



APPLIED ECONOMICS

ECONOMIC AND REVENUE IMPACTS OF GOLDEN 1 CENTER, SACRAMENTO

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February 2024

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1.0 INTRODUCTION AND SUMMARY OF RESULTS

The Golden 1 Center, located in downtown Sacramento, hosts a large number of annual events that bring both residents and visitors to the downtown area. The Golden 1 Center is home to the NBA Sacramento Kings, who play 43 pre-season and regular season home games each year. The arena also hosts an average of 84 third-party ticketed events each year including concerts, family shows and other sporting events, and 36 additional unticketed events such as graduations. Attendance at NBA Kings games and other events rebounded following the pandemic, with more than 1.5 million people attending events at the Golden 1 Center in 2022-23. Average attendance at Sacramento Kings games in 2023 exceeded 2019 pre-pandemic levels.

This analysis provides a framework for understanding the economic contributions and tax impacts that the Golden 1 Center supports using information provided by the Sacramento Kings and the arena management. The report includes the economic contributions supported by the operations of the arena and visitor spending outside the arena, as well as tax revenues generated by visitors and employees. All total, the Golden 1 Center supported an estimated annual economic contribution of \$665 million in metro Sacramento in 2022-23 (**Figure 1**).

- The Golden 1 Center currently hosts an average of 127 ticketed events per year, including regular and pre-season basketball. The arena and the Sacramento Kings combined employ 461 FTE staff (excluding players) with an annual payroll of \$48.5 million. They also support an additional 475 jobs and \$23.1 million in annual labor income at other businesses in the metro area that benefit from the local demand for goods and services supported by the arena, the Sacramento Kings organization and their employees.
- With a total of about 324,000 day trip and overnight visitors attending basketball games and ticketed third-party events in 2022-23, the arena supported an estimated \$42 million in annual visitor expenditures outside the arena for lodging, food, retail and local transportation. This level of visitor spending supports an induced economic contribution of \$68 million per year, supporting 500 jobs at local businesses throughout the Sacramento metro area. There are 36 additional unticketed events each year that bring visitors to the area and create impacts, but are not included in the analysis due to limited data availability.
- In addition to economic contributions, the Golden 1 Center supports state and local tax revenues from property and sales taxes generated by the arena, local spending by ticketed event attendees outside the arena, household spending by arena and team staff, and spending by indirect and induced workers supported by the arena and the team. Total annual tax impacts include an estimated \$12 million in local taxes and \$13 million in state taxes.

**FIGURE 1
SUMMARY OF RESULTS
2022-23**

Total Annual Economic Contribution	
Total Output	\$665 M
Total Labor Income	\$151 M
Total Jobs	2,002
Arena and Sacramento Kings Team Operations	
Annual Events at Golden 1 Center	
Sacramento Kings Regular and Pre-Season Games	43
Third Party Ticketed Events	84
Full-Time Staff and FTE Event Staff	461
Event Attendance at Arena	
Total Non-Local Visitor Days	324,086
Overnight Visitors	148,864
Day-Trip Visitors	175,222
Annual Visitor Spending Outside Arena	\$42 M
Annual Economic Contribution of Visitor Spending	\$68 M
Annual Tax Impacts from Arena Operations, Employees and Visitors	
City and Tourism District Taxes	\$3 M
County and School Taxes	\$9 M
State Taxes	\$13 M

The information and observations contained in this report are based on our present knowledge of the current physical, socioeconomic and fiscal conditions of the affected areas. Estimates made in this analysis are based on current tax policies and the current economic structure of the region. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the estimates and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information to assist the Sacramento Kings and the Greater Sacramento Economic Council in understanding the value that the Golden 1 Center brings to the region. In no way will Applied Economics be held responsible or have any liability or be subject to damages related to this analysis. This report may only be used for the purposes that it was intended.

