

ECONOMIC IMPACT ANALYSIS

For the 2022 Women's Final Four
In Minneapolis, Minnesota

September 30, 2022





September 30, 2022

Ms. Wendy Williams Blackshaw
President, CEO
Minnesota Sports and Events
8009 34th Avenue South
Suite 1100
Minneapolis, Minnesota 55425

Dear Ms. Blackshaw:

We have completed an analysis of the estimated economic impact of the 2022 Women's Final Four (WFF) held in Minneapolis, Minnesota. We have developed a model that presents estimates of direct spending, total output, earnings and employment associated with having hosted the WFF.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data and certain assumptions provided by stakeholders, discussions with industry participants and analysis of previously adopted economic impact analyses. All information provided to us by stakeholders was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the projected information contained herein. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material.

We sincerely appreciate the assistance and cooperation we have been provided in the completion of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

A handwritten signature in black ink that reads "CSL International". The signature is written in a cursive, flowing style.

CSL International



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1 BACKGROUND & SITUATION

Introduction & Background

In 2022, Conventions, Sports & Leisure International (CSL) was retained by Minnesota Sports and Events (MSE) to conduct an Economic Impact Analysis of the 2022 Women's Final Four (WFF), held at Target Center in Minneapolis, Minnesota. The focus of the effort involves estimating the net new economic impacts directly associated with the WFF. This report outlines the findings associated with the analysis and is intended to assist in advancing the understanding of the economic return associated with the WFF and related activities to local and regional areas and their constituencies.

CSL was founded in 1988 specifically to provide independent and unbiased research to the public assembly facility industry. The professional resources at CSL include over 180 years of combined industry experience spanning more than 2,000 strategic and economic planning studies.



The 2022 Women's Final Four consisted of two national semi-final games held on Friday, April 1st and a national championship held on Sunday, April 3rd. The participating teams included the Louisville Cardinals, South Carolina Gamecocks, Stanford Cardinal and University of Connecticut (UConn) Huskies. However, the overall impact of the WFF extended well beyond the three games held at Target Center in Minneapolis. The Local Organizing Committee (LOC), consisting of members from Minnesota Sports and Events, Sports Minneapolis, Meet Minneapolis, the University of Minnesota and others raised funds to support hosting and marketing the WFF through a variety of corporate sponsorships and contributions that supported a variety of events and activities leading up to, and highlighting the Final Four games. A summary of these activities is presented on the following page.



1 BACKGROUND & SITUATION

A variety of events and activities highlighting the Women's Final Four, women's basketball and the Minneapolis/St. Paul metropolitan community were held over the course of and leading up to the three-day weekend. These are presented below.



Tourney Town presented by Capital One

Tourney Town was a free event held at the Minneapolis Convention Center from April 1 through April 3 (Friday through Sunday) that attracted more than 23,800 guests with a selection of immersive activities tied to the WFF. These experiences included interactive games, appearances by the participating team bands, cheer squads and mascots, merchandise sales, photo opportunities, basketball contests, food and a variety of other activities.



Beyond the Baseline presented by AT&T

Sponsored by AT&T, Beyond the Baselines consisted of a series of women-centric panel discussions, networking and social events and one-on-one interactions held with local figures including coaches, athletes, broadcasters, CEOs and the Mayor of Minneapolis, all with a focus on providing professional development opportunities. Four separate sessions were held from April 1 through April 3 (Friday through Sunday).



Party on the Plaza presented by Buick

Daily free party held on the Plaza outside of Target Center consisting of activities including welcoming the teams to the arena, fan games, live music, merchandise sales and interactive games. Over the course of the three days this free event brought in more than 12,800 attendees.



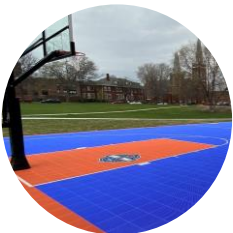
Super Saturday Open Practice & Super Saturday Concert presented by AT&T

This free Saturday event allowed a record breaking 5,500 spectators the opportunity to watch practices for the two National Championship Finals teams. Additionally, AT&T hosted a free concert at the Minneapolis Convention Center featuring live music from Rachel Platten and a celebration of women's basketball.



