

---

# Speed Zone Redevelopment Project

---

## Economic Impact Analysis

---

**Speedway Redevelopment Commission**

**Speedway, Indiana**

**July 16, 2009**



# Speed Zone Economic Impact Analysis

## Table of Contents

<b>INTRODUCTION</b> .....	<b>3</b>
<i>Speed Zone Redevelopment Project</i> .....	3
<i>Purpose of the Report</i> .....	3
<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
<b>SECTION I – REPORT ON ROAD CONSTRUCTION PROJECT</b> .....	<b>8</b>
<b>SECTION I SUMMARY</b> .....	<b>9</b>
<b>FISCAL AND ECONOMIC IMPACT ANALYSIS – ROAD CONSTRUCTION PROJECT</b> .....	<b>11</b>
<i>Assumptions</i> .....	11
<i>Analysis of Output</i> .....	11
<b>SECTION II – REPORT ON MAIN STREET PROJECT</b> .....	<b>14</b>
<b>SECTION II SUMMARY</b> .....	<b>15</b>
<b>FISCAL AND ECONOMIC IMPACT ANALYSIS – MAIN STREET PROJECT</b> .....	<b>17</b>
<i>Assumptions</i> .....	17
<i>Analysis of Output</i> .....	17
<b>SECTION III – REPORT ON BUSINESS OPERATIONS</b> .....	<b>21</b>
<b>SECTION III SUMMARY</b> .....	<b>22</b>
<b>FISCAL AND ECONOMIC IMPACT ANALYSIS – BUSINESS OPERATIONS</b> .....	<b>24</b>
<i>Assumptions</i> .....	25
<i>Methodology</i> .....	26
<i>Fiscal Impact Results</i> .....	28
<i>Direct Economic Impact</i> .....	30
<i>Indirect and Induced Economic Impact</i> .....	30
<b>APPENDICES</b> .....	<b>33</b>
<b>APPENDIX A – DIRECT, INDIRECT AND INDUCED ECONOMIC IMPACT OF THE ROAD CONSTRUCTION PROJECT</b> .....	<b>34</b>
<b>APPENDIX B – FISCAL IMPACT OF THE ROAD CONSTRUCTION PROJECT</b> .....	<b>35</b>
<b>APPENDIX C – DIRECT, INDIRECT AND INDUCED ECONOMIC IMPACT OF THE MAIN STREET CONSTRUCTION PROJECT</b> .....	<b>36</b>
<b>APPENDIX D – FISCAL IMPACT OF THE MAIN STREET CONSTRUCTION PROJECT</b> .....	<b>37</b>
<b>APPENDIX E – FISCAL IMPACT OF THE PROJECT DURING BUSINESS OPERATIONS</b> .....	<b>38</b>
<b>APPENDIX F – DIRECT ECONOMIC IMPACT OF THE PROJECT DURING BUSINESS OPERATIONS</b> .....	<b>39</b>
<b>APPENDIX G – INDIRECT ECONOMIC IMPACT OF THE PROJECT DURING BUSINESS OPERATIONS</b> .....	<b>40</b>
<b>APPENDIX H – INDUCED ECONOMIC IMPACT OF THE PROJECT DURING BUSINESS OPERATIONS</b> .....	<b>41</b>

## INTRODUCTION

### Speed Zone Redevelopment Project

In 2005, the Speedway Redevelopment Commission (SRC) was established to focus on redeveloping and revitalizing designated areas in the Town of Speedway (“Town”) to improve economic and employment opportunities, and promote an improved quality of life for the residents of the Town.

Goals of the SRC include:

1. A world-class, secure, high-tech environment for the motor sports industry and advance manufacturing.
2. An inviting residential/retail community that ensures a secure and comfortable quality of life for residents.
3. A development that ensures a secure and enjoyable destination for visiting families.
4. A transportation design that is safe, secure, well-marked, and effective in moving and allowing visitors into and out of our community.
5. Promote the entertainment and tourism opportunities as related to the Indianapolis area.

