

## An Economic Impact Analysis Of

REMOVED

Prepared For

Removed

This project is supported in part by  
The California Association for Local Economic Development



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June 2010

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## General Project Description

The following economic impact analysis has been prepared on behalf of **REMOVED** and its proposed development in **REMOVED** County, CA. The materials provided by the developer reflect a multi-use project with single and multi-family housing, parking facilities, an equestrian facility, retail and general office space.

**REMOVED** seeks to understand the economic impacts for the Project’s construction phase and at full operational development. This analysis will use historical data to measure the economic relationship of construction-related activities and ongoing operations with respect to jobs, gross economic output, capital income and taxes.

Project Graphics are included at Exhibit A (**REMOVED**)

## Executive Summary

**Gross Economic Output:** The economic impact report (attached below) summarizes the benefits of both the project’s direct investment and the resulting indirect impact. The developers have estimated the project’s direct investment at approximately \$173 million. This number includes the construction budget and one year of revenues for a fully operational business phase. While this analysis represents a one-year snapshot, the on-going business activity may actually survive decades; the project’s benefits are expected to continue to accrue and to accumulate annually but are not included in the measurement. Direct investment is defined as monies expended for construction, revenues earned from business operations and rents collected. The value of the direct investment has a multiplier effect as it changes hands. The analysis estimates a direct investment of \$173 million will produce an additional \$116 million in indirect impacts. The value of the direct and indirect impacts total \$289 million. In summary \$1 in direct expenditures produces an estimated \$1.60 in total impact (the initial dollar plus an additional impact of 60 cents).

**Gross County Product:** The gross county product seeks to measure the value-add to the local community. The analysis estimates that the impact to the local economy will exceed \$171 million. Again, the project’s combined total impact for the construction phase and one year at full operation is measured at \$298 million, with \$171 million of this amount benefiting the local economy. The balance of the impact will typically be distributed in the surrounding counties, the state, the nation and potentially to international parties.

**Labor:** The analysis seeks to measure labor income and job impacts. The total labor income is estimated at \$127.5 million for the construction phase and one year of operation. The analysis estimates that 2,854 jobs (full and part-time) will be benefited. The jobs in this analysis represent both the direct jobs (those individuals hired for construction as well as the owners and employees of the

various business operations). It also represents the jobs that are indirectly impacted as a result of the project.

**Capital Income:** Capital Income is the sum of all property type income (such as business profits, interest income and rental income) generated within the County. In total, capital income for this project is estimated to exceed \$32 million.

**Indirect Business Taxes:** The indirect taxes are defined as taxes and fees that are not based in the businesses' income. For the most part they represent sales taxes levied by the State and the county, but also include property taxes levied against businesses as well as fees imposed by federal, state and local governments. This analysis estimates the project will produce \$11.3 million in indirect business taxes.

**Long-Term Impacts:** While the report limits its analysis to the construction phase and one year of operation at full occupancy, the 10-year economic impact is estimated at \$908 million. This figure includes the one time economic impacts of the construction phase (and related activities) that total \$221 million and the on-going business activities that over 10 years are estimated to produce \$687 million in economic benefit.

## **Definitions and Methods (Removed)**

### **Industry Sectors (Removed)**

This analysis is a study of the industry sectors and geographic area associated with this project. The result is a representative analysis with outputs that are based on historical datasets. The report is not unique to this development. The following describes the industry categories that are associated with the Project. The categories are based upon the North American Industry Classification System (NAICS).

## **Background and Methodology:**

The Economic Impact Analysis Report (attached below) is based on data sets that are specific to the **REMOVED** County market area. The report represents a broader view than simply the Project’s direct expenditures or employment. For example the analysis measures the economic “footprint” as dollars multiply inside and outside of the market area and includes both direct and indirect impacts.

This analysis seeks to quantify the economic benefits of the construction phase as well as the on-going economic impacts produced by the retail, office space and equestrian facilities. In this report, rented space is valued for its rental income and also for the economic benefits generated independently by the tenant business. The results of this report are not scientific but are historically-representative of the economic impacts.

## **Assumptions and Notes: Removed**

## Summary of Economic Impacts

The Economic Impact Report (shown below) details the Project’s one-time and on-going economic impacts. In summary, it is estimated that the construction and business-related activities will produce the following benefits:

- *\$289 million in Gross Economic Output*
- *\$171 million in Gross County Product.*
- *\$127 million in Total Labor Income.*
- *2,854 total jobs (full and part-time).*
- *\$32 million in Capital Income.*
- *\$11.3 million in Indirect Business Taxes and Fees.*

Ten Year Benefit: Over 10 years the one-time economic benefits (\$221 million) when combined with the on-going annual benefits (\$687 million) total more than \$908 million.

