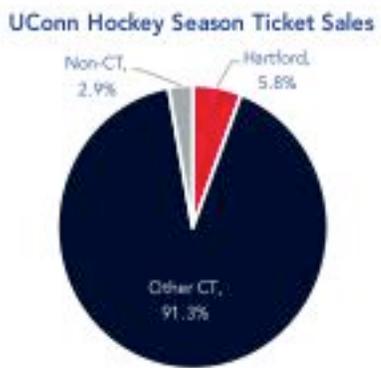
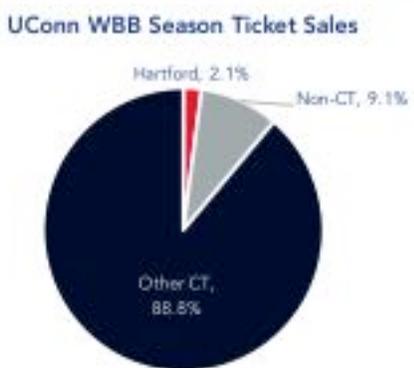
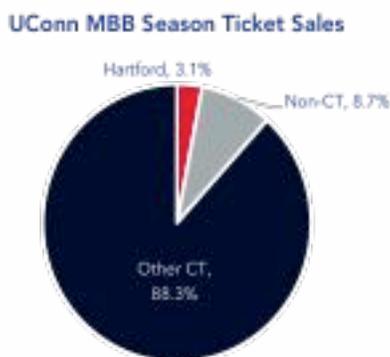
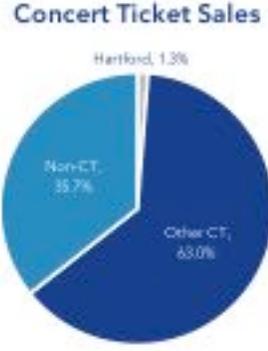
Based on analysis of past XL Center operations, ticket sales data, event characteristics at other similar facilities, the geographical characteristics of the region, and others, we have made assumptions regarding the geographic origin of attendees, whether they stay in Hartford overnight, and their spending characteristics outside of the XL Center (spending within the facility is included as facility revenue above).

### Attendees’ Geographic Origin

Because impacts are being considered for both Hartford and Connecticut, we differentiate between facility attendees who are City and State residents and those who live outside of Hartford and Connecticut. Spending by all attendees is calculated as the gross spending impact; however, only those who are non-local residents (in relation to the City and State) are considered in the calculations of net economic impacts to each area, which are the true impacts to the City and State.

For these assumptions, we have based our estimates on characteristics of primary-market ticket buyers for past Wolf Pack games, concerts, and family shows at the XL Center, as well as season-ticket data for UConn games. Based on this data, geographic characteristics of ticket buyers are shown below, and these percentages are assumed to apply to actual attendees.





For these event categories, a small share of attendees/ticket buyers live in Hartford (ranging from slightly more than one percent for concerts to nearly six percent for UConn hockey). For all events other than concerts and family shows, most attendees (generally approximately 90 percent) live outside of Hartford but in Connecticut. Concert and family show attendees are more regional, with 35 percent to 45 percent of ticket buyers living out of state.

**Types of Travelers**

Event attendees are further divided into two other categories: daytrippers or overnight travelers. Assumptions regarding hotel use and length of stay are summarized below.

- The majority of attendees will be daytrippers, including all Hartford residents.
- However, a share of attendees will stay overnight before, during, and/or after an event. The assumed percent of overnight attendees varies by event type, and ranges from five percent to 15 percent. Events such as concerts that have a high share of out-of-state attendees are assumed to have more overnight visitors than events with a more local attendee base, such as Wolf Pack games.
- Not all overnight visitors will stay in hotels; many typically stay with friends and family and therefore do not pay for hotel rooms. We assume that 70 percent of overnighters will pay for hotel rooms.
- For all overnight attendees in hotels, we assume an average of two people per hotel room.
- In addition, while leisure travelers typically have longer stays in a market, because most XL Center events will take place on one day/night, we assume a shorter average stay (of one night) that is more consistent with the event length.

