



WESTPORT GOLF LINKS

Lighting the Way for Economic Development in Westport

Economic and Fiscal Benefits Study

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Sieger Consulting SPC is a woman-owned consultancy founded by Annie Sieger in 2020. Its mission is **advancing systems and organizations for the public good.**

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Executive Summary

Washington State is blessed with profound natural beauty which Washingtonians and visitors alike, can access through the State's 124 state parks. The Washington State Parks and Recreation Commission, and the associated state agency, are responsible for operating and maintaining these State Parks for the benefit of the public. However, this already difficult task was made much more so in 2020 when the Washington Governor and State Legislature made a policy decision to eliminate most of Washington State Parks General Fund support, moving to a user-fee-based system.

This decision forced Washington State Parks to adopt a bold transformation strategy to support the agency in operating under this new, user-fee-supported business model. As part of this transformation strategy, State Parks developed a framework for designating sites within state parks for the development of privately financed recreation amenities, known as Recreation Business Activity (RBA) sites (later renamed Recreation Concession Area (RCA) sites¹). RCA sites would allow for conditionally permitted activities at some State Parks. The intent of RCA sites is to allow development of amenities on public lands for the public's use that are otherwise beyond State Parks' financial capacity, while generating revenue to help operate the rest of the state park system.

Westport Light State Park (which was previously two state parks, Westhaven State Park and Westport State Park, which were made contiguous by the purchase of 300 acres of additional coastal shoreline purchased in 2015) was identified as a preferred location for an RCA site, and a 34-acre site was approved by the Washington State Parks and Recreation Commission in 2017. However, in the interceding years no RCA agreement has been established. Instead, in 2019, Westport Golf Inc. approached Washington State Parks with a proposal to construct, operate, and manage a Scottish links-style "artisanal" golf course and associated lodging at Westport Light State Park. Although this project was larger and a somewhat different type of amenity than what was originally envisioned, it is important to remember that the original RCA guidelines were intentionally designed as guidelines, rather than a list of preapproved recreation amenities to allow for maximum flexibility in identify potential recreation that might be of particular interest for a given RCA.

In August 2020, the Washington State Parks and Recreation Commission and Westport Golf Inc. entered into a Memorandum of Agreement (MOA) outlining a mutually agreed upon plan that, if successful and in both Washington State Parks and Recreation Commission and Westport Golf Inc.'s best interest, will result in a long-term Concession contract that would allow Westport Golf Inc. to develop this Scottish, links style "artisanal golf course" and lodging, transfer the facilities to Washington State Parks, and then allow Westport Golf Inc. to manage and maintain these facilities, as part of an ongoing revenue-sharing agreement with State Parks.

Westport Golf Links presents a unique and attractive opportunity for Washington State Parks to expand its recreational amenities to include a Scottish links-style "artisanal" golf course and associated lodging that it wouldn't otherwise have the financial capacity to offer, through the RCA mechanism established for that

¹ In September 2022, Washington State Parks' staff determined that use of the word "business" in the term "Recreation Business Activity" was causing confusion by creating an impression to some stakeholders that their intent is to privatize the Washington State Parks system and focus on revenue at the expense of other park values. Staff wanted to communicate that RBAs were, instead, simply a new way of concessions, which State Parks has a long history of developing agreements with private business for. However, State Parks also realized that the proposed RBAs differed from traditional concessions in two key ways: 1.) they require a higher level of private investment and 2.) there is a longer term needed to amortize that investment. As such, it is necessary to distinguish them from traditional concessions. As a compromise, staff proposed renaming "Recreation Business Activities" (RBAs) as "Recreation Concession Areas."

purpose. The envisioned project has a is desirable in both the tourism and recreation/golf market contexts and would “light the way” for long-desired economic development in the City of Westport and Grays Harbor County that would have substantial economic and fiscal impacts for the City of Westport, Grays Harbor County, and Washington, more broadly.

In total development and construction of Westport Golf Links (including the offsite wetland mitigation) will **create 349 jobs and have a one-time economic impact of \$55.6 million on the Washington economy.** It will also **generate over \$2.5 million in additional tax receipts for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority.**

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Washington **creating 303 jobs and have an ongoing annual economic impact of \$29.54 million, in 2022\$, on the Washington economy. The majority of this impact will be felt in Grays Harbor County, where 285 of these jobs will be created and \$25.07 million of this economic impact will be felt.** It will also **generate over \$3 million in additional tax receipts annually for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority**

While, to some audiences, consideration of Westport Golf Links may hinge solely on the quantifiable impacts and benefits estimated herein, it is important to remember that the economic and fiscal impact analysis presented in this Report is one piece of the full range of qualitative and quantitative community, economic, fiscal and environmental impacts of the project. In fact, given the conservative methodology employed in this analysis and the intangible benefits of this project, the impacts and benefits estimated in this report may actually under-report the full value of the Westport Golf Links project to the City of Westport, Grays Harbor County, and Washington State.

Introduction

The State of Washington and its parks department (Washington State Parks) envision Washington's state parks to be "cherished destinations with natural, cultural, recreational, artistic, and interpretive experiences that all Washingtonians enjoy, appreciate, and proudly support." In accomplishing this vision, the Washington State Parks and Recreation Commission sees its mission as "car[ing] for Washington's most treasured lands, waters, and historic places. State parks connect all Washingtonians to their diverse natural and cultural heritage and provide memorable recreational and educational experiences that enhance their lives."

In 2012 the Washington Governor and State Legislature made a policy decision to eliminate most of Washington State Parks General Fund support, moving to a user-fee-based system, through sale of annual State Parks passes (Discover Passes), daily access permits, and camping and other service fees. These revenues, on their own, are not sufficient to match the level of investment in State Parks achieved when the Department had General Fund support. As such, State Parks has had no choice but to fundamentally change how it operates and provides public recreation.

To support this, starting with its 2014 to 2019 Strategic Plan, which was updated in 2016, Washington State Parks laid out a bold transformation strategy to adapt to this new way of operating Washington's State Parks. State Parks' transformation strategy was intended to align agency philosophy, set general direction, and provide a conceptual framework for transforming the agency to a new, user-fee-supported, business model. It lays out the five transformation principles, following:

- We must provide experiences people will choose
- We must align everything we do with the appropriate sources of funding
- We must pursue an interdependent relationship with our volunteers, friends, and partners
- We must base our business decisions on adequate and objective information and data
- We must embrace innovation and technology

These transformation principles were then used to identify several transformation strategies and initiatives. One of these key initiatives was to "[e]xpand the use of land holdings of compatible revenue generating purposes."

As part of implementing this key initiative, State Parks developed a framework for designating sites within state parks for the development of privately financed recreation amenities, known as Recreation Business Activity (RBA) sites. RBA sites were later renamed to Recreation Concession Area (RCA) sites², which is used throughout the remainder of this report. RCAs allow for conditionally permitted activities (which are subject to the specific authorization of the Washington State Recreation and Parks Commission) on Washington State Parks' "Recreation", "Resource recreation, or "Heritage" lands. The intent is to allow development of amenities on

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public lands for the public's use that are otherwise beyond State Parks' financial capacity, while generating revenue to help operate the rest of the state park system.

In March 2015, the Washington State Parks and Recreation Commission created a list of guidelines for evaluating potential recreation amenities for development in RCA sites. According to these guidelines amenities at RBA sites should be:

1. Consistent with the agency's mission, vision, and core values
2. Consistent with the park's approved land classifications
3. Advance the agency's Transformation Strategy
4. Consistent with grant funding restrictions that may apply to the park, or that are able to resolve inconsistencies with those restrictions
5. Are mutually beneficial to both State Parks and the project developer in:
 - a. Providing recreational benefits to park users
 - b. Providing economic benefits to the state park system
6. Have a net positive impact on park operation
7. Provide activities that respond to recreation trends and help meet current and future recreation demands

Following development of these guidelines, in January 2016, staff identified eleven State Parks sites as candidates for RCA pilot projects. Among these sites was Westhaven/Westport State Park. As part of an initial assessment of opportunities and challenges related to RCA projects at Westhaven/Westport State Park, State Parks sought public input from adjacent landowners within 1,000 feet of each park, Tribes, elected officials, and other known user groups and stakeholders, through a direct mailing and, later, a public meeting at five of the key sites, one of which was Westhaven/Westport State Park. 59 stakeholders attended the meeting held related to a potential RCA at Westhaven/Westport State Park. The feedback was largely favorable; while there was concern about wetland impacts and about impacts to existing Westport businesses, there was also considerable support for the potential economic development an RCA could bring to Westport.

At the conclusion of the public engagement period, in September 2016, Washington State Parks staff recommended two different types of RCA conditional activities at four total pilot sites, including:

- Test use of RCAs for adaptive reuse of existing structures
 - Fort Flager Historical State Park
- Development of new park amenities
 - Millersylvania State Park, Miles Sand and Gravel Area
 - Squilchuck State Park
 - Westhaven/Westport Light State Park

Several partnerships have emerged as part of the implementation of these RCAs.

Westport Light State Park RCA

At the time Westhaven/Westport State Park was identified as a potentially State Park for RCA siting, it was actually two state parks: Westhaven State Park and Westport Light State Park.

In December 2015, State Parks was able to acquire an additional 300 acres between the two existing parks through a \$1.9 million Washington Wildlife and Recreation Program Grant. The additional 300 acres that Washington State Parks acquired had previously been owned by a developer who, between 2000 and 2008, had proposed a destination resort, The Links at Half Moon Bay, to include a golf course, luxury hotel with approximately 200 rooms, a conference center, and other supportive commercial development. Although The Links at Half Moon Bay project ultimately failed, substantial alterations to the land and property had already been made while at the same time, the project's restoration plan had not been implemented. As such, portions of the property remain in a degraded state, with scars of the former project plainly visible today.

The additional acreage made the two State Parks contiguous, and Westhaven State Park was effectively subsumed into an expanded state park, renamed Westport Light State Park. The expanded Westport Light State Park is a 603-acre day-use park with 1,215 feet of shoreline on the Pacific Ocean and Half Moon Bay. Westport Light State Park is fully within the City of Westport's incorporated city limits and is minutes away from the City's "commercial core" and its attractions, including the Westport Marina, Westport Maritime Museum, and several stores, restaurants, and other businesses. A paved 1.3 mile path allows pedestrian connection between the State Park and the "commercial core."

