

4-2017

## The Economic Impact of the 2016 Republican National Convention

Candi Clouse  
*Cleveland State University, c.clouse@csuohio.edu*

Iryna Lendel  
*Cleveland State University, i.lendel@csuohio.edu*

Merissa Piazza  
*Cleveland State University, m.c.piazza83@csuohio.edu*

Luke Seaberg

Follow this and additional works at: [https://engagedscholarship.csuohio.edu/urban\\_facpub](https://engagedscholarship.csuohio.edu/urban_facpub)



Part of the [Urban Studies and Planning Commons](#)

[How does access to this work benefit you? Let us know!](#)

---

### Repository Citation

Clouse, Candi; Lendel, Iryna; Piazza, Merissa; and Seaberg, Luke, "The Economic Impact of the 2016 Republican National Convention" (2017). *All Maxine Goodman Levin School of Urban Affairs Publications*. 01231499.

[https://engagedscholarship.csuohio.edu/urban\\_facpub/1499](https://engagedscholarship.csuohio.edu/urban_facpub/1499)

This Report is brought to you for free and open access by the Maxine Goodman Levin School of Urban Affairs at EngagedScholarship@CSU. It has been accepted for inclusion in All Maxine Goodman Levin School of Urban Affairs Publications by an authorized administrator of EngagedScholarship@CSU. For more information, please contact [library.es@csuohio.edu](mailto:library.es@csuohio.edu).



# Maxine Goodman Levin College of Urban Affairs

Prepared for:

**RNC Host Committee**

Prepared by:

**Candi Clouse, MS**

**Iryna Lendel, Ph.D.**

**Merissa Piazza**

**Luke Seaberg**

**April 2017**

2121 Euclid Avenue Cleveland, Ohio 44115

[www.urban.csuohio.edu](http://www.urban.csuohio.edu)

## **THE ECONOMIC IMPACT OF THE 2016 REPUBLICAN NATIONAL CONVENTION**

**CENTER FOR  
ECONOMIC  
DEVELOPMENT**



## Table of Contents

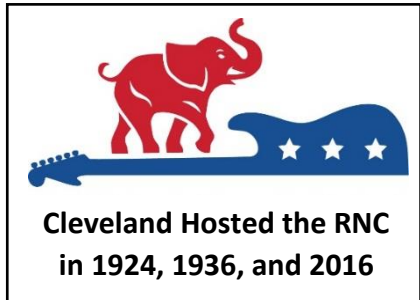
Introduction .....	1
Methodology .....	2
Cleveland was Ready .....	3
Transportation & Infrastructure.....	5
RNC Visitors .....	10
Safety & Security .....	11
Donations & Spending .....	14
Donations Received.....	14
Host Committee Spending .....	15
City of Cleveland Spending.....	18
Visitor Spending .....	20
Economic Impact.....	22
Methodology .....	22
The Results .....	24
Taxes.....	27
Impressions of Cleveland .....	30
Media Hits .....	30
Street Traffic.....	31
Word on the Street.....	31
Case Studies .....	35
Flavors of Cleveland .....	35
The Art of Prosperity .....	37
Conclusion.....	38
Appendix .....	39

## List of Tables, Figures, & Pictures

Picture 1: Cleveland’s Quicken Loans Arena during the RNC .....	2
Picture 2: Cleveland’s Public Square during the RNC .....	3
Picture 3: Greater Cleveland RTA Red Line Artwork.....	6
Table 1: Average Daily Rates of Downtown Cleveland Hotel Rooms .....	7
Table 2: Occupancy Rates in Cleveland Downtown Hotels .....	7
Table 3: Revenues per Available Room in Downtown Cleveland Hotels.....	8
Figure 1: Downtown Cleveland Hotel Occupancy, 2014-2016 .....	8
Figure 2: Downtown Cleveland Hotel Average Daily Rates, 2014-2016.....	9
Figure 3: Downtown Cleveland Hotel Revenues per Available Room, 2014-2016.....	9
Picture 4: Peaceful Protestors at Cleveland State University .....	12
Table 4: Total Donations to the Host Committee for the Cleveland RNC.....	14
Figure 4: Host Committee Spending for 2016 Cleveland RNC.....	16
Figure 5: Concentration of Financial Spending by Municipality in Northeast Ohio.....	17
Figure 6: City of Cleveland City Spending on Goods and Services .....	19
Figure 7: City of Cleveland Spending on Security Personnel during 2016 RNC .....	20
Table 5: Total RNC Attendees by Type.....	21
Table 6: Average Daily Spending by Category of Visitor and Spending Type for the 2016 RNC.....	21
Picture 5: Retailer M Lang Clothing & Cocktails .....	22
Table 7: Total Economic Impact of the RNC .....	25
Figure 8: Cleveland RNC Employment Economic Impact by Spending Type .....	25
Table 8: Cleveland RNC Economic Impact of the RNC by Spending Type.....	26
Table 9: Cleveland RNC Total Economic Impact by Major Industry.....	27
Figure 9: Cuyahoga County Lodging Tax Receipts, 2015 - 2016 .....	28
Picture 6: Social Media Command Center .....	30
Figure 10: Impressions of Cleveland Before the RNC .....	32
Figure 11: Impressions of Cleveland After the RNC.....	33
Figure 12: Why Impressions of Cleveland Changed After the RNC .....	34
Picture 7: Luca Italian Cuisine .....	35
Picture 8: Prosperity Jewelry Ruby Large Abstract .....	37
Picture 9: Thank You Tweet .....	38
Table A1: Economic Impact of RNC Host Committee Spending .....	39
Table A2: Economic Impact of City of Cleveland Spending .....	39
Table A3: Economic Impact of Visitor Spending .....	39

## Introduction

The summer of 2014 was an exciting time full of announcements and transitions for the City of Cleveland, marking the return of LeBron James to the Cleveland Cavaliers and the Republican National Committee selecting Cleveland to host the 2016 RNC Convention. Two years later, 2016 saw the Cavaliers win the city's first major sports championship in 52 years; just four weeks later, July 18-21, the City hosted its first Republican National Convention in 80 years.



The old saying, “As Ohio goes, so goes the nation” reflects the importance of the state in national politics; the only two candidates who have lost Ohio but won the presidency in the past 104 years were Franklin Roosevelt in 1944 and John F. Kennedy in 1960. So, it is no surprise that the Republican National Committee chose Cleveland to host the 2016 Republican National Convention (RNC) for the third time in its history. The last time Cleveland hosted the RNC was in 1936 (and before that in 1924). After unsuccessful attempts to bid

for Convention hosting duties in the early 1990s and the mid-2000s, Cleveland officials reevaluated the city's offerings and looked at what needed to happen to the city as far as infrastructural and other improvements. The results of these efforts were several new multi-million dollar construction projects, including the Hilton Cleveland Downtown hotel and renovations to Cleveland staples such as Cleveland Hopkins International Airport, Public Square, and the Cleveland Museum of Art.

The 2016 RNC brought approximately 44,400 visitors to Northeast Ohio and Quicken Loans Arena. Included were 2,472 delegates and an estimated 2,302 alternate delegates and their guests from all 50 states, the District of Columbia, and the five American territories: American Samoa, Puerto Rico, U.S. Virgin Islands, Guam, and the Northern Marian Islands. Along with 15,000 credentialed media and social media representatives, this Convention had the largest social media presence of any Convention in history. Additionally, 2,763 local volunteers donated their time and energy to assist with the Convention in a wide variety of capacities.<sup>1</sup>

The convention was a notable economic event for Cleveland. RNC guests brought millions of dollars into the local economy, while visiting hundreds of unique businesses and cultural sites throughout the region, stimulating growth both in terms of infrastructure and business development.

---

<sup>1</sup>The Republican National Committee's home page for the 2016 RNC Convention in Cleveland, Ohio (now offline). Attendee information sourced from local officials and the Host Committee.

## Methodology

The process of estimating the economic impact of the RNC began with a review of the literature and studies that have analyzed past Conventions. Additionally, meetings were held with the Host Committee and key constituents involved in the planning and execution of the event. A study region of seven total counties was determined to capture most activity surrounding the RNC.<sup>2</sup>

During the days of the RNC, a team of researchers canvassed areas surrounding the event to survey visitors. Guests were asked questions regarding where they were visiting from, in what capacity they were visiting (i.e. as a delegate, guest, media, security, or events/convention tourist), and their spending while in town on travel, lodging, food and beverages, attractions and tourist destinations, and souvenirs and shopping. Finally, questions were asked about their impressions of Cleveland before and since arriving at the RNC. Spending data was used as an input for economic impact modeling, and information on visitor impressions was analyzed to look for changes in attitudes about the city pre- and post-arrival. The research team also examined tax revenues generated during preparation for the RNC and the event. The tax analysis includes lodging taxes, sales taxes, and casino taxes. The results of the survey and tax analysis are summarized in the following sections of the report.

The last phase of the research included interviews with local businesses that benefited from the RNC. While some businesses saw decreases in sales during the week of the Convention, many others were very successful. This report concludes with two short case studies highlighting examples of these successes.

### Picture 1: Cleveland's Quicken Loans Arena during the RNC<sup>3</sup>



<sup>2</sup> The seven-county region includes Cuyahoga, Geauga, Lake, Lorain, Medina, Sandusky, and Summit Counties.

<sup>3</sup> Crain's Cleveland <http://www.crainsicleveland.com/apps/pbcs.dll/section?category=newsfeed01&profile=1404>



## Cleveland was Ready

To ensure a successful event, the 2016 RNC Host Committee partnered with a group of organizations, representing key hospitality, entertainment, and retail industries affected by the Convention. Restaurant partners included C'est La Vie Restaurant and Lounge in the Warehouse District, Crop Bistro & Bar in Ohio City, L'Albatros in University Circle, and Morton's The Steakhouse Cleveland located in the Tower City complex at the heart of downtown. Entertainment and recreation partners included the Cleveland Metroparks Zoo, Hard Rock Café Cleveland, and Sleepy Hollow Golf Course. The 5<sup>th</sup> Street Arcades, a pair of historic indoor shopping centers dating back to the turn of the 20<sup>th</sup> century, as well as the Calfee Building, the former offices of East Ohio Gas—once the largest natural gas distributor in the world—rounded out the committee's official partnerships.

**Picture 2: Cleveland's Public Square during the RNC<sup>4</sup>**



Over the last decade, Cleveland has worked to reinvent itself by finding new economic drivers and appealing to younger professionals who value urban amenities in culturally rich neighborhoods. Many changes and updates to infrastructure were planned in recent years to better accommodate rejuvenated businesses and an invigorated population. Several such projects were planned by city officials and

business and economic development organizations long before Cleveland was chosen to host RNC; however, the decision to host the event significantly sped up many of these projects and empowered synergy in planning, funding, and implementation. This acceleration benefited both the city and the region by updating amenities and public spaces sooner than might have occurred without the RNC selection.<sup>5</sup>

One of the most significant projects undertaken by the city of Cleveland in the lead-up to the RNC was the construction of the Hilton Cleveland Downtown hotel, a 32-story, ultra-modern structure with over 600 rooms, 3 restaurants, and subterranean facilities connecting to the city's convention center. The \$272 million project was funded through money left over from a quarter-percent sales tax increase levied by the county to fund the convention center and nearby Global

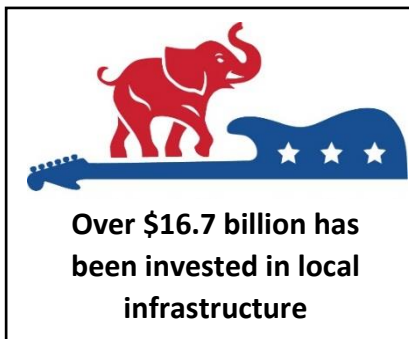
<sup>4</sup> Picture taken by research team.