2.0 ECONOMIC CONTRIBUTION ANALYSIS

The local economic contributions of the Golden 1 Center and the Sacramento Kings come from annual arena and team operations, and visitor spending outside the arena. Economic impacts measure the effects of economic stimuli or expenditures in the local economy. These impacts include direct, indirect and induced jobs, labor income and output that could be generated by these expenditures. Labor income includes wages and salaries plus proprietor income, and output represents the total value of production for goods and services. Indirect and induced impacts are the result of the multiplier effect and capture supported supplier and consumer businesses and their employees in Greater Sacramento that benefit from the presence of the Golden 1 Center. However, since the Golden 1 Center is an existing facility, it creates a continuing economic contribution to the region, rather than new economic impacts. The annual economic contributions include both the direct contributions of the arena and team operations, and the indirect and induced contributions from visitor spending, local vendor spending and employee spending.

Multiplier effects are a way of representing the larger economic effects on the local economy. The multiplier effects translate an increase in direct output (loosely defined for service industries as sales less profits) into a corresponding total increase in jobs, labor income and output. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities. The multipliers used in this analysis are from IMPLAN, a national vendor of economic impact software, and are specific to the Sacramento metro area. This analysis uses industry-specific multipliers for each category of expenditures.

2.2 Golden 1 Center and Sacramento Kings Team Operations

In 2022-23, the Golden 1 Center hosted 43 Sacramento Kings games and 84 other ticketed third-party events including concerts, family shows and other sporting events. The operations of the arena and the team supported a combined total of 461 direct FTE jobs with an annual payroll of \$48.5 million, including full-time and part-time staff. This level of employment and payroll supported estimated direct output of \$195.9 million.

The arena management and the team make local vendor purchases of goods and services to support their operations including food, medical services, IT services, insurance, advertising, media production, printing, office expenses and other items. Local vendor purchases, or indirect economic contributions, are estimated at \$39.4 million per year in 2022-23 based on the economic multipliers, supporting 104 jobs and \$5.3 million in annual payroll at local businesses in Greater Sacramento (**Figure 2**).

FIGURE 2
ANNUAL ECONOMIC CONTRIBUTION FROM ARENA AND TEAM OPERATIONS IN 2022-23
(Millions of Dollars)

	Direct			Indirect			Induced			Total		
	Output	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income
Arena and Team Operations*	\$195.9	461	\$48.5	\$39.4	104	\$5.3	\$126.5	371	\$17.8	\$361.8	936	\$71.6

In addition, the employees at the arena, and the employees at local vendors, re-spend a portion of their payroll in the region, supporting jobs at local retail and service establishments and creating induced economic contributions. The induced contributions related to employee spending are estimated at \$126.5 million, supporting 371 jobs and \$17.8 million in annual labor income in 2022-23.

All total, the operations of the arena and the team support an annual economic contribution of \$361.8 million in Greater Sacramento in 2022-23. The arena and the team directly and indirectly supported an estimated 936 jobs and \$71.6 million in annual labor income in 2022-23 including arena and team staff and payroll, and supported jobs and labor income at other local businesses that benefit from expenditures by the Golden 1 Center and the Sacramento Kings team.

2.3 Visitor Spending

Another important economic benefit of having an arena is the visitors that it brings to Greater Sacramento, and specifically to the downtown area and Downtown Commons (DOCO). Average attendance at the 41 regular season NBA games in 2022-23 was 17,440, and is expected to rise to 17,900 in 2023-24. NBA games are essential to supporting the arena. For the two pre-season games, the analysis assumes 15,930 attendees per game based on actual attendance at pre-season games in 2022-23. This results in estimated total attendance at Sacramento Kings games of 746,972 for 41 regular season games and 2 pre-season games in 2022-23, including more than 144,900 day-trip and overnight visitors from outside the metro area, or 19% of total game attendees.¹ In addition to the 144,900 non-local fans, there are an estimated 4,128 visitor days associated with visiting team members (players, staff and coaches).