One of the first actions of the SRC was to establish Redevelopment Area #1 and designate it as a tax increment financing (TIF) allocation area to create tax resources which may be used to finance improvements in a 400-acre area generally bounded by Main Street on the west, 16th Street on the north, 10th Street on the south and Olin Avenue on the east. The Commission has named this area “The Speed Zone.” The TIF allocation area was established in February 2006 (resulting in base assessment year of 2005), which produced TIF revenues beginning in 2007. In order to fulfill the purposes first described in the economic development plan which created Redevelopment Area #1, the SRC engaged a professional firm to develop a master plan for the Speed Zone.

The Speed Zone redevelopment (the “Project”) is based upon a master plan prepared by American StructurePoint, Inc. in 2007. The master plan addresses multiple elements of redevelopment in the Speed Zone in an integrated and comprehensive fashion, including transportation, infrastructure and other real property improvement projects in the area.

The SRC has followed a very thorough process of review and public input in creating the master plan and is now in the process of obtaining financing to begin work on the highest priority projects in the Speed Zone.

### Purpose of the Report

Crowe Horwath LLP (“Crowe”) has been engaged by the SRC to analyze certain public and private expenditures related to the development of the Speed Zone within Redevelopment Area #1. Crowe has prepared this Economic Impact Analysis (the “Report”) to analyze the potential fiscal and economic impacts of the Project based upon assumptions provided by the SRC. This Report includes assumptions and results of assumptions on the following:

- 1) Potential fiscal and economic impacts the Project would have on the Indianapolis Metropolitan Statistical (MSA) Area if constructed as proposed; and
- 2) An estimate of the amount of tax revenue generated for the benefit of Federal, State and local units if the Project is constructed and operated as proposed.

This Report is comprised of three (3) sections of analysis. Section I provides an analysis of the impact of road construction activity associated with the realignment of 16<sup>th</sup> Street, and improvements to Main Street, 10<sup>th</sup> Street and Holt Road. This portion of the Project has been designated in this Report as the Road Construction Project.

Section II analyzes the potential fiscal and economic impact of construction of new buildings and facilities, as well as the renovation of several existing buildings and facilities along or in a 400-acre area in the vicinity of Main Street. This portion of the Project has been designated in this Report as the Main Street Project.

Section III analyzes the potential fiscal and economic impacts resulting from business operations operating in the Project area. This portion of the Project has been designated in this Report as the Business Operations.

The appendices at the end of the Report provide detailed information concerning the direct, indirect, and induced economic impacts of the road construction, new and renovated building, and business operations of the Project based on the individual components of each Project area. Also included in the appendices are estimated fiscal (tax) impacts associated with each.

In the course of preparing this Report, Crowe has not conducted an audit of any financial or supplemental data used in the accompanying Tables. We have made certain projections that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

## Executive Summary

### Executive Summary of the Analysis July 16, 2009

The Project includes road construction improvements, construction of new buildings and facilities, and renovation of several existing buildings and facilities along or in the vicinity of Main Street. The analyses contained within this Report are based upon assumptions provided by the SRC and the co-master developers, GreenStreet LTD and Mansur Real Estate Services, from planning of the Project.

#### Fiscal and Economic Impact Analysis

Assuming the Project is constructed as proposed, the Project will have significant fiscal and economic impacts on the Town and the Indianapolis MSA through increased construction spending, increased employment and labor income. Road Construction Project improvements which are analyzed in this Report for their potential economic impact include the following.

- 16th Street
- Main Street
- 10th Street
- Holt Road - South of 10th to 16<sup>th</sup>
- Holt Road - 16th to 30<sup>th</sup>

The total estimated cost of completing the above improvements is \$119.99 million. Preliminary design and engineering of the Road Construction Project has already begun, and assuming funding is available, is expected to be completed by November of 2012.