## **Out-of-Facility Spending Assumptions**

### *Event Attendees*

Assumptions related to out-of-arena spending by event attendees is based on factors such as the survey results and other stakeholder input, as well as data received from downtown parking lot operators.

Daily spending has been separated into four categories: food and beverage, retail and entertainment, lodging, and parking/transportation. Overnight attendees are generally assumed to spend more than daytrippers, as they will spend more time in the city and have lodging expenditures. Estimates of daily spending are applied to attendees of all event types, and with the exception of lodging, apply to all daytrippers and overnight travelers (daytrippers, by definition, will not spend money on hotels).

Assumptions related to attendee spending and other variables are summarized below.

- Food and beverage – ranges between \$15 and \$30 per person (as indicated by the survey responses, concert and UConn attendees generally spend more than other events' attendees).
- Retail and entertainment – we assume \$5 per day for daytrippers and \$10 for overnighters,
- Parking/transportation – we assume approximately \$5 to \$8 per person for daytrippers and overnighters,
- Lodging – based on typical room-rate data provided by local hoteliers, we assume average nightly rates paid ranging from \$125 to \$250 (per room, not per person).
- Location of spending – we assume that 95 percent of all attendee spending is captured in Hartford, and 100 percent of spending is captured in Connecticut.



## Event Participants

In addition to event attendees, we also estimate hotel-room usage by event participants such as teams, performers, crew, and others. We focus on hotel usage and the associated spending, as this is the most easily quantifiable component, and significant amounts of money are generally not spent in a community by these groups (for example, many meals are provided by the facility's catering).

Hotel-related assumptions for the event categories considered in this analysis are as follows (not including concerts, which we assume do not generate room stays from event participants):

- Wolf Pack – 20 rooms per visiting team per game, for an average of one night, with an average rate of \$135.
- UConn – for both UConn and its opponents, an average of 35 rooms per game, for an average of 1.5 nights, with an average rate of \$135.
- Family shows – an average of 30 rooms per event, for an average of three nights, with an average rate of \$150.

All participant room nights are considered to be net impacts to both Hartford and Connecticut, with the exception of UConn's hotel usage, which is only an impact to Hartford and not Connecticut.

## Gross Direct Spending

Based on the assumptions described above, as well as the facility events, attendance, and revenues, the following table summarizes the total gross direct spending generated by the presence and operation of the XL Center from the 2017-18 fiscal year. The first line (spending generated by the facility) has previously been described, and the spending captured throughout Hartford and Connecticut by all event attendees and participants is also summarized, based on the assumptions described above.

TOTAL DIRECT SPENDING - GROSS	
	Total
Gross XL Center Revenue	\$9,980,000
<b>Spending Outside the Arena</b>	
Lodging	\$2,569,000
Food and Beverage	\$2,975,000
Retail and Entertainment	\$2,251,000
Transportation and Other	\$1,174,000
<b>Total Spending Outside the Arena</b>	<b>\$8,969,000</b>
<b>Total Gross Direct Spending - Inside and Outside of the Arena</b>	<b>\$18,949,000</b>
<b># of Room Nights</b>	<b>17,200</b>

Source: Stone Planning





## Gross vs. Net Impacts

The total economic activity summarized above does not represent actual economic impacts; it merely shows the total spending generated by facility operations, including transfer spending by local residents. In this section, transfer spending is deducted from total spending to arrive at the estimated economic impacts to Hartford and Connecticut. In other words, for the purposes of calculating economic impacts to the City, all spending by residents of the City is subtracted, and the same is done at the State level.

Spending impacts to the City and State related to out-of-facility spending as well as spending on tickets, F&B and merchandise, and ticket fees are based on assumptions of attendee origin and their spending characteristics, as previously shown. However, other revenues captured by the facility itself are analyzed separately.