When the 34-acre Westport Light State Park RCA was approved by the Washington State Parks and Recreation Commission, it was envisioned for vacation cottages or RV lodging, food services, or other hospitality uses. State Parks let a request for proposals for use of the RCA in August 2017 to which they received no submittals and then revised and readvertised the opportunity in November 2017, to which they received two submittals that were not selected. At the end of the RFP process, Washington State Parks was no closer to identifying a potential concessionaire for Westport Light State Park. However, in 2019 Westport Golf Inc. approached Washington State Parks with a proposal to construct, operate, and manage a Scottish links-style "artisanal" golf course and associated lodging at Westport Light State Park. Although this project was larger and a somewhat different type of amenity than what was originally envisioned, it is important to remember that the original RCA guidelines were intentionally designed as guidelines, rather than a list of preapproved recreation amenities to allow for maximum flexibility in identify potential recreation that might be of particular interest for a given RCA.

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The MOA is a nonbinding document that outlines several components of this plan, including:

- The **working relationship** between State Parks and Westport Golf Inc.
- Roles, responsibilities, and **milestones** for implementing this plan
- Allowances for **amendments** to this agreement
- Requirement for **progress reporting** to the Washington State Parks and Recreation Commission: State Park

staff and their exclusive bargaining unit (Washington Federation of State Employees); Westport Golf Inc. staff and Board of Directors; Tribes; partners; and the public

- An outline of the desired **long-term concession agreement** to be negotiated at the successful completion of this planning process
- Requirements for **necessary state agency review and approvals** from Recreation Conservation Office (RCO) and, if required, the Recreation Conservation Funding Board (RCFB) and Washington State parks and Recreation Commission through adoption of a Westport Light State Park Master Plan and authorization of a long-term concession agreement.
- Requirement for Westport Golf Inc. to demonstrate its ability to **fund and finance** the potential golf course and lodging project.
- Establishing that Washington State Parks or Westport Golf Inc. do **not assume liabilities** as part of the MOA.

The MOA identifies several milestones within a broader “Master Plan Development and Environmental Review” process. These milestones include:

- **Milestone 1:** Information gathering – (Park Natural Resources, Stewardship Program, Westport Golf, INC.)-
- **Milestone 2:** Site Opportunity and Constraints Development (Westport Golf INC./Review Team) – (Approximately 3-4 months)
- **Milestone 3:** Master Plan Development (Westport Golf INC./Review Team) – (Approximately 8-12 months)
- **Milestone 4:** Master Plan Development- Initiate Environmental Review (Approximately 8-12 months)
- **Milestone 5:** Master Plan Development- Commission Adoption (Approximately 4-6 months)

The Westport Golf Links project is currently working toward the completion of Milestone 2; this Economic, and Fiscal Benefits Study is an important input into its completion.

Westport Golf Links

Recognizing the gap in golf offerings in Gray’s Harbor County and the opportunity to capitalize on the area’s rapidly growing tourism market, Westport Golf Inc. has proposed an authentic, championship-level links golf course at Westport Light State Park. This course, Westport Golf Links, would be a tourism destination for recreational golfers and bring back the Washington Coast as a destination for professional golf and tournaments. The Washington Coast, and particularly Westport Light State Park, is the perfect setting for a links course, with its picturesque seaside location and sandy soil, dunes, and undulating topography. The envisioned course, designed by David McLay-Kidd, would be one of the only authentic links courses in North America.

The Westport Golf Links project involves the development and construction of an 18-hole championship links golf course, a driving range, associated 60-room artisanal hotel, a full-service restaurant, and retail sales, including the pro-shop. It also includes site improvements to Westport Light State Park, including to enhance recreational access and provide habitat restoration at Westport Light State Park. Another important component of the project will be the development and maintenance of a permittee responsible wetland mitigation site. Development and construction will directly impact wetlands and their buffers. Onsite wetland creation and preservation will be maximized where possible, but it is likely that offsite mitigation will be required. The

development team has identified multiple properties which may be suitable candidates for offsite mitigation. The is referred to as the “offsite mitigation site” in this document which could be a single or multiple properties. As an example, Twin Harbors State Park in Grays Harbor County offers a unique opportunity to mitigate for wetland impacts that are within proximity and have similar ecological characteristics. This pertains to the closed campground area east of State Route (SR) 105 has been identified by Parks as suitable for habitat restoration and mitigation.

Both the development and construction and operations of this project are anticipated to have profound impacts to the tourism and recreation markets, as well as economic and fiscal impacts benefits for Grays Harbor County and Washington State, at large. To better understand these impacts, and in response to Westport Golf Inc.’s roles and responsibilities in meeting the milestones established in their MOA with the Washington State Parks and Recreation Commission, Westport Golf Inc. has commissioned this study to quantify the impacts and benefits of the Westport Golf Links project. This analysis will be used to quantify two categories of potential impacts, including:

- **Economic Impacts.** The total value of direct, indirect, and induced economic activity on the economy.
- **Fiscal Impacts.** The cash flows, most commonly from taxation, but also commonly including fees, fines, and other cost-recovery mechanisms, to specific governments associated with a specific policy or activity, including economic and business activities

In the report, following we describe an approach to quantifying these benefits, as well as the results and their limitations. The full methodology for each analysis within this approach is also presented in the appendices. While, to some audiences, consideration of Westport Golf Links may hinge solely on the quantifiable impacts and benefits estimated herein, it is important to remember that the economic impact analysis presented in this Report is one piece of the full range of qualitative and quantitative community, economic, fiscal and environmental impacts of the project. In fact, given the conservative methodology employed in this analysis and the intangible benefits of this project, the impacts and benefits estimated in this report may actually under-report the full value of the Westport Golf Links project to the City of Westport, Grays Harbor County, and Washington State.

Market Context

Westport Golf Links as it is envisioned will be both a tourism³ and recreation⁴ amenity, impacting many sectors of the Grays Harbor and greater Washington State economies. However, it is difficult to tease out these impacts without first understanding their context in Washington, Grays Harbor, and the City of Westport's existing tourism and recreation, and more specifically golf, industries and opportunities.

Washington State Tourism Market

The tourism industry includes the composite of activities, services, and industries that delivers a travel experience to individuals and groups traveling from their homes for recreational, leisure, or business purposes. Activities include recreation, which can make separating tourism activity from recreation activities extremely difficult, however, it is important to understand both tourism and recreation as separate markets as not all tourists will be interested in recreation (or, more specifically, golf) while not all golfers will be tourists (many golfers actually reside locally).

Tourism is the fourth largest industry in Washington State, after information and communications technology, aerospace, and forest products. According to the Washington Department of Commerce, tourism generates roughly \$21 billion annually statewide and contributes \$1.8 billion in fiscal impacts, through local and state taxes and every dollar spent by a tourist creates \$1.36 in additional economic impact in Washington State. Roughly two-thirds of Washington's tourists enjoy Washington's year-round recreation and sports opportunities.

Grays Harbor County and City of Westport Tourism

Tourism is also a key industry in Grays Harbor County, which grew significantly between 2019 and 2021, despite the ongoing COVID-19⁵ pandemic. The City of Westport sees tourism, specifically from the development of additional attractions, as key to its future economic development. In its Comprehensive Plan, the City wrote:

When the national economy boomed, large commercial developments were proposed that

³ Recreation is defined as the activities undertaken during leisure time, sort of amusement/activity a person takes part in for pleasure or relaxation.

⁴ Tourism is defined as a composite of activities, services, and industries that delivers a travel experience to individuals and groups traveling from their homes for recreational, leisure, or business purposes.

⁵ The COVID-19 pandemic is a global pandemic related to the emergence of a new strain of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) disease that was identified in 2019. The novel virus was first identified in Wuhan, China and spread worldwide. The World Health Organization (WHO) declared the outbreak a public health emergency of international concern in January 2020 and a pandemic on March 11, 2020. SARS-CoV-2 was found to be highly contagious and spread from infected individuals, including many who were asymptomatic, through respiratory droplets as well as the much smaller aerosols. As such, health experts, including the WHO, recommended "social distancing" measures, particularly staying home and away from others as much as possible. Many countries implemented varying degrees of economic shutdowns to support social distancing.

In Washington (where SARS-CoV-2 was first identified in the US), Governor Jay Inslee declared a state of emergency related to the pandemic on February 29, 2020. This declaration gave him broad authority to prohibit activities "to help preserve and maintain, life, health, property, or the public peace" and waive or suspend certain statutes and rules. As part of the state of emergency declaration, Governor Inslee enacted a shelter-in-place requirement, a mask mandate and physical distancing recommendations, and proof of vaccination or negative test requirements to attend large events, all of which effected economic activity throughout Washington. At the time of this Report, Washington's state of emergency was still in effect, with an estimated end date of October 31, 2022.

included a golf course, convention center, and motels. A secondary effect was an increase in proposed expansions, redevelopment, and infill developments focused primarily in the Marina district. When the economy crashed, so did most of the proposed developments. Westport needs to be positioned to take advantage of the recovering economy to allow for the completion of the destination resort that was identified in the first comprehensive plan as a priority.

Westport Light State Park's 603-acres are within the incorporated boundaries of the City of Westport and represents approximately 20% of the City's total acreage. As such, the State Park, particularly with the draw of a recreation amenity, presents a significant and unmatched economic development opportunity to the City of Westport.

National Golf Market

Golf is a beloved pastime in the US. In fact, the National Golf Foundation (NGF) estimates that one out of every three Americans, over 106 million people ages six and over, played golf or engaged with golf related media (including following golf on television or online, reading about golf, or listening to a golf-related podcast), in 2021. This includes 25.1 million Americans six and over who played golf on a traditional course (and an additional 12.4 million who participated in golf activities "off-course" at driving ranges, indoor golf simulators, or golf entertainment venues⁶).

Over the last decade, golf has been experiencing significant growth in interest. In fact, more than 2 million people have taken up golf as "beginner golfers" over the last eight years. Over three million people took up golf in 2020 and 2021, which believed to be attributable to the COVID-19 pandemic, which kept people closer to home and doing more outdoor activities with less physical contact. In fact, many found that golf was a perfect pandemic activity, as it allowed for social interaction and physical activity, while also supporting physical distancing (for example, maintaining a berth of six feet between people) and meeting government-mandated social distancing rules. This increase in the pool of potential golfers has increased the total gameplay, with total rounds up 19% in 2021 compared to the three-year average from 2017 to 2019.