Women's Final Four Bounce presented by Buick

Sponsored by Buick, Bounce brought 1,600 kids aged 18 and under and spectators together on Sunday, April 3rd for a parade beginning in front of the Minneapolis Convention Center and ending in Tourney Town. Participants received a free basketball and t-shirt.



Women's Final Four Dream Court

The NCAA Women's Final Four Legacy Program, Nancy Lieberman Charities, Sport Court and the LOC partnered to dedicate a new multi-use sport court at the Hall STEM Academy, a Minneapolis Public School in North Minneapolis. In addition to the playing surface, Hall STEM Academy received an Outdoor Learning Center, including an outdoor classroom learning space and playground equipment for pre-K students.

1 BACKGROUND & SITUATION

In addition to these activities, additional events were undertaken over the course of and leading up to the three-day weekend to leverage the platform of the Women's Final Four by highlighting critical social and cultural initiatives. These are outlined in further detail below.



Title IX 50th Anniversary

In 1972, Congress passed the Education Amendments of 1972, commonly referred to as Title IX, prohibiting gender-based discrimination, including within athletics, in any school receiving federal funding. With 2022 marking the 50th anniversary of the passing of Title IX, Minnesota Sports and Events (MSE) had been conducting 50th-anniversary events for months. The Land O'Lakes, Inc. Title IX Championship Tour was a bus tour starting in July 2021 and featured a custom-decorated coach bus with 11 women selected for their notable achievements in athletics. They traveled to events throughout the Twin Cities metropolitan area and throughout Greater Minnesota.

A series of events celebrating Title IX were held at the Mall of America in Bloomington, Minnesota from March 27th through April 3rd. The daily event schedule featured a variety of experiences for fans including keynote speakers, basketball clinics with Minnesota Lynx (WNBA) players, dance, fitness and Peloton classes, the Star Tribune Minnesota Sports Hall of Fame Induction ceremony, concert performances, the Delta Dental of Minnesota's game of "FLOSS" (a friendly competition where local hoops legends and women executives played a shooting game) and the 3M Court of Dreams, which featured inspirational messages from those who have benefitted from Title IX legislation.

Native Initiative

With less than one half of one percent of all NCAA Division I, II & III athletes being Native American, the Indigenous Athletics Advancement Council (IAAC) worked with the LOC to raise awareness for indigenous people and create opportunities for social change. The IAAC worked with the NCAA and LOC to secure over 400 tickets for Native youth and their families to attend the WFF.

On April 2nd, 60 kids participated in a clinic for Native youths at the Minneapolis American Indian Center. This event featured a learning lab session with NCAA coaches to create awareness and remove barriers for recruiting Native athletes and a speaker series with Native basketball legends.



Together, the activities and initiatives discussed above generated important awareness for the WFF while also providing important qualitative benefits. Furthermore, it is important to understand the economic benefits of hosting the WFF in Minneapolis, which will be discussed in the following section.

2 CONCEPTS & METHODOLOGY

Economic Impact Concepts & Methods

Hosting an event like the Women's Final Four is expected to provide substantial quantifiable benefits. These quantifiable benefits often serve as the "return on investment" of public dollars that are contributed to attract and host the event. Quantifiable measurements of the effects that facility projects could have on the local economy are characterized in terms of economic and fiscal impacts. Direct spending represents the primary spending that would occur as a result of hosting the event. The direct spending measured within this analysis consists primarily of out-of-facility spending as outlined to the right.

Net new impacts will be generated throughout the Minneapolis area, primarily relating to Out-of-Facility Spending (i.e., spending occurring outside of the Target Center by visitors to Minneapolis on items such as hotels, restaurants, retail, transportation, etc.).

From a broad perspective, gross direct spending would flow to various economic entities, including the City of Minneapolis, Hennepin County and local restaurants, hotel operators, retail businesses and other such entities. However, some of the spending that occurs in connection with the ongoing operations of the WFF would not fully impact the local area. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the WFF considered net new to Minneapolis. These adjustments include:

LEAKAGE represents the portion of gross spending estimated to occur outside the larger geographic area considered for this analysis (Minneapolis). Immediate leakage occurs when initial direct expenditures occur outside the area, such as an out-of-town WFF visitor that patronizes a hotel or restaurant located outside of Minneapolis. Leakage also occurs when initial local spending is used immediately to pay for goods, services, etc. outside of Minneapolis. Examples of this type of secondary leakage include food and beverage profits retained by companies based outside of Minneapolis.