In general, all facility revenues from premium seating, rentals, and sponsorships are considered to be net impacts to the City and State. In Hartford, Dunkin' Donuts Park in particular also offers opportunities for this type of spending on sports and entertainment that could potentially be captured at the ballpark if not for the presence of the arena. However, because of the unique nature of the arena (such as its year-round usage), its users, capacity, and other characteristics, we assume that any money spent at the XL Center for premium seating, sponsorships, and facility rentals could not be easily transferred to other venues in Hartford or Connecticut and would therefore likely leave the area without the presence of the facility.

Below, we have estimated the net economic impacts to Hartford and Connecticut from the XL Center. In other words, we estimate the amount of spending that is captured within the City and State but originates outside of the City and State. The estimated net economic impacts are shown in the following table.

<b>TOTAL DIRECT SPENDING - GROSS AND NET</b>			
	Gross	Net	
		To Hartford	To CT
<b>Inside the Arena</b>	<b>\$9,980,000</b>	<b>\$9,515,000</b>	<b>\$4,473,000</b>
<b>Outside the Arena</b>			
Lodging	\$2,569,000	\$2,441,000	\$1,249,000
Food and Beverage	\$2,975,000	\$2,743,000	\$854,000
Retail and Entertainment	\$2,251,000	\$2,074,000	\$421,000
Transportation and Other	\$1,174,000	\$1,079,000	\$193,000
<b>Total - Outside the Arena</b>	<b>\$8,969,000</b>	<b>\$8,336,000</b>	<b>\$2,716,000</b>
<b>Total Direct Spending</b>	<b>\$18,949,000</b>	<b>\$17,851,000</b>	<b>\$7,190,000</b>
<b>Room Nights</b>	<b>17,200</b>	<b>16,400</b>	<b>8,300</b>

Source: Stone Planning

Because very little of the arena's attendees live in Hartford, most of the gross impacts are considered net impacts to the City (approximately \$17.9 million of \$18.9 million). However, the State-level impacts are lower (\$7.2 million), as most attendees live in the State.



## **Multiplier Effect and Indirect Spending**

As the spending from the direct economic activity takes place in the city and state's economy, it will trigger other, indirect, levels of economic activity. For example, the operating businesses that are affected by facility use (including the facility itself and hotels and restaurants, retail stores, and others) will purchase various goods and services from local and regional vendors (e.g., utilities, inventory, supplies, labor, and the like). As this occurs, these workers and vendors receive income and, in turn, make purchases of goods and services themselves. Within each round, some spending occurs in the local economy and some flows outside of that economy (referred to as "leakage"). The total amount of spending that stays within the local economy includes both the first round ("direct") and all subsequent rounds of economic activity ("indirect").

These total impacts are estimated through the use of multipliers that are applied to the estimates of direct impacts. The multipliers are calculated by the federal government's Bureau of Economic Analysis and are unique to each geographic area. Multipliers differ from area to area because of geography; proximity to other business centers and the size of an area will affect the length of time that direct spending is retained within an economy before fully leaking out. In addition, different sectors of an economy have unique multipliers, based on their own proximity to other industry-specific economies, vendors and suppliers, and the like.

For this analysis, unique multipliers for different industries are used, as every type of spending that comprises the direct impacts ("Category") has a multiplier, based on a corresponding "Industry Sector." As the table below shows, the multipliers for various industries generally range from approximately 1.2 to 1.9. In other words, a multiplier of 1.5 indicates that total economic activity is estimated at 1.5 times the estimate of direct impacts; this includes the direct impacts (at 1.0) and the indirect impacts (at 0.5). Multipliers typically increase as the size of a geographic area increases, as it takes more time for later rounds of spending to leave a larger area (for example, Connecticut compared to Hartford). City-level multipliers are estimated based on multipliers for the Hartford-West Hartford-East Hartford metro area, as only metro-area and state multipliers are available through the BEA.