<sup>5</sup> Exercising a conservative approach to the assessment of RNC economic impact, the research team did not include funding for these projects as an input into IMPLAN modeling in cases where construction projects would have occurred were Cleveland not chosen to host the RNC (even if the event sped up the completion process).



Center for Health Innovation. Construction finished in late spring, and the hotel welcomed its first guests on June 1, 2016.

Cleveland's Public Square was originally constructed in the style of New England town squares, but over centuries the space was divided into four segments by busy thoroughways running both north-south and west-east. To renovate and re-conceptualize this signature public space for the city, the Group Plan Commission—the organization overseeing Public Square—secured \$50 million for renovations from a combination of donations and public funds. Major giving organizations included the Cleveland Foundation, the Gund Foundation, and corporate donors. Public funds were gathered from the city, the county, and the State of Ohio. The Group Plan Commission held an official opening party for the park, redesigned by landscape architect James Corner, on June 30, 2016. This space became the *de facto* center for public gatherings during the Convention, including political debates, protests, and rallies.



In 2015, The Cleveland Trust complex re-opened as a 33,000-square foot grocery store, 104 high-rise luxury apartments, and a 156-room hotel named The Metropolitan at the 9. Planned and completed as a renovation and repurposing of a signature historic property in Cleveland, this jewel not only played a role in the selection committee's decision, but also became an attraction to many visitors wanting to purchase groceries downtown or dine at Heinen's grocery store (as well as to visit a destination that has been called "the most beautiful grocery store in the world").<sup>6</sup>

The YMCA of Greater Cleveland had occupied the same downtown space for 115 years before moving to a newly designed facility inside the Galleria Mall complex in March of 2016. This \$12.5 million project reclaimed about the third of the former retail space in the mall and was financed by corporate donors, grants, and other sponsors.<sup>7</sup>

Another major project completed in the months prior to the Republican National Committee selecting Cleveland as its 2016 host city was the Cleveland Museum of Art's \$350 million renovation and expansion. The original 1916 building saw numerous interior upgrades and modernization of its environmental control systems, while a new addition designed by renowned architect Rafael Viñoly added an additional 33% onto the existing gallery space as well as a new 39,000 square foot atrium. The museum, regarded as one of the nation's best, was prominently featured in official RNC publications suggesting events to attend while in Cleveland, as well as by journalists and reporters visiting the city.

Although it is not projected to open its door to students until the Fall of 2019, the \$515 million Case Western Reserve University and Cleveland Clinic Foundation Health Education Campus is already generating a buzz. The university and the Clinic are two of Northeast Ohio's most

---

<sup>6</sup> 2015 Ohio Historic Preservation Tax Credit Economic Impact Study  
[http://engagedscholarship.csuohio.edu/cgi/viewcontent.cgi?article=2336&context=urban\\_facpub](http://engagedscholarship.csuohio.edu/cgi/viewcontent.cgi?article=2336&context=urban_facpub)

<sup>7</sup> The official naming rights were granted to motion control technology company Parker Hannifin.

significant anchor institutions, and their collaboration on such a large-scale project serves as an example of what the area is capable of. As with Public Square, this project is the recipient of several large grants from foundations, including \$20 million from the Eric and Sheila Samson Foundation. Additional funding is pledged by the two institutions themselves.

These projects—both those completed and those ongoing—added significant vitality to the city and the region. Not only did they boost Cleveland’s economy and stimulate investment and growth, they were also noted by RNC visitors—many of whom became ambassadors in promoting the region to businesses, event organizers, and citizens.

## Transportation & Infrastructure

Transit infrastructure was one of the key factors influencing the Republican National Committee’s decision to bringing the RNC to Cleveland. The Greater Cleveland Regional Transit Authority (RTA)— one of the favorite transportation conduits for Clevelanders—saw increased ridership numbers totaling 20,130 over the week of the RNC event, a 25% increase over the same week during the previous summer. Offering heavy and light rail, bus rapid transit, traditional buses, and trolley loops, Cleveland’s RTA was considered by the RNC to be more than capable of handling a 50,000 visitor surge.<sup>8</sup> Cleveland’s RTA was previously named “North America’s Best Public Transportation System” in 2007 by the American Public Transportation Association (APTA October 2007)<sup>9</sup> and was given a Silver Rating for “Best Bus Rapid Transit (BRT) in the United States” the highest ranking for BRT systems in the U.S. by The Institute for Transportation and Development Policy (RTA News/Press Release, April 2013).

Many RNC visitors arrived by plane, and city officials understood that the appearance of Cleveland Hopkins International Airport would inform these visitors’ first impressions of the region. The airport underwent \$36 million in renovations and improvements to the terminal façade and ticketing lobby area. The renovations took approximately one year and were completed just in time on June 27, 2016.

Cleveland RTA’s Red Line heavy rail line was the nation’s first to directly connect a city downtown with an airport. As visitors arrived at the newly renovated airport, they were welcomed by music performances by local professionals volunteering their time and talents; they were also encouraged to take transit directly into the heart of downtown as opposed to hiring a car. In the months leading up to the Convention, the RTA held several Red Line volunteer days to help clean up the tracks leading from the airport to Tower City Station in the heart of downtown. An additional piece of the beautification process involved RTA partnering with LAND Studio, a local architecture and art firm, which invited 18 artists (including nine from the Cleveland area) to

---

<sup>8</sup> Siddiqui, Faiz, (2016, July 19). Why transit was key in bringing the RNC to Cleveland. Retrieved from <https://www.washingtonpost.com/news/dr-gridlock/wp/2016/07/19/why-transit-was-key-in-bringing-the-rnc-to-cleveland/>.

<sup>9</sup>American Public Transportation Association, (2007, October). Celebrating Excellence in the Public Transportation Industry. Retrieved from [http://www.apta.com/members/memberprogramsandservices/awards/Documents/2007\\_awards\\_program\\_final\\_web.pdf](http://www.apta.com/members/memberprogramsandservices/awards/Documents/2007_awards_program_final_web.pdf).

paint murals and exhibit large-scale photography along the Red Line's route. These works of art are permanent and can still be enjoyed by visitors, commuters, and others riding the train into the city.

**Picture 3: Greater Cleveland RTA Red Line Artwork<sup>10</sup>**



Cleveland's location on the south shore of Lake Erie proved to be yet another great asset for the RNC, with a variety of public and private events taking place at the lakefront. However, guests didn't stop at the water's edge; several visitors took advantage of the harbor to dock their boats, rent watercraft, and take in the city on combination harbor/river mouth cruises. The largest of these cruise ships—the 1,000-seat *Goodtime III*—hosted five private parties over the course of the week, showing off Cleveland in style from the water.

Many of the delegates and other visitors opted to leave their cars at home and rely on ridesharing applications like Uber and Lyft. This offered a convenient and affordable alternative to parking downtown during convention congestion. Uber saw a 60% increase in ridership during the week of the RNC, and riders spent less than four minutes on average waiting from the moment they requested a ride to the moment they were picked up.

Another logistical advantage Cleveland used to win the 2016 RNC Convention bid was its promise of 16,000 available hotel rooms in Northeast Ohio. Cleveland met that promise by offering 19 hotels (5,000 rooms) in the downtown area alone, including four brand new hotels that opened just in time for the July Convention. Nearly 120 additional hotels within 35 miles of the Convention site offered further accommodations across the region.

The hotels were used by delegates, their guests, media, and spectators alike, with an impressive number of visitors spending one or several nights in the downtown area specifically (accounting for those whose stay was arranged elsewhere). The following charts compare the average daily rates per room, occupancy rates, and revenue per available room for the downtown Cleveland hotel market in the month of July for 2014, 2015, and 2016. Table 1 shows that in each week of July 2016, room rates were higher than the corresponding weeks in either 2014 or 2015. The highest rates in 2016 were observed the week of the Convention, July 15-21 (\$290.18), which also saw the largest dollar discrepancy with previous years (\$160.56 higher than 2015).

<sup>10</sup> Image courtesy of the artist and Jasper Wong.

**Table 1: Average Daily Rates of Downtown Cleveland Hotel Rooms<sup>11</sup>**

Average Daily Rate						
	2014	2015	2016	Change 14 vs 15	Change 14 vs 16	Change 15 vs 16
<b>July 1-7</b>	\$122.14	\$120.96	\$137.85	\$(1.18)	\$15.71	\$16.90
<b>July 8- 14</b>	\$133.81	\$133.63	\$179.33	\$(0.17)	\$45.52	\$45.69
<b>July 15-21</b>	\$130.99	\$129.62	\$290.18	\$(1.37)	\$159.20	\$160.56
<b>July 22- 28</b>	\$126.76	\$139.74	\$144.98	\$12.98	\$18.22	\$5.24
<b>July 29-31</b>	\$140.46	\$126.73	\$146.88	\$(13.73)	\$6.42	\$20.14
<b>Averages</b>	<b>\$130.83</b>	<b>\$130.14</b>	<b>\$179.84</b>	<b>\$( 0.70)</b>	<b>\$49.01</b>	<b>\$49.71</b>

Table 2 displays the percentage of hotel rooms in downtown Cleveland that were filled each week of July 2014, 2015, and 2016. Again, the largest year-to-year increase can be seen during the week of the Convention between 2015 and 2016 (a 20.2 change in percentage points). The occupancy rate for the week of the RNC was the second-highest of all weeks in July over the past three years, behind only the final week of July 2014, likely due to the combination of the city hosting the Gay Games in early August of that year and a lower overall supply of hotel rooms built in the downtown area at that time.

**Table 2: Occupancy Rates in Cleveland Downtown Hotels**

Occupancy						
	2014	2015	2016	Change 14 vs 15	Change 14 vs 16	Change 15 vs 16
<b>July 1-7</b>	58.8%	57.5%	69.7%	-1.3	10.9	12.2
<b>July 8-14</b>	78.5%	76.0%	75.5%	-2.5	-3.0	-0.5
<b>July 15-21</b>	84.1%	69.6%	89.8%	-14.5	5.8	20.2
<b>July 22-28</b>	74.9%	84.8%	66.5%	9.9	-8.3	-18.3
<b>July 29-31</b>	93.0%	67.4%	79.9%	-25.5	-13.0	12.5
<b>Averages</b>	<b>77.8%</b>	<b>71.1%</b>	<b>76.3%</b>	<b>-6.8</b>	<b>-1.5</b>	<b>5.2</b>

Continuing the trend shown in the previous two tables, the week of the RNC was far and away the best week for hotels based on revenues per available room, \$266.88 (Table 3). This represents a \$176 increase in the average price per room from the previous year. While other weeks in July 2016 were more in line with norms, showing modest fluctuations over the past two years, there was without doubt a very significant effect felt by hotels in the downtown area during the Convention.