However, the number of golf facilities in the US is not keeping up with this growth in participation. Since 2006, the total golf course supply in the US has declined by approximately 11%. The majority of this decline has been at golf courses with more economical fees (less than \$40 per round).

Washington State Golf Market

In January 2017, the Golf Alliance of Washington commissioned a study on Washington's golf industry, *The Washington Golf Economy*. The study explored Washington's golf economy, including its size, core and enabled industries, and economic impact, while providing data on golf facility operations, capital investment, real estate, and related hospitality and tourism. This study was a companion to a previous study, in 2007 that provided a comparable evaluation.

⁶ Golf entertainment venues are off-course golf venues with golf activities like driving ranges coupled with other food, beverage, and entertainment, and include Topgolf and Drive Shack. There is currently one golf entertainment venue in Washington, a Topgolf which is in Renton although there are additional ones throughout the Northwest, including in Hillsboro, OR and Boise, ID.

The completion of these two studies allows for longitudinal analysis that provides insight into the market trends in Washington's golf market. The study found that between 2007 and 2015, Washington's golf industry contracted 13.9 percent in real terms (that is, when adjusted for inflation), going from \$1.19 billion in economic activity in 2007 to \$1.16 billion in 2015. However, it is expected that some of this contraction was related to the specific economic conditions between 2007 and 2015, particularly the "Great Recession" which reduced consumer spending and discretionary spending and, as such, tourism and recreation spending, including on golf.

Additionally, the recession led to a contraction of golf course real estate and capital investment, including the closure of some golf facilities. In 2007, Washington had 280 golf courses, 29 stand-alone ranges, and 28 miniature golf facilities. In 2015, the study documented a total of only 246 golf facilities. It's likely that the recession caused the closure of "less viable" golf facilities, including those with substantial capital investment needs, leaving the most economically viable facilities to capture the economic activity of the golf industry. While total economic impact for the golf industry declined, it is obvious that the economic impact per golf facility likely increased between 2007 and 2015. This is good news for anyone pursuing development of new golf facilities, as it means that there will be more demand for them and it is less likely that those new facilities will reduce demand for existing facilities.

Since the recession, there is evidence that the Washington State golf economy is rebounding across several segments; these include:

- Increase in the number of golf product manufacturers,
- Increase in golf tournament revenue driven by Washington's hosting of the US Open Championship at Chambers Bay and subsequent professional and amateur tournaments; and,
- Increase in golf tourism, again, driven by the presence of the US Open at Chambers Bay.

We can also assume that Washington golf market has been impacted by national trends over the last five years since *The Washington Golf Economy* was written, which suggest significant growth in the pool of golfers, interested in higher-end course experiences. An authentic, championship-level, links golf course like Westport Golf Links would likely capitalize on these positive trends in golf industry growth.

Grays Harbor County and City of Westport Golf Market

In its heyday, in the 1960s and early 1970s, Grays Harbor County and, in particular, the Cities of Westport and Ocean Shores were fashionable travel destinations, with unlimited outdoor recreation opportunities, including Golf. The Ocean Shores Golf Course opened in 1961 as a six-hole golf course and, over the next decade,

ECONOMIC IMPACT OF GOLF IN WASHINGTON

The January 2017 study, *The Washington Golf Economy* found that Washington's direct golf economy had a value of approximately \$1.2 billion. In addition, as golf brings visitors to the state, drives new construction and residential development, generates retail sales, and creates demand for a myriad of goods and services, total economic impact of these golf-related activities is \$1.6 billion of total economic activity, over 22,000 jobs, and \$499.1 million of wage income in 2015.

The January 2017 study was a follow-up to a 2007 study on the same topic. The completion of both studies is useful for evaluating and identifying trends in the Washington golf economy. Between the two studies, Washington's overall golf industry contracted marginally (by 2.6%) in nominal terms, with a larger decline in real terms (by 13.9 percent) from 2007 to 2015

expanded to a full 18 holes. For 15 years, starting in 1966, Pat Boone hosted his Celebrity Golf Classic there. In 1969 and 1970, the course hosted the LPGA Wendell-West Open. Since the 1970s, the course has hosted a smattering of high-profile events, including the 1971 Northwest Open, 1990 Pacific Northwest Pro-Am: NFL Celebrity Classics, and 2007 PPGA Junior Girls Championship. However, over time, it has ceded Grays Harbor County's place in the professional golf world to larger, higher capacity, and more artisanal golf courses, like Chambers Bay Golf Course and Bandon Dunes Golf Resort. The Westport Golf Links at Westport Light State Park would change that. The proposed authentic, championship-level, links golf course would be a tourism destination for recreational golfers and bring back the Washington Coast as a destination for professional golf and tournaments.

As discussed previously, the City of Westport sees tourism, specifically from the development of additional attractions as key to its future economic development. A links style golf course and associated resort is a well-suited attraction (as it leverages the City's natural beauty and fits within the existing habitat while aligning to the City's desires for economic development as expressed in its Comprehensive Plan) and the trajectory of Washington's golf economy seems to suggest its viability.

Approach

Both the development and construction and operations of Westport Golf Links are anticipated to have profound impacts to the tourism and recreation markets and economic and fiscal benefits for Grays Harbor County and Washington State, at large. To better understand these impacts, and in response to Westport Golf Inc.'s roles and responsibilities in meeting the milestones established in their MOA with the Washington State Parks and Recreation Commission, Westport Golf Inc. has commissioned this study to quantify the impacts and benefits of the Westport Golf Links project, through economic and fiscal impact analyses.

Quantifying the impacts and benefits of Westport Golf Links is complex and will require consideration from several perspectives. First, both the **development and construction** of the course and associated amenities (including the environmental improvements) and the ongoing **operations and maintenance** of the course and amenities, will have a profound economic and fiscal impact on Grays Harbor County. The former (development and construction) is a one-time economic and fiscal impact while the latter (ongoing operations) will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, as well as the tax dollars they generate, more broadly.

As discussed previously, Westport Golf Links as it is envisioned will be both a recreation and tourism amenity, impacting many sectors of the Grays Harbor and greater Washington State economies. In the case of Westport Golf Links, it is likely that both Grays Harbor County residents and tourists will be patronizing Westport Golf Links creating considerable overlap between the tourism and recreational activities we seek to measure. As such, it will be important to both capture the full extent of impacts to golf industry operations while not double counting visitor spending at Westport Golf Links with those industry operations. However, it will be equally important to capture the additional visitor spending of Westport Golf Links visitors to other establishments in Westport and Gray Harbor County during their stay.

The analyses detailed in this report are futuristic, in the sense that it is about new business, that is, a recreation amenity (Westport Golf Links) and associated tourism that does not yet exist and is therefore based on predictions about future golf industry and tourism growth based on projected visitation and spending patterns. Because many of these futuristic projections are of future business activities, they represent proprietary business information. As such, in some cases, their exact values have been suppressed, although, where possible, the trends have been illustrated.

Since it is unknown when development and construction of Westport Golf Links will occur (which is instead being denoted as Year 0) it is also unknown when Westport Golf Links will begin operating. The current Westport Golf Links operational proforma assumes that operations will grow significantly (based on both visitation and pricing) over an initial operational period of five years (denoted Years 1 through 5). As we want to understand the economic and fiscal impacts of the project at "full-buildout" it makes sense to model the economic impact of Westport Golf Links operations and visitors based on Year 5 of this pro forma.

Following we describe our high-level approach to each of these analyses, as they were used to quantify Westport Golf Links impacts and benefits, as well as the results and their limitations. The full methodology for each analysis within this approach is also presented in the appendices of this Report.

Economic Impact Analysis

This economic impact analysis is intended to understand, to the extent possible, the economic impact of the proposed Westport Golf Links. This analysis was completed using input-output modeling. Input-output modeling

is based on Nobel-prizing winning theory by Wassily Leontief that asserts that all households, industries, and governments in an economy are connected through buy-sell relationships, such that any given economic activity will influence other, additional economic activity in that economy. While there are many input-output models available, the analysis documented in this report was completed using IMPLAN, which is considered a prevailing Input-Output model for this kind of economic impact modeling in the United States.

The economic impact analysis performed by IMPLAN itself is informed by data from 2019, as that is the most recent available data year. While this is the best available data and would otherwise be attractive for measuring tourism as the last “normal” year before the COVID-19 pandemic which significantly impacted tourism (discussed later in the methodology), it’s worth noting that Grays Harbor County’s tourism industry grew significantly between 2019 and 2021, as such, this only increases the conservatism of these estimates.

Both the development and construction of Westport Golf Links (as well as the offsite mitigation) and the ongoing operations and maintenance of the project (including ongoing maintenance of the offsite mitigation site), will occur in and primarily directly impact Grays Harbor County. However, it is likely that these activities will also impact the other 38 counties in Washington State. To model all these impacts, we built and used a multi-regional input-output (MRIO) model in IMPLAN, that includes Grays Harbor County as the direct effect region to the rest of the state of Washington.

The MRIO model extends the economic impact of the activity in Grays Harbor County to surrounding, linked regions (in this case, the other 38 counties in Washington State⁷) while maintaining the integrity of the Grays Harbor County multipliers being used to estimate the economic impact of the activities there. That is, this method allows us to see the impact on both Grays Harbor County and Washington State while maintaining the specific regional identity of the county.

The resulting model analyzed the economic impacts of both:

- 1.) **Development and construction of Westport Golf Links and the associated offsite mitigation site.** These impacts were modeled based on the industry output of several “events,” related to the development and construction of Westport Golf Links based on conservative, planning level cost estimates for development and construction.
- 2.) **Ongoing operations and maintenance of the course and amenities (including ongoing maintenance of the offsite mitigation site).** These impacts were

IMPLAN provides economic impact in terms of additional employment, labor income, value added (akin to gross county or state product and inclusive of labor income), and output (total economic impact, including value added and labor income). This economic impact is described in terms of the collective events direct, indirect, and induced effects, which are defined as:

- **Direct Effects:** The economic impact of the production changes or expenditures changed as part of the project and its collective events. These effects are equal to the modeling inputs.