### HARTFORD AND CONNECTICUT MULTIPLIERS - SPENDING

Category	Industry Sector	Multiplier	
		City	State
<b>Facility Revenues</b>			
Ticket Sales	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Premium Seating	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Concessions	Food Services and Drinking Places	1.3685	1.8798
Merchandise	Retail Trade	1.3534	1.8531
Facility Fee Revenue	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Parking	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Net Rental Income	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Naming/Other Sponsorships	Broadcasting/Telecommunications	1.2445	1.7818
Conv/Ticket Proc. Fee	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Suite Ticket Revenue	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
Other Revenue	Perf. Arts, Spectator Sports, Museums, Zoos, Parks, Related Activities	1.3879	1.9401
<b>Spending Outside the Facility</b>			
Food and Beverage	Food Services and Drinking Places	1.3685	1.8798
Retail and Entertainment	Retail Trade	1.3534	1.8531
Lodging	Accommodation	1.3133	1.7409
Transportation and Other	Transit and Ground Passenger Trans.	1.3863	1.9818

Source: Bureau of Economic Analysis

Based on these multipliers, total (direct and indirect) net spending is summarized below.

TOTAL NET SPENDING - DIRECT AND INDIRECT		
	To Hartford	To CT
<b>Total Net Direct Spending</b>	<b>\$17,851,000</b>	<b>\$7,190,000</b>
<b>Net Indirect Spending</b>		
Inside the Arena	\$3,418,000	\$3,935,000
Outside the Arena		
Lodging	\$765,000	\$925,000
Food and Beverage	\$1,011,000	\$751,000
Retail and Entertainment	\$733,000	\$359,000
Transportation and Other	\$417,000	\$189,000
<b>Total Indirect Spending</b>	<b>\$6,342,000</b>	<b>\$6,160,000</b>
<b>Total Spending - Direct and Indirect</b>	<b>\$24,193,000</b>	<b>\$13,349,000</b>

Source: Stone Planning

As the table shows, including both direct and indirect spending, total spending impacts are estimated to be approximately \$24.2 million to Hartford and \$13.3 million to Connecticut.

## Jobs and Payroll

The operation of the XL Center and attendees' spending creates jobs both within the facility and throughout the city, at hotels, restaurants, retail stores, and the like (from both direct and indirect spending). Employment and income impacts to the city and state refer to jobs and income that are captured by residents of those two areas only.





Direct employment (full-time and part-time) of operations and event staff, as well as their earnings and city of residence, at the XL Center is based on data provided by Spectra. For jobs and income related to employment outside of the arena and supported by attendees' spending, we rely on average hourly and annual wage information for various types of occupations as provided by the US Department of Labor's Bureau of Labor Statistics, based on data compiled for the Hartford metro area in 2017.

Similar to spending, multipliers are used to estimate indirect employment and earnings, based on the direct estimates. The following table summarizes employment and income multipliers used in the calculation of indirect jobs and earnings.

HARTFORD AND CONNECTICUT MULTIPLIERS - EMPLOYMENT AND EARNINGS				
	Employment Multipliers		Earnings Multipliers	
	City	State	City	State
Facility Operations	1.2144	1.5125	1.3873	1.9350
Concessions, Food and Beverage	1.1547	1.3654	1.3238	1.7758
Retail and Entertainment	1.2132	1.4749	1.3192	1.7264
Lodging	1.2535	1.5960	1.3368	1.7987
Transportation and Other	1.1356	1.3190	1.2807	1.6678

Source: Bureau of Economic Analysis

The table below shows the total (including direct and indirect) net jobs and payroll generated within the city and state by the facility. Jobs are shown as full-time equivalents (FTE); approximately 2,000 hours worked by multiple people is considered to be one full-time equivalent job. However, the facility employs hundreds of people who work part-time at the arena – in 2017-18, a total of 641 people were part-time and temporary workers.

