

APPLIED ECONOMICS REGIONAL PROJECT ASSESSMENT SYSTEM

Economic and Revenue Impacts for Economic Development

Product Overview

The Regional Project Assessment System (RPAS) is a computer simulation model intended to assist regional governments and economic development organizations in evaluating prospects, industries and programs. An economic impact analysis traces spending through an economy and measures the cumulative effects of that spending. This economic impact model is customized for economic development activities including business attraction, expansion and retention. The RPAS product can be used to:

- Evaluate economic and revenue benefits of new and existing businesses and evaluate incentives
- Prioritize projects
- Publicize value of new or existing businesses
- Measure impact of business assistance resulting in retention
- Identify potential supplier leakages
- Document the value of an economic development program as a performance measure for fund development efforts or annual reporting

RPAS uses information about the operations of an individual company such as jobs, payroll, capital investment and taxable sales to estimate direct and total economic and revenue impacts. Data can be entered for a single year or multiple years.



Project Profile Close Form

Project Name: ABC Equipment Last Update: 7/11/2008

Beginning Year: 2009 Search Industries Project Group: TEST

Industry Type: Manufacturing Electrical equipment

Region: San Luis Lease Back: Copy Annual Records

Labor Real Estate Equipment Taxes

Labor Skill Mix (%)						
Year	Employment	Payroll	Taxable Sales	Skilled	Semi	Unskilled
1	20	\$2,900,000	\$100,000	13%	64%	23%
2	160	\$3,900,000	\$150,000	13%	64%	23%

Labor Real Estate Equipment Taxes

Real Estate Costs					
Year	Land Cost	Const. Cost	Purchase	Annual Lease	Building SqFt
1	\$0	\$0	\$50,000	\$20,000	12,121
2	\$250,000	\$3,200,000	\$123,123	\$75,000	15,000

Labor Real Estate Equipment Taxes

Equipment Purchases			
Year	Taxable	Non-taxable	
1	\$100,000	\$5,000	
2	\$50,000	\$1,000	
3	\$10,000	\$1,000	
4	\$10,000	\$1,000	

REGIONAL PROJECT ASSESSMENT SYSTEM

Introduction Project Profiles Base Rates Run Impact Report Generation

Print Order Device Option

Project Descriptions 0 Reports Selected Select All 1

Overall Impact Summary 0 Reports Selected Select All 2

Economic Impact 0 Reports Selected Select All 3

Real Estate Impact 0 Reports Selected Select All 4

Revenue Impact 0 Reports Selected Select All 5

Construction Impact 0 Reports Selected Select All 6

Disaggregated Reports 0 Reports Selected Select All 7

Year Restrictions
Beginning Year
Ending Year

* Year restrictions must be filled in when running multiple projects.

Direct impacts are those resulting from the company itself, while total impacts take into account the supplier and consumer industries in the region that may also benefit. Economic impacts estimated by RPAS include jobs and output by industry, personal income, household spending, supported population and households, and non-residential real estate impacts. There are a series of output reports that detail the local economic impacts.

Revenues modeled by RPAS are based on the specific revenue items that are most important to your region. This nearly always includes sales and property tax, and income tax. However, it may also be customized to include utility taxes, franchise taxes and fees, inventory taxes, payroll taxes, or other major revenue sources. The model can also be customized to include state and local financial incentive programs.

Greater Yuma EDC Regional Project Assessment System - Project Summary	
For the Years: 2008-2011	
Jobs and Payroll	
New direct jobs created	160
New direct payroll	\$4,300,000
Average payroll per employee	\$26,875
Capital Investment	
Value of new construction	\$7,480,000
Value of new equipment purchases	\$1,780,000
Economic Impact*	
Total value economic impact	\$97,337,088
Total new jobs supported	202
Total new payroll supported	\$21,413,910
Household spending supported	\$34,013,223
New Tax Revenue*	
Local Taxes	
Property	\$1,205,895
Sales	\$576,636
State Shared	\$1,374,972
HURF	\$453,999
State Taxes	
Sales	\$606,370
Payroll Tax	\$451,276

APPLIED ECONOMICS

REGIONAL PROJECT ASSESSMENT SYSTEM

Economic and Revenue Impacts for Economic Development

Approach

Unlike many impact models that rely on state or national economic multipliers, the economic impacts generated by RPAS are based on industry-specific economic multipliers customized for your region. This provides RPAS the ability to more accurately predict how a particular prospect will “fit” with the balance of your regional economy. Prospects that make purchases from other industries present in the region will show correspondingly greater impacts than those that may not be able to make as many purchases within the region. The price of the model varies depending on the number of regions you include. Regions may be defined as individual counties or multi-county areas.