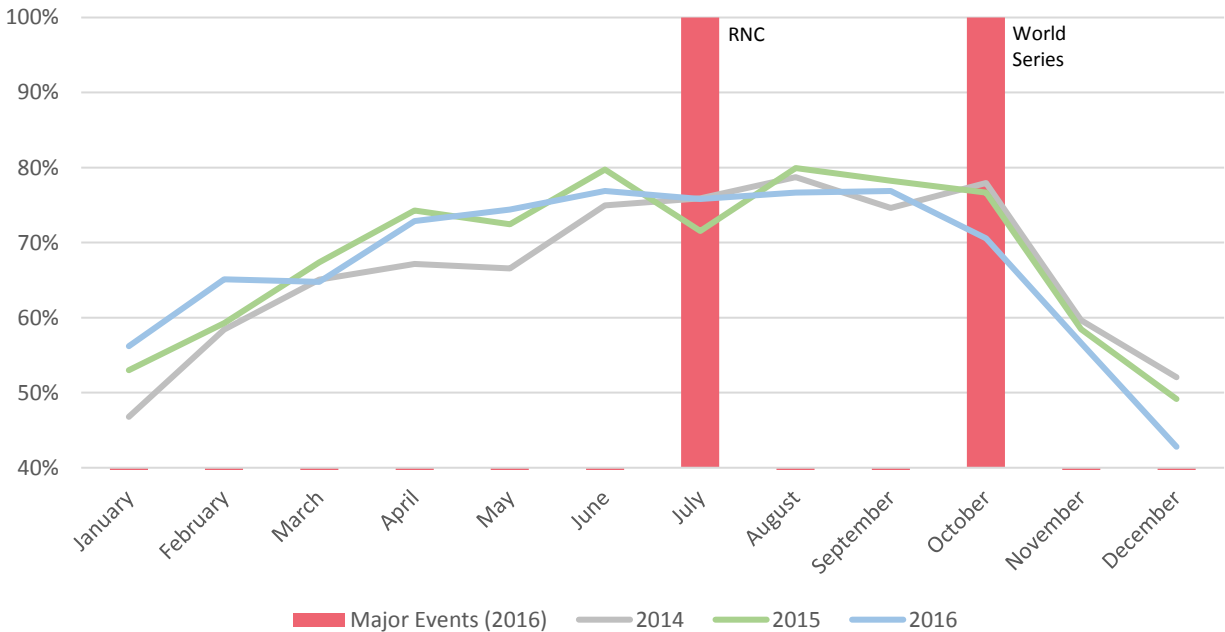
<sup>11</sup> STR, Inc. <https://www.str.com/>

**Table 3: Revenues per Available Room in Downtown Cleveland Hotels**

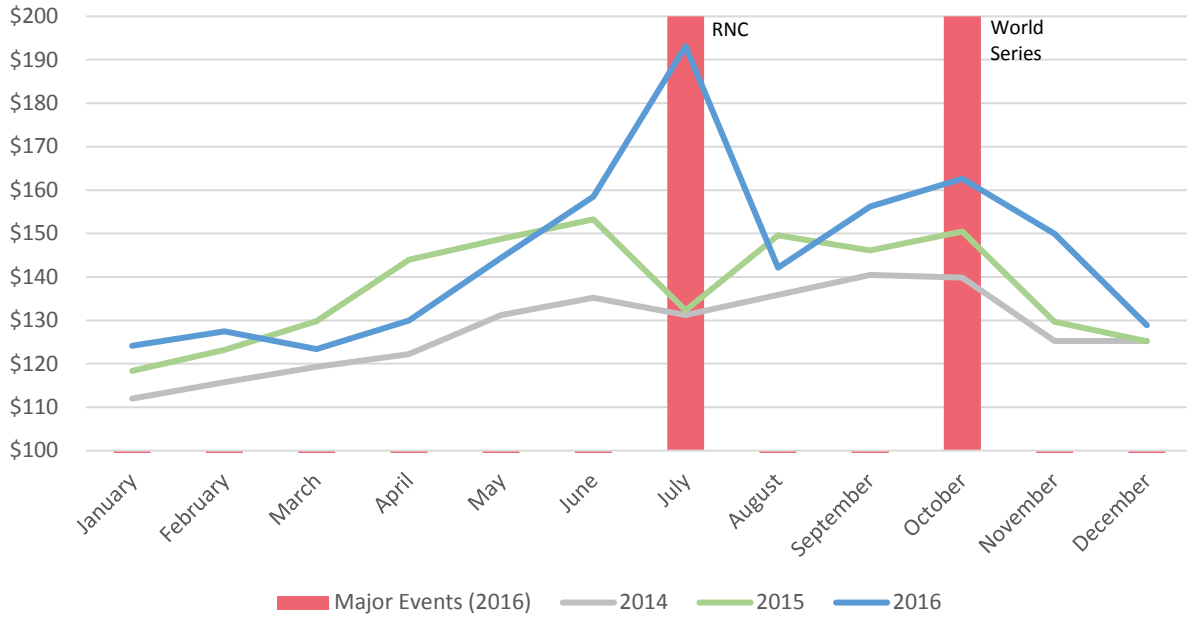
Revenue Per Available Room						
	2014	2015	2016	Change 14 vs 15	Change 14 vs 16	Change 15 vs 16
<b>July 1-7</b>	\$73.27	\$70.01	\$96.62	\$(3.26)	\$23.35	\$26.61
<b>July 8- 14</b>	\$105.65	\$102.00	\$134.99	\$(3.65)	\$29.34	\$32.99
<b>July 15-21</b>	\$110.79	\$90.79	\$266.88	\$(20.00)	\$156.10	\$176.09
<b>July 22- 28</b>	\$95.28	\$119.74	\$98.50	\$24.46	\$3.22	\$(21.24)
<b>July 29-31</b>	\$130.60	\$85.64	\$120.27	\$(44.97)	\$(10.34)	\$34.63
<b>Averages</b>	<b>\$103.12</b>	<b>\$93.64</b>	<b>\$143.45</b>	<b>\$(9.48)</b>	<b>\$40.33</b>	<b>\$49.82</b>

Figures 1-3 show the monthly hotel occupancy, average daily room rates, and revenues per available room for the last three years. While the occupancy graph highlights that summers have stronger occupancy rates in Cleveland (Figure 1), the average daily rate for hotel rooms saw an obvious spike during the RNC in July 2016 and again during the Cleveland Indians' World Series run in October 2016 (Figure 2). Revenues per room also saw a spike during the RNC (Figure 3).

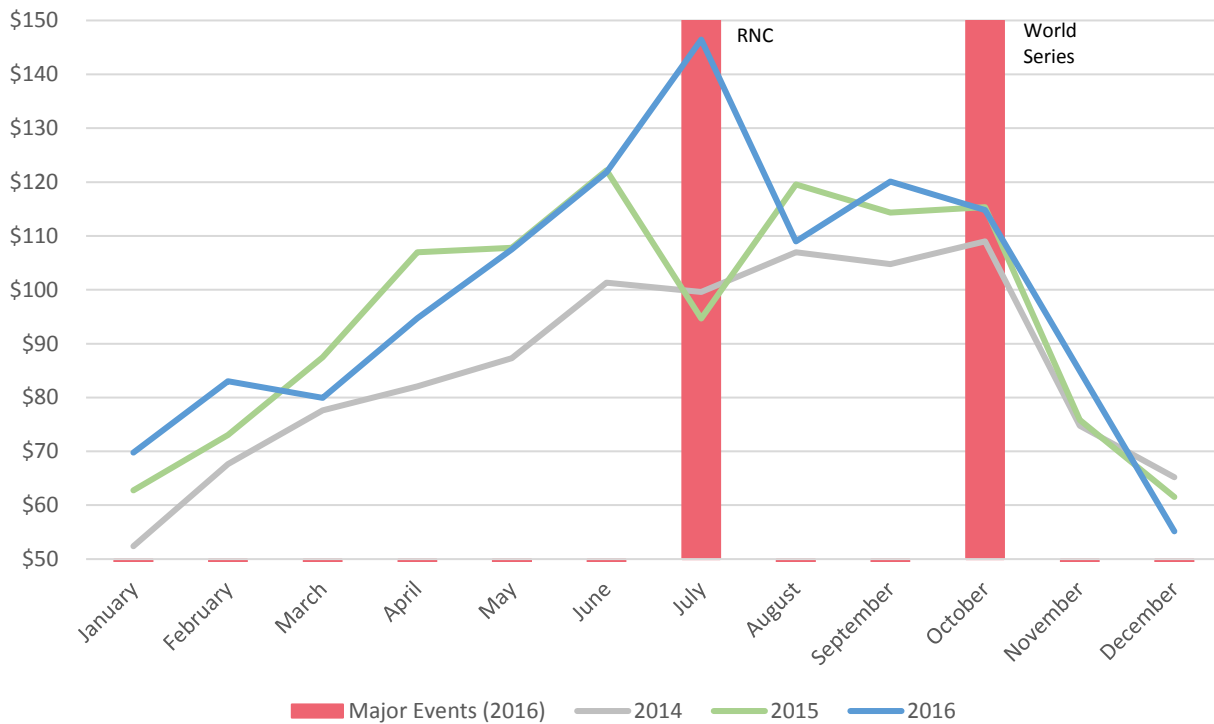
**Figure 1: Downtown Cleveland Hotel Occupancy, 2014-2016**



**Figure 2: Downtown Cleveland Hotel Average Daily Rates, 2014-2016**



**Figure 3: Downtown Cleveland Hotel Revenues per Available Room, 2014-2016**



Northeast Ohioans were eager to do their part in hosting the Convention. Many supplemented the lodging capabilities of area hotels by renting out rooms, apartments, and entire homes to visitors both during the convention and during pre-event planning. Some of these rental transactions were facilitated by websites such as Airbnb (which saw at least 1,900 transactions during the week of the Convention) and Vacation Rentals by Owner (VRBO), while others were advertised by Howard Hanna (the official real estate partner of the RNC) and other local real estate agencies. Downtown Cleveland Alliance—a non-profit that advocates for the workers, residents, real estate, and public spaces in downtown Cleveland—coordinated sublease arrangements with four major downtown landlords that allowed residents to rent their apartments to visitors for the week of the RNC for double their regular rent. (So, an apartment that costs \$1,200 per month could be subleased for \$2,400, with the property owner taking a 15% administrative fee and the tenant keeping the remainder.<sup>12</sup>) This program generated total revenues of \$564,331 during the RNC for tenants and property owners.

AT&T was the official Communications, Video, and Technology Provider to the RNC Convention. The AT&T team worked together with the local team in setting up telecommunications, video, and technology facilities in the weeks leading up to and during the Convention. Prior to the RNC, AT&T made significant upgrades, including tripling the 4G capacity in downtown Cleveland, making 165 LTE upgrades to cell sites (resulting in faster download and upload speeds), adding 50,000 feet of new fiber to strengthen the network, and building eight Outdoor Distributed Antenna Systems. These upgrades all improved street-level mobile coverage and capacity in downtown Cleveland and launched Voice-over-LTE, which allows for higher quality calls, video calling, and better messaging services.<sup>13</sup> AT&T installed \$4.2 million worth of infrastructure that now will remain in Cleveland. The AT&T upgrades made the RNC a more accessible event and will have a continuing influence on the city (and may prove useful as a means of attracting large conventions to the region in the future).

## RNC Visitors

The research team spent four days on the city streets interviewing visitors to the RNC and collected 296 completed questionnaires.<sup>14</sup> This section highlights some of the results of that survey, which included 33 delegates and 56 of their guests, 95 media professionals, 58 protestors, 10 security professionals, and 44 sponsors, tourists, and vendors. The average visitor was traveling with a party of 2.87 and remained in Cleveland for an average of 5.4 days.

While one visitor biked to Cleveland and one took the train, 5% of guests bussed in, 47% drove, and 47% flew to one of the regional airports. Almost 60% of visitors stayed in hotels, with the

---

<sup>12</sup> Jarboe, Michelle (January 28, 2016). “Downtown Cleveland landlords agree to allow apartment subleases for GOP convention” Cleveland Plain Dealer.