TOTAL JOBS AND EARNINGS		
	Hartford Residents	Connecticut Residents
<b>EMPLOYMENT</b>		
<u>Team, Arena, and Management Co.</u>		
Full-Time Arena, Team, Mgt Co. Staff	11	59
Full-Time Equivalent Jobs - Event Staff	9	44
<u>Outside of the Arena</u>		
Lodging	6	34
Food and Beverage	7	33
Retail and Entertainment	3	17
Transportation and Other	2	9
<b>Total Jobs (Full-Time Equivalent)</b>	<b>44</b>	<b>218</b>
<b>EARNINGS</b>		
Full-Time Arena, Team, Mgt Co. Staff	\$1,277,000	\$7,548,000
Lodging	\$180,000	\$1,028,000
Food and Beverage	\$207,000	\$1,175,000
Retail and Entertainment	\$207,000	\$865,000
Transportation and Other	\$79,000	\$436,000
<b>Total Earnings</b>	<b>\$1,950,000</b>	<b>\$11,052,000</b>

Source: Stone Planning





As the table shows, the XL Center is estimated to support an incremental 44 jobs (FTE) and approximately \$2.0 million in wages to Hartford residents, and approximately 220 jobs and \$11.1 million to Connecticut residents. In contrast to spending impacts, employment and income impacts are greater at the State level because these consider workers who live in the City and State, compared to spending that is attracted from outside of each area.





## FISCAL IMPACTS FROM OPERATIONS – 2017-18

As previously described, fiscal impacts represent new public-sector tax revenues that are generated based on the presence and use of the facility. The following table summarizes applicable taxes and the spending they apply to, as well as their rates and the recipient of the tax revenues.

APPLICABLE TAXES, RATES, AND RECIPIENTS			
Tax	Relevant Spending	Rate	Recipient
Admissions Tax	Non-Collegiate Ticket Sales	10%	State General Fund
Sales & Use Tax	F&B, Merchandise Purchases by Attendees, Parking in Lots with 30+ Spaces	6.35%	State General Fund
Excise Tax	Alcohol Distributors	Varies*	State General Fund
Hotel Tax	Hotel Spending	12%	State General Fund
Personal Income Tax	XL Center Employee Wages	Varies**	State General Fund
Payroll Tax	XL Center Employee Wages	Varies	State General Fund
CT Athletes and Entertainer Tax	Non-Resident Athletes and Entertainers	6.99%	State General Fund

\* \$0.24/gallon for beer, \$0.72/gallon for wine, and \$5.40/gallon for distilled spirits.

\*\* Ranges from 3% to 6.99% based on taxable income.

Source: State of Connecticut

Estimated spending that generates tax revenues is based on our previously-described calculations, and actual amounts paid for excise tax and the state’s athletes and entertainer tax are based on figures reported by the XL Center. Personal income tax rates increase with income; based on estimated average wages and the state’s rate categories, we assume a five-percent rate for full-time staff and three percent for hourly/event workers.

The new tax revenues attributable to the facility are summarized in the following table, and as described above, are all captured by the State’s general fund. We show the taxes generated by both the gross direct spending (which includes State residents) as well as by the net spending (which only includes non-Connecticut residents, as all taxes are captured by the state). Gross admissions tax, excise tax, and the athletes and entertainers tax are all considered net fiscal impacts to the State, as they are paid by the facility and/or its performers.

TOTAL FISCAL IMPACTS - CONNECTICUT		
	Gross	Net to CT
Admissions Tax	\$880,000	\$880,000
Sales & Use Tax	\$567,000	\$176,000
Excise Tax	\$20,000	\$20,000
Hotel Tax	\$308,000	\$150,000
Personal Income Tax	\$296,000	\$264,000
Payroll Tax	\$514,000	\$458,000
CT Athletes and Entertainer Tax	\$110,000	\$110,000
<b>TOTAL</b>	<b>\$2,695,000</b>	<b>\$2,058,000</b>

Source: Stone Planning

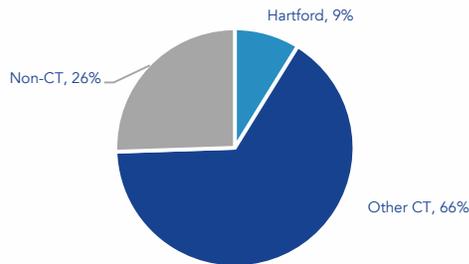




## ECONOMIC AND FISCAL IMPACTS FROM PAST RENOVATION PROJECTS

As previously described, the XL Center has spent nearly \$45 million on renovations and capital improvements in the last five years. We have reviewed a detailed list of subcontractors to the 2014-15 renovations and amounts spent on each subcontractor. The following chart summarizes the percentage of spending that was captured by Hartford firms, other Connecticut-based firms, and out-of-state firms.

