

Economic Impact

The Seattle Convention Center's mission for operations, guided by its Board of Directors, is to provide both direct and indirect economic benefits and jobs to Washington State, King County and the City of Seattle. While this is not a topic most Washington residents ponder, the Center believes it is important for others to understand how its operations provide economic benefits for everyone in the region.

When convention attendees come here, they spend money on travel, lodging, meals, retail, and extended tourist activities, paying sales and hotel taxes on these expenditures. National conventions now draw thousands of attendees to Seattle and, with the opening of the Summit building, will draw even more. Since opening in 1988, the Arch building has held over 11,500 events with a total attendance of more than 12,761,100 individuals (through 2021). Each person attending an SCC event directly contributes to the economy as they spend money in the community. To date, it is estimated out-of-state event attendees have spent over \$7.1 billion. This spending keeps many of our businesses healthy and thousands of our citizens gainfully employed.

In addition to spurring a great amount of economic activity, most of this attendee spending is subject to retail sales tax. Generating money for the operation of state and local governments without imposing additional taxes on state residents is a goal shared by many. In a state such as Washington, heavily reliant on sales taxes, national conventions become the taxpayer's best friend. These short-term visitors do not put their children in our schools or consume significant amounts of other governmental services. The sales taxes they pay become in effect net income for state and local governments. The impact of SCC on our governments' budgets is clear -- annual sales tax collections associated with a normal (pre-COVID) year of SCC operations are estimated to be in excess of \$30.6 million (calculated on spending by out-of-state attendees only).

The shutdowns stemming from the COVID pandemic in 2020 had a devastating global impact across all industries. Locally, it also made crystal clear the economic loss experienced when our region lacks tourism and convention business spending to support hotels, small business, restaurants, and transportation, and the associated employment.

In the years immediately preceding the COVID pandemic, the Arch building hosted an average of 51 national/international events per year, with an estimated annual economic impact of more than \$394.7 million. The direct employment in Washington State driven by this SCC event activity totaled more than 4,200 jobs. Starting in the early spring of 2020, however, the SCC facilities were closed to essentially all events for the better part of the year, as meeting planners canceled and/or rescheduled their activities. After reopening, event activity has gradually picked back up, and event attendance for national conventions is returning. Visit Seattle is the region's travel and tourism marketing organization. Their sales team works in tandem with the SCC sales team, striving to rebuild the events industry to pre-pandemic levels of activity for SCC, with all the economic and tax benefits that flow from it.

More than a decade ago, civic leaders determined that the economic impact of SCC could be substantially increased by the addition of a second facility. The opportunity we were missing is highlighted by the fact that between 2012 and 2015, the Center turned away over 300 potential events due to the unavailability of space in the Arch building on the dates desired by meeting planners. Following an extended planning and design period, contractors broke ground in August of 2018 on the site of the SCC's Summit building, with the first events in the additional facility scheduled for early 2023. It has been estimated that during the first year of steady-state operations (assumed to be 2026), Summit will host more than 200 events, with event attendance totaling more than 233,000. Spending by the out-of-state portion of this attendance total is estimated to be in excess of \$211.6 million.

The post-pandemic meetings industry appears to be evolving, as online and hybrid events develop as viable options. The long-term outlook for conventions and other events at SCC remains solid, however, as in-person gatherings again become normal and as Seattle remains a highly desirable destination for both meeting planners and attendees.

In the years ahead, the combined operations of the Summit and Arch buildings will continue to serve as a powerful economic engine for everyone in our region. Working as a team with Visit Seattle and the hotel community, the Center will attract the most lucrative conventions and meetings, fitting the clients' programs into the facility in the most effective and efficient way. Each of those events will bring economic activity, tax collections and employment opportunities to our community, as the Seattle Convention Center continues to fulfill its economic mission.

For more information, please visit our website at seattleconventioncenter.com.