Prospect or industry information including employment, skill mix, payroll, building and equipment investment, and utility consumption are used as inputs for the impact analysis. Corresponding direct, supplier and consumer impacts are then estimated based on the economic multipliers and conditions of your region.

The revenue impact portion of the RPAS is customized based on the particular state and local revenue sources most important in your region. This portion of the model uses information about the company’s capital investment, sales, income and other characteristics along with tax rates specific to your region to calculate the direct revenue impact of a new or existing company. In addition, results of the economic impact are used to estimate indirect, employee-based revenue impacts. Based on current rates and fiscal structure of your region, the output from the RPAS model shows the revenues resulting at the local and state levels from a new or expanding company. The value of financial incentives can also be incorporated into the model to show the amount of incentives offered to a company compared to the amount of new state and local tax revenue they will generate.

Workforce Impacts

The model can be further customized to evaluate the impacts of workforce training programs, in addition to its normal use in evaluating new and expanding businesses. This would require input data on pre and post-training wages of trainees and information on the industry that individuals are placed in after training. The model could then calculate the economic impacts as well as additional tax revenues that result from the increased skill levels and earning capacity of training participants. These types of measures are a useful way to quantify the value of workforce training and measure the return on investment.

CUMULATIVE ANNUAL REVENUE IMPACTS

	Local Impacts		State Impacts		
	City Sales	County Sales	Sales Tax	Personal	Total Taxes
	Tax	Tax		Income Tax	
2006					
Direct Revenues	\$7,953	\$1,988	\$22,269	\$34,168	\$66,379
Total Revenues	\$11,547	\$2,887	\$32,332	\$49,217	\$95,983
2007					
Direct Revenues	\$15,728	\$3,932	\$44,040	\$66,364	\$130,065
Total Revenues	\$22,920	\$5,730	\$64,177	\$96,501	\$189,328
2008					
Direct Revenues	\$26,340	\$6,585	\$73,752	\$110,179	\$216,855
Total Revenues	\$38,471	\$9,618	\$107,719	\$161,026	\$316,834
2009					
Direct Revenues	\$38,979	\$9,745	\$109,142	\$167,202	\$325,068
Total Revenues	\$57,130	\$14,282	\$159,964	\$243,274	\$474,650
Cumulative Total	\$130,068	\$32,517	\$364,191	\$550,018	\$1,076,795

ECONOMIC IMPACT OF JOB TRAINING PROGRAM

	Direct Impacts			Total Impacts			Program Costs	Return on Investment
	Output	Jobs	Income*	Output	Jobs	Income		
2006	\$2,931,088	48	\$1,472,815	\$4,973,245	68	\$2,138,353	\$379,600	192%
2007	\$3,017,612	54	\$1,439,862	\$5,062,855	74	\$2,106,127	\$879,600	31%
2008	\$4,060,809	76	\$1,965,069	\$6,866,618	103	\$2,879,811	\$939,600	67%
2009	\$4,900,631	69	\$2,340,648	\$8,325,401	102	\$3,455,308	\$720,283	145%
Total	\$14,910,141	247	\$7,218,395	\$25,228,119	348	\$10,579,599	\$2,919,083	93%

Northern Rural Training Employment Consortium Regional Project Assessment System - Project Description
Sample Green Technology in Shasta County

Project Name:

Last Update:

Region:

Industry Type:

New Employees: %

Start Year:

Employees Living in County: % Lease Back

Annual Project Data

Year	Employment Payroll	Skill Mix:		Utility Cost Bldg Sq. Ft.	TaxableSales Corporate Income	Real Estate Costs		Equipment Purchases: Taxable Non-Taxable	Override Tax Rates:	Enterprise Zone:		Other Incentives
		Skilled Semi Unskilled				Property Local Sales Local Utility	% Qualified Equipment % Qualified Employees					
1	25 \$936,000	65.0% 35.0% 0.0%		\$6,000 25,000	\$0 \$0	\$3,400,000 \$87,120	\$0 \$0	\$2,000,000 \$0	<input type="text"/>	90.00% 75.00%		\$0