The Main Street Project consists of approximately 2.5 million square feet of new facilities and renovations of existing facilities, which are analyzed in Section II of this Report, and includes improvements to the following areas.

- West Main Street – Renovation of existing retail and restaurant establishments, renovations of existing car collection facilities, and construction of new mixed-use buildings, for retail, offices and restaurants.
- East Main Street – Renovation of an existing office, new construction of mixed-use buildings containing retail establishments, offices and multi-family residential units, a parking garage, education, research, office space, and a health and wellness facility.
- Motorsports/ Automotive Technology Center – New offices and manufacturing facilities with an emphasis on motor sports and automotive technology.
- North of 16<sup>th</sup> Street – New hotel with an integrated conference center, a new theme restaurant, relocation and expansion of the IMS Hall of Fame Museum and offices related to the IMS Hall of Fame Museum.

The total estimated cost of completing the above improvements is \$263 million. The Main Street Project, assuming funding is available, is expected to begin in 2009, and be completed in 2013.

Business Operations consist of the potential fiscal and economic impacts of businesses operating in the Project area. The analysis of Business Operations supplements the reports in Sections I and II (Road Construction Project and Main Street Project) which address the economic impacts of the road and facility construction portions of the Project.

### **Fiscal Impact**

Fiscal impacts represent the direct, indirect and induced taxes from labor income that the Project may generate for the benefit of Federal, State and local governmental units. If total construction expenditures reach the levels estimated above, the project is estimated to generate over \$7.3 million in taxes from labor income (employee compensation plus proprietor income) during the road construction period and over \$15.9 million in taxes from labor income facilities renovation and construction period once the project is operational, businesses operating in the Project Area are estimated to generate nearly \$83 million over 10 years in State and local tax revenue through sales, FAB, innkeepers, State and local income, and property taxes.

### **Economic Impact**

As proposed, the Road Construction Project is expected to generate significant direct, indirect and induced economic activity. Economic impacts encompass the Project's potential effects on the local economy via new output<sup>1</sup>, employment and labor income. Induced economic impact activity is commonly regarded as the multiplier effect on a region's economy as a result of the direct and indirect investment in construction and revenues received from operations of the Project, and is the result of money re-spent in the region by companies, individuals and households from income received from the Project. Increased spending in the Town and MSA also will result in an increase in employment not directly resulting from the Project, but resulting as a direct consequence of the Project employment, labor income and output.

Highlights of the economic impacts from the Road Construction Project include:

- Up to 1,600 direct, indirect and induced temporary full-time equivalent jobs resulting from professional services, construction management and actual construction during the construction period;
- Approximately \$85 million in direct, indirect and induced labor income (salary, wages, proprietors, etc.);
- Over \$191 million of direct and additional indirect and induced output spread throughout the Town and MSA economy; and
- As much as \$7.3 million in taxes to Federal, State and local units of government.

---

<sup>1</sup> "Output" is a term used by economists to describe economic activity; it is often commonly referred to as the value of domestic production of goods and/or services as a result of money spent on construction or by visitors to the Project.

Highlights of the Main Street Project include:

- Up to 3,600 direct, indirect and induced temporary full-time equivalent jobs resulting from professional services, construction management and actual construction during the construction period;
- Up to \$173 million in direct, indirect and induced labor income (salary, wages, proprietors, etc.);
- Up to \$422 million of direct and additional indirect and induced output spread throughout the Town and MSA economy; and
- Up to \$15.9 million in taxes to Federal, State and local units of government.

Highlights of Business Operations include:

- Up to 3,700 direct, indirect and induced temporary full-time equivalent jobs resulting from the operations of retail, manufacturing, office and service industry businesses in the first full year of operations;
- Up to \$94 million in direct, indirect and induced labor income (salary, wages, proprietors, etc.);
- Excluding manufacturing and office operations<sup>2</sup> up to \$56 million of direct and additional indirect and induced output spread throughout the Town and MSA economy; and
- Approximately \$8 million annually in various State and local taxes generated.