⁷ Because Grays Harbor County is the direct effect study region, the linked region in our MRIO model must be the “rest of state” that is the other 38 counties aggregated, rather than the whole state.

ECONOMIC ANALYSIS OF WASHINGTON STATE PARKS

In 2021, the Washington State Parks Commission authorized a study to better understand economic activity associated with the state park system. The study, *Economic Analysis of Washington State Parks*, completed by Earth Economics used IMPLAN to estimate the economic contributions of the Washington State park system to Washington's economy. While this approach is consistent with this Study (of the economic impacts of the proposed Westport Golf Links) they differ in that while this economic impact study assesses the impact and net effects of new business, the State Parks study assesses the contributions of State Parks to an established industry. As such, it does not consider whether any of this activity might double count or take away from economic activity originating at other comparable sites (like National Parks, State Forests, regional parks, etc.)

The study confirmed that state parks are a significant economic engine in Washington, contributing a total of \$1.6 billion in economic activity to Washington's economy, as well a host of other benefits to tourism, ecosystems, and quality of life. The study also identified that many of these benefits accrue to rural areas, as State Parks support economic development activities that move money from urban population centers to more rural economies.

- **Indirect Effects:** The economic impact of the business-to-business supply chain transactions that occur due to the initial production change or expenditures.

- **Induced Effects:** The economic impact of the household spending of labor income, after taxes, savings, and commuter income. These effects are generated by employee spending with the business' supply chain.

The full assumptions, methodology, and limitations of the economic impact analysis is available in **Appendix A: Economic Impact Analysis**.

Fiscal Impacts Analysis

Fiscal impacts analysis looks at the cash flow, most commonly from taxation, but also commonly including fees, fines, and other cost-recovery mechanisms, to specific governments associated with a specific policy or activity, including economic and business activities. At its core, fiscal impacts analysis is simply arithmetic, however, often analysis is needed to project the drivers of taxation (for example, to estimate the gross revenues to be taxed in the case of retail sales and use tax, or the assessed valuation to be taxed in the case of property taxes).

Like in the case of the economic impact analysis, the fiscal impacts analysis will look at the impacts of both:

- 1.) Development and construction of Westport Golf Links and the associated offsite mitigation site.
- 2.) Ongoing operations and maintenance of the course and amenities (including ongoing maintenance of the offsite mitigation site).

These economic activities will be taxed, to varying degrees, by several jurisdictions including the City of Westport, Grays Harbor County, and the State of Washington as well as special districts like , Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority. While the federal government will also tax some of these economic activities (for example, through employment taxes) we considered analysis of those impacts

outside of the scope of this inquiry.

The full assumptions, methodology, and limitations of the fiscal impact analysis is available in **Appendix B: Fiscal Impacts Analysis**.

Benefits

Economic and Fiscal Benefits

Development and Construction

Development and construction of this project is expected to cost \$33,530,000 as shown in the “direct effects.” This will have a significant one-time economic impact on Grays Harbor County and Washington State, as shown in Exhibit 10

Exhibit 1. One-time Economic Impacts Related to Development and Construction of Westport Golf Links (including offsite wetland mitigation site), 2022\$

Impact	Employment	Labor Income	Value Added	Output
Washington State				
Direct	234	\$14,640,000	\$16,340,000	\$33,530,000
Indirect	48	\$2,930,000	\$5,250,000	\$10,870,000
Induced	67	\$3,110,000	\$6,420,000	\$11,200,000
TOTAL	349	\$20,680,000	\$28,010,000	\$55,600,000

NOTES: As discussed previously, these results have been rounded to nearest integer for employment and \$10,000 for labor income, value added, and output to reduce false precision.

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

In total development and construction of Westport Golf Links (including the offsite wetland mitigation site) will **create 349 jobs and have a one-time economic impact of \$55.6 million on the Washington economy.**

There is some debate that much of the economic impact attributable to construction activities is supported, rather than created. That is because construction, as an industry, is usually supported project to project. Thus, new construction projects, like Westport Golf Links, are maintaining the construction industry and keeping construction workers employed rather than genuinely creating new jobs in the economy. However, Westport Golf Links is both so unique and at a scale that it is likely some of the economic impact is new, rather than just supported.

Development and construction of this project will also have a significant one-time fiscal impact on Grays Harbor County and Washington State, as shown in **Exhibit 15,**

Exhibit 15.

Exhibit 2. One-time Fiscal Impacts Related to Development and Construction of Westport Golf Links (including offsite wetland mitigation site), 2022\$

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes	
Washington State				
Social Insurance Tax- Employee Contribution	\$59,000			\$59,000
Social Insurance Tax- Employer Contribution	\$91,000			\$91,000
TOPI: Sales Tax		\$936,000		\$936,000
TOPI: Property Tax		\$196,000		\$196,000
TOPI: Motor Vehicle License		\$20,000		\$20,000
TOPI: Severance Tax		\$3,000		\$3,000
TOPI: Other Taxes		\$110,000		\$110,000
TOPI: Special Assessments		\$0		\$0
Personal Tax: Motor Vehicle License			\$17,000	\$17,000
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$5,000	\$5,000
TOTAL	\$150,000	\$1,265,000	\$23,000	\$1,438,000
Grays Harbor County				
Social Insurance Tax- Employee Contribution	\$0			\$0
Social Insurance Tax- Employer Contribution	\$0			\$0
TOPI: Sales Tax		\$155,000		\$155,000
TOPI: Property Tax		\$149,000		\$149,000
TOPI: Motor Vehicle License		\$1,000		\$1,000
TOPI: Severance Tax		\$20,000		\$20,000
TOPI: Other Taxes		\$13,000		\$13,000
TOPI: Special Assessments		\$1,000		\$1,000
Personal Tax: Motor Vehicle License			\$1,000	\$1,000
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0
TOTAL	\$0	\$339,000	\$2,000	\$341,000
City of Westport				
Social Insurance Tax- Employee Contribution	\$0			\$0
Social Insurance Tax- Employer Contribution	\$0			\$0
TOPI: Sales Tax		\$181,000		\$181,000
TOPI: Property Tax		\$118,000		\$118,000
TOPI: Motor Vehicle License		\$0		\$0
TOPI: Severance Tax		\$0		\$0
TOPI: Other Taxes		\$60,000		\$60,000
TOPI: Special Assessments		\$21,000		\$21,000
Personal Tax: Motor Vehicle License			\$0	\$0
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0
TOTAL	\$0	\$380,000	\$1,000	\$381,000

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes		
Special Districts					
Social Insurance Tax- Employee Contribution	\$0				\$0
Social Insurance Tax- Employer Contribution	\$0				\$0
TOPI: Sales Tax		\$11,000			\$11,000
TOPI: Property Tax		\$360,000			\$360,000
TOPI: Motor Vehicle License		\$0			\$0
TOPI: Severance Tax		\$0			\$0
TOPI: Other Taxes		\$8,000			\$8,000
TOPI: Special Assessments		\$9,000			\$9,000
Personal Tax: Motor Vehicle License				\$0	\$0
Personal Tax: Property Taxes				\$2,000	\$2,000
Personal Tax: Other Tax (Fish/Hunt)				\$0	\$0
TOTAL	\$0	\$388,000		\$2,000	\$390,000
TOTAL FISCAL IMPACT	\$150,000	\$2,372,000		\$28,000	\$2,550,000

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

In total development and construction of Westport Golf Links (including the offsite wetland mitigation site) will generate over \$2.5 million in additional tax receipts for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority.

Operations and Visitor Spending

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly; the annual economic impact of these activities for both Grays Harbor County and for Washington State, inclusive of Grays Harbor County, is shown in Exhibit 11, following.

Exhibit 3. Annual Economic Impact Related to Operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site), 2022\$

Impact	Employment	Labor Income	Value Added	Output
Grays Harbor County				
Direct	223	\$10,360,000	\$14,250,000	\$15,420,000
Indirect	25	\$970,000	\$1,810,000	\$3,940,000
Induced	37	\$1,470,000	\$3,220,000	\$5,710,000

Impact	Employment	Labor Income	Value Added	Output
TOTAL	285	\$12,800,000	\$19,280,000	\$25,070,000
Washington State				
Direct	223	\$10,360,000	\$14,250,000	\$15,420,000
Indirect	33	\$1,710,000	\$3,080,000	\$6,410,000
Induced	47	\$2,110,000	\$4,390,000	\$7,710,000
TOTAL	303	\$14,180,000	\$21,720,000	\$29,540,000

Notes: Results for Washington State overall, are inclusive of the results for Grays Harbor County, and thus these totals are not additive. Rather they are both presented as they may each be of interest to different audiences.

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Washington **creating 303 jobs and have an ongoing annual economic impact of \$29.54 million, in 2022\$, on the Washington economy. The majority of this impact will be felt in Grays Harbor County, where 285 of these jobs will be created and \$25.07 million of this economic impact will be felt.**

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly; the annual fiscal impact of these activities for both Grays Harbor County and for Washington State, inclusive of Grays Harbor County, is shown in Exhibit 16, following.