Northern Rural Training Employment Consortium Regional Project Assessment System - Project Summary

For the Years: 2011

Jobs and Payroll

New direct jobs created	25
New direct payroll	\$936,000
Average payroll per employee	\$37,440

Capital Investment

Value of new construction	\$3,400,000
Value of new equipment purchases	\$2,000,000

Economic Impact*

Total value economic impact	\$8,367,480
Total new jobs supported	39
Total new payroll supported	\$1,530,051
Household spending supported	\$1,380,200

New Tax Revenue (direct and indirect) *

Local Taxes

Property	\$116,241
Sales	\$44,472

State Taxes

Sales	\$339,613
Income	\$50,108

*** Includes jobs, payroll, output and tax revenues of companies assisted by the Northern Rural Training Employment Consortium as well as secondary impacts at other local businesses. Report includes only impacts created in 2011. Additional impacts will be generated in future years.**

Northern Rural Training Employment Consortium Regional Project Assessment System - Impact Summary
Operation of Sample Green Technology on Shasta County

Year	Economic and Real Estate Impacts						Revenue Impacts		
	Employment	Personal Income	Output	Non-Residential Square Footage	Supported Population	Supported Enrollment	Supported Households	Local Tax Revenues	State Tax Revenues
2011	39	\$1,530,051	\$8,367,480	29,164	89	17	34	\$160,713	\$7,220
Total:		\$1,530,051	\$8,367,480					\$160,713	\$7,220

Note: 50 % of population, school enrollment and households are new to the region.

Northern Rural Training Employment Consortium Project Assessment System - Economic Impact by Type
Impact of Sample Green Technology on Shasta County

Impact Type	Year	Employment	Supported Population	Grade School Population	High School Population	Supported Households	Personal Income	Output
Direct	2011	25	57	7	4	22	\$936,000	\$6,544,007
	Total:						\$936,000	\$6,544,007
Supplier	2011	8	18	2	1	7	\$388,692	\$1,216,653
	Total:						\$388,692	\$1,216,653
Consumer	2011	6	14	2	1	5	\$205,358	\$606,819
	Total:						\$205,358	\$606,819
Total	2011	39	89	11	6	34	\$1,530,051	\$8,367,480
	Total:						\$1,530,051	\$8,367,480

Note: 50 % of population and households are new to the region.

**Northern Rural Training Employment Consortium Regional Project Assessment System - Real Estate Impact
Operation of Sample Green Technology on Shasta County**

Year	Non-Residential Square Footage by Type									Total Non-Res. Square Feet	Total Housing Units
	Hotel	Retail	Office	Industrial	Hospital	Utilities	Government	Schools	Other		
2011	216	1,047	2,287	25,000	198	8	114	178	115	29,164	34

Northern Rural Training Employment Consortium Regional Project Assessment System - Direct and Total Revenue Impacts
Operation of Sample Green Technology on Shasta County

Year	Local					State				State and Local Total
	Property Taxes		Sales Tax	Utility Tax	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Total	
	Real	Personal								
Direct Impact										
2011	\$37,237	\$19,648	\$42,100	\$0	\$98,985	\$305,225	na	(\$382,500)	(\$77,275)	\$21,710
Total	\$37,237	\$19,648	\$42,100	\$0	\$98,985	\$305,225	na	(\$382,500)	(\$77,275)	\$21,710
Total Impact										
2011	\$96,593	\$19,648	\$44,472	\$0	\$160,713	\$339,613	\$50,108	(\$382,500)	\$7,220	\$167,933
Total	\$96,593	\$19,648	\$44,472	\$0	\$160,713	\$339,613	\$50,108	(\$382,500)	\$7,220	\$167,933

Net Present Value of Direct State and Local Revenues: \$20,875

Note: If corporate income tax shown above is negative in any year, Enterprise Zone credits would be carried forward to future years. Credit cannot exceed corporate income tax liability.