In sum, the Project could have a significant impact over the next several years in the MSA through job creation – as many as 5,200 direct, indirect and induced temporary jobs during the construction period of the Road Construction Project and Main Street Project. And as many as 3,700 new direct, indirect and induced jobs resulting from full operations of all new businesses in the Speed Zone redevelopment area.

In preparing this analysis, Crowe has utilized the assumptions provided by the SRC and from independent sources deemed to be reliable.

**Although fiscal and economic impacts will be realized in areas beyond the MSA, the above impacts are estimated just for the MSA alone.**

**Project Contacts:** Questions about this Executive Summary may be directed to Tom Guevara at Crowe, phone: 317-269-6694 or e-mail to [tom.guevara@crowehorwath.com](mailto:tom.guevara@crowehorwath.com).

---

<sup>2</sup> Output for manufacturing and office operations can only be very generally estimated due to lack of information concerning specific types of office and manufacturing operations that may operate in the Project. An estimate of the minimum output required to create the estimated number of jobs for these categories of operations is given in Section III.

# SECTION I - REPORT ON ROAD CONSTRUCTION PROJECT

## Section I Summary

### Section I Summary of the Analysis

#### Fiscal and Economic Impact Analysis

The analysis contained within this Section of the Report covers only the Road Construction Project. Road improvements which are analyzed in this Report for their potential economic impact include the following.

- 16th Street
- Main Street
- 10th Street
- Holt Road - South of 10th to 16<sup>th</sup>
- Holt Road - 16th to 30<sup>th</sup>

The total estimated cost of completing the above improvements is \$119.99 million. The Road Construction Project has already commenced, beginning with preliminary design and engineering of the proposed improvements, and assuming funding for construction is available is expected to be completed by November of 2012.

#### Fiscal Impact

Fiscal impacts represent the direct, indirect and induced taxes from labor income that the Project may generate for the benefit of Federal, State and local governmental units. If total construction expenditures reach the levels estimated above, the project is estimated to generate over \$7.3 million in taxes from labor income (employee compensation plus proprietor income).

#### Economic Impact

As proposed, the road construction portion of the Project is expected to generate the following direct, indirect and induced economic activity. Economic impacts encompass the Project's potential effects on the local economy via new output, employment and labor income. Induced economic impact activity is commonly regarded as the multiplier effect on a region's economy as a result of the direct and indirect investment in construction and revenues received from operations of the Project, and is the result of money re-spent in the region by companies, individuals and households from income received from the Project. Increased spending in the Town and MSA also will result in an increase in employment not directly resulting from the Project, but resulting as a direct consequence of the Project employment, labor income and output.

Highlights of the economic impacts from the Road Construction Project include:

- Up to 1,012 direct temporary full-time equivalent jobs resulting from professional services, construction management and actual construction;

- 595 additional indirect and induced jobs during the construction period;
- Nearly \$55.6 million in direct labor income (salary, wages, proprietors, etc.); and
- \$68 million of additional indirect and induced output spread throughout the Town and MSA economy.

Appendix A contains detailed information on direct, indirect and induced impacts on output, employment and labor income by type of cost, i.e., construction or professional services.

Appendix B contains detailed information on direct, indirect and induced income taxes to Federal, State and local units as a result of output from construction and professional services. The Fiscal and Economic Impact Analysis of this section contains a brief discussion on income taxes and a general approximation of the breakdown of potential tax revenue between Federal and local units.

In preparing this analysis, Crowe has utilized the assumptions provided by the SRC and from independent sources deemed to be reliable.

## Fiscal and Economic Impact Analysis – Road Construction Project

The assumptions disclosed in this section of the Report are believed to be significant to this fiscal and economic impact analysis. Differences may exist between the assumptions provided below and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The assumptions were based on estimated operational data and construction costs provided by the SRC and data believed by Crowe to be reliable.