## Economic Impact Report

### REMOVED REMOVED, California

<b>Gross Economic Output</b>			
<i>Gross Economic Output: is the aggregated market value of goods and services produced by firms and government enterprises in the County's economy. It is essentially equal to the revenue collected by businesses (including indirect taxes) within the County.</i>			
	<i>Direct Impact</i>	<i>Indirect and Induced Impact</i>	<i>Total Impact</i>
<b>One-Time Benefit:</b>			
<i>Construction Streets and Infrastructure Development</i>	\$19,500,000	\$13,119,800	\$32,619,800
<i>Professional, Scientific And Technical Services Architectural And Engineering Services</i>	\$600,000	\$461,447	\$1,061,447
<i>Construction Commercial And Institutional Buildings</i>	\$44,480,000	\$33,745,630	\$78,225,630
<i>Construction Water/Sewer</i>	\$10,000,000	\$6,832,788	\$16,832,790
<i>Construction New Residential 1-Unit Structures, Nonfarm</i>	\$45,000,000	\$27,289,700	\$72,289,700
<i>Construction New Multifamily Housing Structures, Nonfarm</i>	\$12,000,000	\$8,210,014	\$20,210,010
<b>On Going Benefit:</b>			
<i>Business Support Services</i>	\$7,562,500	\$4,896,134	\$12,458,630
<i>Retail Trade Miscellaneous Store Retailers</i>	\$17,732,000	\$10,224,800	\$27,956,800
<i>Close Landfill Waste Management And Remediation Services</i>	\$500,000	\$364,872	\$864,872
<i>Rental And Leasing Commercial Real Estate</i>	\$4,767,300	\$1,768,605	\$6,535,905
<i>Equestrian Facilities and Support</i>	\$11,625,000	\$9,298,316	\$20,923,320
<b>Total:</b>	<b>\$173,766,800</b>	<b>\$116,212,107</b>	<b>\$289,978,904</b>

## Gross County Product

Gross County Product: Is the total value added created by the production of goods and services in the local economy. It is analogous to the concept of Gross Domestic Product at the national level. It represents the sum of labor compensation, capital type income (profits, interests and rents), and indirect business taxes (which are mainly sales taxes, but also include property taxes and government mandated fees).

	Initial Purchase	Total Impact
<b>One-Time Benefit:</b>		
Construction Streets and Infrastructure Development	\$19,500,000	\$18,547,290
Professional, Scientific And Technical Services Architectural And Engineering Services	\$600,000	\$663,798
Construction Commercial And Institutional Buildings	\$44,480,000	\$46,405,630
Construction Water/Sewer	\$10,000,000	\$10,432,250
Construction New Residential 1-Unit Structures, Nonfarm	\$45,000,000	\$37,953,650
Construction New Multifamily Housing Structures, Nonfarm	\$12,000,000	\$11,247,510
<b>On Going Benefit:</b>		
Business Support Services	\$7,562,500	\$7,986,612
Retail Trade Miscellaneous Store Retailers	\$17,732,000	\$18,327,630
Close Landfill Waste Management And Remediation Services	\$500,000	\$460,369
Rental And Leasing Commercial Real Estate	\$4,767,300	\$4,304,242
Equestrian Facilities and Support	\$11,625,000	\$15,296,200
Total:	<b>\$173,766,800</b>	<b>\$171,625,182</b>

<b>Total Labor Income</b>		
Labor Income: Is the compensation to employees and self-employed proprietors including both wages and indirect payments such as retirement benefits, health insurance and other similar fringe benefits.		
	Initial Purchase	Total Impact
<b>One-Time Benefit:</b>		
Construction Streets and Infrastructure Development	\$19,500,000	\$14,356,310
Professional, Scientific And Technical Services Architectural And Engineering Services	\$600,000	\$521,938
Construction Commercial And Institutional Buildings	\$44,480,000	\$36,979,780
Construction Water/Sewer	\$10,000,000	\$8,088,589
Construction New Residential 1-Unit Structures, Nonfarm	\$45,000,000	\$24,371,190
Construction New Multifamily Housing Structures, Nonfarm	\$12,000,000	\$8,647,316
<b>On Going Benefit:</b>		
Business Support Services	\$7,562,500	\$5,546,250
Retail Trade Miscellaneous Store Retailers	\$17,732,000	\$12,394,180
Close Landfill Waste Management And Remediation Services	\$500,000	\$282,735
Rental And Leasing Commercial Real Estate	\$4,767,300	\$1,523,525
Equestrian Facilities and Support	\$11,625,000	\$14,879,740
<b>Total:</b>	<b>\$173,766,800</b>	<b>\$127,591,553</b>