Northern Rural Training Employment Consortium Regional Project Assessment System
Construction Impact by Type
Construction of Sample Green Technology on Shasta County

Impact Type	Year	Employment	Supported Population	Supported Households	Personal Income	Output
Direct	2011	23	52	20	\$1,397,889	\$3,400,000
	Total:				\$1,397,889	\$3,400,000
Supplier	2011	4	9	3	\$175,553	\$511,328
	Total:				\$175,553	\$511,328
Consumer	2011	5	12	5	\$174,035	\$521,210
	Total:				\$174,035	\$521,210
Total	2011	32	72	28	\$1,747,477	\$4,432,537
	Total:				\$1,747,477	\$4,432,537

Total Household Spending Impact

Sample Green Technology

Spending Type	Year: 2011	Amount
Shelter		\$257,650
Utilities, fuels and public services		\$105,542
Household operations		\$18,439
Housekeeping supplies		\$19,460
Food at home		\$120,780
Food away from home		\$76,212
Alcoholic beverages		\$12,598
Vehicle purchases (net outlay)		\$127,966
Gasoline and motor oil		\$51,504
Vehicle finance charges		\$13,698
Maintenance and repairs		\$23,029
Vehicle insurance		\$35,104
Vehicle rental, leases, licenses, etc		\$12,567
Public transportation		\$10,455
Household furnishings		\$39,022
Major appliances		\$7,356
Televisions and sound equipment		\$26,144
Apparel		\$56,778
Pets, toys and playground equipment		\$14,001
Reading material		\$4,283
Tobacco products and smoking supplies		\$13,552
Health insurance		\$50,387
Medical services		\$22,958
Drugs and supplies		\$24,195
Fees and Admissions		\$11,853
Supplies, equipment and services		\$16,845
Personal care products and services		\$18,072
Education		\$12,834
Personal insurance and pensions		\$111,577
Cash contributions		\$42,793
Miscellaneous		\$22,545
TOTAL:		\$1,380,200

Northern Rural Training Employment Consortium Regional Project Assessment System - Project Description

Office User in Shasta County

Project Name:

Last Update:

Region:

Industry Type:

New Employees: %

Start Year:

Employees Living in County: % Lease Back

Annual Project Data

Year	Employment Payroll	Skill Mix:		Utility Cost Bldg Sq. Ft.	TaxableSales Corporate Income	Real Estate Costs		Equipment Purchases: Taxable Non-Taxable	Override Tax Rates:	Enterprise Zone:		Other Incentives
		Skilled Semi Unskilled				Property Local Sales Local Utility	% Qualified Equipment % Qualified Employees					
1	50 \$3,658,000	65.0% 35.0% 0.0%		\$3,000 15,000	\$0 \$0	\$2,040,000 \$87,120	\$0 \$0	\$2,000,000 \$0	<input type="text"/>	10.00% 25.00%		\$0

Northern Rural Training Employment Consortium Regional Project Assessment System - Project Summary

For the Years: 2010

Jobs and Payroll

New direct jobs created	50
New direct payroll	\$3,658,000
Average payroll per employee	\$73,160

Capital Investment

Value of new construction	\$2,040,000
Value of new equipment purchases	\$2,000,000

Economic Impact*

Total value economic impact	\$12,203,770
Total new jobs supported	93
Total new payroll supported	\$5,143,799
Household spending supported	\$4,121,044

New Tax Revenue (direct and indirect) *

Local Taxes

Property	\$174,348
Sales	\$33,260

State Taxes

Sales	\$356,742
Income	\$246,970

*** Includes jobs, payroll, output and tax revenues of companies assisted by the Northern Rural Training Employment Consortium as well as secondary impacts at other local businesses. Report includes only impacts created in 2010. Additional impacts will be generated in future years.**

Northern Rural Training Employment Consortium Regional Project Assessment System - Impact Summary
Operation of Office User on Shasta County

Year	Economic and Real Estate Impacts						Revenue Impacts		
	Employment	Personal Income	Output	Non-Residential Square Footage	Supported Population	Supported Enrollment	Supported Households	Local Tax Revenues	State Tax Revenues
2010	93	\$5,143,799	\$12,203,770	31,245	209	40	81	\$207,608	\$431,212
Total:		\$5,143,799	\$12,203,770					\$207,608	\$431,212

Note: 0% of population, school enrollment and households are new to the region.