### Assumptions

This analysis includes revenue assumptions related to:

- Estimated costs of construction;
- Price indexes used to deflate cost estimates to constant 2007 dollars;
- Estimated proportion of costs attributable to construction output and those attributable to professional services output;
- All final demand purchases are made within the nine county Indianapolis Metropolitan Statistical Area (MSA); and
- Employment and employees are drawn from the same MSA.

### Analysis of Output

The economic and fiscal impact of the proposed Road Construction projects is based upon estimated costs of construction provided by the SRC. These costs are presented below in Table A.

Table A  
Estimated Costs of Road Construction

<u>Component</u>	<u>Total Outlay</u>
16th Street	\$ 49,250,000
Main Street	14,215,000
10th Street	13,375,000
Holt Road - South of 10th to 16th	15,950,000
Holt Road - 16th to 30th	27,200,000
Total	<u>\$ 119,990,000</u>

Of the amounts estimated for each component above, 20% of the cost is assumed to be attributed to professional services, such as architectural, engineering and construction inspection, while the remaining 80% is assumed to be actual construction and, where required, utility relocation costs.

The following IMPLAN<sup>®3</sup> industry multipliers were used for each construction component. Indirect and induced output for each component was derived using the IMPLAN<sup>®</sup> multipliers for Indirect and Induced Output. The estimated Direct Output is multiplied by the appropriate indirect or induced effect multiplier for each component of the Project. The multipliers provided by IMPLAN<sup>®</sup> are customized to the estimated changes in final demand for inputs and outputs for the Road Construction Project.

- “Construction and other nonresidential structures”
- “Architectural-engineering- and related services”

The multipliers provided by IMPLAN<sup>®</sup> are based on 2007 prices, whereas the construction cost estimates are assumed to be in 2008 prices; therefore, in order to produce consistent estimates of the employment impact from the Road Construction Project, it is necessary to deflate the construction costs to 2007 dollars before calculating the employment effect. In order to deflate the 2008 prices, two price indexes were chosen from the Bureau of Economic Analysis National Income and Product Accounts data sets.

For the road construction costs, the Underlying Price Indexes for Private Fixed Investment in Structures by Type, Other Structures, Other was chosen. Although subject to larger estimation errors than more general prices indices, this price index includes water supply, sewage and waste disposal, public safety, highway and street, and conservation and development investment prices.

For the professional services costs, prices were deflated using Implicit Price Deflators for Gross Domestic Product, Personal Consumption Expenditures, and Services.

Deflated Road Construction Costs are presented in Table B, below.

Table B  
Estimated Costs of Road Construction  
Deflated to 2007 Dollars

<u>Component</u>	
16th Street	\$ 46,619,419
Main Street	13,455,736
10th Street	12,660,603
Holt Road - South of 10th to 16th	15,098,066
Holt Road - 16th to 30th	<u>25,747,171</u>
Total	<u><u>\$ 113,580,995</u></u>

Although costs have been deflated to 2007 dollars for purposes of estimating employment impacts, the resulting indirect and induced impacts for output and labor income have been re-inflated to 2009 (“current dollars”) as these impacts are would be realized in nominal current dollars regardless of the actual date of completion of the construction project due to inflationary effects on current prices.

---

<sup>3</sup> Purchased from Minnesota IMPLAN Group.

Given the timing of estimated costs provided by the SRC and date of this analysis no distinction is currently made between 2008 prices and 2009 dollars presented in the results below.

Table C below presents the estimated Direct, Indirect and Induced Impacts of the Road Construction Project in both 2007 dollars and 2009 dollars.