Approximately 757,800 people attended the 84 ticketed third-party events held at the Golden 1 Center in 2022/23. This total includes an estimated 175,000 day trip and overnight visitors to Greater Sacramento (Figure 3).

**FIGURE 3
TICKETED EVENT ATTENDEES AT THE GOLDEN 1 CENTER IN 2022-23**

Event Attendees	NBA Kings Games*	Ticketed 3rd Party Events	NBA Opposing Teams	Total Attendance
Day Trip	92,625	82,597	0	175,222
Overnight	52,288	92,448	4,128	148,864
Local	602,059	582,728	0	1,184,788
Total	746,972	757,774	4,128	1,508,874

*Includes pre-season and regular season.

More than 1.5 million per year people attend basketball games and other ticketed events at the arena. Some of these people live in the metro area and do not bring new money into the local economy, however assuming 19% Sacramento Kings attendees and 23% of ticketed third-party event attendees are overnight or day-trip visitors, the arena supports an estimated 319,958 non-local visitor days per year. In addition,

¹ Placer.ai data on the origins of visitors to Downtown Commons is applied to total event attendance provided by the Sacramento Kings and the arena management. There were also 4 home playoff games in 2022-23, but since these are not an annual event, they are not included in this analysis.

visiting NBA teams each spend two days in Sacramento. Based on an estimated 48 players and staff associated with each visiting team and 43 home games, this adds 4,128 team visitor days per year. Day-trip and overnight visitors attending events spend money outside the arena on lodging, food, retail and local transportation, creating induced impacts. Based on reports from Visit California, this analysis assumes that the average overnight visitor to the Sacramento region spends an estimated \$293 per day, and the average day trip visitor spends \$124 per day, although arena attendees spend more on entertainment (tickets) than the typical visitor. This analysis uses visitor spending patterns to estimate total annual spending outside the arena on lodging, food, retail and transportation. Actual spending inside the arena on food and merchandise by visitors is subtracted from total spending to estimate visitor spending outside the arena. The results show that non-local fans spend an estimated \$111 per person per event in the arena and \$126 per person per day outside the arena. Visiting team members spend an estimated \$1.5 million total per year on food and lodging outside the arena (**Figure 4**). Spending outside the arena by non-local fans and visiting teams of \$41.7 million per year forms the basis for the visitor spending impacts.

FIGURE 4
ANNUAL VISITOR SPENDING BY EVENT ATTENDEES
(Millions of Dollars)

	Visitor In-Arena Spending		Visitor Off-Site Spending		Visiting Team Spending	
	Amount	Distribution	Amount	Distribution	Amount	Distribution
Lodging	\$0.0	0%	\$8.4	21%	\$1.0	67%
Food	\$7.3	20%	\$15.4	38%	\$0.5	33%
Entertainment	\$25.0	70%	\$0.0	0%	\$0.0	0%
Retail	\$3.4	10%	\$6.0	15%	\$0.0	0%
Transportation	\$0.0	0%	\$10.4	26%	\$0.0	0%
Total Spending	\$35.7	100%	\$40.2	100%	\$1.5	100%
Annual Visitors Days*	319,958		319,958		4,128	
Average Per Person	\$111		\$126		\$365	

Source: Sacramento Kings; Applied Economics; Dean Runyon Associations, Economic Impact of Travel in California, 2022; Tourism Economics, California's Visitor Economy, September 2023; Visit California, Monthly Travel Indicators Summary for December 2023, February 2024.

* Visitor days include day trip and overnight visitors attending events at the Golden 1 Center.

This analysis applies industry-specific multipliers to each category of off-site visitor expenditures. All total, the \$41.7 million in annual local visitor spending by event attendees and visiting teams generates an induced economic contribution of \$68.2 million per year in Greater Sacramento (**Figure 5**). This level of activity supports an estimated 500 jobs and \$25.4 million in annual labor income at retail, restaurant and transportation businesses in Sacramento, and their local suppliers throughout the metro area.