[http://www.cleveland.com/business/index.ssf/2016/01/downtown\\_cleveland\\_landlords\\_a.html](http://www.cleveland.com/business/index.ssf/2016/01/downtown_cleveland_landlords_a.html)

<sup>13</sup> AT&T Media/Press Release for the 2016 Republican National Committee’s Convention in Cleveland, July 18-21, 2016.

<sup>14</sup> Estimated number of visitors through the survey findings was confirmed through interviews with event’s organizers and proven to be in the ball-park of traditional amount and structure for recent political conventions.



remainder split nearly evenly between Airbnb, staying with friends and family, and other types of accommodations (such as staying at a church or a university dormitory, for example). Nearly 90% of visitors stayed in the five-county metropolitan statistical area.<sup>15</sup>

## Safety & Security

Security in Cleveland during the RNC was a cause of concern for organizers, campaign donors, protesters, and almost everyone affected by the event, with all parties prepared for the possibility of at least some violent clashes between various groups. The so-called “Trump Effect” was described as a phenomenon in which the presence of protestors and supporters of the Donald Trump campaign, along with heightened tension from the police shootings that resulted in officers and civilians being killed across the country, created a sense of foreboding in Cleveland that week. Federal security awards totaling \$50 million were given to both Cleveland and Philadelphia to pay for equipment and cover personnel salaries for additional police officers.<sup>16</sup> Thankfully, the expected violence never materialized, with Cleveland being highly esteemed afterwards for its ability to handle security for the event.

The Cleveland Police Department was supported by law enforcement officials from across the state and the nation. In a support capacity, there were 4,000 agents from Bureau of Alcohol, Tobacco, Firearms and Explosives; Federal Bureau of Investigation; and Federal Emergency Management Agency. Another 3,000 agents came from Secret Service, Transportation Security Administration, and Customs and Border Protection. In addition, these agencies were also supported by an additional 1,000 U.S. government employees. To assist the 550 Cleveland police officers on-site, nearly 2,500 officers from outside agencies came to Cleveland. Locally, the Greater Cleveland RTA had 65 transit police officers working 12 hour shifts, with additional staffing of 36 Transportation Security Administration officers and K9 units assisting security efforts.<sup>17</sup>

---

<sup>15</sup> The five-county metropolitan statistical area includes Cuyahoga, Geauga, Lake, Lorain, and Medina counties.

<sup>16</sup> Smith, Aaron, & Pagliery, Jose. (2016, July 18). What’s in Cleveland’s \$50 million security plan for GOP convention? Retrieved from <http://money.cnn.com/2016/07/17/news/cleveland-republicans-police>

<sup>17</sup><http://www.crainscleveland.com/article/20160408/NEWS/160409804/cleveland-receives-nearly-50-million-federal-security-grant-for-rnc> and <http://fox8.com/2016/07/17/whats-in-clevelands-50-million-security-plan-for-gop-convention/> and [http://media.newsnet5.com/uploads/JusticeDepartmentRNCSecurityAward.pdf?\\_ga=1.162937401.405267537.1479756273](http://media.newsnet5.com/uploads/JusticeDepartmentRNCSecurityAward.pdf?_ga=1.162937401.405267537.1479756273).

Picture 4: Peaceful Protestors at Cleveland State University<sup>18</sup>



With a divisive candidate, a heated primary season, and the high stakes of the election, many involved in the Convention were left wondering about a lower-than-expected presence of protest crowds. One possible explanation for the lower turnout could be attributed to Ohio's open carry laws, which allowed visitors to carry firearms outside of the convention security area.<sup>19</sup> Whatever the ultimate cause for the lower turnout in the streets of Cleveland during the week of the Convention, the result left the city no worse for wear. Police remained vigilant throughout and, in turn, protests were largely nonviolent. There were only 23 arrests made during the RNC week, with charges ranging from flag burnings to urine bombing.<sup>20</sup> Overall, the RNC was a remarkably peaceful event.

During the Convention, public spaces in and around downtown Cleveland were filled with convention-goers, protesters, and onlookers exercising their free speech rights in a wide variety of ways. From marches to food distribution to evangelizing, visiting any of the city's parks was sure to provide something to debate, do, or simply observe. Although the city had designated a Special Event Zone official parade route for the event, only a single large scale march took place—a *Stand Together Against Trump* march attended by roughly 250-300 people per city estimates. Instead of marching throughout the week, most protest groups opted to sign up for a timeslot to speak on a city-sanctioned platform in the newly renovated Public Square. Speakers ranged from local activists discussing issues such as inner city crime, immigration, domestic violence, police

<sup>18</sup> Picture taken by research team.

<sup>19</sup> Nelson, S. (2016, July 19). RNC Protests Rage, but Anti-Trump Organizers Ask: Where is Everyone? Retrieved from <http://www.usnews.com/news/articles/2016-07-19/rnc-protests-rage-but-anti-trump-organizers-ask-where-is-everyone>.

<sup>20</sup>Shaffer, Cory. (2016, July 16). Names, charges of RNC arrests released. Retrieved from [http://www.cleveland.com/rnc-2016/index.ssf/2016/07/names\\_charges\\_of\\_rnc\\_arrests\\_r.html](http://www.cleveland.com/rnc-2016/index.ssf/2016/07/names_charges_of_rnc_arrests_r.html).

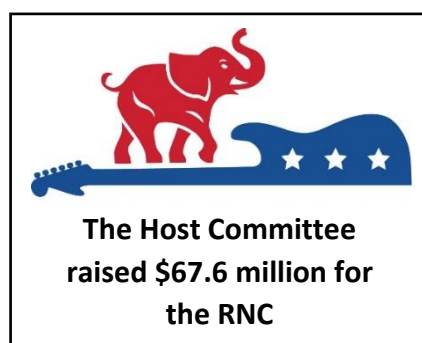
brutality, and saving a nearby library, to visitors praising or denouncing the prospects of a Trump presidency. Speakers also made their voices heard at both Willard Park, home of the Free Stamp artwork, and Perk Park, another recently renovated public space nestled between several office buildings in Cleveland's downtown.

In addition, many musicians worked as street performers outside the security zone on Euclid; people brought food for police officers, protesters, supporters, and passersby; and professional huggers smiled, high-fived, and hugged their way through the crowds during the week with cheery dispositions and pink t-shirts. Most everyone was very welcoming, accepting, and congenial.

## Donations & Spending

As part of the bid to host the RNC, cities must assure the National Committee of their ability to raise significant financial support in a limited amount of time. In 2015-2016, Cleveland made a convincing case that it could complete this challenging task. Individual donors and major businesses—not just in Northeast Ohio, but nationally—contributed over \$67 million to organize and hold 2016 Republican National Convention in Cleveland, Ohio.

### Donations Received



The Host Committee received donations to cover its expenses from a variety of public and private sources. The largest part of the financial support for the Convention came in the form of simple monetary donations, while the remainder were provided in a form of gifts and in-kind goods and services donated directly to the committee. These in-kind donations included over \$2.7 million in hotel rooms, office space, and other real estate, as well as over \$4.5 million in utilities expansions and other permanent upgrades to the city's power

system (Table 4). Additional donations of around \$3.4 million were made in the form of services and salaries. Other in-kind donation categories included construction, transportation, gifts, catering, and investments/insurance/contracts/refunds.

**Table 4: Total Donations to the Host Committee for the Cleveland RNC**

Category	Amount
Cash	\$53,825,086
In-Kind Hotels/Housing/Real Estate	\$2,787,229
In-Kind Construction	\$259,388
In-Kind Catering/Food/Beverage	\$266,239
In-Kind Gifts	\$926,018
In-Kind Services & Salaries	\$3,452,050
In-Kind Transportation	\$561,810
In-Kind Investments/Insurance/Contracts/Refunds	\$730,442
In-Kind Utilities	\$4,517,000
In-Kind Other	\$283,789
<b>Total</b>	<b>\$67,609,051</b>

## Host Committee Spending

Approximately \$51,980,000 was spent by the Host Committee on a range of goods, services, and other Convention-related expenses (Figure 4). The largest spending category was *Construction*, with 44% of all spending (over \$22.9 million) going to various contractors from across the country. The next largest category, with \$12.5 million in spending, was *Consulting and other professional services*. This category includes legal services, accounting, and logistics consulting, among other services. Other spending categories over \$1 million were *Facility rental* (\$2.9 million), *Lodging* (\$2.5 million), *Audio/video* (\$1.3 million), *Catering* (\$1.2 million), *Payroll and salaries* (\$1.3 million) and *Other expenses* (\$2 million). The remainder of the money spent by the Host Committee went towards entertainment, financials, furniture, insurance, office supplies, security, travel expense reimbursements, vehicles, and utilities.

