



# BLR Economic Impact Analysis

City Council Session  
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[TischlerBise.com](http://TischlerBise.com)



# Presentation Outline

- **Introduction**
- **Fiscal Impact vs. Economic Impact**
- **Definitions**
- **Methodology**
- **Employment Factors**
- **Land Use Prototypes**
- **30-Year Summary (Look Forward)**
- **22-Year Summary (Look Back)**



# TischlerBise

FISCAL | ECONOMIC | PLANNING

- **Impact fees / infrastructure funding strategies**
- **Fiscal impact studies**
- **Economic impact analyses**
- **Market feasibility**
- **Special taxes and assessments**



# What is Fiscal Impact Analysis?

- **Fiscal impacts reflect cash flow to the public sector**
  - Are the revenues generated by development enough to cover costs to provide services and facilities?
- **Reflects operating expenses and capital costs**
- **Reflects all revenues affected by development**
- **Revenues minus Costs = Net Surplus (Contributors) or Deficit (Recipients)**

# What is Economic Impact Analysis?

- **Economic impacts reflect overall economy of the community**
  - Residential impacts: Primary factors are construction and consumer spending
  - Nonresidential impacts: Primary factors are job creation and disposable income
- **Doesn't follow jurisdictional lines; data limitations**
  - Large portion of economic output flows out of jurisdiction, region, and possibly State
- **Resident spending for mortgages, car payments, insurance are not typical sources of sales tax for local governments**

- **Direct**
  - Changes in local business activity occurring as a direct consequence of public or private business decisions.
- **Indirect**
  - Changes in local business activity resulting from changes in sales for suppliers to the directly-affected businesses.
- **Induced**
  - Changes in spending on food, clothing, shelter, and other consumer goods and services, as a consequence of the change in workers and payroll of directly and indirectly affected businesses.

- **Jobs**

- **Long-Term:** Permanent employment at new development (nonresidential).
- **Temporary:** Construction employment related to new development (residential and nonresidential).

- **Labor Income**

- Wages, benefits, dividends, and proprietor income.

- **Output**

- Gross business revenue, which pays for costs of materials and costs of labor, as well as generating net business income (also referred to as revenue or sales volume).

- **IMPLAN multipliers augmented by TischlerBise's Colorado experience**
- **Fiscal Year 2016**
- **Market and Assessed values provided by El Paso County Tax Assessor**
- **Residential development:**
  - Colorado Springs Utilities projections
  - Oakwood Homes PUD Concept Plan
- **Nonresidential development:**
  - Current jobs per person
- **No inflation assumed**



# Employment Factors

NAICS	NAICS Category	2015 GDP (millions) <sup>1</sup>	2015 Employment <sup>2</sup>	2015 Total Wages <sup>2</sup>	2015 GDP Output per Job <sup>3</sup>	2015 Annual Wages <sup>3</sup>
11	Agriculture, Forestry, Fishing, and Hunting	\$22	314	\$8,648,951	\$70,064	\$27,544
22	Utilities	\$230	485	\$49,090,703	\$474,227	\$101,218
23	Construction	\$1,228	14,433	\$704,830,776	\$85,083	\$48,835
31-33	Manufacturing	\$1,855	12,895	\$795,755,618	\$143,854	\$61,710
42	Wholesale Trade	\$785	5,240	\$339,434,227	\$149,809	\$64,778
44-45	Retail Trade	\$2,088	31,870	\$914,856,899	\$65,516	\$28,706
48-49	Transportation and Warehousing	\$347	4,023	\$159,469,161	\$86,254	\$39,639
51	Information	\$1,636	6,557	\$516,810,105	\$249,504	\$78,818
52	Finance and Insurance	\$1,358	11,776	\$734,078,920	\$115,319	\$62,337
53	Real Estate and Rental and Leasing	\$3,214	4,335	\$174,293,850	\$741,407	\$40,206
54	Professional, Scientific, and Technical Services	\$2,826	23,182	\$1,961,009,102	\$121,905	\$84,592
55	Management of Companies and Enterprises	\$199	1,149	\$141,932,696	\$173,194	\$123,527
56	Administrative and Waste Management Services	\$1,082	18,727	\$673,297,091	\$57,778	\$35,953
61	Educational Services	\$273	4,271	\$157,100,707	\$63,919	\$36,783
62	Health Care and Social Assistance	\$2,071	30,609	\$1,380,818,254	\$67,660	\$45,112
71	Arts, Entertainment, and Recreation	\$288	5,195	\$113,462,258	\$55,438	\$21,841
72	Accommodation and Food Services	\$1,098	29,838	\$544,776,341	\$36,799	\$18,258
81	Other Services, except Government	\$845	10,477	\$418,407,876	\$80,653	\$39,936