Exhibit 4. Annual Fiscal Impact Related to Operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site), 2022\$

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes	
Washington State				
Social Insurance Tax- Employee Contribution	\$25,000			\$25,000
Social Insurance Tax- Employer Contribution	\$39,000			\$39,000
TOPI: Sales Tax		\$1,313,000		\$1,313,000
TOPI: Property Tax		\$283,000		\$283,000
TOPI: Motor Vehicle License		\$28,000		\$28,000
TOPI: Severance Tax		\$4,000		\$4,000
TOPI: Other Taxes		\$158,000		\$158,000
TOPI: Special Assessments		\$0		\$0
Personal Tax: Motor Vehicle License			\$12,000	\$12,000
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$4,000	\$4,000
TOTAL	\$150,000	\$1,265,000	\$23,000	\$1,438,000

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes		
Grays Harbor County					
Social Insurance Tax- Employee Contribution	\$0			\$0	
Social Insurance Tax- Employer Contribution	\$0			\$0	
TOPI: Sales Tax		\$234,000		\$234,000	
TOPI: Property Tax		\$219,000		\$219,000	
TOPI: Motor Vehicle License		\$2,000		\$2,000	
TOPI: Severance Tax		\$31,000		\$31,000	
TOPI: Other Taxes		\$19,000		\$19,000	
TOPI: Special Assessments		\$1,000		\$1,000	
Personal Tax: Motor Vehicle License			\$1,000	\$1,000	
Personal Tax: Property Taxes			\$1,000	\$1,000	
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0	
TOTAL	\$0	\$506,000	\$2,000	\$508,000	
City of Westport					
Social Insurance Tax- Employee Contribution	\$0			\$0	
Social Insurance Tax- Employer Contribution	\$0			\$0	
TOPI: Sales Tax		\$265,000		\$265,000	
TOPI: Property Tax		\$175,000		\$175,000	
TOPI: Motor Vehicle License		\$0		\$0	
TOPI: Severance Tax		\$0		\$0	
TOPI: Other Taxes		\$88,000		\$88,000	
TOPI: Special Assessments		\$32,000		\$32,000	
Personal Tax: Motor Vehicle License			\$0	\$0	
Personal Tax: Property Taxes			\$0	\$0	
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0	
TOTAL	\$0	\$560,000	\$0	\$560,000	
Special Districts					
Social Insurance Tax- Employee Contribution	\$0			\$0	
Social Insurance Tax- Employer Contribution	\$0			\$0	
TOPI: Sales Tax		\$6,000		\$6,000	
TOPI: Property Tax		\$524,000		\$524,000	
TOPI: Motor Vehicle License		\$0		\$0	
TOPI: Severance Tax		\$0		\$0	
TOPI: Other Taxes		\$12,000		\$12,000	
TOPI: Special Assessments		\$13,000		\$13,000	
Personal Tax: Motor Vehicle License			\$0	\$0	
Personal Tax: Property Taxes			\$1,000	\$1,000	
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0	
TOTAL	\$0	\$555,000	\$1,000	\$556,000	
TOTAL FISCAL IMPACT	\$150,000	\$2,886,000	\$26,000	\$3,062,000	

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Washington **generate over \$3 million in additional tax receipts annually for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority.**

Limitations

Economic Context

One of the most significant limitations of all economic impact analysis, is that it assumes, out of necessity due to an inability to predict the future, that the future will be like the past. The last decade has brought tremendous economic growth, however, we are currently facing a more uncertain economic climate due to the convergence of several issues like the ongoing response to the COVID-19 pandemic, wholesale and retail supply chain issues, the “Great Resignation,” and the housing shortage. In addition, current year is approximately the twelfth year of strong economic growth in an economy that historically faces an economic correction every seven to ten years. It is increasingly likely that our economic future will not match that of the most recent past, which could impact the realization of the economic impact modeled in this memo.

Further, all of these challenges have led to inflated labor and construction prices, as well as general inflation, which the Federal Reserve estimates will top 5% by the end of 2022, which is much higher inflation than seen over the previous decade or so. It will be important to remember that the inputs and results are in 2022\$ if this project does not proceed in the immediate future.

Recreation and Tourism Industries

The recreation and tourism industries are particularly affected by economic fluctuations as much of these activities are funded by disposable household income, which is less available both during times of economic uncertainty and even more restricted during economic downturns.

Grays Harbor has recently experienced unprecedented growth in tourism, despite the current economic uncertainty, such that it is difficult to predict what might happen in a true economic downturn. Further, consumer preferences, generational differences, and the political climate also impact tourism.

Net Effects

The economic impact estimated herein does not directly account for economic tradeoffs or negative effects. For example, it assumes that all activity at Westport Golf Links will be new and does not consider whether some of the activity that will occur at the Links will be cannibalization of the county’s existing golf and tourism markets.

In the case of this project, this is appropriate as Westport Golf Links is envisioned to be such a unique facility with few alternatives in the study area, it’s likely that it will not only not cannibalize the existing golf and tourism markets, but also draw additional golf tourists to the other four golf courses in Grays Harbor County, and even, other facilities in Washington State. Support for this assumption is illustrated in the **Market Context** section of this report. Further, it is unlikely that the expansion of the golf and tourism market will drive down prices for

other golf and tourism (lodging, dining, and recreation) like in the case of the “Walmart Effect⁸” where new supply in the market might drive down prices for proximate existing businesses.

In fact, market research and qualitative data shows that it is likely that opening Westport Golf Links will have a positive impact on existing golf and tourism and golfers coming to Grays Harbor County to golf at Westport Golf Links may also golf at one or more of the other courses in the county during their trip. Additionally, not all tourists traveling to golf at Westport Golf Links will stay and/or dine at Westport Golf Links, meaning that the project may create additional retail surplus for those industries.

Because we don’t know the number of tourists who may come to Grays Harbor County to golf at the Links but who won’t stay or dine at the links, it’s difficult to estimate the potential impact of that tourism activity. To be conservative, we have not estimated any additional visitor spending on lodging or dining beyond what is captured as part of Westport Golf Links operations, however, it is possible that additional impact might be sizable.

Conclusions

Westport Golf Links presents a unique and attractive opportunity for Washington State Parks to expand its recreational amenities to include a Scottish links-style “artisanal” golf course and associated lodging that it wouldn’t otherwise have the financial capacity to offer, through the RCA mechanism established for that purpose. The envisioned project has a is desirable in both the tourism and recreation/golf market contexts and would “light the way” for long-desired economic development in the City of Westport and Grays Harbor County that would have substantial economic and fiscal benefits for the City of Westport, Grays Harbor County, and Washington, more broadly.

In total development and construction of Westport Golf Links (including the offsite wetland mitigation) will **create 349 jobs and have a one-time economic impact of \$55.6 million on the Washington economy.** It will also **generate over \$2.5 million in additional tax receipts for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority.**

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Washington **creating 303 jobs and have an ongoing annual economic impact of \$29.54 million, in 2022\$, on the Washington economy. The majority of this impact will be felt in Grays Harbor County, where 285 of these jobs will be created and \$25.07 million of this economic impact will be felt.** It will also **generate over \$3 million in additional tax receipts annually for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority**

While, to some audiences, consideration of Westport Golf Links may hinge solely on the quantifiable impacts and benefits estimated herein, it is important to remember that the economic and fiscal impact analysis presented in this Report is one piece of the full range of qualitative and quantitative community, economic,

⁸ The Walmart Effect is the cost-benefit related to the opening of a new Walmart, which drives down prices for surrounding businesses.

fiscal and environmental impacts of the project. In fact, given the conservative methodology employed in this analysis and the intangible benefits of this project, the impacts and benefits estimated in this report may actually under-report the full value of the Westport Golf Links project to the City of Westport, Grays Harbor County, and Washington State.

Appendix A: Economic Impact Analysis

Approach

This economic impact analysis is intended to understand, to the extent possible, the economic impact of the proposed Westport Golf Links. This analysis was completed using input-output modeling. Input-output modeling is based on Nobel-prizing winning theory by Wassily Leontief that asserts that all households, industries, and governments in an economy are connected through buy-sell relationships, such that any given economic activity will influence other, additional economic activity in that economy. While there are many input-output models available, the analysis documented in this memo was completed using IMPLAN, which is considered a prevailing Input-Output model for this kind of economic impact modeling in the United States. IMPLAN is “an [Input-Output] modeling system that uses annual, regional data to [...] map buy-sell relationships so users can predict how specific economic changes will impact a given regional economy or estimate the effect of past or existing economic activity.” IMPLAN expands on traditionally input-output modeling because it also includes transactions between industries and institutions and among institutions themselves, capturing all transactions in the economy in a given time period.

Quantifying the economic impacts of Westport Golf Links is complex and required consideration from several perspectives. First, both the development and construction of the course and associated amenities (including the environmental improvements) and the ongoing operations and maintenance of the course and amenities (including ongoing maintenance of the offsite mitigation site), will have a profound economic impact on Grays Harbor County. The former (development and construction) is a one-time economic impact while the latter (ongoing operations) will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly.

Second, Westport Golf Links as it is envisioned will be both a recreation⁹ and tourism¹⁰ amenity, impacting many sectors of the Grays Harbor and greater Washington State economies. Tourism studies imply that people are traveling from home and provide tangible estimates of economic ties between tourism and businesses, while recreation studies focus on the economic impact of growth of the recreational industry (in this case, the golf industry). In the case of Westport Golf Links, it is likely that both Grays Harbor County residents and tourists will be patronizing Westport Golf Links creating considerable overlap between the tourism and recreational activities we seek to measure. As such, it will be important to both capture the full extent of impacts to golf industry operations while not double counting visitor spending at Westport Golf Links with those industry operations. However, it will be equally important to capture the additional visitor spending of Westport Golf Links visitors to other establishments in Westport and Gray Harbor County during their stay.

⁹⁹ Tourism is defined as a composite of activities, services, and industries that delivers a travel experience to individuals and groups traveling from their homes for recreational, leisure, or business purposes.

¹⁰ Recreation is defined as the activities undertaken during leisure time, sort of amusement/activity a person takes part in for pleasure or relaxation.

Assumptions

PERIOD

The economic impact analysis detailed in this Report and appendix is futuristic, in the sense that it is about new business, that is, a recreation amenity (Westport Golf Links) and associated tourism that does not yet exist and is therefore based on predictions about future golf industry and tourism growth based on projected visitation and sending patterns.

Given that the exact timing of the development and construction of Westport Golf Links (and the associated permittee responsible wetland mitigation site) is unknown, development and construction of the project is described as occurring in an unknown “year 0” and all inputs and final results are presented in 2022 dollars (2022\$).

Since it is unknown when development and construction of Westport Golf Links will occur (which is instead being denoted as Year 0) it is also unknown when Westport Golf Links will begin operating.

The current Westport Golf Links operational proforma assumes that operations will grow significantly (based on both visitation and pricing) over an initial operational period of five years (denoted Years 1 through 5). As we want to understand the economic impact of the project at “full-buildout” it makes sense to model the economic impact of Westport Golf Links operations and visitors based on Year 5 of this pro forma.

Exhibit 5. Trends in Operational Growth based on Total Revenues and Net Operating Income, Year 1 through Year 5 (2022\$)

Source: Westport Golf Inc., 2022; Troon, 2022; and Sieger Consulting, 2022.