**Figure 4: Host Committee Spending for 2016 Cleveland RNC**

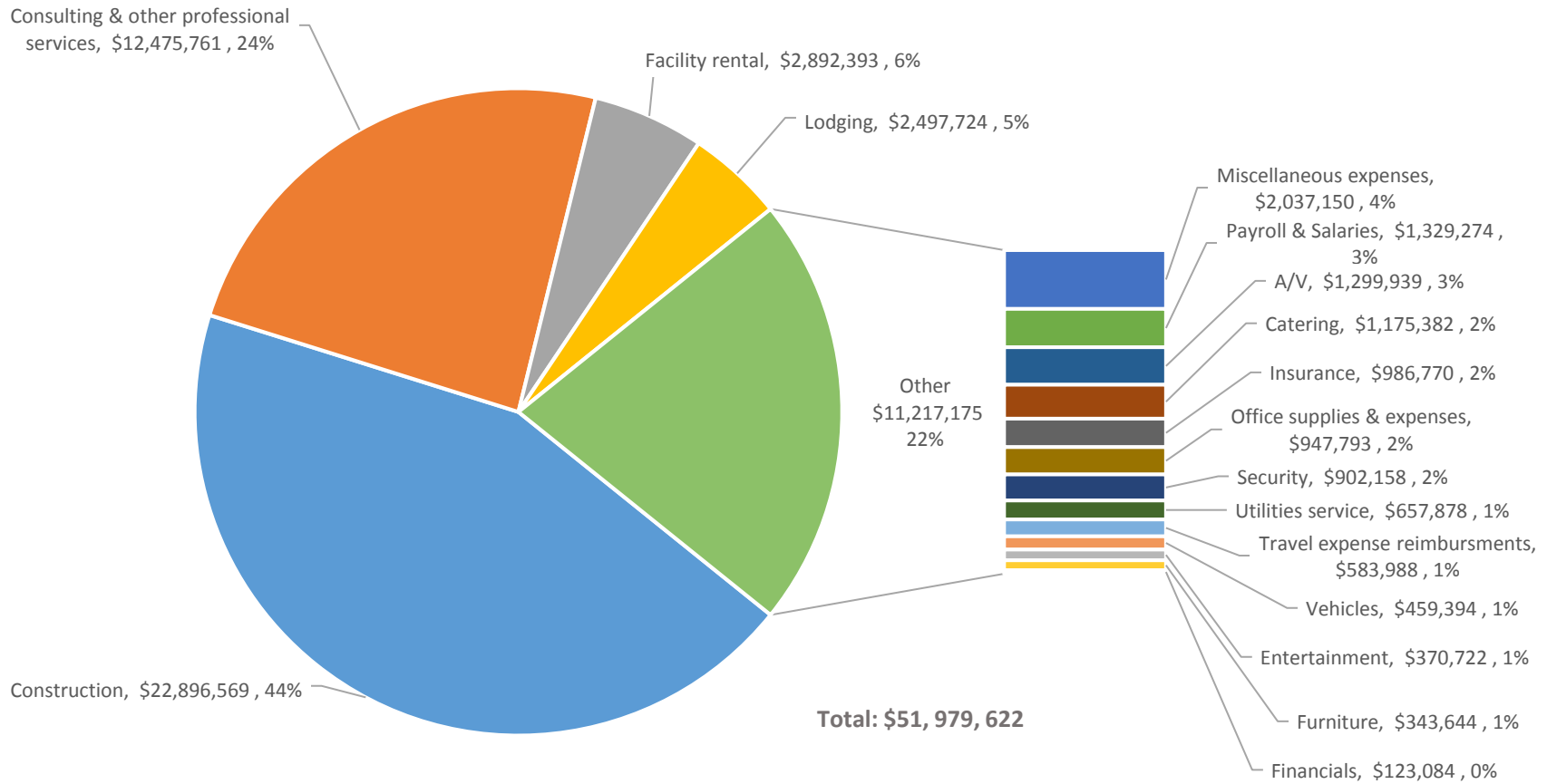
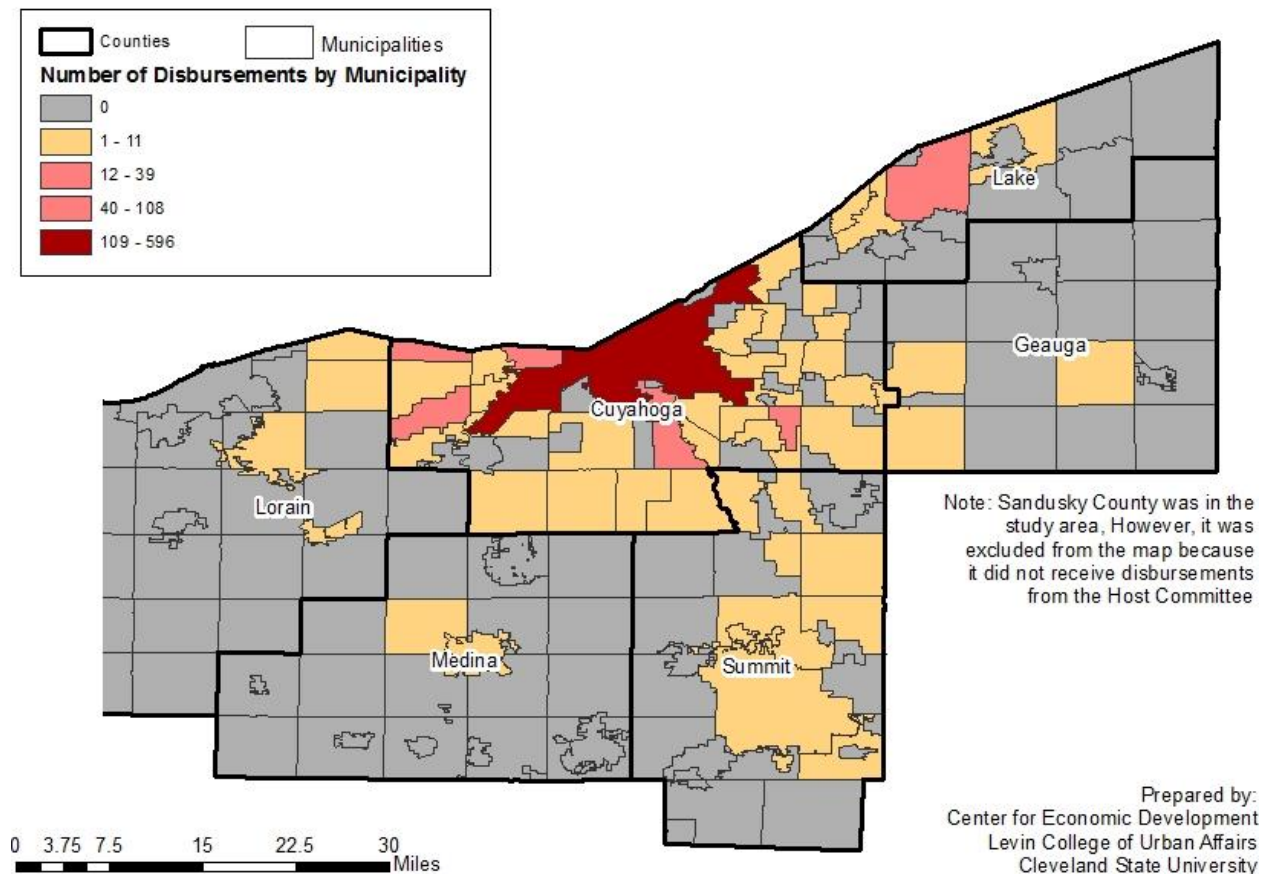


Figure 5 focuses on disbursements of funding made throughout Northeast Ohio. These represent a geographic subset of spending by the Host Committee shown in Figure 4. The highest concentration of disbursements was in the city of Cleveland, the sum of which represents roughly 21% of all spending by the committee. The city of Independence also saw a high number of disbursements, 108, which represents roughly 1% of the total. Other spending occurred in the surrounding municipalities and townships of Northeast Ohio. Additionally, large numbers of Ohio-based purchases took place in Columbus and Cincinnati.

**Figure 5: Concentration of Financial Spending by Municipality in Northeast Ohio**



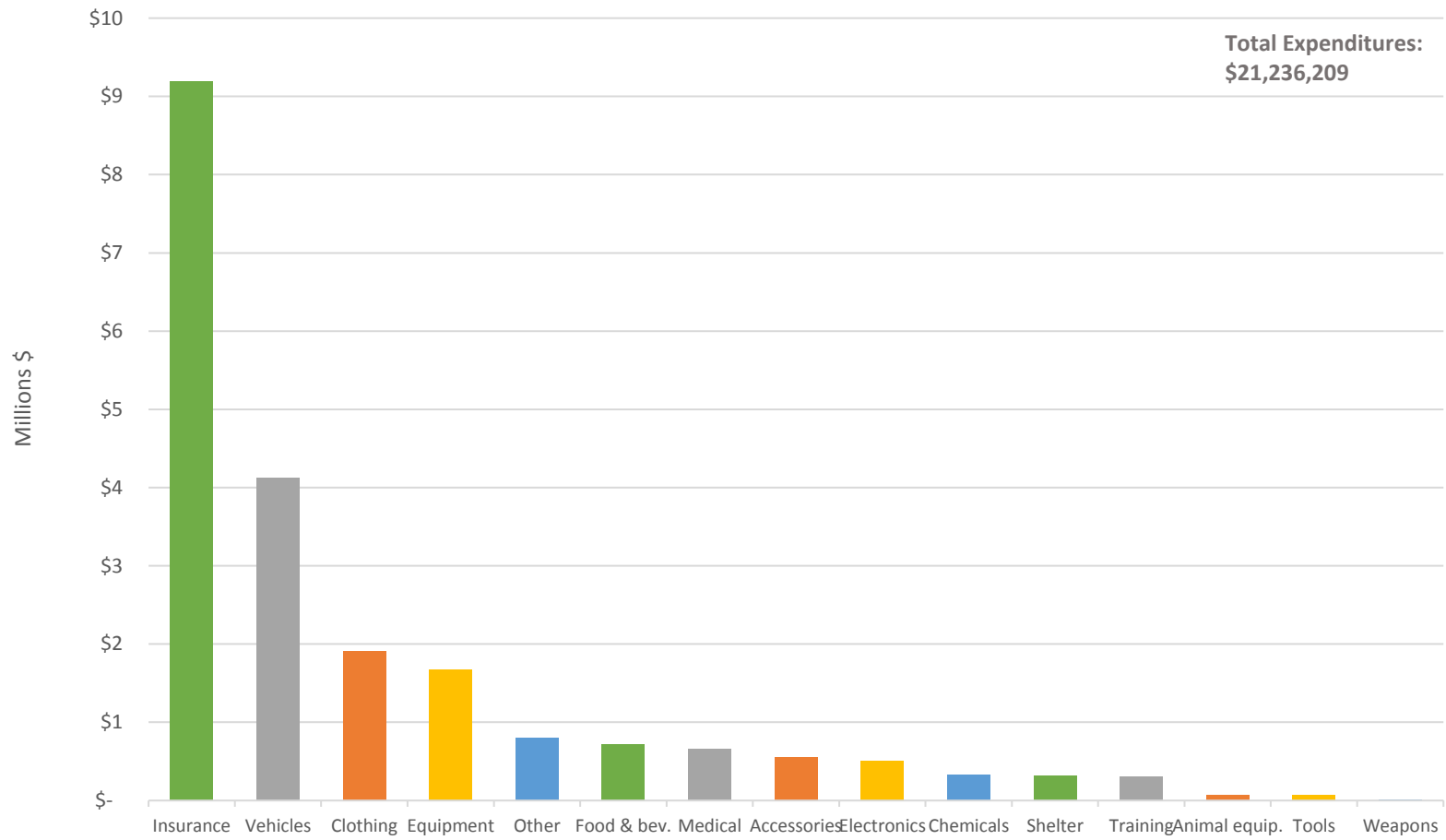


## City of Cleveland Spending

Prior to the RNC, the City of Cleveland received a \$49,900,000 security grant from the U.S. Department of Justice’s Bureau of Justice Assistance. This grant—which the host cities for both major party political conventions receive every election cycle—is designed to provide funding for law enforcement expenses and other security costs, and its use can be divided into two major groupings: *goods and services* and *personnel*.

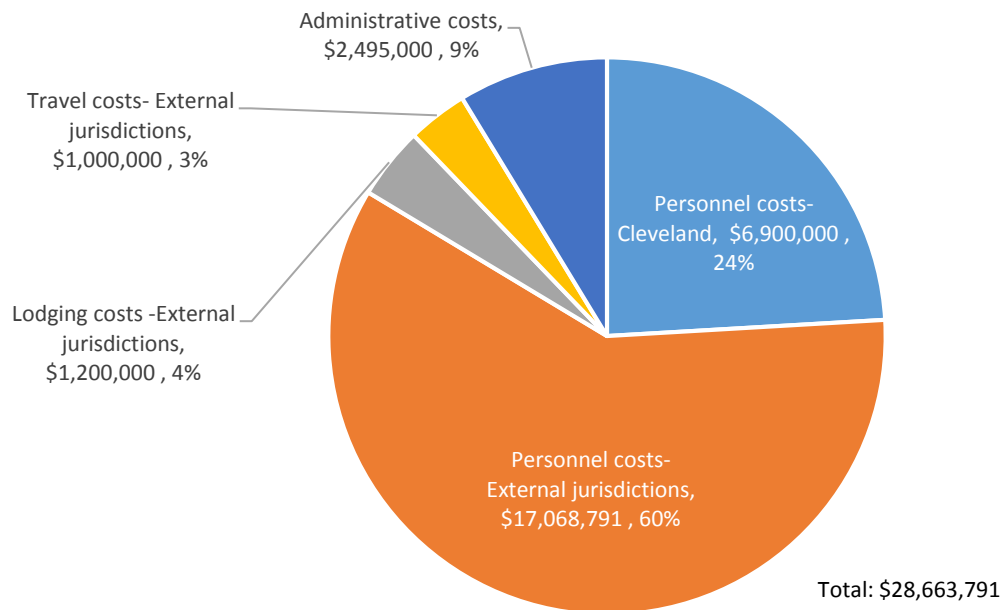
For goods and services, the largest single category was *Insurance*, at \$9.2 million (Figure 6). The next largest category of expenditures was *Vehicles and Related*, at \$4.1 million. Other categories that surpassed \$1 million were *Clothing* and *Equipment*, at approximately \$1.9 million and \$1.7 million, respectively. The remainder of the \$21,237,000 of goods and services was spent on a combination of food and beverage, electronics, chemicals, animal equipment, accessories, weapon-related gear, training, tools, shelter, and medical equipment.