FIGURE 5
ECONOMIC CONTRIBUTION OF VISITOR SPENDING BY EVENT ATTENDEES
IN 2022-23
(Millions of Dollars)

Visitor Spending	Visitor Spending	Induced Contributions		
		Output	Jobs	Labor Income
Sacramento Kings*	\$18.8	\$30.3	227	\$11.2
Lodging	\$4.1	\$6.8	46	\$2.2
Food & Beverage	\$7.3	\$12.8	115	\$4.8
Retail	\$3.3	\$3.3	29	\$1.2
Transportation	\$4.2	\$7.4	37	\$3.0
Third-Party Events	\$22.9	\$38.0	273	\$14.1
Lodging	\$5.4	\$9.0	60	\$2.9
Food & Beverage	\$8.6	\$15.3	135	\$5.8
Retail	\$2.7	\$2.7	23	\$1.0
Transportation	\$6.3	\$11.0	55	\$4.4
Total	\$41.7	\$68.2	500	\$25.4

*Excludes visitor spending in the arena; includes spending by visiting teams on lodging and food.

2.4 Summary of Economic Contributions

The arena and team operations and visitor spending combine to generate a total annual economic contribution of \$665.4 million supported by the Golden 1 Center and the Sacramento Kings in 2022-23 (**Figure 6**). The arena management and the team operations directly supported 461 FTE jobs, \$48.5 million in labor income and \$195.9 million in annual direct output in 2022-23. Local vendor spending by the team and the arena operator supports an estimated 104 indirect jobs, \$5.3 million in labor income and \$39.4 million in annual output at local businesses. Employee and visitor spending supports an estimated 1,436 induced jobs, \$97.0 million in labor income and \$430.1 million in annual induced output.

All total, the arena supported an estimated 2,002 jobs, \$150.8 million in annual labor income and \$665.4 million in annual economic output in Greater Sacramento in 2022-23, including an estimated 1,540 indirect and induced jobs at local business that benefit from the arena, the NBA team and visitors. The arena allows Sacramento to support an NBA team, and attracts a large number of visitors for basketball and third-party events that support businesses in downtown Sacramento.

FIGURE 6
COMBINED ANNUAL ECONOMIC CONTRIBUTIONS OF GOLDEN 1 CENTER
AND THE SACRAMENTO KINGS TEAM OPERATIONS IN 2022-23
(Millions of Dollars)

	Output	Jobs	Labor Income
Direct Impacts of Arena and Team Operations	\$195.9	461	\$48.5
Indirect Impacts (Local Vendor Spending) from Arena and Team Operations	\$39.4	104	\$5.3
Induced Impacts (Visitor & Employee Spending)	\$430.1	1,436	\$97.0
Employee Spending	\$361.8	936	\$71.6
Sacramento Kings Visitor Spending	\$30.3	227	\$11.2
Third Party Event Visitor Spending	\$38.0	273	\$14.1
Total Annual Economic Impact	\$665.4	2,002	\$150.8

Note: Direct jobs include full time staff and FTE event staff.

3.0 STATE AND LOCAL TAX IMPACTS

In addition to supporting jobs, labor income and output at local businesses through multiplier effects, the operations of the Golden 1 Center also generate state and local taxes. Although these tax revenues are not new, they are supported by the arena, which enables the city to host NBA basketball and other ticketed third-party events. Estimated city taxes from arena operations, employees and visitors in 2022-23 total \$2.6 million per year, and estimated taxes county, school, other local district and state taxes total \$22.0 million per year (Figure 7).