**Location of Firms from 2014-15 Renovations (by Spending Amounts)**



Nine percent of spending was captured by Hartford companies, and another 66 percent was to non-Hartford companies based in other Connecticut cities. For the purposes of this analysis, we assume that 75 percent of spending was for materials and overhead/profit, and the remaining 25 percent was for labor.

Based on this data, as well as estimated wage levels from the Bureau of Labor Statistics for local workers, the net construction-related impacts to Hartford and Connecticut are shown below. We focus on the approximately \$33 million spent on renovations in 2014-15, as this comprised the majority of recent work at the arena. Including the approximately \$11 million spent after 2014-15 would increase the impacts shown below.

CONSTRUCTION IMPACTS		
	To Hartford	To CT
<b>Direct Impacts</b>		
Net Labor Expenditures	\$720,000	\$6,080,000
Employment	11	91
Purchases of Materials and Services	\$2,161,000	\$18,239,000
<b>Indirect Impacts</b>		
Net Labor Expenditures	\$204,000	\$4,003,000
Employment	4	82
Purchases of Materials and Services	\$740,000	\$15,640,000
<b>Total Impacts</b>		
Net Labor Expenditures	\$925,000	\$10,083,000
Employment	15	173
Purchases of Materials and Services	\$2,900,000	\$33,878,000

Source: Stone Planning





## ECONOMIC IMPACTS FROM OPERATIONS – POST-TRANSFORMATION

We also estimate the future economic and fiscal impacts of the XL Center, based on its projected operations. The methodology for these estimates is the same as for the historical impacts but is based on forecasted usage of the facility after completion of its potential transformation.

In addition to the methodology previously described for the historical impacts, we have utilized the following sources and assumptions for our estimates of future impacts:

- Events and attendance, revenues and expenses, and staffing – as provided by Stafford Sports.
- Attendee characteristics – all assumptions related to geography of ticket sales, out-of-arena spending, overnight stays, and others are assumed to remain constant from past assumptions. It is possible that a transformed XL Center can attract more attendees from farther away (for example, through hosting larger and more regionally significant events) but we conservatively assume that these attendee characteristics do not change.
- Excise tax, personal income tax, payroll tax, and Athletes and Entertainers tax – based on past ratios of actual tax amounts paid and relevant levels of spending/activity (for example, income and payroll taxes are estimated to be the same as the historical percent of taxes to salaries paid).
- Reduced operating deficit – based on the projection of a future operating profit rather than a loss that requires an annual subsidy, we include this as a future fiscal benefit to the state and/or its operating entities.

Based on these methodologies and assumptions, the post-transformation impacts are summarized below, beginning with gross direct spending.

TOTAL DIRECT SPENDING - GROSS	
	Total
Gross XL Center Revenue	\$18,441,000
<b>Spending Outside the Arena</b>	
Lodging	\$4,444,000
Food and Beverage	\$4,800,000
Retail and Entertainment	\$3,529,000
Transportation and Other	\$1,780,000
<b>Total Spending Outside the Arena</b>	<b>\$14,553,000</b>
<b>Total Gross Direct Spending - Inside and Outside of the Arena</b>	<b>\$32,994,000</b>
<b># of Room Nights</b>	<b>29,800</b>

Source: Stone Planning

Based on the future projected XL Center usage, total gross direct spending increased to approximately \$33 million and the number of room nights increases to 29,800.





Based on the assumptions regarding attendee characteristics, the net impacts to Hartford and Connecticut are summarized below.