Figure 6: City of Cleveland City Spending on Goods and Services



Having so many police officers on duty for long stretches, both from Cleveland and from other jurisdictions, represented another major security expense. Twenty-four percent (\$6.9 million) of total personnel spending by the city went towards paying Cleveland officers, while 60% (\$17.1 million) went towards paying the salaries of police officers and state troopers coming in from outside of the area (Figure 7). Additional costs associated with these external officers' presence included \$1.0 million in travel costs and \$1.2 million in lodging costs. Administrative costs represented 9% (\$2.5 million) of total personnel spending by the city during the Convention process.

**Figure 7: City of Cleveland Spending on Security Personnel during 2016 RNC**



### Visitor Spending

The 2016 RNC in Cleveland may not have yielded the expected 50,000 visitors, but conservative estimates show there were at least over 44,000 people in town for the event (Table 5). Over one-third (34%) of the visitors were members of the media, which flooded Quicken Loans Arena and East 4<sup>th</sup> Street. Almost one-quarter (24%) of all visitors were security officers from outside the region, who were brought in to ensure safety. Sponsors, tourists, and vendors as a group represented 15%, alongside another 15% that were guests of attendees. The delegates themselves comprised only 11% of visitors. Finally, protestors represented approximately 3% of total visitors to the RNC.

**Table 5: Total RNC Attendees by Type**

Group	Total Attendees
Media	15,000
Security	10,500
Sponsor, Tourist, Vendor	6,452
Guest	6,206
Delegate	4,774
Protestor	1,473
<b>TOTAL</b>	<b>44,405</b>

Based upon estimates derived from survey responses for each of the above type of visitor, approximate spending was calculated for seven items: lodging, transportation to and from Cleveland, transportation within Cleveland, food and beverages, tourism, souvenirs, and delegation fees. Estimates for each of these categories differed across visitor types for various reasons: for instance, many protestors stayed with friends and family instead of hotels; security and media visitors tended not to spend money on tourism or souvenirs; and delegates stayed in the best (and most expensive) hotels in the immediate area around downtown. Table 6 shows average spending per person by category.

**Table 6: Average Daily Spending by Category of Visitor and Spending Type for the 2016 RNC**

Group	Lodging	Transportation to and From Cleveland	Transportation Within Cleveland	Food & Beverages	Tourism	Souvenirs	Delegation Fees	Total
Media	\$91	\$46	\$19	\$30	\$1	\$4	\$0	\$192
Security	\$57	\$28	\$16	\$39	\$1	\$6	\$0	\$147
Sponsor, Tourist, Vendor	\$182	\$203	\$14	\$46	\$4	\$10	\$0	\$459
Guest	\$181	\$97	\$55	\$70	\$8	\$20	\$4	\$434
Delegate	\$210	\$93	\$12	\$49	\$9	\$33	\$14	\$421
Protestor	\$64	\$52	\$18	\$30	\$5	\$8	\$0	\$176

## Economic Impact

This section of the report outlines the annual economic impact of the 2016 Republican National Convention. The economic impact was estimated for a 7-county region of Northeast Ohio which includes the counties of Cuyahoga, Geauga, Lake, Lorain, Medina, Sandusky, and Summit. The Convention brought outside spending to the region as guests from across the country and around the world descended on Cleveland—an important consideration, as spending sourced from outside a region creates true economic impact.

### Methodology

All industries in the regional economy are linked to other industries through their buying and selling relationships. Companies buy goods and services from each other, employing residents and enabling them to spend their wages, in turn, enabling more local economic sectors benefit from their purchases. For the RNC to take place, significant investments were made in the region, affecting industries throughout the area. To estimate the economic impact of the RNC, only the purchases that were made using funding from outside of Northeast Ohio were analyzed; local funds that were spent on the event were excluded. There were three main inputs into the economic impact model: RNC Host Committee spending, the City of Cleveland security spending, and visitor spending. For example, major improvements completed for the RNC were not included, such as infrastructure upgrades provided by AT&T and others, as well as other in-kind donations.

Picture 5: Retailer M Lang Clothing & Cocktails<sup>21</sup>



A total of \$67,609,051 in donations was raised by the Host Committee. Of this, \$25,600,777 were made from Northeast Ohio (38%) and \$42,008,274 (62%) were donated from outside of the 7-county region. Each line of spending was analyzed by the research team and assigned an industry code specific to the disbursement in the region.

Additionally, the City of Cleveland was awarded a federal grant totaling \$49.9 million. Over \$21.2 million of that grant was spent on goods and services, and \$28.7 was spent on personnel. As with the RNC Host Committee spending, this data was analyzed and all spending was

<sup>21</sup> Picture taken by research team.

assigned an industry code. A total of \$13.6 million was spent locally on goods and services (a 65% discount) and \$9.7 was spent locally on law enforcement personnel (a 34% discount).

Finally, visitor spending was analyzed. The RNC welcomed 44,405 total visitors to the event, including delegates and their guests, media, protestors, security, and tourists.<sup>22</sup> Spending patterns for each visitor type were estimated based upon an in-person survey conducted during the event. The spending categories included in the survey were lodging, transportation to and from Cleveland, transportation within Cleveland, food and beverages, tourist attractions, souvenirs, and delegation fees.<sup>23</sup> Estimates of visitors' exact spending during the RNC were carefully considered in this study to ensure the accuracy of assessments measuring RNC impact to the study area. This research exercise included several conservatively-structured assumptions in producing documented inputs to the impact modeling discussed in the next section. Double occupancy was assumed for hotel rooms, and per-person spending was multiplied by the total size of each guest's party for in-town transportation, food and beverages, tourist attractions, and souvenirs. A suitable discount was applied to transportation to and from Cleveland to capture only the portion of funds spent within the region. The economic impact includes conservative estimates on long-term stays for groups which resided in Cleveland before the RNC, including security officers and RNC staff. A total of \$51,948,867 in direct visitor spending was modeled. All assumptions that affected the economic impact model offer conservative estimates of actual spending.

The economic impact reports five measures: *employment*, *labor income*, *value added*, *output*, and *taxes*. *Employment* measures the number of jobs created in the 7-county region from the event. *Labor income* is payroll paid to employees plus proprietary income. *Value added* measures the value of goods and services less intermediary goods and represents a portion of output—often referred to as Gross Domestic Product (GDP). *Output* measures the total value of goods and services produced in the region because of the RNC. *Taxes* include federal as well as state and local tax revenues. Each of the impacts is a summation of *direct impact*, *indirect impact*, and *induced impact*. *Direct impact* includes the initial value of goods and services purchased in the study region. *Indirect impact* measures the jobs and production needed to manufacture goods and services required for the event. *Induced impact* is the increase in spending of local households because of income received through their work at the event and with event suppliers.

---

<sup>22</sup> During the survey process, the first question asked was a person's home zip code. If they were from the 7-county region, the survey was stopped as their spending would not count in the economic impact model.

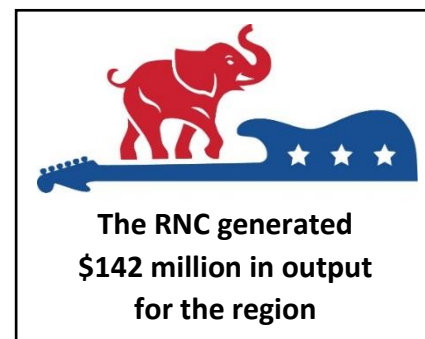
<sup>23</sup> Many local businesses including hotels brought staff from other regions to Cleveland during the event. These additional staff members were not included as part of the economic impact model.

Two items should be considered regarding this economic impact analysis. First, due to the nature of using survey-based responses and spending estimates, it is likely that not all visitor spending was captured, especially spending on the very high end of the spectrum.<sup>24</sup> All figures that were modeled tended towards the conservative side so these estimates likely underrepresent the true impact.

On the other hand, it can be argued that the RNC displaced economic activity already occurring in downtown Cleveland, and the region lost value in terms of spending and productivity. The research team was not able to gather any data beyond anecdotal evidence that this played a major factor in the overall economic impact of the event. Many downtown workers either took vacation days or telecommuted during the RNC and may not have spent money at their usual lunch spots downtown; however, they did remain in the region and still spent money on lunch within the study area,<sup>25</sup> so there was no loss to the regional economy. Additionally, any tourists or events outside of the RNC that might have been in town during that week likely shifted their plans to avoid the crowds and increased hotel pricing, so there was likely no loss in this regard as such guests came to town before or after the RNC or spent their time in one of Cleveland's suburban areas. Therefore, any potential loss, which was mostly seen downtown in businesses that were not directly involved in the RNC, were most likely offset by additional spending in the region's peripheral areas and gains of businesses located there. Finally, some media outlets published opinion pieces on some retail sites' and restaurants' losses—in many cases referring to lower-than-expected crowds for the Convention—which should likely consider these as aspects of business planning and risk management rather than as absolute losses to the region.

## The Results

The overall economic impact of the RNC in 2016 includes a total of 855 direct jobs, an associated \$27.6 million in labor income, and \$41.1 million in output. From this direct impact, the RNC supported 1,348 total jobs (Table 7). The indirect employment (192) represents the supply-chain of business and is comprised of industries that sold their products and services as part of the RNC. The 301 jobs in the induced effect reflect employment due to household purchases of those who earned wages because of the RNC.



<sup>24</sup> For example, a few visitors indicated traveling to Cleveland by private jet—which was considered an outlier—and the average was calculated excluding this means of transportation.

<sup>25</sup> The 7-county region, considered as a study area in this study, includes the Cleveland-Elyria Metropolitan Statistical Area. The borders are defined by a relevant labor market demarcated by a commuting pattern of those who live and work within a region.



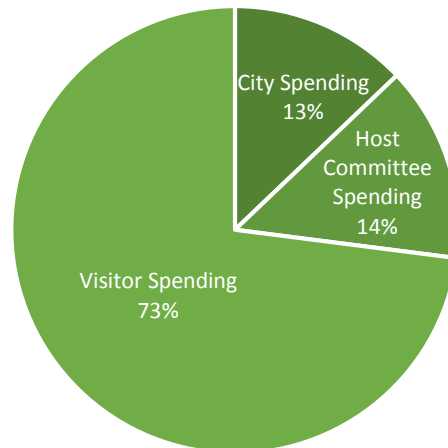
**Table 7: Total Economic Impact of the RNC<sup>26</sup>**

Impact Type	Employment	Labor Income	Value Added	Output	Taxes
Direct Effect	855	\$27,602,400	\$41,142,687	\$67,863,759	\$7,454,092
Indirect Effect	192	\$11,067,484	\$18,552,742	\$32,593,360	\$3,757,641
Induced Effect	301	\$13,778,979	\$25,063,252	\$41,726,842	\$5,730,489
<b>Total Effect</b>	<b>1,348</b>	<b>\$52,448,863</b>	<b>\$84,758,681</b>	<b>\$142,183,961</b>	<b>\$16,942,222</b>

The total labor income associated with the RNC was \$52.4 million, the value-added impact was \$84.8 million, and the total output impact was \$142.2 million. The RNC was responsible for \$16.9 million in taxes: 30% in state and local taxes and 70% in federal taxes.

