

WHITE MARLIN OPEN FISCAL IMPACT EXCEEDS \$16 MILLION

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OCEAN CITY – For years, it has been widely speculated the annual White Marlin Open, held each summer during the first week of August, was the peak of the summer season, generates millions in direct and indirect spending, but a study prepared by the state and released last week finally quantifies the economic impact of the event.

At the request of tournament organizers, the Maryland Department of Business and Economic Development (DBED) this year carefully researched and prepared an economic impact report for the 2009 White Marlin Open and determined through the data collected from a variety of sources last year's event generated an estimated \$16 million in local expenditures during the first week of August. DBED's Division of Marketing and Communications-Office of Research recently completed the study, which evaluated expenditures by visitors during the 2009 WMO, measuring the total impact of those visits on statewide and local economies.

Tournament president and founder Jim Motsko first broached the idea of a state-sponsored economic impact study during Governor Martin O'Malley's visit on the last day of the White Marlin Open in 2009. O'Malley told Motsko he would get behind an economic impact study for the annual event, which has been held during the first week in August for the last 36 years, if the district's local delegation in Annapolis, in this case Delegate Jim Mathias (D-38B) did the legwork and went through the appropriate channels. According to Motsko, Mathias, who served as mayor of Ocean City, went to bat for the event and got the long-awaited study done.

"It's something I've been wanting to get done for a long time," said Motsko this week. "They did one for the Pirate's Cove tournament in North Carolina a few years back, and I always wanted to see what our tournament created in terms of economic impact."

Based on attendance and spending data provided by tournament organizers and DBED estimates, the 2009 White Marlin Open drew approximately 5,000 visitors from outside the state over a period of up to seven days, resulting in 30,345 additional visitor days in Maryland. According to the study, the 2009 tournament generated an estimated \$8.6 million in direct local expenditures, another \$2.2 million in salaries and created 70 direct jobs.

Based on those sales and estimates, the tournament generated total state and local tax revenues of \$568,000. Including indirect and induced impacts, the 2009 WMO generated a total of \$16 million in local expenditures, another \$4.9 million in salaries and 130 jobs. The total impact on state and local tax revenues came in at around \$746,000, according to the DBED study.

The impact study was based on last year's tournament, which included 300 entries with an estimated seven participants per boat. The study assumed about 25 percent of the participants were local, with the remaining 75 percent out of state from all over the east coast and the entire country. Dockage fee per boat came in at a range of

\$2,500 to \$5,000 for the week, while offshore charter costs ranged from \$1,600 to \$3,000, depending on the size of the boat.

While the direct spending associated with the tournament makes up the majority of the estimated \$16 million in economic impact, the indirect spending comes in at a similar total. According to the study, \$8.5 million is associated with direct spending, while another \$7.4 was credited to indirect spending during the tournament. The WMO attracts an estimated 4,000 visitors to the host marina Harbour Island each of the five fishing days and while a considerable number of those visitors are local, the lion's share are in the resort that week specifically for the event, according to the study.

The large number of out-of-state visitors in town for the event certainly shell out millions in direct spending during the tournament, but they are also staying in hotels, renting condominiums, eating at resort restaurants, patronizing the town's many bars and nightclubs, visiting the Boardwalk and taking advantage of the countless other amenities Ocean City offers.

Now it's important to note the tournament does take place during the first week of August, which is naturally the peak of the summer season anyway, but clearly the WMO is a major part of what is annually the biggest week of the summer in Ocean City. According to the town's demoflush figures for the last 10 years, the first week of August is always the biggest in terms of the number of estimated visitors in Ocean City and it's no coincidence those figures are recorded during the WMO each year.

In addition, it's important to note DBED's study was based solely on the 2009 tournament, which was certainly not one of the biggest in recent memory. A sagging economy coupled with high gas prices and a variety of other factors kept the number of boats at 300 last year, the figure upon which the DBED study was based. As recently as just a few years ago, the number of boats participating in the WMO soared to nearly 450, or about 50 percent more than last year, which leads one to believe if the same formulas were applied and extrapolated over the larger number, the economic impact of the tournament would go up in kind.

Motsko said this week he was pleased with the outcome of the study, which provides some quantifiable numbers in terms of economic impact for the annual event, which has grown by leaps and bounds since its inception in 1974.

"It was very gratifying to see how it turned out," he said. "I was told the state tends to be cautious and conservative in their estimates when they do these studies, but it does give you something to hang your hat on."

After years of wide speculation about the true impact of the tournament on the local economy, WMO organizers now have something tangible in hand when it comes to extolling the virtues of the annual event. Motsko said this week he hopes to leverage the results of the study to gain more support from local and state governments.

"We're hoping to get more support from Ocean City, Worcester County and the state in terms of tourism advertising and in-kind services to grow this event even further," he said. "Through our efforts, we've grown this thing into a major revenue source for the local and state economy, and we can expand on that with a little more help."

The economic impact of this event generates tremendous benefits for the state and provides significant revenue and jobs to our economy as well."

However, Motsko was quick to point out he realizes now is not the time to seek more money or services from local and state jurisdictions, given the current economic climate.

"This is something to use way out in the future," he said. "I don't want to be unrealistic right now."

So, what does the economic impact study mean for the future of the White Marlin Open? Motsko said this week he has no intention of killing the goose that is laying the golden eggs and will maintain the tournament at Harbour Island in Ocean City for the foreseeable future.

"I'm signed up through 2012," he said. "I was locked in through 2011 and I just signed a renewal for 2012 and that's far enough out. I'm not locked in for life or anything."

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