

**Congressman
David Schweikert**

Arizona's 6th District

**GCSAA Water Summit
August 27th, 2018**

Arizona and Golf

- Spending in 2012 adjusted to 2014 excluding direct spending on airfare, an estimated \$58M in out-of-state visitor direct spending attributed to major golf tournaments
- Annual sales of golf-related business in Arizona was \$270 million

Table 13. Major Professional Golf Tournaments in Arizona, 2014

Tournament	2014 Attendance	Host
Waste Management Phoenix Open	563,008	TPC Scottsdale
Charles Schwab Cup Championship	40,000	Desert Mountain
Accenture Match Play	40,000*	Dove Mountain
LPGA JTBC Founders Cup	56,250	Desert Ridge

* Attendance not known, estimated at 40,000.
Sources: Arizona Republic (2016); Davis (2014a); Davis (2014b)

Table 14. Estimate of Statewide Golf-Related Business Sales (Retailers and Service Providers), 2014

Segment	AZ Establishments	Sales Estimate
Golf Vacation Packages	4	\$4,668,000
Golf Cars & Carts	62	\$161,036,000
Golf Equipment and Supplies Retail	59	\$94,134,000
Golf Equipment Repairing and Refinishing	1	\$679,000
Golf Practice Ranges	6	\$3,426,000
Golf Instruction	23	\$6,217,000
Total	155	\$270,160,000

Source: ReferenceUSA, MelissaData

Arizona and Golf

- UofA study - Arizona golf industry had a total economic contribution of \$3.9 billion in sales
- "\$2.5 billion in sales, nearly 29,500 full and part time jobs earning \$1.1 billion in labor income, \$1.4 billion in value added"
- "Total direct impact of golf tourism to Arizona's economy in 2014 was an estimated \$598,300,000".

Table 15. Economic Contribution Summary for Golf Facility Operations, 2014

Impact Type	Employment	Labor Income	Value Added (GDP)	Sales
Direct Effect	18,695	\$623,422,400	\$623,422,400	\$1,147,366,800
Indirect Effect	5,406	\$259,012,500	\$388,773,000	\$670,173,800
Induced Effect	5,369	\$234,940,600	\$407,231,200	\$715,332,400
Total Effect	29,470	\$1,117,375,400	\$1,419,426,600	\$2,532,873,000

Table 17. Economic Contribution Summary for Golf Tourism, 2014

Impact Type	Employment	Labor Income	Value Added	Sales
Direct Effect	7,102	\$192,571,900	\$320,162,700	\$598,300,200
Indirect Effect	1,478	\$68,497,100	\$113,541,400	\$208,667,400
Induced Effect	1,875	\$82,044,400	\$142,217,800	\$249,836,200
Total Effect	10,455	\$343,113,500	\$575,921,800	\$1,056,803,800

Table 16. Estimate of Statewide Golf Facility State and Local Taxes, 2014

State and Local Taxes	Amount
Property Tax	\$22,862,400
Sales Tax	\$38,764,700
Corporate Taxes & Dividends	\$1,417,000
State Payroll Taxes	\$6,810,100
Other Taxes & Fees	\$2,603,500
Total State and Local Taxes	\$72,457,600

Source: Authors' calculations using IMPLAN

Golf and Labor

- UofA study (2014) - golf facility operations - \$1.1B in sales to state economy
- Total contribution [w/ multipliers] - \$2.5B in sales, \$1.4B in value added
- 29,500 full and part time jobs
- \$72 million in state and local taxes supported
- \$39 million in direct state and local sales tax revenues

Table 7. Estimate of Statewide Golf Facility Revenues by Category, 2014

Revenue Category	Statewide Estimate
Initiation fees, annual membership fees and golf course dues	\$386,325,091
Golf course green fees	\$337,693,953
Restaurant, food and beverage services (golf facility only)	\$201,517,614
Retail sales (golf shop, gift shop)	\$86,805,260
Golf cart fees	\$38,872,021
Flat fees paid for tournament events	\$17,529,592
Driving range fees	\$17,254,931
Flat fees for non-tournament private events (weddings, etc.)	\$10,768,954
Private lessons given by facility personnel	\$8,062,260
Flat fees for lessons given by third parties	\$753,849
Other	\$41,783,270
TOTAL	\$1,147,366,795

Source: Authors' estimates from survey

Table 10. Estimate of Statewide Golf Facility Capital Investment and Amount Purchased In-State, 2014