1. Bureau of Economic Analysis, Gross Domestic Product by Metropolitan Area, Colorado Springs MSA, 2015.

2. Quarterly Census of Employment and Wages, Annual Averages, Colorado Springs MSA, 2015.

3. TischlerBise Analysis of BEA and QCEW data.

# Land Use Prototypes

## RESIDENTIAL PROTOTYPES

Type of Unit	Median Market Value per Unit <sup>1,2</sup>	Median Assessed Value per Unit <sup>3</sup>	Construction Value per Unit	Persons per Housing Unit <sup>4</sup>	Units per Acre <sup>5</sup>	Vehicles per Unit <sup>4</sup>
Single Family Detached, Low	\$280,000	\$22,000	\$140,000	2.62	3.69	1.85
Single Family Detached, Medium	\$280,000	\$22,000	\$140,000	2.62	6.70	1.85
Townhouse	\$217,000	\$17,000	\$108,500	2.22	4.44	1.85
Multi-Family	\$128,000	\$10,000	\$64,000	1.71	18.15	1.33

1. El Paso County Tax Assessor (Single Family).

2. Based on recent sales within a 10-mile radius of Banning Lewis Ranch as listed on Zillow.com and Redfin.com (Townhouse and Multi-Family).

3. Residential assessed value is 7.96% of market value.

4. U.S. Census Bureau, American Community Survey 1-Year Estimates, 2015.

5. Oakwood PUD Concept Plan.

## NONRESIDENTIAL PROTOTYPES

Land Use Type	Market Value per Square Foot <sup>6</sup>	Assessed Value per Square Foot <sup>7</sup>	Construction Value per Square Foot	Empl. Density (Jobs per 1,000 SF) <sup>8</sup>	Floor Area Ratio (FAR)	Sales per Square Feet <sup>9</sup>
Office	\$43	\$12	\$32	3.32	0.25	
Commercial	\$77	\$22	\$58	2.00	0.25	\$300
Industrial	\$35	\$10	\$26	2.31	0.25	
Institutional	\$0	\$0	\$0	0.98	0.15	

6. El Paso County Tax Assessor.

7. Nonresidential assessed value is 29% of market value.

8. Institute of Transportation Engineers, 2012.

9. Urban Land Institute, Dollars and Cents of Shopping Centers.

# 30-Year Summary (Look Forward)

	Look Forward
SINGLE-FAMILY DETACHED, LOW DENSITY	16,599
SINGLE-FAMILY DETACHED, MEDIUM DENSITY	5,252
TOWNHOUSE	190
MULTI-FAMILY	864
<b>TOTAL HOUSING UNITS</b>	<b>22,905</b>
<b>POPULATION</b>	<b>59,150</b>
COMMERCIAL SF	3,005,500
INSTITUTIONAL SF	2,370,200
INDUSTRIAL SF	1,411,400
OFFICE SF	2,824,200
<b>TOTAL NONRESIDENTIAL SF</b>	<b>9,611,300</b>
COMMERCIAL JOBS	6,011
INSTITUTIONAL JOBS	2,328
INDUSTRIAL JOBS	3,257
OFFICE JOBS	9,383
DIRECT JOBS (LONG-TERM)	20,979
INDIRECT AND INDUCED JOBS (LONG-TERM)	14,143
<b>TOTAL JOBS (LONG-TERM)</b>	<b>35,122</b>

Projected land use based upon existing Oakwood development and is consistent with Banning Lewis Ranch Master Plan.

Projected absorption is identical to Colorado Springs Utilities analysis.

Projected development over 30 years consumes approximately 6,400 net acres (7,400 gross acres).