The economic impact analysis performed by IMPLAN itself is informed by data from 2019, as that is the most recent available data year. While this is the best available data and would otherwise be attractive for measuring tourism as the last “normal” year before the COVID-19 pandemic which significantly impacted tourism (discussed later in the methodology), it’s worth noting that Grays Harbor County’s tourism industry grew significantly between 2019 and 2021, as such, this only increases the conservatism of these estimates.

REGION

Both the development and construction of Westport Golf Links (as well as the offsite mitigation site) and the ongoing operations and maintenance of the project (including ongoing maintenance of the offsite mitigation site), will occur in and primarily directly impact Grays Harbor County. However, it is likely that these activities will also impact the other 38 counties in Washington State. To model all of these impacts, we built and used a multi-regional input-output (MRIO) model in IMPLAN, that includes Grays Harbor County as the direct effect region to the rest of the state of Washington.

The MRIO model extends the economic impact of the activity in Grays Harbor County to surrounding, linked regions (in this case, the other 38 counties in Washington State¹¹) while maintaining the integrity of the Grays Harbor County multipliers being used to estimate the economic impact of the activities there. That is, this

¹¹ Because Grays Harbor County is the direct effect study region, the linked region in our MRIO model must be the “rest of state” that is the other 38 counties aggregated, rather than the whole state.

method allows us to see the impact on both Grays Harbor County and Washington State while maintaining the specific regional identity of the county.

Given the varied potential audiences of this study, results for both Grays Harbor County and Washington State (inclusive of Grays Harbor County) are presented.

Methodology

The economic impacts of both 1.) development and construction of Westport Golf Links and the associated offsite mitigation site and 2.) the ongoing operations and maintenance of the course and amenities (including ongoing maintenance of the offsite mitigation site), were modeled as part of this analysis.

For the purposes of this modeling, both of these distinct economic impacts are modeled as several related industry events. Industry events allow analysis of changes in industry production. For each event, an industry was selected based on IMPLAN's pre-built industry aggregation scheme.

There are four types of industry events, including industry output, industry employment, industry employee compensation, and industry proprietor income. In each case, the event type used was based on the data available (for example, if industry output was known, that event type was used). Where more than one value was available all were used, as an advanced option to refine the results.

The industry events and the inputs used to generate the results herein, are provided for both development and construction and operations and visitor spending, following.

DEVELOPMENT AND CONSTRUCTION

The one-time economic impact of the development and construction of Westport Golf Links and the associated offsite wetland mitigation site is related to several "events," as shown in Exhibit 6. These industry events were modeled based on the industry output of the event, based on conservative, planning level cost estimates for development and construction.

Exhibit 6. One-time Economic Impact Events and Inputs Related to Development and Construction of Westport Golf Links (including offsite wetland mitigation site), 2022\$

Event	Industry	Value(s)
Westport Golf Links / Westport Light State Park		
Golf Course Development and Construction*	56 – Construction of other new nonresidential construction	\$9,000,000
Irrigation/Pump House	56 – Construction of other new nonresidential construction	\$3,000,000
Maintenance Building	56 – Construction of other new nonresidential construction	\$1,500,000
Clubhouse	55 – Construction of new commercial structures, including farm structures	\$4,200,000

Event	Industry	Value(s)
Lodging	55 – Construction of new commercial structures, including farm structures	\$12,000,000
Maintenance Equipment	395 – Wholesale – machinery, equipment, and supplies	\$1,250,000
Permittee Responsible Wetland Mitigation Site		
Wetland Mitigation Site	56 – Construction of other new nonresidential construction	\$3,450,000

* Construction spending patterns in IMPLAN include architectural, engineering, legal fees, and other common soft costs, so these were included in the industry output value for the Golf Course Construction event.

Source: Westport Golf Inc., 2022; Troon, 2022; JA Brennan, 2021; and Sieger Consulting, 2022.

Since we entered industry output as the event value in the development and construction events above, IMPLAN automatically based on employment generated as “local” even if they were brought in from outside the region. This is because employment, by definition, is based on job location not employee residency and construction industries are likely to source employment from outside the region. However, Grays Harbor County’s construction workforce is unlikely to be able to independently supply the construction capacity and skills needed for this project, so it’s likely that some of these workers will be from outside of the county.

Outside workers may spend their income differently than residents. Thus, it makes sense to decrement labor income values for the construction industry, by reducing the amount of employee compensation that is going to workers outside the region. This is very difficult as we know neither the anticipated share of workers that will be commuting to Grays Harbor County for the project, nor what their spending patterns might be over the life of the project. Instead, we have chosen to present the economic impact for Washington State overall, as it is anticipated that all construction workers will live in Washington, rather than attempting to decrement labor income.

OPERATIONS AND VISITOR SPENDING

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly. As discussed previously, one of the challenges of this study is capturing the full extent of impacts to golf industry operations while not double counting visitor spending at Westport Golf Links with those industry operations, but also capturing the additional visitor spending of Westport Golf Links visitors to other establishments in Westport and Gray Harbor County during their stay. For the purposes of this study, anyone traveling from outside Grays Harbor County is considered a visitor.

We are including all spending, including non-visitor spending, at Westport Golf Links as part of the analysis of the project’s impact to the golf industry. This is because the study area is very small and has few alternatives for comparable recreation and because the project is expected to be at a caliber otherwise unmatched in the county, such that it may actually keep non-visitor money from leaking elsewhere (that is, keeping Grays Harbor County residents from traveling out of the county for their recreational pursuits through import substitution). This is discussed further in this Memo, as a potential limitation, in the “Net Effects” section.

First, we are modeling several “events” related to growth of the recreation industry, as shown in Exhibit 7.

Exhibit 7. Economic Impact Events and Inputs Related to Operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site), 2022\$

Event	Industry
Westport Golf Links / Westport Light State Park	
Golf Course	504 – Other amusement and recreation industries
Dining	509 – Full-service restaurants
Lodging	507 – Hotels and motels including casino hotels
Golf Retail (pro shop)	410 – Retail – sporting goods, hobby, musical instruments, and bookstores
Permittee Responsible Wetland Mitigation Site	
Wetland Mitigation Site Maintenance	60 – Maintenance and repair construction of nonresidential structures

* Construction spending patterns in IMPLAN include architectural, engineering, legal fees, and other common soft costs, so these were included in the industry output value for the Golf Course Construction event.

Source: Westport Golf Inc., 2022; Troon, 2022; JA Brennan, 2021; and Sieger Consulting, 2022.

We then must capture the additional visitor spending of Westport Golf Links visitors to other establishments in Westport and Grays Harbor during their stay. To do this, we must first estimate the number of visitors and “visit days.” Because we have no data on the share of Westport Golf Links visitors who are traveling from outside Grays Harbor County, we have chosen to use total inn nights as a proxy. Approximately 16,450 inn nights are estimated for Year 5. Assuming an average of two occupants per room, we estimate 32,900 total visitors attributable to Westport Golf Links in Year 5.

We must then estimate the spending attributable to those visitors. For comparative purposes, the visitor spending profile for overnight visitors used in *Economic Analysis of the Lake Chelan Golf Course*, Earth Economics, 2021. This spending profile was developed by Earth Economics based on the national literature. To be conservative, it was adjusted for county cost of living, as the cost of living in Grays Harbor County is less than in Chelan County. It was also adjusted for inflation, to 2022\$. This spending profile is shown in Exhibit 8.

Exhibit 8. Overnight Visitor Spending Profile, 2022\$

Sector	Spending
Gas	\$16.95
Groceries	\$18.66
Entertainment (Non-recreation)	\$11.95

Lodging	\$167.19
Full Service Restaurants	\$61.18
Limited Service Restaurants	\$22.63
Snack and Non-alcoholic Beverage Bars	\$17.65
Golf Retail	\$18.10
Non-golf Retail	\$18.10

Source: *Economic Analysis of the Lake Chelan Golf Course*, Earth Economics, 2021 and Sieger Consulting, 2022.

In order to prevent double counting of visitor spending at Westport Golf Links with Westport Golf Links operations, we have only modeled the economic impacts of visitor spending on personal ground transportation, groceries, entertainment, limited service restaurants, snack and non-alcoholic beverage bars, and non-golf retail as “events,” as shown in Exhibit 9, following.

Exhibit 9. Economic Impact Events and Inputs Related to new Grays Harbor County Overnight Visitor Spending Attributable to Westport Golf, 2022\$

Event	Industry	Value(s)
New Grays Harbor County Overnight Visitor Spending		
Visitor Spending on Gas	408 – Retail – Gasoline stores	\$557,725.60
Visitor Spending on Groceries	406 – Retail – Food and beverage stores	\$613,920.43
Visitor Spending on Entertainment (Non-recreation)	504 – Other amusement and recreation industries	\$393,039.01
Visitor Spending on Limited Service Restaurants	510 – Limited-service restaurants	\$744,500.33
Visitor Spending on Snack and Non-alcoholic Beverage Bars	511 – all other food and drinking places	\$580,788.22
Visitor Spending on Non-golf Retail	412 – Retail – miscellaneous store retailers	\$595,405.37

Source: *Economic Analysis of the Lake Chelan Golf Course*, Earth Economics, 2021 and Sieger Consulting, 2022.

Results

IMPLAN provides economic impact in terms of additional employment, labor income, value added (akin to gross county or state product and inclusive of labor income), and output (total economic impact, including value added and labor income). This economic impact is described in terms of the collective events direct, indirect, and induced effects, which are defined as:

- **Direct Effects:** The economic impact of the production changes or expenditures changed as part of the

project and its collective events. These effects are equal to the modeling inputs.

- **Indirect Effects:** The economic impact of the business-to-business supply chain transactions that occur due to the initial production change or expenditures.
- **Induced Effects:** The economic impact of the household spending of labor income, after taxes, savings, and commuter income. These effects are generated by employee spending with the business' supply chain.

Following are the one-time economic impacts related to development and construction of Westport Golf Links (including the offsite wetland mitigation site) and the annual economic impacts related to the operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site).

Development and Construction

Development and construction of this project will have a significant one-time economic impact on Grays Harbor County and Washington State, as shown in Exhibit 10

Exhibit 10. One-time Economic Impacts Related to Development and Construction of Westport Golf Links (including offsite wetland mitigation site), 2022\$

Impact	Employment	Labor Income	Value Added	Output
Washington State				
Direct	234	\$14,640,000	\$16,340,000	\$33,530,000
Indirect	48	\$2,930,000	\$5,250,000	\$10,870,000
Induced	67	\$3,110,000	\$6,420,000	\$11,200,000
TOTAL	349	\$20,680,000	\$28,010,000	\$55,600,000

NOTES: As discussed previously, these results have been rounded to nearest integer for employment and \$10,000 for labor income, value added, and output to reduce false precision.