Northern Rural Training Employment Consortium Project Assessment System - Economic Impact by Type
Impact of Office User on Shasta County

Impact Type	Year	Employment	Supported Population	Grade School Population	High School Population	Supported Households	Personal Income	Output
Direct	2010	50	113	14	8	44	\$3,658,000	\$7,997,335
	Total:						\$3,658,000	\$7,997,335
Supplier	2010	22	49	6	3	19	\$786,664	\$2,136,787
	Total:						\$786,664	\$2,136,787
Consumer	2010	21	47	6	3	18	\$699,135	\$2,069,647
	Total:						\$699,135	\$2,069,647
Total	2010	93	209	26	14	81	\$5,143,799	\$12,203,770
	Total:						\$5,143,799	\$12,203,770

Note: 0 % of population and households are new to the region.

Northern Rural Training Employment Consortium Regional Project Assessment System - Real Estate Impact
Operation of Office User on Shasta County

Year	Non-Residential Square Footage by Type									Total Non-Res. Square Feet	Total Housing Units
	Hotel	Retail	Office	Industrial	Hospital	Utilities	Government	Schools	Other		
2010	1,115	8,330	15,228	1,681	699	27	340	3,237	587	31,245	81

Northern Rural Training Employment Consortium Regional Project Assessment System - Direct and Total Revenue Impacts
Operation of Office User on Shasta County

Year	Local					State				State and Local Total
	Property Taxes		Sales Tax	Utility Tax	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Total	
	Real	Personal								
Direct Impact										
2010	\$22,714	\$11,533	\$33,260	\$0	\$67,507	\$241,135	na	(\$172,500)	\$68,635	\$136,142
Total	\$22,714	\$11,533	\$33,260	\$0	\$67,507	\$241,135	na	(\$172,500)	\$68,635	\$136,142
Total Impact										
2010	\$162,816	\$11,533	\$33,260	\$0	\$207,608	\$356,742	\$246,970	(\$172,500)	\$431,212	\$638,820
Total	\$162,816	\$11,533	\$33,260	\$0	\$207,608	\$356,742	\$246,970	(\$172,500)	\$431,212	\$638,820

Net Present Value of Direct State and Local Revenues: \$130,906

Note: If corporate income tax shown above is negative in any year, Enterprise Zone credits would be carried forward to future years. Credit cannot exceed corporate income tax liability.

Northern Rural Training Employment Consortium Regional Project Assessment System
Construction Impact by Type
Construction of Office User on Shasta County

Impact Type	Year	Employment	Supported Population	Supported Households	Personal Income	Output
Direct	2010	14	31	12	\$838,733	\$2,040,000
	Total:				\$838,733	\$2,040,000
Supplier	2010	2	5	2	\$105,332	\$306,797
	Total:				\$105,332	\$306,797
Consumer	2010	3	7	3	\$104,421	\$312,726
	Total:				\$104,421	\$312,726
Total	2010	19	43	17	\$1,048,486	\$2,659,522
	Total:				\$1,048,486	\$2,659,522

Total Household Spending Impact

Office User

Spending Type	Year: 2010	Amount
Shelter		\$738,669
Utilities, fuels and public services		\$274,930
Household operations		\$62,384
Housekeeping supplies		\$56,812
Food at home		\$337,550
Food away from home		\$226,883
Alcoholic beverages		\$41,554
Vehicle purchases (net outlay)		\$399,556
Gasoline and motor oil		\$140,323
Vehicle finance charges		\$42,553
Maintenance and repairs		\$66,891
Vehicle insurance		\$96,833
Vehicle rental, leases, licenses, etc		\$45,473
Public transportation		\$33,007
Household furnishings		\$124,718
Major appliances		\$18,991
Televisions and sound equipment		\$73,352
Apparel		\$178,291
Pets, toys and playground equipment		\$41,947
Reading material		\$12,968
Tobacco products and smoking supplies		\$29,827
Health insurance		\$121,021
Medical services		\$56,874
Drugs and supplies		\$55,545
Fees and Admissions		\$45,533
Supplies, equipment and services		\$65,038
Personal care products and services		\$52,712
Education		\$53,104
Personal insurance and pensions		\$446,572
Cash contributions		\$122,146
Miscellaneous		\$58,988
TOTAL:		\$4,121,044