# Economic Impact – Look Forward

## Long-Term Economic Effects

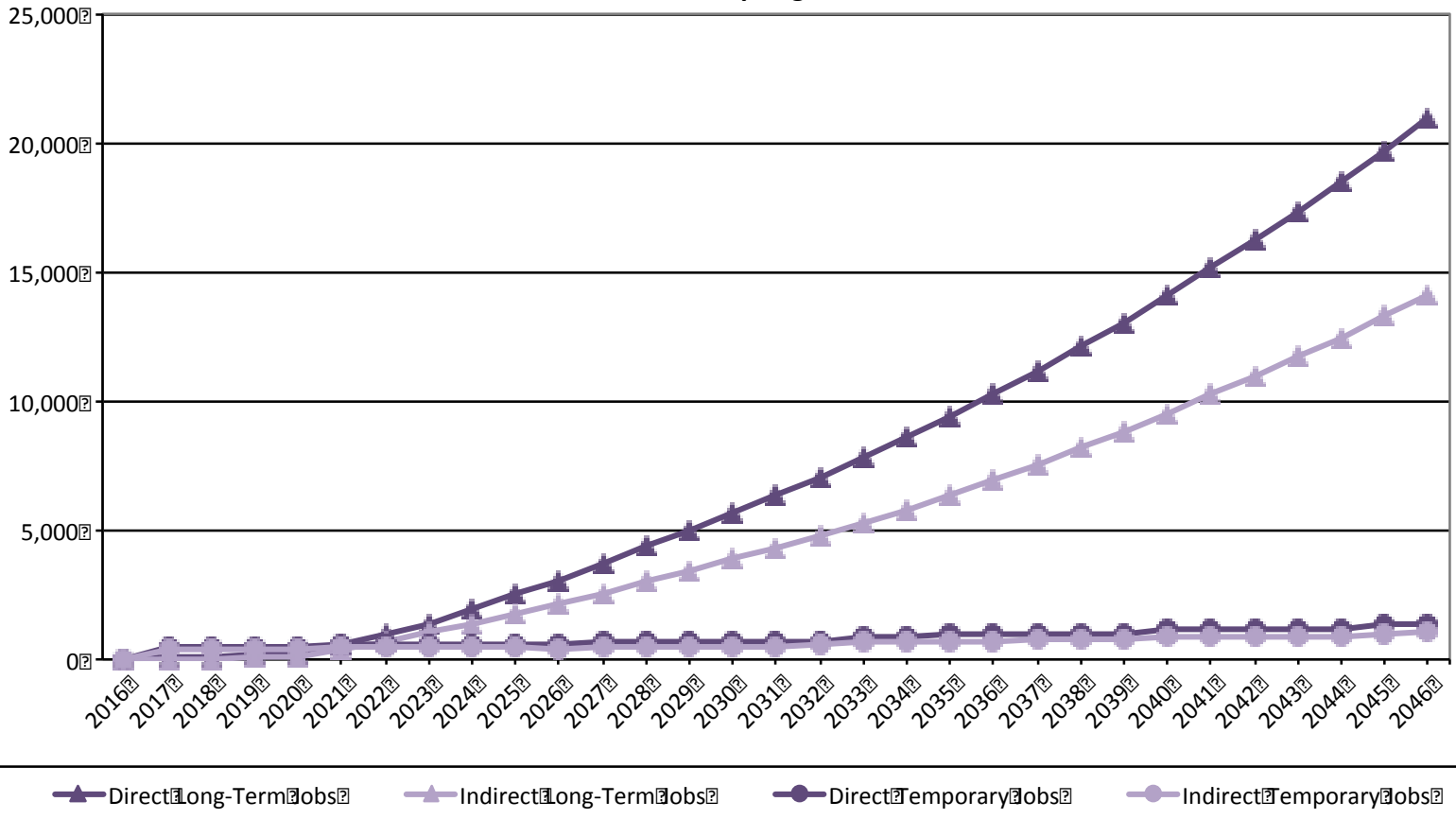
Category	Cumulative	Year 30	Average Annual
Direct Effect Jobs	20,979	20,979	699
Indirect and Induced Effect Jobs	14,143	14,143	471
<b>TOTAL LONG-TERM JOBS CREATED</b>	<b>35,122</b>	<b>35,122</b>	<b>1,170</b>
Direct Effect Labor Income	\$14,440,196,169	\$1,262,898,798	\$481,339,872
Indirect and Induced Effect Labor Income	\$7,102,897,462	\$622,704,439	\$236,763,249
<b>TOTAL LABOR INCOME</b>	<b>\$21,543,093,631</b>	<b>\$1,885,603,237</b>	<b>\$718,103,121</b>
Direct Effect Output	\$24,752,342,839	\$2,174,423,765	\$825,078,095
Indirect and Induced Effect Output	\$16,955,388,790	\$1,486,748,675	\$565,179,626
<b>TOTAL LONG-TERM ECONOMIC IMPACT (Output \$)</b>	<b>\$41,707,731,629</b>	<b>\$3,661,172,439</b>	<b>\$1,390,257,721</b>