<b>TOTAL DIRECT SPENDING - GROSS AND NET</b>			
	Gross	Net	
		To Hartford	To CT
<b>Inside the Arena</b>	<b>\$18,441,000</b>	<b>\$17,477,000</b>	<b>\$8,659,000</b>
<b>Outside the Arena</b>			
Lodging	\$4,444,000	\$4,222,000	\$2,740,000
Food and Beverage	\$4,800,000	\$4,450,000	\$1,318,000
Retail and Entertainment	\$3,529,000	\$3,268,000	\$826,000
Transportation and Other	\$1,780,000	\$1,645,000	\$377,000
<b>Total - Outside the Arena</b>	<b>\$14,553,000</b>	<b>\$13,584,000</b>	<b>\$5,261,000</b>
<b>Total Direct Spending</b>	<b>\$32,994,000</b>	<b>\$31,061,000</b>	<b>\$13,920,000</b>
<b>Room Nights</b>	<b>29,800</b>	<b>28,300</b>	<b>18,600</b>

Source: Stone Planning

As was shown in the estimates of past impacts, the vast majority of gross impacts are also net impacts to the City (approximately \$31.1 million). A smaller but significant share (\$13.9 million) are impacts to the State.

Based on the same multipliers as previously used, the total net impacts to Hartford and Connecticut (including direct and indirect impacts) are shown below.

<b>TOTAL NET SPENDING - DIRECT AND INDIRECT</b>		
	To Hartford	To CT
<b>Total Net Direct Spending</b>	<b>\$31,061,000</b>	<b>\$13,920,000</b>
<b>Net Indirect Spending</b>		
Inside the Arena	\$6,346,000	\$7,731,000
Outside the Arena		
Lodging	\$1,322,000	\$2,030,000
Food and Beverage	\$1,640,000	\$1,160,000
Retail and Entertainment	\$1,155,000	\$705,000
Transportation and Other	\$635,000	\$370,000
<b>Total Indirect Spending</b>	<b>\$11,098,000</b>	<b>\$11,995,000</b>
<b>Total Spending - Direct and Indirect</b>	<b>\$42,159,000</b>	<b>\$25,914,000</b>

Source: Stone Planning

Based on forecasted future staffing and salary levels, net employment and earnings impacts to Hartford and Connecticut residents are shown below.





TOTAL JOBS AND EARNINGS		
	Hartford Residents	Connecticut Residents
<b>EMPLOYMENT</b>		
<u>Team, Arena, and Management Co.</u>		
Full-Time Arena, Team, Mgt Co. Staff	9	47
Full-Time Equivalent Jobs - Event Staff	8	38
<u>Outside of the Arena</u>		
Lodging	10	55
Food and Beverage	10	49
Retail and Entertainment	5	25
Transportation and Other	3	12
<b>Total Jobs (Full-Time Equivalent)</b>	<b>52</b>	<b>261</b>
<b>EARNINGS</b>		
Full-Time Arena, Team, Mgt Co. Staff	\$1,308,000	\$7,732,000
Lodging	\$312,000	\$1,778,000
Food and Beverage	\$334,000	\$1,897,000
Retail and Entertainment	\$334,000	\$1,356,000
Transportation and Other	\$120,000	\$661,000
<b>Total Earnings</b>	<b>\$2,407,000</b>	<b>\$13,424,000</b>

Source: Stone Planning

The resulting fiscal impacts to the State are summarized below, including the decrease in the arena's operating deficit that is currently subsidized by the State and its operating entities.

TOTAL FISCAL IMPACTS - CONNECTICUT		
	Gross	Net to CT
Admissions Tax	\$1,391,000	\$1,391,000
Sales & Use Tax	\$1,081,000	\$332,000
Excise Tax	\$51,000	\$51,000
Hotel Tax	\$533,000	\$329,000
Personal Income Tax	\$376,000	\$335,000
Payroll Tax	\$633,000	\$564,000
CT Athletes and Entertainer Tax	\$154,000	\$154,000
Reduced Operating Subsidy	\$2,996,000	\$2,996,000
<b>TOTAL</b>	<b>\$7,215,000</b>	<b>\$6,152,000</b>

Source: Stone Planning

Based on the assumed \$100-million transformation plan, and assuming that the same percent of spending will be captured by City and State vendors and workers as was from past renovations, the construction-related impacts from the transformation are summarized below.