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

In total development and construction of Westport Golf Links (including the offsite wetland mitigation) will **create 349 jobs and have a one-time economic impact of \$55.6 million on the Washington economy.**

There is some debate that much of the economic impact attributable to construction activities is supported, rather than created. That is because construction, as an industry, is usually supported project to project. Thus, new construction projects, like Westport Golf Links, are maintaining the construction industry and keeping construction workers employed rather than genuinely creating new jobs in the economy. However, Westport Golf Links is both so unique and at a scale that it is likely some of the economic impact is new, rather than just supported.

Operations and Visitor Spending

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly; the annual economic

impact of these activities for both Grays Harbor County and for Washington State, inclusive of Grays Harbor County, is shown in Exhibit 11, following.

Exhibit 11. Annual Economic Impact Related to Operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site), 2022\$

Impact	Employment	Labor Income	Value Added	Output
Grays Harbor County				
Direct	223	\$10,360,000	\$14,250,000	\$15,420,000
Indirect	25	\$970,000	\$1,810,000	\$3,940,000
Induced	37	\$1,470,000	\$3,220,000	\$5,710,000
TOTAL	285	\$12,800,000	\$19,280,000	\$25,070,000
Washington State				
Direct	223	\$10,360,000	\$14,250,000	\$15,420,000
Indirect	33	\$1,710,000	\$3,080,000	\$6,410,000
Induced	47	\$2,110,000	\$4,390,000	\$7,710,000
TOTAL	303	\$14,180,000	\$21,720,000	\$29,540,000

Notes: Results for Washington State overall, are inclusive of the results for Grays Harbor County, and thus these totals are not additive. Rather they are both presented as they may each be of interest to different audiences.

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Washington **creating 303 jobs and have an ongoing annual economic impact of \$29.54 million, in 2022\$, on the Washington economy. The majority of this impact will be felt in Grays Harbor County, where 285 of these jobs will be created and \$25.07 million of this economic impact will be felt.**

Limitations

This economic impact analysis is one piece of a full range of qualitative and quantitative community, economic, fiscal and environmental impacts of the project. As such, it alone, almost certainly does not fully capture the full benefits of the Westport Golf Links project. It is important to pair these findings with the results of those other qualitative and quantitative analyses. By “triangulating” our evaluation of the impact of Westport Golf Links through multiple analytic techniques, we can increase our confidence in their results.

In addition, there are general limitations to economic impact studies, as well as specific limitations related to this study, that should be considered and have been mitigated to the extent possible.

Economic Context

One of the most significant limitations of all economic impact analysis, is that it assumes, out of necessity due to an inability to predict the future, that the future will be like the past. The last decade has brought tremendous economic growth, however, we are currently facing a more uncertain economic climate due to the convergence of several issues like the ongoing response to the COVID-19 pandemic, wholesale and retail supply chain issues, the “Great Resignation,” and the housing shortage. In addition, current year is approximately the twelfth year of strong economic growth in an economy that historically faces an economic correction every seven to ten years. It is increasingly likely that our economic future will not match that of the most recent past, which could impact the realization of the economic impact modeled in this memo.

Further, all of these challenges have led to inflated labor and construction prices, as well as general inflation, which the Federal Reserve estimates will top 5% by the end of 2022, which is much higher inflation than seen over the previous decade or so. It will be important to remember that the inputs and results are in 2022\$ if this project does not proceed in the immediate future.

Recreation and Tourism Industries

The recreation and tourism industries are particularly affected by economic fluctuations as much of these activities are funded by disposable household income, which is less available both during times of economic uncertainty and even more restricted during economic downturns.

Grays Harbor has recently experienced unprecedented growth in tourism, despite the current economic uncertainty, such that it is difficult to predict what might happen in a true economic downturn. Further, consumer preferences, generational differences, and the political climate also impact tourism.

Net Effects

The economic impact estimated herein does not directly account for economic tradeoffs or negative effects. For example, it assumes that all activity at Westport Golf Links will be new and does not consider whether the some of the activity that will occur at the Links will be cannibalization of the county’s existing golf and tourism markets.

In the case of this project, this is appropriate as Westport Golf Links is envisioned to be such a unique facility with few alternatives in the study area, it’s likely that it will not only not cannibalize the existing golf and tourism markets, but also draw additional golf tourists to the other four golf course in Grays Harbor County, and even, other facilities in Washington State. Further, it is unlikely that the expansion of the golf and tourism market will drive down prices for other golf and tourism (lodging, dining, and recreation) like in the case of the “Walmart Effect¹²” where new supply in the market might drive down prices for proximate existing businesses.

In fact, market research and qualitative data shows that it is likely that opening Westport Golf Links will have a positive impact on existing golf and tourism and golfers coming to Grays Harbor County to golf at Westport Golf Links may also golf at one or more of the other courses in the county during their trip. Additionally, not all tourists traveling to golf at Westport Golf Links will stay and/or dine at Westport Golf Links, meaning that the project may create additional retail surplus for those industries.

¹² The Walmart Effect is the cost-benefit related to the opening of a new Walmart, which drives down prices for surrounding businesses.

Because we don't know the number of tourists who may come to Grays Harbor County to golf at the Links but won't stay or dine at the links, it's difficult to estimate the potential impact of that tourism activity. To be conservative, we have not estimated any additional visitor spending on lodging or dining beyond what is captured as part of Westport Golf Links operations, however, it is possible that additional impact might be sizable.

Appendix B: Fiscal Impacts Analysis

Approach

Fiscal impacts analysis looks at the cash flow, most commonly from taxation, but also commonly including fees, fines, and other cost-recovery mechanisms, to specific governments associated with a specific policy or activity, including economic and business activities. At its core, fiscal impacts analysis is simply arithmetic, however, often analysis is needed to project the drivers of taxation (for example, to estimate the gross revenues to be taxed in the case of retail sales and use tax, or the assessed valuation to be taxed in the case of property taxes).

The fiscal impacts of a project depend both on the economic activity to be taxed and the jurisdiction with taxing authority, which sets the rate(s) of that taxation. In the case of the Westport Golf Links project there will be fiscal impacts of two sets of economic activities:

- 1.) Development and construction of Westport Golf Links and the associated offsite mitigation site
- 2.) Ongoing operations and maintenance of the course and amenities (including ongoing maintenance of the offsite mitigation site).

These economic activities will be taxed, to varying degrees, by several jurisdictions including the City of Westport, Grays Harbor County, and the State of Washington as well as special districts like , Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority. While the federal government will also tax some of these economic activities (for example, through employment taxes) we considered analysis of those impacts outside of the scope of this inquiry.

Methodology

Traditional fiscal impact analysis generally lays out the value of economic activity and tax rate for each taxable event, to impute the total fiscal impact of the activity. This analysis is very straightforward, but in the case of a project like Westport Golf Links can be difficult as they are futuristic, in the sense that it is about new business, that is, a recreation amenity (Westport Golf Links) and associated tourism that does not yet exist and is therefore based on predictions about future golf industry and tourism growth based on projected visitation and sending patterns. Because many of these futuristic projections are of future business activities, they represent proprietary business information.

However, because this fiscal impacts analysis is associated with economic impact analysis generated using IMPLAN, we can, instead, leverage IMPLAN's tax impact function to generate the fiscal impacts summary. This has the benefit of not only suppressing potentially proprietary financial data. This also means that our fiscal impacts methodology is closely aligned to our economic impacts methodology. That is, for the purposes of our fiscal impacts analysis, we are modeling the same set of related industry events as we modeled in the economic impact analysis.

The economic impacts of both 1.) development and construction of Westport Golf Links and the associated offsite mitigation site and 2.) the ongoing operations and maintenance of the course and amenities (including ongoing maintenance of the offsite mitigation site), were modeled as part of this analysis.

DEVELOPMENT AND CONSTRUCTION

The one-time economic impact of the development and construction of Westport Golf Links and the associated offsite wetland mitigation site is related to several “events,” as shown in Exhibit 12. These industry events were modeled based on the industry output of the event, based on conservative, planning level cost estimates for development and construction.

Exhibit 12. One-time Economic Impact Events and Inputs Related to Development and Construction of Westport Golf Links (including offsite wetland mitigation site), 2022\$

Event	Industry	Value(s)
Westport Golf Links / Westport Light State Park		
Golf Course Development and Construction*	56 – Construction of other new nonresidential construction	\$9,000,000
Irrigation/Pump House	56 – Construction of other new nonresidential construction	\$3,000,000
Maintenance Building	56 – Construction of other new nonresidential construction	\$1,500,000
Clubhouse	55 – Construction of new commercial structures, including farm structures	\$4,200,000
Lodging	55 – Construction of new commercial structures, including farm structures	\$12,000,000
Maintenance Equipment	395 – Wholesale – machinery, equipment, and supplies	\$1,250,000
Permittee Responsible Wetland Mitigation Site		
Wetland Mitigation Site	56 – Construction of other new nonresidential construction	\$3,450,000

* Construction spending patterns in IMPLAN include architectural, engineering, legal fees, and other common soft costs, so these were included in the industry output value for the Golf Course Construction event.

Source: Westport Golf Inc., 2022; Troon, 2022; JA Brennan, 2021; and Sieger Consulting, 2022.

OPERATIONS AND VISITOR SPENDING

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly. As discussed previously, one of the challenges of this study is capturing the full extent of impacts to golf industry operations while not double counting visitor spending at Westport Golf Links with those industry operations, but also capturing the additional visitor spending of Westport Golf Links visitors to other establishments in Westport and Gray Harbor County during their stay. For the purposes of this study, anyone traveling from outside Grays

Harbor County is considered a visitor.

We are including all spending, including non-visitor spending, at Westport Golf Links as part of the analysis of the project's impact to the golf industry. This is because the study area is very small and has few alternatives for comparable recreation and because the project is expected to be at a caliber otherwise unmatched in the county, such that it may actually keep non-visitor money from leaking elsewhere (that is, keeping Grays Harbor County residents from traveling out of the county for their recreational pursuits through import substitution). This is discussed further in this Memo, as a potential limitation, in the "Net Effects" section.