DISPLACEMENT refers to spending that would have likely occurred anyway in Minneapolis without the presence of the WFF. Examples of displaced spending would include spending by Minneapolis and other greater Minneapolis/St. Paul metropolitan area residents in connection with their visit to the WFF (tickets, food and beverage, retail items, etc.) that would have been spent Minneapolis anyway on other items (e.g., movies, restaurants, shopping, etc.) if they did not attend the WFF. The concept of displacement is oftentimes referred to as the substitution effect.

The flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy (i.e., Minneapolis). The resulting spending after all adjustments is referred to throughout the remainder of this analysis as net new direct spending.

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail below.

INDIRECT EFFECTS consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact.

Indirect impacts occur in a number of areas including the following:

- Wholesale industry as purchases of food and merchandise products are made.
- Transportation industry as the products are shipped from purchaser to buyer.
- Manufacturing industry as products used to service the event, vendors and others are produced.
- Utility industry as the power to produce goods and services is consumed.
- Other such industries.



2 CONCEPTS & METHODOLOGY

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with hosting the WFF and its associated events and activities. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the Regional Input-Output Modeling System (RIMS II), a regional economic model used by investors, planners and elected officials to objectively assess the potential economic impacts of various projects. The Bureau of Economic Analysis (BEA) originally provided regional input-output multipliers in the early 1970s as a tool to help economists analyze the potential impact of economic activities.

RIMS II is based on a set of national input-output (I-O) accounts that show the goods and services produced by each industry and the use of these goods and services by industries and final users. RIMS II adjusts these national relationships to account for regional supply conditions. The I-O accounts provide the basis for the model's multipliers and impose assumptions that need to be recognized when conducting an economic impact study.

The multiplier effects estimated in this analysis include:

- **TOTAL OUTPUT** represents the total direct, indirect, and induced spending effects generated by hosting the WFF. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **PERSONAL INCOME (EARNINGS)** represent the wages and salaries earned by employees of businesses impacted by hosting the WFF. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.
- **EMPLOYMENT** is expressed in terms of total jobs and includes both full and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

The multipliers used in this analysis are specific to the Minneapolis/St. Paul metropolitan area economy and are summarized below.

	Economic Impact Multipliers		
	Output	Earnings	Employment
Hotel	1.962	0.579	16.641
Restaurant	2.181	0.821	28.934
Entertainment	2.105	0.654	22.941
Retail	2.094	0.732	21.897
Auto Rental	2.310	0.696	26.874
Other Local Transit	2.310	0.696	26.874
Other Industries	2.117	0.852	28.641