<b>CONSTRUCTION IMPACTS</b>		
	<b>To Hartford</b>	<b>To CT</b>
<b>Direct Impacts</b>		
Net Labor Expenditures	\$2,206,000	\$18,619,000
Employment	33	278
Purchases of Materials and Services	\$6,617,000	\$55,857,000
<b>Indirect Impacts</b>		
Net Labor Expenditures	\$626,000	\$12,261,000
Employment	13	250
Purchases of Materials and Services	\$2,266,000	\$47,898,000
<b>Total Impacts</b>		
Net Labor Expenditures	\$2,832,000	\$30,880,000
Employment	46	529
Purchases of Materials and Services	\$8,883,000	\$103,755,000

Source: Stone Planning





## COMPARISON OF PAST AND FUTURE ECONOMIC AND FISCAL IMPACTS

The table below shows the estimated historical and future economic impacts of the XL Center, as previously described, as well as the incremental impacts.

ESTIMATED PAST AND FUTURE ECONOMIC AND FISCAL IMPACTS								
	2017-18			Post-Transformation			Incremental Net Impacts	
	Gross	Net		Gross	Net		To Hartford	To CT
		To Hartford	To CT		To Hartford	To CT		
Total Direct Spending	\$18,949,000	\$17,851,000	\$7,190,000	\$32,994,000	\$31,061,000	\$13,920,000	\$13,210,000	\$6,730,000
Total Indirect Spending		\$6,342,000	\$6,160,000		\$11,098,000	\$11,995,000	\$4,756,000	\$5,835,000
<b>Total Spending - Direct and Indirect</b>		<b>\$24,193,000</b>	<b>\$13,349,000</b>		<b>\$42,159,000</b>	<b>\$25,914,000</b>	<b>\$17,966,000</b>	<b>\$12,565,000</b>
Room Nights	17,200	16,400	8,300	29,800	28,300	18,600	11,900	10,300
Total Jobs (Full-Time Equivalent)		44	218		52	261	9	43
Total Earnings		\$1,950,000	\$11,052,000		\$2,407,000	\$13,424,000	\$457,000	\$2,372,000
<b>Fiscal Impacts</b>								
Admissions Tax	\$880,000	--	\$880,000	\$1,391,000	--	\$1,391,000	--	\$511,000
Sales & Use Tax	\$567,000	--	\$176,000	\$1,081,000	--	\$332,000	--	\$156,000
Excise Tax	\$20,000	--	\$20,000	\$51,000	--	\$51,000	--	\$31,000
Hotel Tax	\$308,000	--	\$150,000	\$533,000	--	\$329,000	--	\$179,000
Personal Income Tax	\$296,000	--	\$264,000	\$376,000	--	\$335,000	--	\$71,000
Payroll Tax	\$514,000	--	\$458,000	\$633,000	--	\$564,000	--	\$106,000
CT Athletes and Entertainer Tax	\$110,000	--	\$110,000	\$154,000	--	\$154,000	--	\$44,000
Reduced Operating Subsidy	--	--	--	\$2,996,000	--	\$2,996,000	--	\$2,996,000
<b>Total</b>	<b>\$2,695,000</b>	<b>--</b>	<b>\$2,058,000</b>	<b>\$7,215,000</b>	<b>--</b>	<b>\$6,152,000</b>	<b>--</b>	<b>\$4,094,000</b>
<b>Construction Impacts*</b>								
Net Labor Expenditures		\$925,000	\$10,083,000		\$2,832,000	\$30,880,000	\$1,907,000	\$20,797,000
Employment		15	173		46	529	31	356
Purchases of Materials and Services		\$2,900,000	\$33,878,000		\$8,883,000	\$103,755,000	\$5,983,000	\$69,877,000

\*Past construction impacts are from 2014-15 improvements.  
Source: Stone Planning

Based on the assumed increase in events and attendance at the XL Center following the transformation, the economic and fiscal impacts from operations are expected to increase. This includes spending (within the arena and throughout the City and State), room nights, jobs and earnings captured by City and State residents, and State tax revenues. Construction of the transformation project will also increase spending, jobs, and income to City and State companies and workers.