Table C  
Estimated Total Impact on Output, Employment and Labor Income  
of Road Construction in both 2007 and 2009 Dollars

	16th Street	Main Street	10th Street	Holt Road - South of 10th to 16th	Holt Road - 16th to 30th	Total
<u>Total (In 2007 Dollars)</u>						
Output	\$ 74,533,885	\$ 21,512,672	\$ 20,241,435	\$ 24,138,386	\$ 41,163,891	\$181,590,269
Employment (Number of Jobs)	659	191	179	214	364	1,607
Labor Income	\$ 33,036,011	\$ 9,535,166	\$ 8,971,709	\$ 10,698,973	\$ 18,245,270	\$ 80,487,129
<u>Total (In 2009 Dollars)</u>						
Output	\$ 78,710,719	\$ 22,718,230	\$ 21,375,753	\$ 25,491,087	\$ 43,470,691	\$191,766,480
Employment (Number of Jobs)	659	191	179	214	364	1,607
Labor Income	\$ 34,856,604	\$ 10,060,643	\$ 9,466,134	\$ 11,288,586	\$ 19,250,755	\$ 84,922,722

Taxes generated for the benefit of Federal, State and local units are based upon IMPLAN value-added tables for the MSA. These tables provide multipliers that estimate taxes based upon the estimated distribution of labor income at the State and county levels. Although insufficient data is available to measure more precise it is likely, based on Federal income tax return data for filers in the \$50,000 to \$100,000 income tax brackets that effective tax rates will range from 7.5% to about 10% before any tax credits. For Indiana income tax filers, county and local income taxes are filed on the same form using Federal adjusted gross income as the starting point. For tax filers in the same \$50,000 to \$100,000 range the effective tax rate will be approximately 90% of the Indiana marginal tax rate (3.4%) and local unit rate (varying from 1% to 1.62%). A reasonable approximation of the distribution of taxes would be about 40% to State and local units.

Table D presents the estimated income taxes from labor income that may be produced by the Road Construction Project.

Table D  
Estimated Total Direct, Indirect and Induced Taxes from Labor Income

	16th Street	Main Street	10th Street	Holt Road - South of 10th to 16th	Holt Road - 16th to 30th	Total
<u>Total All (2009 Dollars)</u>						
Taxes	\$ 3,016,932	\$ 870,776	\$ 819,319	\$ 977,057	\$ 1,666,204	\$ 7,350,288

## SECTION II - REPORT ON MAIN STREET PROJECT

## Section II Summary

### Section II Summary of the Analysis

#### Fiscal and Economic Impact Analysis

The analysis contained within this Section of the Report covers only the construction of new facilities and renovation of existing facilities. Construction and renovations analyzed in this Report for their potential economic impact include the following.

- West Main Street – Renovation of existing retail and restaurant establishments, renovations of existing car collection facilities, and construction of new mixed-use buildings for retail, offices and restaurants.
- East Main Street – Renovation of an existing office, new construction of mixed-use buildings containing retail establishments, offices and multi-family residential units, a parking garage, education, research, office space, and a health and wellness facility.
- Motorsports/ Automotive Technology Center – New offices and manufacturing facilities with an emphasis on motor sports and automotive technology.
- North of 16<sup>th</sup> Street – New hotel with an integrated conference center, a new theme restaurant, relocation and expansion of the IMS Hall of Fame Museum and offices related to the IMS Hall of Fame Museum.

The total estimated cost of completing the above improvements is \$263 million. The renovations and construction of the Main Street Project is expected to begin in 2009 and be completed in 2013.

#### Fiscal Impact

Fiscal impacts represent the direct, indirect and induced taxes from labor income that the Project may generate for the benefit of Federal, State and local governmental units. If total construction expenditures reach the levels estimated above, the project is estimated to generate over \$15.9 million in taxes from labor income (employee compensation plus proprietor income).

#### Economic Impact

As proposed, the Main Street construction portion of the Project is expected to generate the following direct, indirect and induced economic activity.

Highlights of the economic impacts from the Main Street Project include:

- Up to 2,234 direct temporary full-time equivalent jobs resulting from professional services, construction management and actual construction.

- 1,326 additional indirect and induced jobs during the construction period.
- Approximately \$112.2 million in direct labor income (salary, wages, proprietors' income, etc.).
- \$151.3 million of additional indirect and induced output spread throughout the Town and MSA economy.