Source: Bureau of Economic Analysis, 2022

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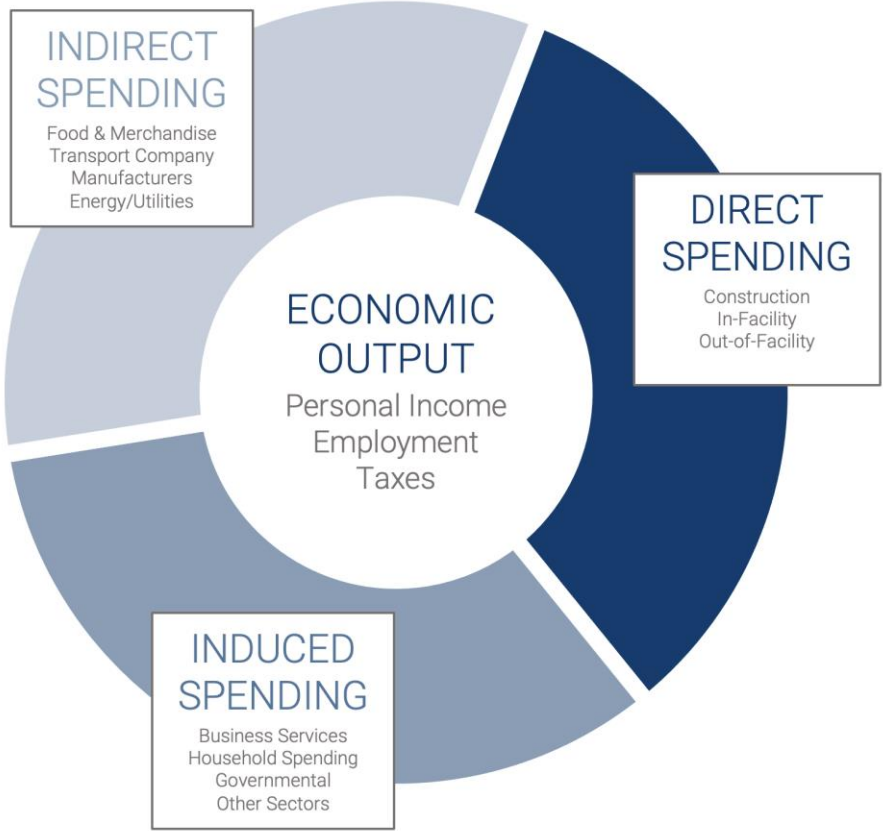
CONCEPTS & METHODOLOGY

In addition to the economic impacts that could be generated by hosting the WFF, fiscal revenues could be generated to Minneapolis and various other municipal/governmental entities from a variety of sources. In preparing estimates of fiscal impacts, revenues generated to the City of Minneapolis and Hennepin County from direct, indirect and induced spending were examined. As a focus of this analysis relates to the economic and tax impact within the Minneapolis area, the primary fiscal revenues estimated herein are sales and lodging taxes that are estimated to be generated within Minneapolis. The net new tax impacts consider reductions for assumed displaced spending within Minneapolis, as well as spending that is assumed to occur outside of Minneapolis.

Although there may be other tax revenues and public sector fees/charges generated as a result of hosting the WFF, net new sales and hotel-related taxes represent the most directly-attributable and relevant sources relating to this analysis.

The graphic below illustrates key measurements of economic and tax impacts utilized in this analysis. Commencing with the estimation of net new direct spending associated with visitors attending the WFF, successive rounds of re-spending generate indirect and induced effects. The sum of all this net new spending in Minneapolis' economy represents total Economic Output. This new economic output, in turn, generates added earnings (personal income), jobs (employment), and tax revenues.

In addition to the quantifiable benefits associated with hosting the WFF, there are a number of existing and potential benefits that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These include issues pertaining to quality of life, ancillary economic development facilitation, employment opportunities, community pride, complementing the greater Minneapolis/St. Paul metropolitan area and other items.



3 DIRECT SPENDING & ASSUMPTIONS

Attendance and Non-Local Visitation Assumptions

Calculations of net new direct spending in Minneapolis as a result of hosting the 2022 Women's Final Four begin with an estimation of the total number of visitors to Minneapolis over the course of the event. Conversations with Target Center staff indicated that total paid attendance reached 36,572 attendees, with 18,268 attendees at the two National Semi-Final games on Friday, April 1st and 18,304 attendees at the National Championship game on Sunday. However, it is assumed that approximately 95 percent of ticket purchasers attended both sessions. As such, the estimated unique visitor count for WFF game attendees is estimated at 20,115.

36,600
Combined
Two-day
Attendance

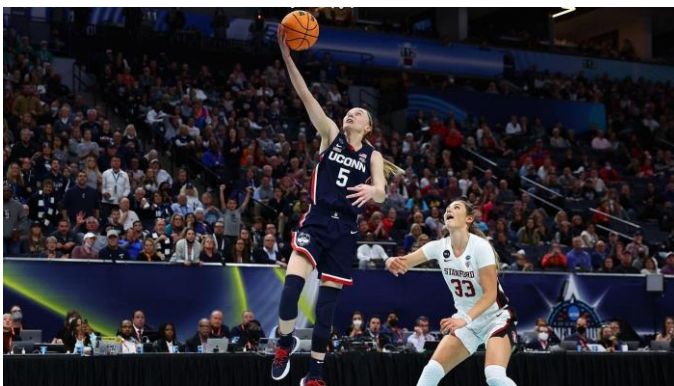
Data was obtained from Target Center on the originating zip codes for purchases of tickets to the WFF. Among the more than 26,300 tickets purchased, the following data was noted:

- 90.1 percent of tickets were purchased from outside of the city of Minneapolis.
- 87.7 percent of tickets were purchased from outside of Hennepin County.
- 79.4 percent of tickets were purchased from outside of the seven-county metropolitan area (consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties).
- 70.3 percent of tickets were purchased from outside of the state of Minnesota.