<b>Total Employment</b>		
Employment: Is the number of jobs generated within the County, and includes: * full-time and part-time positions * salary workers *sole proprietors.		
	Initial Purchase	Total Impact
<b>One-Time Benefit:</b>		
Construction Streets and Infrastructure Development	\$19,500,000	276
Professional, Scientific And Technical Services Architectural And Engineering Services	\$600,000	10
Construction Commercial And Institutional Buildings	\$44,480,000	721
Construction Water/Sewer	\$10,000,000	155
Construction New Residential 1-Unit Structures, Nonfarm	\$45,000,000	489
Construction New Multifamily Housing Structures, Nonfarm	\$12,000,000	169
<b>On Going Benefit:</b>		
Business Support Services	\$7,562,500	125
Retail Trade Miscellaneous Store Retailers	\$17,732,000	424
Close Landfill Waste Management And Remediation Services	\$500,000	6
Rental And Leasing Commercial Real Estate	\$4,767,300	40
Equestrian Facilities and Support	\$11,625,000	440
<b>Total:</b>	<b>\$173,766,800</b>	<b>2,854</b>

<b>Capital Income</b>		
Capital Income: is the sum of all property type income (such as business profits, interest income and rental income) generated within the County		
	Initial Purchase	Total Impact
<b>One-Time Benefit:</b>		
Construction Streets and Infrastructure Development	\$19,500,000	\$3,239,908
Professional, Scientific And Technical Services Architectural And Engineering Services	\$600,000	\$110,949
Construction Commercial And Institutional Buildings	\$44,480,000	\$6,939,803
Construction Water/Sewer	\$10,000,000	\$1,833,998
Construction New Residential 1-Unit Structures, Nonfarm	\$45,000,000	\$11,378,530
Construction New Multifamily Housing Structures, Nonfarm	\$12,000,000	\$2,005,861
<b>On Going Benefit:</b>		
Business Support Services	\$7,562,500	\$1,967,362
Retail Trade Miscellaneous Store Retailers	\$17,732,000	\$3,262,523
Close Landfill Waste Management And Remediation Services	\$500,000	\$136,885
Rental And Leasing Commercial Real Estate	\$4,767,300	\$2,136,480
Equestrian Facilities and Support	\$11,625,000	-\$358,860
<b>Total:</b>	<b>\$173,766,800</b>	<b>\$32,653,439</b>

<b>Indirect Business Tax</b>		
Indirect Business Taxes: Are taxes and fees that are not based in the businesses' income. For the most part they represent sales taxes levied by the State and the county, but also include property taxes levied against businesses as well as fees imposed by federal, state and local governments.		
	Initial Purchase	Total Impact
<b>One-Time Benefit:</b>		
Construction Streets and Infrastructure Development	\$19,500,000	\$951,076
Professional, Scientific And Technical Services Architectural And Engineering Services	\$600,000	\$30,911
Construction Commercial And Institutional Buildings	\$44,480,000	\$2,486,039
Construction Water/Sewer	\$10,000,000	\$509,665
Construction New Residential 1-Unit Structures, Nonfarm	\$45,000,000	\$2,203,932
Construction New Multifamily Housing Structures, Nonfarm	\$12,000,000	\$594,328
<b>On Going Benefit:</b>		
Business Support Services	\$7,562,500	\$473,000
Retail Trade Miscellaneous Store Retailers	\$17,732,000	\$2,670,927
Close Landfill Waste Management And Remediation Services	\$500,000	\$40,750
Rental And Leasing Commercial Real Estate	\$4,767,300	\$644,237
Equestrian Facilities and Support	\$11,625,000	\$775,315
Total:	<b>\$173,766,800</b>	<b>\$11,380,180</b>

<b>Gross Economic Output Summary</b>			
	Jobs	Direct Impact	Total Impact
One-Time Benefit:	1,819	\$131,580,000	\$221,239,377
On Going 10 Year Benefit:	1,035	\$42,186,800	\$687,395,272
Total:	<b>2,854</b>	<b>\$173,766,800</b>	<b>\$908,634,649</b>



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