

The Impact of Oriole Park at Camden Yards on Maryland's Economy, 2006

Submitted by:

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On behalf of:

Maryland Stadium Authority

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The Impact of Oriole Park at Camden Yards on Maryland's Economy, 2006 Season

Executive Summary

- In 2006, Oriole Park at Camden Yards hosted 86 Oriole games.
- Oriole games generated an average attendance of 29,460 fans per game.
- After incorporating multiplier effects (i.e., conversion of direct to total), Oriole Park at Camden Yards generated \$166.9 million in gross state product (business sales) during the 2006 season.
- The stadium supported 2,452 Maryland jobs in 2006 and was associated with \$72.6 million in personal income.
- Oriole Park at Camden Yards generated \$10.4 million in State tax revenue in 2006, including \$4.6 million in admissions taxes.
- The stadium generated nearly \$7.6 million in local taxes in 2006, including \$1.2 million in admissions taxes.
- The stadium generated approximately \$18.0 million in total tax revenues (State and local combined) in 2006.
- The annual debt service on outstanding bonds for land acquisition for both stadiums and construction costs is approximately \$14.2 million.

Summary of Economic/Fiscal Impacts of Oriole Park at Camden Yards, 2006

Economic Impacts	Total Impact
Gross State Product (millions)	\$166.93
Personal Income (millions)	\$72.63
Employment	2,452
Fiscal Impacts	
State Taxes (millions)	\$10.39
Local Taxes (millions)	\$7.56
Total: State + Local (millions)	\$17.95

Introduction

This report provides a summary of the economic and fiscal impacts generated by Oriole Park at Camden Yards during the 2006 season. To generate these estimates, the study team collected data from Orioles' administrative staff and then applied standard modeling techniques to them. These techniques are described below.

Methodology

Modeling Software

To determine the impacts of Camden Yards, the Center for Applied Business and Economic Research at Towson University (CABER)¹ relied upon IMPLAN, the input-output economic software managed by the Minnesota IMPLAN Group. There are two major components to IMPLAN: data files and software.

An impact analysis using IMPLAN begins by identifying expenditures in terms of the sectoring scheme for the model. Each spending category becomes a "group" of "events" in IMPLAN, where each event specifies the portion of activity allocated to a specific IMPLAN sector. Groups of events can then be used to run impact analysis individually or can be combined into a project consisting of several groups. Once the direct economic impacts have been identified, IMPLAN can calculate the indirect and induced impacts based on a set of multipliers and additional factors.

The hallmark of IMPLAN is the specificity of its economic datasets. The database includes information for five-hundred-and-twenty-eight different industries (generally at the three or four digit Standard Industrial Classification level), and twenty-one different economic variables. Along with these data files, national input-output structural matrices detail the interrelationships between and among these sectors. The database also contains a full schedule of Social Accounting Matrix (SAM) data. Importantly, all of these data are available at the national, state, and county level.

Another major advantage of IMPLAN is its credibility and acceptance within the profession. There are over five hundred active users of IMPLAN databases and software within the federal and state governments, universities, and among private sector consultants.

Data Drivers

To power the IMPLAN model, the study team procured data from Orioles officials. Data elements provided include number of events and attendees and associated spending.

1. Number of events and attendees

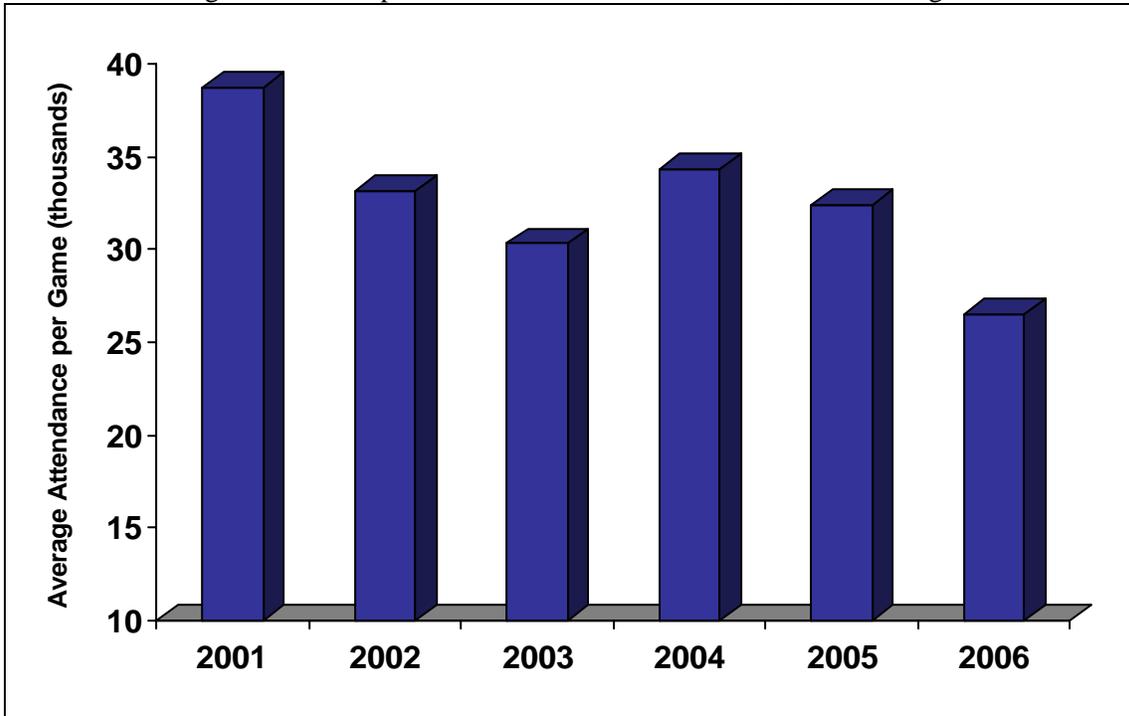
The stadium hosted 86 events in 2006 with approximately 2,533,563 attendees. This generates an average fan attendance of 29,460 per event. Of these attendees, 795,539 were out-of-state fans. Please see the exhibit below for additional detail.