## Temporary Economic Effects (Construction)

Category	Cumulative	Year 30	Average Annual
TOTAL DIRECT EFFECT JOBS		1,373	822
TOTAL INDIRECT AND INDUCED EFFECT JOBS		1,039	626
<b>TOTAL TEMPORARY JOBS CREATED</b>		<b>2,412</b>	<b>1,448</b>
<b>TOTAL TEMPORARY ECONOMIC IMPACT (Output \$)</b>	<b>\$5,455,410,251</b>	<b>\$302,873,202</b>	<b>\$181,847,008</b>

# Jobs

**Cumulative Total Jobs at Banning Lewis Ranch  
Look Forward: Long-Term and Temporary Jobs  
Colorado Springs, Colorado**



# 22-Year Summary (Look Back)

	Look Back
<b>TOTAL HOUSING UNITS</b>	<b>7,562</b>
<b>POPULATION</b>	<b>19,814</b>
COMMERCIAL SF	444,083
INDUSTRIAL SF	184,283
OFFICE SF	112,742
<b>TOTAL NONRESIDENTIAL SF</b>	<b>741,107</b>
COMMERCIAL JOBS	888
INDUSTRIAL JOBS	426
OFFICE JOBS	374
DIRECT JOBS (LONG-TERM)	1,688
INDIRECT AND INDUCED JOBS (LONG-TERM)	1,037
<b>TOTAL JOBS (LONG-TERM)</b>	<b>2,725</b>

# Economic Impact – Look Back

## Long-Term Economic Effects

Category	Cumulative	Year 22	Average Annual
Direct Effect Jobs	1,688	1,688	77
Indirect and Induced Effect Jobs	1,037	1,037	47
<b>TOTAL LONG-TERM JOBS CREATED</b>	<b>2,725</b>	<b>2,725</b>	<b>124</b>
Direct Effect Labor Income	\$785,825,757	\$84,749,015	\$35,719,353
Indirect and Induced Effect Labor Income	\$418,446,752	\$44,016,721	\$19,020,307
<b>TOTAL LABOR INCOME</b>	<b>\$1,204,272,510</b>	<b>\$128,765,736</b>	<b>\$54,739,660</b>
Direct Effect Output	\$1,702,127,865	\$167,607,476	\$77,369,448
Indirect and Induced Effect Output	\$1,059,772,613	\$108,144,340	\$48,171,482
<b>TOTAL LONG-TERM ECONOMIC IMPACT (Output \$)</b>	<b>\$2,761,900,478</b>	<b>\$275,751,816</b>	<b>\$125,540,931</b>

## Temporary Economic Effects (Construction)

Category	Cumulative	Year 22	Average Annual
TOTAL DIRECT EFFECT JOBS		668	355
TOTAL INDIRECT AND INDUCED EFFECT JOBS		522	276
<b>TOTAL TEMPORARY JOBS CREATED</b>		<b>1,191</b>	<b>632</b>
<b>TOTAL TEMPORARY ECONOMIC IMPACT (Output \$)</b>	<b>\$1,742,778,423</b>	<b>\$149,432,567</b>	<b>\$79,217,201</b>

## Look Forward: (Cumulative)

- **Housing Units: 22,905**
- **Nonresidential Square Feet: 9.6m**
- **Jobs: 20,979 (direct) & 14,143 (indirect)**
- **Labor Income: \$14.4b (direct) & \$7.1b (indirect)**
- **Output: \$24.8b (direct) & \$17.0b (indirect)**

## Look Back: (Cumulative)

- **Housing Units: 7,562**
- **Nonresidential Square Feet: 741K**
- **Jobs: 1,688 (direct) & 1,037 (indirect)**
- **Labor Income: \$785.8m (direct) & \$418.4m (indirect)**
- **Output: \$1.7b (direct) & \$1.1b (indirect)**