The economic impact of the RNC was examined in terms of three major categories: spending by the RNC Host Committee, spending by the city of Cleveland, and visitor spending. The largest subsector in terms of all five measures of impact (employment, labor income, value added, output, and taxes) was generated by visitor spending (73%) (Figure 8 and Table 8). The economic impact generated due to the spending of the Host Committee represented 14% of the total employment impact (191 jobs) and the economic impact generated due to spending of the city of Cleveland represented 13% of total employment impact (174 jobs). Detailed tables showing the breakdown by direct, indirect, and induced effect for each of the three spending categories can be found in the Appendix.

**Figure 8: Cleveland RNC Employment Economic Impact by Spending Type**



<sup>26</sup> All dollar figures are reported in 2017 USD.

**Table 8: Cleveland RNC Economic Impact of the RNC by Spending Type**

Impact Type	Employment	Labor Income	Value Added	Output	Taxes
Host Committee	191	\$9,107,600	\$13,595,477	\$21,827,118	\$2,918,125
City of Cleveland	174	\$9,455,582	\$17,988,192	\$33,408,167	\$3,896,407
Visitors	984	\$33,885,681	\$53,175,012	\$86,948,676	\$10,127,690
<b>Total</b>	1,348	\$52,448,863	\$84,758,681	\$142,183,961	\$16,942,222

Table 9 shows the total economic impact in terms of employment, labor income, value added, and output aggregated by major industry. In terms of the employment impact, the largest industry affected by the entirety of spending was *Accommodation & food services* (337 jobs), followed by *Retail Trade* (305 jobs), and *Transportation & warehousing* (195 jobs). The two largest industries in terms of labor income impact are like the employment impact: *Accommodation & food services* (\$10.1 million), followed by *Retail Trade* (\$8.4 million), and *Finance & insurance* (\$6.3 million) in third place. In value added impact, similar industries/ranks are present: *Accommodation & food services* (\$18.7 million), *Finance & insurance* (\$13.6 million), and *Retail trade* (\$12.5 million). Finally, for the output impact, the top three industries were *Accommodation & food services* (\$31.0 million), *Finance & insurance* (\$25.5 million), and *Transportation & warehousing* (\$13.2 million).

**Table 9: Cleveland RNC Total Economic Impact by Major Industry**

Major Industry	Employment	Labor Income	Value Added	Output
Agriculture, forestry, fish & hunting	0	\$11,561	\$18,736	\$28,845
Mining	2	\$214,611	\$287,264	\$503,943
Utilities	2	\$270,168	\$1,338,263	\$2,765,789
Construction	18	\$970,227	\$1,241,423	\$2,680,872
Manufacturing	11	\$696,521	\$1,158,697	\$4,408,923
Wholesale trade	14	\$1,171,236	\$2,086,701	\$3,328,402
Retail trade	305	\$8,401,080	\$12,469,446	\$9,503,541
Transportation & warehousing	195	\$4,991,989	\$6,894,401	\$13,320,343
Information	12	\$853,038	\$1,923,112	\$4,368,983
Finance & insurance	88	\$6,299,151	\$13,575,232	\$25,521,867
Real estate & rental	32	\$1,504,017	\$9,617,676	\$13,225,427
Professional- scientific & technical services	53	\$4,059,278	\$4,807,508	\$7,300,934
Management of companies	7	\$892,452	\$1,093,634	\$1,744,867
Administrative & waste services	67	\$2,427,946	\$3,165,615	\$5,029,769
Educational services	15	\$611,384	\$656,839	\$1,075,594
Health & social services	66	\$3,880,522	\$4,268,362	\$6,791,977
Arts- entertainment & recreation	38	\$2,301,337	\$2,704,097	\$3,974,294
Accommodation & food services	337	\$10,073,903	\$18,699,424	\$31,041,430
Other services	74	\$2,133,868	\$2,296,741	\$4,288,954
Government & non-NAICs	13	\$684,574	(\$3,544,489)	\$1,279,209
<b>Total</b>	<b>1,348</b>	<b>\$52,448,863</b>	<b>\$84,758,681</b>	<b>\$142,183,961</b>

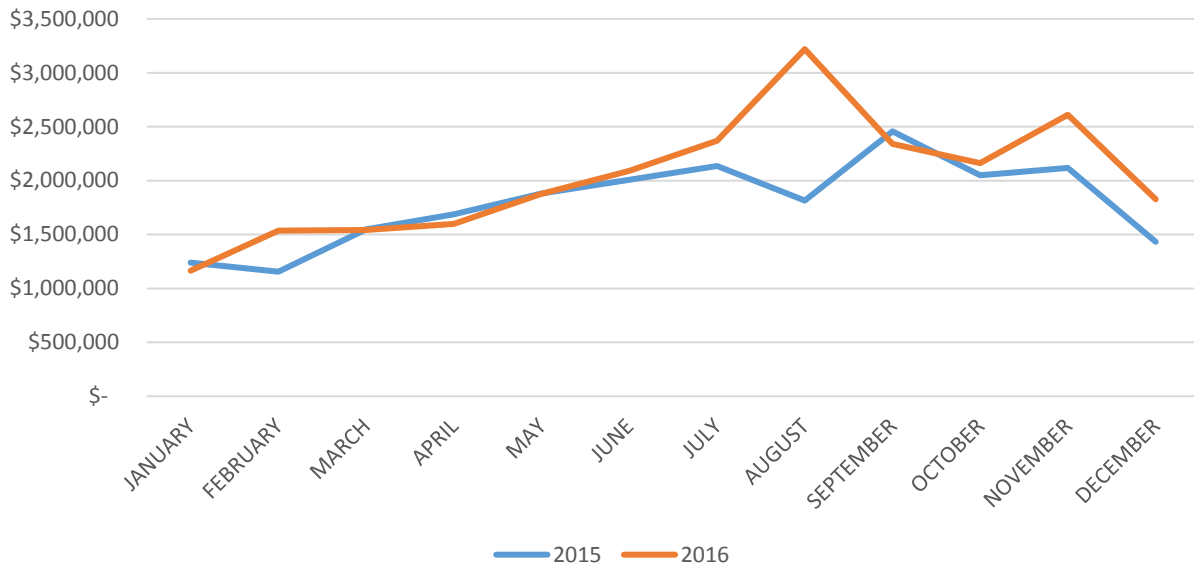
Even though the conservatively projected number of guests at the 2016 Republican National Convention in Cleveland was 11% lower than anticipated, the overall economic impact showed positive returns for the region—supporting 1,348 jobs and labor income totaling over \$52.4 million. The value-added impact totaled almost \$84.8 million, and the output was over \$142.2 million—again, as a conservative estimate of the economic impact. While the RNC was only in Cleveland for a short time, it left a positive financial impression.

## Taxes

Under the Ohio Revised Code, counties can levy a tax on a hotel’s revenues for each occupied room in the hotel each night, known as a “bed tax.” Cuyahoga County’s bed tax is set at 5.5%, and the funds it raises are disbursed to municipalities, the Global Center for Health Innovation, and Destination Cleveland. The revenue collected from the bed tax directly depends upon—and can be used to illustrate—the dynamics of hotel stays. Figure 9 compares the monthly bed tax receipts for 2015 and 2016 in Cuyahoga County (which includes all downtown Cleveland). The

two years show similar peaks and valleys for the most part, with deviations ranging from \$380,000 differential in favor of 2016 during February to a \$90,000 differential in favor of 2015 during April. However, the effect of the RNC is clear as the summer progresses, with a \$236,000 (11%) difference between July of 2016 and 2015 and a \$1.4 million difference (77%) between the Augusts of the two years. The annual totals stand at \$21.5 million for 2015 and \$24.3 for 2016, a \$2.8 million differential attributable to a combination of the Cavaliers winning the NBA Championship in mid-June, the RNC at the end of July, and the Indian’s playoff run, ending in Game 7 of the World Series in Cleveland, during October.

**Figure 9: Cuyahoga County Lodging Tax Receipts, 2015 - 2016**



Cuyahoga County is also authorized to levy a sales tax on goods purchased within its borders on top of the sales tax collected by the state of Ohio. The county’s sales tax is 2.25%, which when added to the state’s 5.75%, results in an overall sales tax of 8%, the highest rate in the state of Ohio. Sales tax are levied on “retail sale, lease, and rental of tangible personal property as well as the sale of selected services in Ohio.”<sup>27</sup> Sales tax dynamics also indirectly reflects the number of visitors, hypothesizing that increases in taxable spending can be attributed to more people purchasing goods rather than to sudden increases in spending by existing individuals. Dynamics of sales taxes in Cuyahoga County illustrate that in July and August county sales tax receipts for 2016 were \$24,839,556 and \$23,413,284, respectively. The 2016 July receipts were 5.6% higher than in the previous year, while the August receipts represented an 8.0% increase.

Additionally, the state of Ohio collects a tax on each of the four casinos in the state, one of which (JACK Cleveland Casino) is in downtown Cleveland, less than a quarter mile from where the Convention was held. The revenues generated by the casino tax are split among several recipients, including the host city, the city’s public school system, the county, and some other

<sup>27</sup> Ohio Department of Taxation. [http://www.tax.ohio.gov/sales\\_and\\_use.aspx](http://www.tax.ohio.gov/sales_and_use.aspx).

smaller allocations towards law enforcement training, gambling addiction treatment, racing prize purses, and running the state casino commission. Casino tax revenue is published quarterly and for the quarter that included the RNC, the amount of money collected decreased, down from \$66.6 million in 2015 to \$65.5 million in 2016—a \$1.1 million decrease (2%)—likely due to regular customers not coming downtown around the time of the RNC.

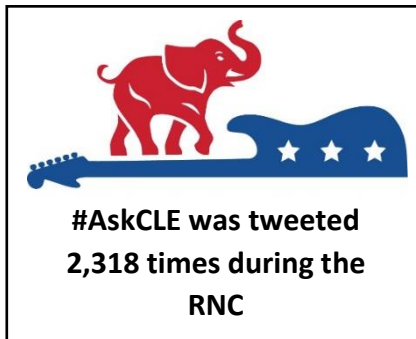
The city of Cleveland has an 8% admissions tax levied on all ticket sales. While large events like the NBA and MLB playoffs bring in large returns on this tax, without purchased tickets the RNC had no effect on this.

Dynamics of all tax receipts addressed in this section indicate that during the RNC the region experienced significantly higher tax revenue due of the increased number of travelers visiting the RNC.

## Impressions of Cleveland

### Media Hits

A Cleveland-based integrated marketing company, thunder::tech, was contracted to keep track of internet traffic relating to the RNC web presence. The official smartphone app for the Convention was downloaded 2,535 times during the week of the Convention, with 4,528 total downloads in July and August. The *wayfinding* navigation feature of the app was used 1,176 time during the week.



Of course, no social media campaign is complete without its own hashtag. The RNC hashtag #AskCLE was tweeted 2,318 times, with #ThisisCLE used 4,859 times and #2016CLE tweeted an astounding 10,385 times during the week of the event. A 24-person staff of Destination Cleveland and thunder::tech staff and volunteers answered questions tweeted to @TheCLE 907 times and @2016CLE 393 times.

The 2016 RNC did not rely exclusively on software solutions and improvements to get the word out; the RNC also saw a lot of hardware making its way onto and underneath the streets of Cleveland. With over a million feet of cable and wire, all four days of the Convention were live streamed. The Huntington Convention Center in downtown Cleveland (neighbor to the new Hilton Downtown Cleveland Hotel and five minutes from the venue: Quicken Loans Arena) and “Media Row” (the transformed Gateway East Parking garage, right next to Quicken Loans Arena) served as a home base for all interviews, new reports, and live streams.