**FIGURE 7
ANNUAL LOCAL AND STATE TAX REVENUES IN 2022-23**

	City of Sacramento			County & School Taxes		State Taxes			Annual Total
	Sales	Property	Lodging Taxes *	Sales	Property	Sales	Income	Tourism Fee	
Arena Operations	\$484,000	\$400,617	\$0	\$847,000	\$3,506,835	\$2,905,000	\$0	\$0	\$8,143,452
Visitor Spending	\$219,000	\$0	\$1,263,000	\$383,000	\$0	\$1,312,000	\$0	\$164,000	\$3,341,000
Employee Taxes	\$117,000	\$101,000	\$0	\$498,000	\$3,432,000	\$2,706,000	\$6,231,000	\$0	\$13,085,000
Arena and Team Staff	\$39,000	\$17,000	\$0	\$166,000	\$573,000	\$902,000	\$2,816,000	\$0	\$4,513,000
Indirect & Induced Jobs	\$78,000	\$84,000	\$0	\$332,000	\$2,859,000	\$1,804,000	\$3,415,000	\$0	\$8,572,000
Total	\$820,000	\$501,617	\$1,263,000	\$1,728,000	\$6,938,835	\$6,923,000	\$6,231,000	\$164,000	\$24,569,452

Source: Applied Economics, 2024; California Board of Equalization.

*Includes 12% transient occupancy tax and 3% tourism assessment fee that goes to Sacramento Tourism Marketing District.

3.1 Arena Operations

The arena generates local and state sales taxes and local property taxes. Data from the Sacramento County assessor for 2022-23 shows property taxes of \$3.9 million from the Golden 1 Center, split between the city, county, schools and other local taxing districts. Sales of food and merchandise at arena events generated sales taxes estimated at \$484,000 to the city, \$847,000 to the county and \$2.9 million to the state in 2022-23.

3.2 Visitor Taxes

Non-local fans attending Sacramento Kings games, concerts and other events spend money outside the arena on lodging, restaurants and retail that is subject to sales taxes. This spending resulted in an estimated \$219,000 in city sales taxes, and \$1.3 million in transient occupancy taxes and tourism assessments, based on the number of ticketed events in 2022-23, and level of local and non-local attendance. Off-site visitor spending also supported an estimated \$1.7 million in county and state sales taxes, and \$164,000 in state tourism fees on lodging.

3.3 Employee Taxes

The staff at the arena and the Sacramento Kings, and indirect and induced jobs in the Sacramento metro area that are supported by the arena, also generate state and local tax revenues. Employees spend a portion of their payroll on taxable items, and they generate property taxes on their residences. Annual sales taxes from employee spending are estimated at \$3.3 million in 2022-23, including \$117,000 to the city, \$498,000 to local counties in the metro area and \$2.7 million to the state. Employee sales tax

revenues are based on total labor income from the economic contribution analysis, the estimated share of income spent on taxable items at 31%, and the share of employees living in Sacramento (26%) and in the metro area (70%).²

Annual property taxes on employee residences are estimated at \$3.5 million in 2022-23, including \$101,000 to the city, and \$3.4 million to the county, schools and other local taxing districts. Employee property tax revenues are based on average residential assessed value per capita in the Sacramento metro area counties, supported population associated with direct, indirect and induced jobs, county average property tax rates and the estimated percentage of employees living in Sacramento and in the metro area.

Arena and team staff salaries and indirect and induced labor income in the region translates into \$6.2 million in estimated annual state income taxes. This estimate is based on current state tax rates applied to total labor income from the economic contribution analysis.

3.4 Summary

The Golden 1 Center and the Sacramento Kings support significant economic and tax impacts in Sacramento and throughout the metro area each year. The Sacramento Kings raise awareness of the city through nationally televised games, and the team is essential to supporting the arena. In addition, the operations of the arena and the NBA team support jobs, payroll and economic activity in Sacramento and throughout the metro area. Basketball games, concerts and other events at the arena attract visitors from outside the area who spend money in the city both inside the arena, and at local hotels, restaurants and retailers in DOCO. Visitors who come to Sacramento to attend arena events also generate state and local tax revenues through their spending and their support of local business activity. The Golden 1 Center is an essential part of downtown Sacramento as a focal point for entertainment and culture in the community.

² <https://onthemap.ces.census.gov/>