Appendix C contains detailed information on direct, indirect and induced impacts on output, employment and labor income by type of cost, i.e., construction or professional services.

Appendix D contains detailed information on direct, indirect and induced income taxes to Federal, State and local units as a result of output from construction and professional services. The Fiscal and Economic Impact Analysis section of the report contains a brief discussion on income taxes and a general approximation of the breakdown of potential tax revenue between Federal and local units.

In preparing this analysis Crowe has utilized the assumptions provided by the SRC and from independent sources deemed to be reliable.

## Fiscal and Economic Impact Analysis – Main Street Project

The assumptions disclosed in this section of the Report are believed to be significant to this fiscal and economic impact analysis. Differences may exist between the assumptions provided below and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The assumptions were based on estimated construction cost data provided by the SRC and the co-master developer, GreenStreet LTD, and data believed by Crowe to be reliable.

### Assumptions

This analysis includes revenue assumptions related to:

- Estimated costs of construction and renovations;
- Price indexes used to deflate cost estimates to constant 2007 dollars;
- Estimated proportion of costs attributable to construction output and those attributable to professional services output;
- All final demand purchases are made within the nine county Indianapolis Metropolitan Statistical Area (MSA); and
- Employment and employees are drawn from the same MSA.

### Analysis of Output

The economic and fiscal impact of the proposed Main Street Project is based on estimated costs of construction and renovations provided by GreenStreet LTD and Mansur Real Estate Services. These costs are presented below in Table E and represent the Direct Output of the Main Street Project.

Table E  
Estimated Costs of Construction and Renovations

	<u>Component</u>	<u>Total Outlay</u>
Retail		\$ 28,502,475
Restaurant		5,977,500
Office/ Manufacturing		144,506,825
Residential		6,775,000
Museum/ Entertainment		33,759,625
Hotel		28,100,000
Parking		16,035,000
Total		<u>\$ 263,656,425</u>

Of the amounts estimated for each component above, approximately 20% of the cost is assumed to be attributed to professional services, such as architectural, engineering and construction inspection, while the remaining 80% is assumed to be actual construction. The proportion of service-related costs and actual construction costs varies slightly for each type of project component.

The following IMPLAN® industry multipliers were used for each construction component. Indirect and induced output for each component was derived using the IMPLAN® multipliers for Indirect and Induced Output. The estimated Direct Output is multiplied by the appropriate indirect or induced effect multiplier for each component of the Project. The multipliers provided by IMPLAN® are customized to the estimated changes in final demand for inputs and outputs for the Main Street Project.

- “Construction and other nonresidential structures”
- “Architectural-engineering- and related services”

The multipliers provided by IMPLAN® are based on 2007 prices, whereas the construction cost estimates are assumed to be in 2008 prices; therefore, in order to produce consistent estimates of the employment impact from the Main Street Project, it is necessary to deflate the construction costs to 2007 dollars before calculating the employment effect. In order to deflate the 2008 prices, two price indexes were chosen from the Bureau of Economic Analysis National Income and Product Accounts data sets.

For the construction costs, the Underlying Price Indexes for Private Fixed Investment in Structures by Type, an average of price indexes for Office, Multimerchandise Retail, Food and Beverage Establishments, and Manufacturing were used.

For the professional services costs, prices were deflated using Implicit Price Deflators for Gross Domestic Product, Personal Consumption Expenditures and Services.

Deflated Construction Costs (and Direct Output) are presented in Table F, below.

Table F  
Estimated Costs of Construction and Renovations  
Deflated to 2007 Dollars

<u>Component</u>	<u>Total Outlay</u>
Retail	\$ 27,268,894
Restaurant	5,718,983
Office/Manufacturing	138,225,488
Residential	6,478,942
Museum/Entertainment	32,296,177
Hotel	26,872,280
Parking	15,334,294
Total	<u>\$ 252,195,058</u>

Although costs have been deflated to 2007 dollars for purposes of estimating employment impacts, the resulting indirect and induced impacts for output and labor income have been re-inflated to 2009 (“current dollars”) as these impacts would be realized in nominal current dollars regardless of the actual date of completion of the construction project due to inflationary effects on current prices.