Based on conversations with members of the Local Organizing Committee, various stakeholders and activity organizers for WFF-affiliated events and previous reports and economic impact analyses, we have made the following additional assumptions on total attendees at the WFF and associated events as well as the non-local visitors to the greater Minneapolis/St. Paul Metropolitan area and the state of Minnesota in connection with the 2022 Women's Final Four:

- Among the estimated 43,450 attendees at non-game events and activities, approximately 25 percent originated from outside of the Minneapolis/St. Paul metropolitan area, while 20 percent originated from outside of the state of Minnesota.
- Among the 2,267 and 2,366 game personnel and media, sponsors and hosting staff, respectively, 79.4 percent originated from outside of the Metro Area, while 70.3 percent came from outside of the State.

Based on the estimated game, event and activity attendance and assumptions above, we have summarized the estimated number of unique visitors to the Minneapolis/St. Paul metropolitan area and the state of Minnesota on the following page.



3

DIRECT SPENDING & ASSUMPTIONS

As shown in the summary below, there were a total of 36,572 attendees combined between the two days of WFF games at Target Center, of which an estimated 20,115 were unique visitors. Further, there were an estimated 43,450 attendees at non-WFF game events and activities, 2,267 game personnel and 2,366 media, sponsors and other staff resulting in a total of 68,198 recorded attendees at WFF events and activities.

Importantly, only a limited number of these attendees were unique visitors. For example, it is assumed that a significant percentage of attendees among non-game WFF events and activities either originated from the metro area or state, respectively, or attended the games at Target Center. As such, adjustments were made to prevent double counting estimated spending and economic impact. As presented below, there were an estimated 23,123 non-local visitors from outside of the Metro area and nearly 19,564 visitors from outside of the state.



	Total Estimated Attendees	Total Estimated Metro Area Visitors	Total Estimated State Visitors
National Semi-Final Attendance	18,268		
National Championship Attendance	18,304		
<hr/>			
Total Combined Game Attendance	36,572		
Unique Game Attendee Percentage	55.0%		
<hr/>			
Unique Attendees	20,115	15,968	14,136
<hr/>			
Non-Game WFF Events & Activities Attendees-Visitors	43,450	3,476	2,173
Game Personnel (teams, coaches, officials & other credentialed) Attendees-Visitors	2,267	1,799	1,593
Media, Sponsors & Hosting Staff Visitors	2,366	1,879	1,663
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Total Non-Local Visitors		23,123	19,564

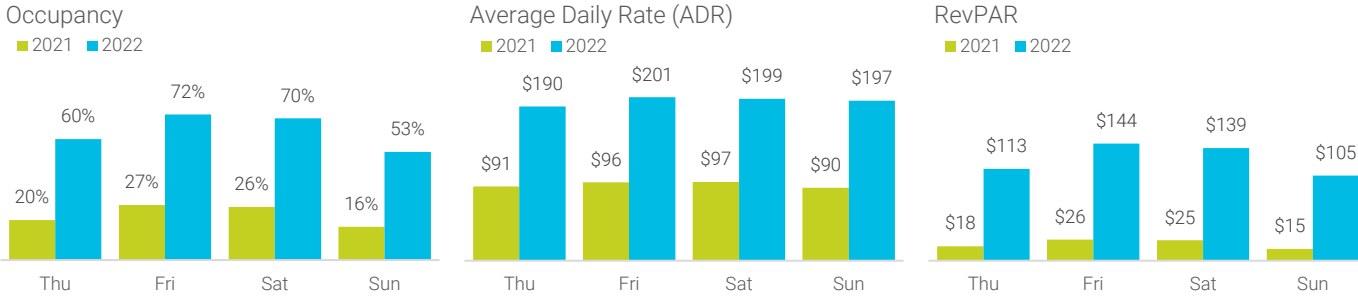
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DIRECT SPENDING & ASSUMPTIONS

