



# Economic Impact Analysis


September 26, 2019

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For those who have never used economic impact analysis, what's been the hurdle?



## Why Impact Analysis is Important and Useful

- Articulate potential project's value
- Illustrate value of ongoing company, institution
- Show potential positive outcomes / ROI
- Justify public investment
- Evaluate competing investment/funding opportunities
- Leverage for private investment
- Part of larger analysis e.g., Environmental Impact Statements



# Example Projects You Can Model

- Business recruitment/expansion (any industry sector: industrial, office, retail, commercial, entertainment, health care, etc.)
- Business closure
- Redevelopment project
- Mixed-use development
- Downtown – the whole downtown or parts
- Potential business park, shell building
- Visitor & "event" impacts





# Needed Inputs

Must have

- Project description (economic indicator)
- Industry sector
- Geography of impact

Nice to have

- Wage rates
- Time schedule

Also Nice : New Construction





What does it measure and  
project

Specific spending  
of a new project,  
event or industry –  
how it flows  
through a defined  
economy





What does it measure and  
project

- Direct Impacts
- Indirect Impacts
- Induced Impacts

Expressed in

- Employment
- Value Added
- Output



# Local Tax Analysis

- Property Tax Revenue, Real and Personal
- Special Tax Districts
- Depreciation
- Sales Tax Revenue and Retail Sales Impacts







# Examples

## Sanford Area Growth Alliance

- Business recruitment project
- Business sector, investment, and job creation were inputs
- Showed potential economic impact and job creation of the prospect company
- Used to evaluate incentives for recruitment



# Example Analysis

<b>Proposed Project Location</b>	<b>Sanford, Lee County, NC</b>
<b>IMPLAN Sector (Facility Operations)</b>	IMPLAN Sector 174 – Pharmaceutical manufacturing
<b>IMPLAN Sector (Construction)</b>	IMPLAN Sector 54 – Construction of new manufacturing structures
<b>Local Purchase Percent</b>	Construction: All (100%) construction inputs are expected to be purchased in the state.
<b>Construction of Real Property</b>	\$288,000,000
<b>Value of Machinery &amp; Equipment</b>	\$300,000,000
<b>New Employment</b>	450

# Example Analysis

## Economic Impacts from Construction: Lee County, NC

Impact Type	Employment	Value Added	Output
Direct Effect	2,805	\$155,110,090	\$288,000,000
Indirect Effect	189	\$15,558,141	\$30,796,146
Induced Effect	622	\$38,863,438	\$71,538,882
<b>Total Effect</b>	<b>3,616</b>	<b>\$209,531,669</b>	<b>\$390,535,028</b>

## Facilities Operations Impacts: Lee County

Impact Type	Employment	Value Added	Output
Direct Effect	450	\$395,138,780	\$791,034,115
Indirect Effect	487	\$38,701,838	\$73,745,795
Induced Effect	259	\$16,164,117	\$29,758,406
<b>Total Effect</b>	<b>1,196</b>	<b>\$450,004,735</b>	<b>\$894,538,315</b>





# Examples

## Proposed Business Park

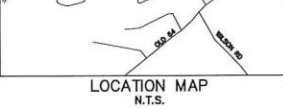
### Transylvania Economic Alliance

Conceptual plan determined # of buildings and square footage

- Target sectors were identified
- Assumed employment based on industry sector and square footage
- Phased the development
- Potential economic impact and job creation of the proposed business park
- Evaluate public investment in the park development



# Transylvania Business Park



**DEVELOPMENT BLOCK**

TRANSYLVANIA ECONOMIC ALLIANCE  
 BREVARD / TRANSYLVANIA COUNTY PROPERTY

PIN #: 8596-38-5657 (TRANSYLVANIA COUNTY) (36.5 ACRES)  
 8597-30-8043 (CITY OF BREVARD) (20.49 ACRES)

DEED REFERENCE: D.B.: 00106 P.G.: 0810  
 P.B.: F6 P.G.: 437

ZONING: INSTITUTIONAL CAMPUS (CITY OF BREVARD)

PROPOSED ZONING: GENERAL INDUSTRIAL (CITY OF BREVARD)

BUILDING SETBACK REQUIREMENT: 40' ALL SIDES

LANDSCAPE BUFFER REQUIREMENT: 30' ALONG ADJACENT ZONING

PARKING REQUIREMENT:  
 MANUFACTURING/WAREHOUSING/LIGHT ASSEMBLY  
 0.25 SPACES PER 1,000 SF OF NON-OFFICE SPACE  
 OFFICE USES  
 1 SPACE PER 500 SF

MOTORCYCLE PARKING  
 1 SPACE PER 20 AUTOMOBILE PARKING SPACES  
 ACCESSIBLE PARKING

FLOOD HAZARD:  
 PORTIONS OF THIS PROJECT ARE LOCATED WITHIN  
 A FLOOD PLAIN HAZARD AREA PER  
 NC FLOOD MAPPING MAP NO. 3700859600J (REVISED 10/02/2009)

WGLA Engineering, PLLC  
 CONSULTING ENGINEERS & LAND PLANNERS  
 HENDERSONVILLE, NORTH CAROLINA

TRANSYLVANIA ECONOMIC ALLIANCE  
 TRANSYLVANIA COUNTY  
 NORTH CAROLINA

TRANSYLVANIA COUNTY PROPERTY "A"  
 SITE PLAN "A"





## Additional Examples.... Economic Impact of.....

- Downtown
- Plant closure
- Mixed use redevelopment
- College or university
- Hospital
- Visitor attraction



## Low-Value Impacts

Don't be disappointed!

- Residential
- Retail
- Institutions



The background features several wooden human figures standing on a network of interconnected nodes. The nodes are represented by light-colored circles connected by thin lines, forming a web-like structure. The figures are positioned at various points on this network, suggesting a community or a group of individuals. The overall scene is set against a dark, textured background.

# Communicating Economic Impact

- Top 3-4 talking points
- Focus on the value proposition
- Think about your audience perspective
- Direct impacts
- Don't get lost in indirect vs. induced impacts



## 3 Key Take-Aways

- It's easier than you think
- Excellent way to communicate value
- Use to leverage public and private investment



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What will your  
community or  
company need help  
with over the next two  
years?





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