This memorandum summarizes key policy issues stemming from economic and tax impacts of the current and potential expanded event schedule at Washington State Convention Center (WSCC).

**Role of the WSCC in the Economy**

- When attendees come to Seattle they create economic activity that ripples throughout the region. They stay in local hotels, eat at downtown restaurants, shop at neighborhood stores, visit local attractions, and go home and tell others about what Seattle has to offer.
- This out-of-state spending grows the local economy and brings new funding for needed public services due to the way tourism dollars are taxed in Washington State.

**Construction Impacts**

- Preliminary site design work for a WSCC expansion place the total estimated cost of the project at $1 billion. Investment in an expanded WSCC would support direct employment 6,500 jobs over the course of design and construction. The vast majority of jobs, nearly 5,600, are in the construction trades. The remaining 900 jobs are split between architecture, planning, legal, and insurance industries. The multiplier effect of facility construction would create the demand for an additional 5,200 jobs statewide.

**Economic Impact of Delegate Spending**

- New visitor spending – money that would not enter the region’s economy without the project – on goods and services creates the need for business’s to hire employees to serve that demand.
  - Current out-of-state spending directly creates 3,100 jobs in the state.
  - The multiplier effect of that spending creates an additional 1,700 jobs.
  - An expanded WSCC would directly create 5,000 jobs in the state or 1,900 more than the current facility.
  - The multiplier effect of the new spending would spin-off an additional 2,800 jobs from an expanded facility.
- These jobs are created in a wide array of industries.
- Most jobs are in areas where visitor spend is greatest such as lodging and accommodations, restaurants and bars, entertainment and recreation, retail, and transportation services.
**Tax Impacts**

- New visitor spending generates new tax revenues.
- This new tax revenue represents money earned elsewhere but converted to public services in the region. The “import” of out-of-state tax funding is impactful - meaning state residents have either lower overall taxes or higher levels of public services than they would be able to otherwise support.
- Washington’s state, regional, local, and special purpose governments are heavily reliant on sale taxes for funding.
- Almost every dollar of out-of-state visitor spending gets directly taxed. Food, beverage, retail, and entertainment are taxed at the basic sales tax rate. Spending on lodging and rental cars are taxed at much higher rates.
- In a form of “tax pyramiding”, out-of-state visitor spending is taxed again through a variety of property, consumption, and business taxes that accrue to all levels of government.
- The currentWSCC generates $33 million a year in taxes from out-of-state visitors, an expanded WSCC would generate $53 million a year.