First, we are modeling several "events" related to Westport Golf Links projected economic activity, as shown in Exhibit 13.

Exhibit 13. Economic Impact Events and Inputs Related to Operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site), 2022\$

Event	Industry
Westport Golf Links / Westport Light State Park	
Golf Course	504 – Other amusement and recreation industries
Dining	509 – Full-service restaurants
Lodging	507 – Hotels and motels including casino hotels
Golf Retail (pro shop)	410 – Retail – sporting goods, hobby, musical instruments, and bookstores
Permittee Responsible Wetland Mitigation Site	
Wetland Mitigation Site Maintenance	60 – Maintenance and repair construction of nonresidential structures

* Construction spending patterns in IMPLAN include architectural, engineering, legal fees, and other common soft costs, so these were included in the industry output value for the Golf Course Construction event.

Source: Westport Golf Inc., 2022; Troon, 2022; JA Brennan, 2021; and Sieger Consulting, 2022.

We then must capture the additional visitor spending of Westport Golf Links visitors to other establishments in Westport and Grays Harbor during their stay. Again, we used the same assumptions used in the economic impact methodology, as summarized in Exhibit 14, following.

Exhibit 14. Economic Impact Events and Inputs Related to new Grays Harbor County Overnight Visitor Spending Attributable to Westport Golf, 2022\$

Event	Industry	Value(s)
New Grays Harbor County Overnight Visitor Spending		
Visitor Spending on Gas	408 – Retail – Gasoline stores	\$557,725.60

Visitor Spending on Groceries	406 – Retail – Food and beverage stores	\$613,920.43
Visitor Spending on Entertainment (Non-recreation)	504 – Other amusement and recreation industries	\$393,039.01
Visitor Spending on Limited Service Restaurants	510 – Limited-service restaurants	\$744,500.33
Visitor Spending on Snack and Non-alcoholic Beverage Bars	511 – all other food and drinking places	\$580,788.22
Visitor Spending on Non-golf Retail	412 – Retail – miscellaneous store retailers	\$595,405.37

Source: *Economic Analysis of the Lake Chelan Golf Course*, Earth Economics, 2021 and Sieger Consulting, 2022.

Results

IMPLAN provides fiscal impact results at several levels of government, including:

- Federal
- State
- County
- Sub-county (General) – in this case, the City of Westport
- Sub-county (special districts) – in this case, Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority

As discussed previously, while the federal government will also tax some of these economic activities (for example, through employment taxes) we considered analysis of those impacts outside of the scope of this inquiry.

Following are the one-time fiscal impacts related to development and construction of Westport Golf Links (including the offsite wetland mitigation site) and the annual fiscal impacts related to the operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site).

Development and Construction

Development and construction of this project will have a significant one-time fiscal impact on Grays Harbor County and Washington State, as shown in **Exhibit 15**,

Exhibit 15. One-time Fiscal Impacts Related to Development and Construction of Westport Golf Links (including offsite wetland mitigation site), 2022\$

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes	
Washington State				
Social Insurance Tax- Employee Contribution	\$59,000			\$59,000
Social Insurance Tax- Employer Contribution	\$91,000			\$91,000
TOPI: Sales Tax		\$936,000		\$936,000
TOPI: Property Tax		\$196,000		\$196,000
TOPI: Motor Vehicle License		\$20,000		\$20,000
TOPI: Severance Tax		\$3,000		\$3,000
TOPI: Other Taxes		\$110,000		\$110,000
TOPI: Special Assessments		\$0		\$0
Personal Tax: Motor Vehicle License			\$17,000	\$17,000
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$5,000	\$5,000
TOTAL	\$150,000	\$1,265,000	\$23,000	\$1,438,000
Grays Harbor County				
Social Insurance Tax- Employee Contribution	\$0			\$0
Social Insurance Tax- Employer Contribution	\$0			\$0
TOPI: Sales Tax		\$155,000		\$155,000
TOPI: Property Tax		\$149,000		\$149,000
TOPI: Motor Vehicle License		\$1,000		\$1,000
TOPI: Severance Tax		\$20,000		\$20,000
TOPI: Other Taxes		\$13,000		\$13,000
TOPI: Special Assessments		\$1,000		\$1,000
Personal Tax: Motor Vehicle License			\$1,000	\$1,000
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0
TOTAL	\$0	\$339,000	\$2,000	\$341,000
City of Westport				
Social Insurance Tax- Employee Contribution	\$0			\$0
Social Insurance Tax- Employer Contribution	\$0			\$0
TOPI: Sales Tax		\$181,000		\$181,000
TOPI: Property Tax		\$118,000		\$118,000
TOPI: Motor Vehicle License		\$0		\$0
TOPI: Severance Tax		\$0		\$0
TOPI: Other Taxes		\$60,000		\$60,000
TOPI: Special Assessments		\$21,000		\$21,000
Personal Tax: Motor Vehicle License			\$0	\$0
Personal Tax: Property Taxes			\$1,000	\$1,000
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0
TOTAL	\$0	\$380,000	\$1,000	\$381,000

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes	
Special Districts				
Social Insurance Tax- Employee Contribution	\$0			\$0
Social Insurance Tax- Employer Contribution	\$0			\$0
TOPI: Sales Tax		\$11,000		\$11,000
TOPI: Property Tax		\$360,000		\$360,000
TOPI: Motor Vehicle License		\$0		\$0
TOPI: Severance Tax		\$0		\$0
TOPI: Other Taxes		\$8,000		\$8,000
TOPI: Special Assessments		\$9,000		\$9,000
Personal Tax: Motor Vehicle License			\$0	\$0
Personal Tax: Property Taxes			\$2,000	\$2,000
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0
TOTAL	\$0	\$388,000	\$2,000	\$390,000
TOTAL FISCAL IMPACT	\$150,000	\$2,372,000	\$28,000	\$2,550,000

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

In total development and construction of Westport Golf Links (including the offsite wetland mitigation site) will generate over \$2.5 million in additional tax receipts for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority.

Operations and Visitor Spending

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Grays Harbor County and Washington, more broadly; the annual fiscal impact of these activities for both Grays Harbor County and for Washington State, inclusive of Grays Harbor County, is shown in Exhibit 16, following.

Exhibit 16. Annual Fiscal Impact Related to Operation of Westport Golf Links (including maintenance of the offsite wetland mitigation site), 2022\$

	Employee Compensation Taxes	Tax on Production and Imports	Household Taxes
Washington State			
Social Insurance Tax- Employee Contribution	\$25,000		\$25,000
Social Insurance Tax- Employer Contribution	\$39,000		\$39,000
TOPI: Sales Tax		\$1,313,000	\$1,313,000
TOPI: Property Tax		\$283,000	\$283,000
TOPI: Motor Vehicle License		\$28,000	\$28,000

TOPI: Severance Tax		\$4,000		\$4,000	
TOPI: Other Taxes		\$158,000		\$158,000	
TOPI: Special Assessments		\$0		\$0	
Personal Tax: Motor Vehicle License			\$12,000	\$12,000	
Personal Tax: Property Taxes			\$1,000	\$1,000	
Personal Tax: Other Tax (Fish/Hunt)			\$4,000	\$4,000	
	TOTAL	\$150,000	\$1,265,000	\$23,000	\$1,438,000
Grays Harbor County					
Social Insurance Tax- Employee Contribution		\$0		\$0	
Social Insurance Tax- Employer Contribution		\$0		\$0	
TOPI: Sales Tax		\$234,000		\$234,000	
TOPI: Property Tax		\$219,000		\$219,000	
TOPI: Motor Vehicle License		\$2,000		\$2,000	
TOPI: Severance Tax		\$31,000		\$31,000	
TOPI: Other Taxes		\$19,000		\$19,000	
TOPI: Special Assessments		\$1,000		\$1,000	
Personal Tax: Motor Vehicle License			\$1,000	\$1,000	
Personal Tax: Property Taxes			\$1,000	\$1,000	
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0	
	TOTAL	\$0	\$506,000	\$2,000	\$508,000
City of Westport					
Social Insurance Tax- Employee Contribution		\$0		\$0	
Social Insurance Tax- Employer Contribution		\$0		\$0	
TOPI: Sales Tax		\$265,000		\$265,000	
TOPI: Property Tax		\$175,000		\$175,000	
TOPI: Motor Vehicle License		\$0		\$0	
TOPI: Severance Tax		\$0		\$0	
TOPI: Other Taxes		\$88,000		\$88,000	
TOPI: Special Assessments		\$32,000		\$32,000	
Personal Tax: Motor Vehicle License			\$0	\$0	
Personal Tax: Property Taxes			\$0	\$0	
Personal Tax: Other Tax (Fish/Hunt)			\$0	\$0	
	TOTAL	\$0	\$560,000	\$0	\$560,000
Special Districts					
Social Insurance Tax- Employee Contribution		\$0		\$0	
Social Insurance Tax- Employer Contribution		\$0		\$0	
TOPI: Sales Tax		\$6,000		\$6,000	
TOPI: Property Tax		\$524,000		\$524,000	
TOPI: Motor Vehicle License		\$0		\$0	
TOPI: Severance Tax		\$0		\$0	
TOPI: Other Taxes		\$12,000		\$12,000	
TOPI: Special Assessments		\$13,000		\$13,000	
Personal Tax: Motor Vehicle License			\$0	\$0	
Personal Tax: Property Taxes			\$1,000	\$1,000	

Personal Tax: Other Tax (Fish/Hunt)				\$0	\$0
TOTAL		\$0	\$555,000	\$1,000	\$556,000
TOTAL FISCAL IMPACT		\$150,000	\$2,886,000	\$26,000	\$3,062,000

Source: IMPLAN, 2022; and Sieger Consulting, 2022.

Ongoing operation of Westport Golf Links and the related off-site mitigation site will permanently increase the tourism and recreation industries in Washington **generate over \$3 million in additional tax receipts annually for the City of Westport, Grays Harbor County, the State of Washington, and special districts including Ocasta School District No. 172, Grays Harbor Fire Protection District No. 3, Public Utility District No. 1 of Grays Harbor County, Housing Authority of Grays Harbor County, and Grays Harbor Transportation Authority.**

Resources and Citations

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