Picture 6: Social Media Command Center<sup>28</sup>



<sup>28</sup> 2016 RNC Host Committee <https://www.2016cle.com/community-updates/keep-connected>.

## Street Traffic

Security measures were introduced in Cleveland during the planning phase of the event, and media outlets and the Convention website emphasized possible inconveniences for downtown businesses and employees due to street closings, increased parking demand due to visitors, and overall congestion.

Street closures did impact local vendors and business owners, some more than others. The street closures were the direct effect of the barricades in place for the event zone. Some businesses were lucky enough to be inside the event zone and the security barricade. Those establishments saw increased foot traffic from Convention visitors. However, those businesses outside the security perimeter that usually had a consistent clientele from downtown workers saw a dip in their receipts during the Convention. Several downtown employers allowed their employees to work from home or take the week off due to limited parking, street closures, and security restrictions. Business owners not only lost revenue from lack of sales, but staff lost wages, and some businesses had to contend with over-stocked food and drinks purchased in anticipation for perceived rushes which did not always materialize.

The locals who did not avoid downtown during the RNC noticed that—despite the street closings and security measures in the perimeter of the event—the city carried on with life as normal, and most of downtown employees did not experience any inconveniences. Generally, Clevelanders demonstrated their welcoming nature—which that became one of the most impressive features of the city and the region, especially for those visiting for the first time.

## Word on the Street

The city, host committee, and sponsors did their best to showcase the assets of the city. During the week of the Convention, AT&T sponsored free-of-charge admission to the Rock and Roll Hall of Fame Museum.<sup>29</sup> Adam Grzybicki, President of AT&T Ohio, said, “It is our hope that as many guests as possible can visit the museum and see first-hand what a unique institution it truly is.” AT&T co-sponsored the “Louder Than Words: Rock, Power and Politics” exhibit, which premiered at the Rock and Roll Hall of Fame and continued being displayed in Washington, D.C. during the 2017 presidential inauguration events.

The research team investigated what visitors thought about Cleveland. Three of the questions that survey participants were asked looked to gather impressions of the city. The first question, “Before coming to the RNC, what would be 3 words you would use to describe Cleveland?” generated 311 unique words or phrases representing visitors’ thoughts of the city before they arrived (Figure 10). The most popular were *Cavaliers*, *Midwest*, *Indians*, *old*, *Lebron James*, and *Lake Erie*. While many words focused on positive attributes like the *championship Cavaliers* or

---

<sup>29</sup> AT&T and Rock and Roll Hall of Fame Joint Media/Press/New Release for the 2016 Republican National Committee’s Convention in Cleveland, July 18-21, 2016.







The final question in the survey asked “What influenced you to change your description?” Over 90 responses covered everything from *first time visitors* to *Trump* to *Lake Erie* (Figure 12). Guests visiting the city and experiencing everything that it offers was the primary reason for changes in impressions.

Figure 12: Why Impressions of Cleveland Changed After the RNC



## Case Studies

### Flavors of Cleveland

Terry Uhl, the principal of the Uhl Group, is a communications and marketing consultant with over 35 years of experience working at all levels of the industry. One aspect of his job involves consulting for restaurants, two of which are in downtown Cleveland. The first, Parker's Downtown, is located on the first floor of the Kimpton Schofield Hotel, a newly renovated historic building at the corner of East 9<sup>th</sup> Street and Euclid Avenue in the heart of downtown. The second, Luca Italian Cuisine, is located near downtown on the Superior Viaduct Bridge, on the West Bank of the Flats.

#### Picture 7: Luca Italian Cuisine<sup>31</sup>



The two restaurants had very different, but very positive, experiences during the Republican National Convention. Parker's Downtown is an offshoot of Parker's Grille & Tavern in Avon Lake, a city in neighboring Lorain County. By July, the Kimpton Schofield had been open for about three months, but the restaurant had experienced some delays in opening and was only able to open to the public the Monday of Convention week. Despite this very short window for preparation, the restaurant performed admirably. Parker's thrived, serving breakfast, lunch, and dinner to a range of guests, including employees of AT&T and ABC News. Per Mr. Uhl, Parker's first week—what would have normally been called their soft opening—could not have gone better.

Not only did the energy and excitement surrounding the Convention play a large role in Parker's success, it also helped to reinforce the fact that the investment Parker's owners made in downtown Cleveland was a smart decision. As more and more businesses take notice of the

buzz surrounding Cleveland's urban core, that buzz becomes a sustained hum of activity. As a business that first opened in the suburbs, and then opted to open a second location in the heart of the city, Parker's stands out as a perfect example of what many had hoped would happen because of the Convention: more people getting excited and involved in the city of Cleveland.

The second restaurant Mr. Uhl is involved with, Luca Cuisine, was not in the heart of the RNC site, but they still had a great week during the Convention. Beginning with targeted online marketing six months in advance of the Convention, Luca took advantage of its reputation as one of the best

---

<sup>31</sup> Luca Italian Cuisine <https://www.lucacleveland.com/>

Italian restaurants in Cleveland with equally impressive views of the downtown to attempt to attract at least one large party or event. Fortunately, they did so, and the Attorney General of Michigan hosted a successful party for other Republican State Attorneys General the Saturday before the Convention. Although initially Mr. Uhl was nervous that all the action would be happening downtown, Luca sat an average number of tables during the week of the Convention; the key difference was, these guests opted for “the good stuff,” ordering harder-to-find bottles of wine and requesting select ingredients for their cocktails. The combination of the party and the guests with great taste in food and drink made the week of the Convention a successful one for Luca.

Besides tangible benefits from the Convention, Mr. Uhl felt that the Convention also offered visitors and guests the opportunity to see what Cleveland has accomplished in the past several years. He offered a telling anecdote about his experience the week of the Convention. The bar of Parker’s Downtown partially faces a long row of large windows along the sidewalk of East 9<sup>th</sup> Street, directly across from the newly renovated Heinen’s Grocery inside the old Cleveland Trust Company Building; this stretch of East 9<sup>th</sup> was one of the major thoroughfares for Convention traffic, with motorcades passing carrying Congressional representatives, diplomats, and other major figures, as well as hordes of lanyard-wearing aides and members of the media streaming by on foot. From his vantage point atop a barstool facing the street, Mr. Uhl watched this human river go by; several times, he would pick out old friends he hadn’t seen in years and run out to greet them and welcome them back to Cleveland. Hosting the Convention created this opportunity to reconnect with old friends and make new ones in the exciting atmosphere surrounding the RNC.



## The Art of Prosperity

Laura Bosse and Cat Zurchin of Prosperity Jewelry have been making beautiful, handcrafted pieces for over 27 years. After many years supplying wholesale products across the country and around the globe, the business partners opted to scale back their operation, opening a retail store in the summer of 2014. They chose to open in an intimate space, opting for a storefront in The Arcade, the five-story high, glass-ceilinged, historic arcade building constructed in 1890 in the heart of downtown.

**Picture 8: Prosperity Jewelry Ruby Large Abstract**<sup>32</sup>



Cat Zurchin had a lot to say about how the Convention impacted her business. Zurchin indicated to us that the final day of the Convention was Prosperity Jewelry's busiest day ever and that the week of the Convention was their best week ever, both of which contributed to July 2016 being their best month ever. She found that people appreciated the jewelry she and her partner made specifically for the Convention, with designs including variations on elephants, stars and stripes, CLE 2016, and RNC 2016; and that people were interested in her wares because they are handcrafted right in Cleveland, and they could meet the artists themselves while purchasing the jewelry.

One story that stuck out in Zurchin's interview concerned a delegate from South Carolina. This woman was a state senator and came into Prosperity Jewelry early in the week, buying herself some local RNC flair. After receiving several compliments and inquiries about where she had gotten the jewelry, she led a group of South Carolinian women back to Prosperity on the final day of the Convention. The women compared items, shared stories, and eventually left with far more jewelry (and less money) than they walked in with.

Overall, Zurchin felt the Convention was a good thing, both for her store and for the city overall. With more people coming downtown and visiting Public Square in the lead-up to the Convention, Zurchin witnessed people rediscovering what the city offers. The Arcade's top three floors have been converted into a Hyatt Regency Hotel, and Zurchin has seen more couples coming and spending a night or two there since the conclusion of the Convention, whether for an anniversary, a birthday, or just a weekend in the city. "I love this building" she said; "It feels good being here." With events like the RNC, the Cavaliers winning the NBA Finals, and the reopening of Public Square, the women behind Prosperity Jewelry are excited for what the future holds for them in Northeast Ohio.

---

<sup>32</sup> Prosperity Art Glass <http://www.prosperityjewelry.com/details.php?ID=159>

## Conclusion

Despite concerns over safety, controversy surrounding the Republican Nominee, and record hot temperatures, the RNC was a complete success. It generated an economic impact of 1,348 jobs, \$52.4 million in labor income, \$84.8 million in value added, \$142.2 million in output, and \$16.9 million in taxes for the region. Sales tax in Cuyahoga County saw an increase of over a million dollars. Many businesses saw huge boosts in sales prior to and during the event week. Visitors' impressions of the city improved dramatically. 2016 truly was "the year" for the 216 area code thanks to the World Championship Cleveland Cavaliers, the American League Championship Cleveland Indians, and one week in July where Cleveland showed the world what locals already knew: that it is the best location in the nation.

Picture 9: Thank You Tweet<sup>33</sup>



---

<sup>33</sup> Tweet from the Republican National Convention Host Committee thanking Cleveland.



## Appendix

**Table A1: Economic Impact of RNC Host Committee Spending**

Impact Type	Employment	Labor Income	Value Added	Output	Taxes
Direct Effect	121	\$5,630,324	\$7,453,394	\$11,627,026	\$1,577,976
Indirect Effect	26	\$1,464,157	\$2,479,534	\$4,103,590	\$502,454
Induced Effect	44	\$2,013,119	\$3,662,549	\$6,096,502	\$837,695
<b>Total Effect</b>	<b>191</b>	<b>\$9,107,600</b>	<b>\$13,595,477</b>	<b>\$21,827,118</b>	<b>\$2,918,125</b>

**Table A2: Economic Impact of City of Cleveland Spending**

Impact Type	Employment	Labor Income	Value Added	Output	Taxes
Direct Effect	44	\$2,927,862	\$6,369,638	\$13,304,879	\$1,382,024
Indirect Effect	37	\$2,264,779	\$3,865,614	\$7,194,093	\$742,152
Induced Effect	93	\$4,262,941	\$7,752,940	\$12,909,195	\$1,772,231
<b>Total Effect</b>	<b>174</b>	<b>\$9,455,582</b>	<b>\$17,988,192</b>	<b>\$33,408,167</b>	<b>\$3,896,407</b>

**Table A3: Economic Impact of Visitor Spending**

Impact Type	Employment	Labor Income	Value Added	Output	Taxes
Direct Effect	690	\$19,044,214	\$27,319,655	\$42,931,854	\$4,494,092
Indirect Effect	130	\$7,338,548	\$12,207,594	\$21,295,677	\$2,513,035
Induced Effect	164	\$7,502,919	\$13,647,763	\$22,721,145	\$3,120,563
<b>Total Effect</b>	<b>984</b>	<b>\$33,885,681</b>	<b>\$53,175,012</b>	<b>\$86,948,676</b>	<b>\$10,127,690</b>