¹ Estimates were generated with the assistance of RESI/Towson University and Sage Policy Group, Inc.

Exhibit 1: Summary of Oriole Park at Camden Yards Events and Attendance, 2006

Summary Variable	Total
Total Attendance	2,533,563
Number of Events	86
Fan Attendance (average)	29,460
Out-of-State Fans	795,539
Overnight out-of-state fans	268,451
Day-trip Overnight out-of-state fans	527,088

Exhibit 2: Average Attendance per Game of the Baltimore Orioles, 2001 through 2006 Seasons



Source: Major League Baseball Statistics

2. Spending

The average ticket price per attendee was \$26.76, and each attendee spent on average \$14.80 at stadium concessions in 2006. Each parking space (6,750 vehicles) at the stadium is available for \$9.00. Due to lack of data availability, the impact calculations presented below do not include the impacts associated with visiting team spending or out-of-town broadcast team spending.

Results

In 2006, Oriole Park at Camden Yards increased Maryland's gross state product (GSP, a proxy for business sales) by \$166.9 million after accounting for multiplier effects. This output translated into \$72.6 million in fresh personal income to the state's residents, and supported 2,452 jobs. The exhibit below provides a summary of economic impacts

Exhibit 3: Summary of Economic Impacts of Oriole Park at Camden Yards, 2006

Economic Impacts	Direct	Indirect	Induced	Total
GSP (thousands)	\$96,715,987	\$25,376,659	\$44,837,028	\$166,929,674
Wages (thousands)	\$47,587,764	\$9,303,434	\$15,742,634	\$72,633,832
Employment	1,733	266	453	2,452

State tax revenues directly traceable to the stadium's operation amounted to \$7.8 million. After accounting for multiplier effects, Oriole Park at Camden Yards increased Maryland's tax revenue by \$10.4 million. The stadium also generated nearly \$7.6 million in total local tax revenue. The exhibit below provides a summary of fiscal impacts.

Exhibit 4: Summary of Fiscal Impacts of Oriole Park at Camden Yards, 2006

Fiscal Impacts	Direct	Indirect	Induced	Total
<i>State Taxes (thousands)</i>				
Income Tax	\$1,777,403	\$347,483	\$587,987	\$2,712,873
Amusement Tax	\$4,620,000	--	--	\$4,620,000
Other State Taxes*	\$1,380,953	\$452,302	\$1,225,624	\$3,058,879
Total State Taxes	\$7,778,356	\$799,785	\$1,813,611	\$10,391,752
<i>Local Taxes (thousands)</i>				
Income Tax	\$1,177,036	\$230,111	\$389,378	\$1,796,525
Amusement Tax	\$1,160,000	--	--	\$1,160,000
Parking Tax	\$261,381	--	--	\$261,381
Hotel Tax	\$2,697,005	--	--	\$2,697,005
Other Local Taxes*	\$743,590	\$243,547	\$659,951	\$1,647,088
Total Local Taxes	\$6,039,012	\$473,658	\$1,049,329	\$7,561,999
Total Taxes (State + Local)	\$13,817,368	\$1,273,443	\$2,862,940	\$17,953,751

*other taxes include property taxes, fines and fees, sales tax (State), and other assorted tax handles.

Conclusion

Despite several consecutive Orioles' losing seasons and the existence of a Washington-D.C.-based professional baseball franchise, Baltimore's fan loyalty coupled with the excellence of Oriole Park as a facility allowed the Orioles to again exceed the 2 million in attendance. The Orioles managed to attract more fans than the Washington Nationals, Cincinnati Reds, Colorado Rockies and Arizona Diamondbacks this past season. However, the Orioles attendance rank has fallen to 10th among the American League's 14 franchises and to 20th among Major League Baseball's 30 franchises. That said, economic impact continues to be substantial, with the Orioles supporting over \$72 million in regional wage income and nearly 2,500 jobs this past year.