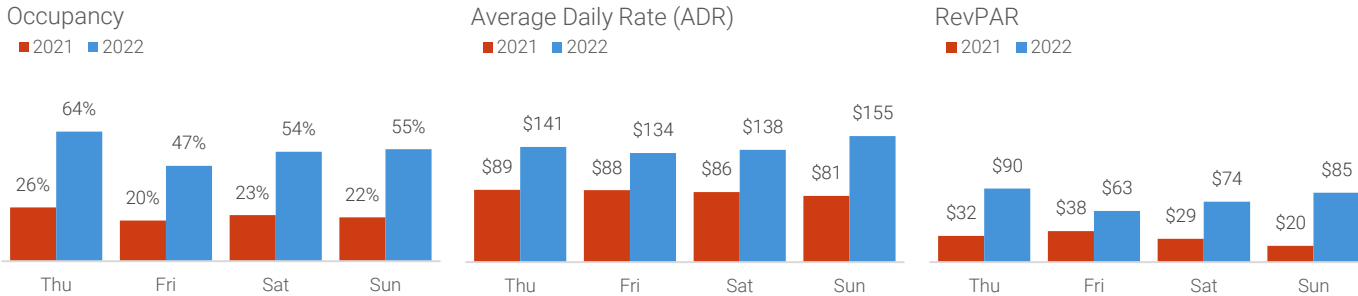
Hotel Performance

Spending on overnight hotel stays at events such as the 2022 Women’s Final Four tends to be the largest driver of per capita non-local spending among visitors. An analysis was conducted on hotel performance in downtown Minneapolis, downtown St. Paul and Bloomington properties, based on data provided by STR (formerly Smith Travel Research), comparing occupancy, average daily rate (ADR) and revenue per available room (RevPAR) data from March 31 through April 3, 2022 against the same weekend in 2021. A summary of this comparison is presented below:

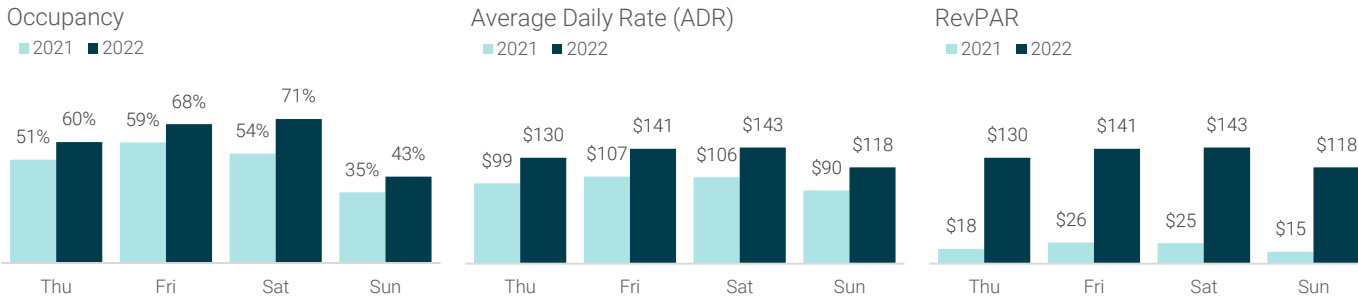
Downtown Minneapolis Hotels



Downtown St. Paul Hotels



Bloomington Hotels



As shown, occupancy increased significantly year-over-year from 2021 to 2022, in both downtown Minneapolis and downtown St. Paul hotel properties, while Bloomington experienced somewhat more moderate increases. Further, ADR increased year-over-year, approximating \$200 for the weekend in downtown Minneapolis, \$140 in downtown St. Paul and \$140 in Bloomington, while RevPAR approximated \$140 in both downtown Minneapolis and Bloomington, and nearly \$80 in downtown St. Paul. These data are important when considering per capita visitor spending estimates as presented later in this analysis.