	Total	Purchased in AZ
Furniture	\$17,812,758	\$10,465,807
Equipment	\$30,856,655	\$18,273,506
Buildings	\$36,511,494	\$32,014,841
Other	\$2,227,001	\$2,102,121
Golf Course	\$86,823,095	\$37,791,883
TOTAL	\$174,231,003	\$100,648,158

Source: Authors' estimates from survey

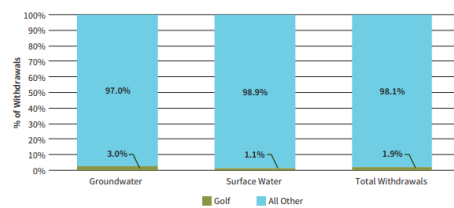
Water and Golf

- In 2014, golf facilities used an estimated 55,000 acres of land in Arizona, and golf facilities used an estimated 167,397 acre-feet of irrigation water state-wide
- On average, 15.7% of golf irrigation water was Central Arizona Project (CAP) water, 1.9% was surface water, 38.5% was groundwater, 35.0% was reclaimed water, with the rest coming from other sources
- Management strategies include irrigation audits; turfgrass reductions; and overseeding, which is the most common strategy used to maximize efficient water use

Table 21. Estimated of Statewide Golf Facility Acreage, 2014

Estimated Golf Facility Acreage by Type	Acreage
Total acres of golf course(s)	45,270
Turfgrass acres maintained	31,883
Acres irrigated	34,430
Total acres of golf facility (incl. clubhouse, golf shop, golf courses, restaurants, etc.)	54,786

Figure 14. Golf Freshwater Withdrawals Compared to Withdrawals for All Other Uses, Arizona 2010



Water and Golf in Arizona

- 130,116 acre-feet of self-supplied freshwater was used to irrigate golf courses, 1.9% of Arizona's total freshwater withdrawals, excluding effluent use
- Only one county (Santa Cruz) exceeds 5% of total county freshwater withdrawals
- Overall, conservation efforts at golf facilities aim to balance use of natural resources with economic viability of these courses.

Table 22. Freshwater Withdrawals for Golf Course Irrigation as a Percentage of Total County Withdrawals for All Uses, 2010

	Share of Total County Groundwater Withdrawals	Share of County Surface Water Withdrawals	Share of Total County Freshwater Withdrawals
Apache	0.0%	0.0%	0.0%
Cochise	0.5%	0.0%	0.5%
Coconino	0.5%	0.2%	0.3%
Gila	4.3%	0.0%	4.2%
Graham	0.4%	0.0%	0.2%
Greenlee	0.0%	0.0%	0.0%
La Paz	0.7%	0.0%	0.1%
Maricopa	4.4%	3.8%	4.1%
Mohave	3.8%	0.0%	2.1%
Navajo	3.2%	0.9%	2.9%
Pima	3.8%	3.0%	3.7%
Pinal	1.6%	0.3%	0.7%
Santa Cruz	8.9%	0.0%	8.9%
Yavapai	3.2%	2.5%	3.1%
Yuma	1.1%	0.2%	0.3%
Arizona	3.0%	1.1%	1.9%

Source: USGS, 2010

Water and Golf in Arizona

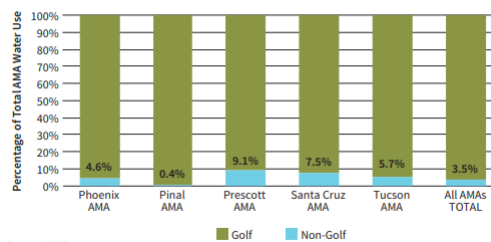
- AZ Department of Water Resources regulates use of groundwater in designated Active Management Areas (AMAs)
- Golf course irrigation water use within AMAs is required to be tracked and reported to AZ Department of Water Resources
- Of the 313 golf facilities in Arizona, 252 (81%) are in AMAs, and 183 of those are in the Phoenix AMA
- Golf represented 3.5% of total AMA water use in Arizona in 2014

Table 23. Number of Golf Facilities by AMA in 2014

AMA	Golf Facilities
Phoenix AMA	183
Pinal AMA	14
Prescott AMA	6
Santa Cruz AMA	4
Tucson AMA	45
Total	252

Source: ADWR

Figure 19. Golf Water Use (Including Effluent) as a Percentage of Total AMA Water Use by AMA, 2014



Source: ADWR