3 DIRECT SPENDING & ASSUMPTIONS

Importantly, some of this year-over-year increase can be attributed to economic recovery from the COVID-19 pandemic. As such, we analyzed the year-over-year increase on similar days of the week surrounding the WFF. For the two Thursdays, Fridays, Saturdays and Sundays prior to the WFF and the same days the week following the WFF.

The overall increase in occupancy and ADR in downtown Minneapolis hotels were markedly higher for the four-day period during the WFF than similar days during the rest of the month. Additionally, RevPAR was significantly higher on each of the four days of the WFF weekend (195 percent higher on Thursday, 208 percent higher on Friday, 247 percent higher on Saturday and 484 percent higher on Sunday).

Other Direct Spending Assumptions

In 2019, Rockport Analytics completed a detailed economic impact analysis of the 2019 NCAA Men's Final Four in Minneapolis, which included interviews of over 700 visitor intercept surveys. These data, along with analysis of attendance data for the 2022 Women's Final Four and conversations with stakeholders were combined to develop the following assumptions regarding visitor spending at the WFF:

- An estimated 71 percent of WFF visitors stayed in a hotel, with an average daily rate of \$200.
- Average length of stay for non-local overnight visitors was 2.8 days and 1.8 days for non-local day-trippers (visitors not requiring an overnight stay).
- Overnight visitor spending is largely driven by hotel spending, with approximately 64 percent of spending on lodging. Other notable spending industries among overnight visitors include car rental/transportation (13 percent), food and beverage (restaurant) spending (11 percent), entertainment (seven percent) and retail/shopping (four percent).
- Spending by day-trippers is primarily driven by food and beverage (restaurant) spending (45 percent), entertainment spending (30 percent) retail/shopping (15 percent) and transportation (7 percent).
- Per capita spending was estimated at \$321 per day for non-local overnight visitors and \$101 per day for non-local day-trippers.

In addition to out-of-facility spending estimates, Target Center retained food and beverage revenues, including liquor sales that occurred in-facility. Based on conversations with Target Center representatives, it is estimated that the average attendee at the WFF games spent approximately \$16.98 per person on general concession food and beverage, while the average attendee spent approximately \$7.00 per person on liquor.

The following page summarizes the total net new direct spending, economic impact and fiscal (tax) impacts generated by hosting the 2022 Women's Final Four at Target Center in downtown Minneapolis.

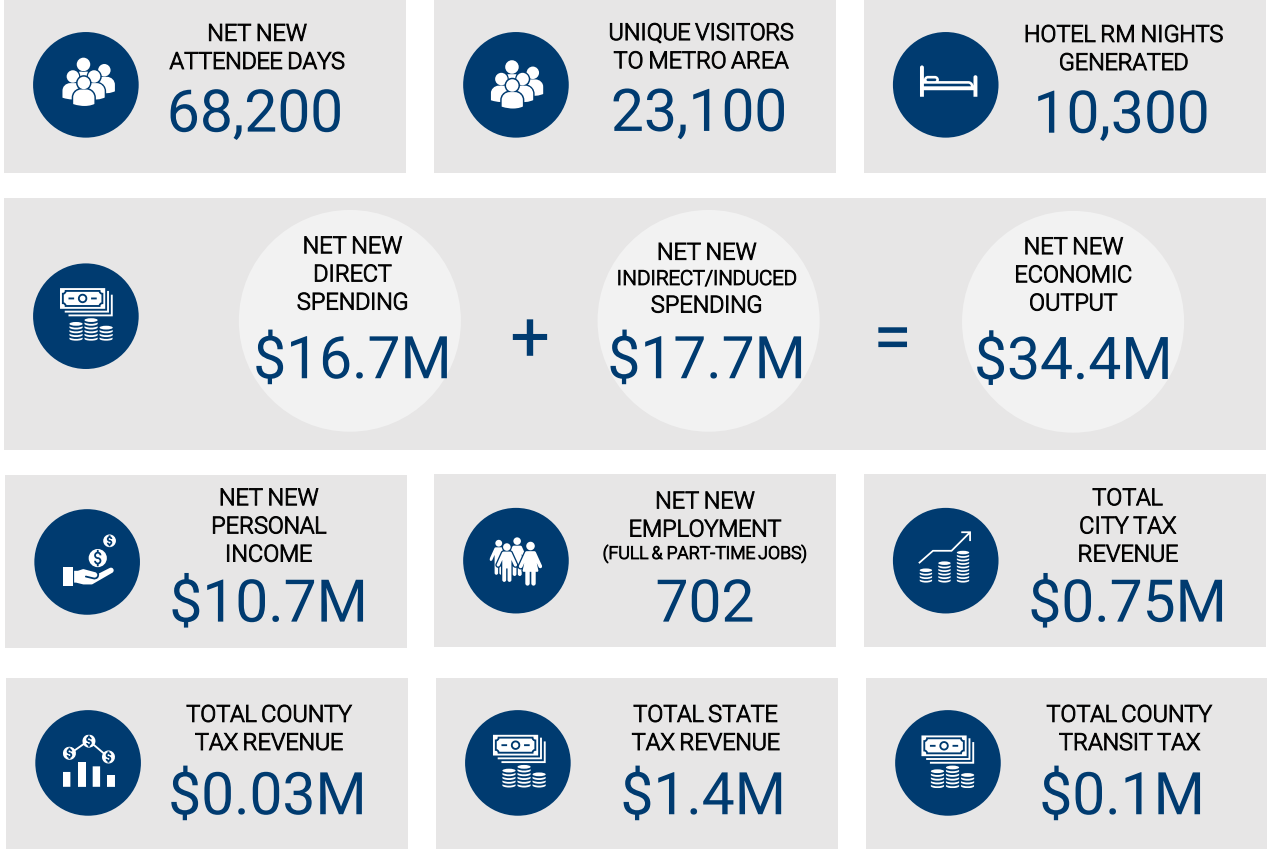
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ECONOMIC IMPACT ANALYSIS

2022 Women's Final Four Economic Impact

Based on analysis results, a summary of key economic benefits associated with hosting the WFF in Minneapolis is presented below.

SUMMARY OF ESTIMATED NET NEW ECONOMIC IMPACTS ASSOCIATED WITH HOSTING THE 2022 WOMEN'S FINAL FOUR IN MINNEAPOLIS, MINNESOTA (April 1 through April 3, 2022)



4 ECONOMIC IMPACT ANALYSIS

Media Impact Analysis

The purpose of this section is to value the level of media exposure generated from the Women's Final Four. Valuing intangible media assets is a key driver in measuring the overall impact of the WFF. In order to properly determine a quantifiable value of media exposure from the WFF, CSL utilized an impression-based methodology and advertising equivalency rates comprised of the following elements:



- **National television broadcast and reach** – an estimated 4.85 million average viewers watched the Championship game, up approximately 18 percent from 2021 and 30 percent from 2019. Additionally, the National Semi-Final games attracted 2.7 million average viewers, representing a 21 percent year-over-year increase.
- **Online and print media impressions** – between August 6, 2021 and April 5, 2022, the Women's Final Four in Minneapolis was viewed an estimated 2.9 billion times in media outlets throughout the country. These impressions consisted of a variety of newspaper articles (online and print), broadcast news reports, blogs and other mentions, the estimated value of which could be as much as \$26.5 million in earned media.

Non-Quantifiable Benefits

In addition to the quantifiable projections of economic impacts shown above, there were/are a number of benefits associated with hosting the WFF in Minneapolis that cannot be quantified. In fact, these qualitative benefits tend to be of critical importance to the overall benefit to the community. These qualitative impacts/benefits included:

- **Revitalization of downtown Minneapolis** – the 2022 Women's Final Four brought an estimated 68,200 attendee days to downtown Minneapolis, resurrecting a sense of vibrancy in an area that had been significantly impacted by the pandemic.
- **Potential opportunity for follow-up visitation** – the more than 23,100 estimated unique visitors present an opportunity to attract future visits and convey the message that Minneapolis and the greater Twin Cities market is a desirable destination.
- **Promotion and awareness of gender equity and Native American issues** – the spotlight of the WFF provided an opportunity to amplify messaging on the continued importance of Title IX in promoting gender equality as well as an opportunity to highlight the ongoing challenges facing Native Americans.