Given the timing of estimated costs provided by the SRC and the master developer and the date of this analysis, no distinction is currently made between 2008 prices and 2009 dollars presented in the results below.

Table G below presents the estimated combined Direct, Indirect and Induced Impacts of the Main Street Project in both 2007 dollars and 2009 dollars.

**Table G**  
Estimated Total Impact on Output, Employment and Labor Income  
of Construction and Renovations in both 2007 and 2009 Dollars

	Retail	Restaurant	Office/ Manufacturing	Residential	Museum/ Entertainment	Hotel	Parking	Total
<u>Total (In 2007 Dollars)</u>								
Output	\$ 43,649,419	\$ 9,155,316	\$ 221,124,897	\$ 10,371,013	\$ 51,685,126	\$ 42,957,794	\$ 24,512,687	\$ 403,456,252
Employment (Number of Jobs)	388	81	1,960	76	457	381	217	3,560
Labor Income	\$ 18,038,995	\$ 3,785,186	\$ 91,157,129	\$ 3,436,532	\$ 21,340,319	\$ 17,656,329	\$ 10,074,105	\$ 165,488,595
<u>Total (In 2009 Dollars)</u>								
Output	\$ 45,612,823	\$ 9,566,810	\$ 231,118,341	\$ 10,842,504	\$ 54,014,038	\$ 44,910,116	\$ 25,626,932	\$ 421,691,564
Employment (Number of Jobs)	388	81	1,960	76	457	381	217	3,560
Labor Income	\$ 18,831,314	\$ 3,951,290	\$ 95,182,853	\$ 3,584,567	\$ 22,279,526	\$ 18,441,164	\$ 10,522,001	\$ 172,792,715

Taxes generated for the benefit of Federal, State and local units are based upon IMPLAN value-added tables for the MSA. These tables provide multipliers that estimate taxes based upon the estimated distribution of labor income at the State and county levels. Although insufficient data is available to measure more precisely it is likely, based on Federal income tax return data for filers in the \$50,000 to \$100,000 income tax brackets that effective tax rates will range from 7.5% to about 10% before any tax credits. For Indiana income tax filers, county and local income taxes are filed on the same form using Federal adjusted gross income as the starting point. For tax filers in the same \$50,000 to \$100,000 range the effective tax rate will be approximately 90% of the Indiana marginal tax rate (3.4%) and local unit rate (varying from 1% to 1.65%). A reasonable approximation of the distribution of taxes would be about 40% to State and local units.

Table H presents the estimated income taxes from labor income that may be produced by the Main Street Project.

**Table H**  
Estimated Total Direct, Indirect and Induced Taxes from Labor Income

	Retail	Restaurant	Office/ Manufacturing	Residential	Museum/ Entertainment	Hotel	Parking	Total
<u>Total All (2009 Dollars)</u>								
Taxes	\$ 1,701,996	\$ 356,250	\$ 8,729,022	\$ 415,020	\$ 2,024,540	\$ 1,720,570	\$ 982,264	\$ 15,929,662

A more detailed analysis of the Direct, Indirect and Induced Output, Employment and Labor Income can be found in Appendix C. A detailed analysis of Direct, Indirect and Induced Taxes to Federal, State and Local Units from Labor Income can be found in Appendix D.

## SECTION III – REPORT ON BUSINESS OPERATIONS

## Section III Summary

### Section III Summary of the Analysis

#### Fiscal and Economic Impact Analysis

Assuming the Project is constructed as proposed, the Project will have significant fiscal and economic impacts on the Town and the Indianapolis MSA through increased consumer spending, increased employment and labor income. The analysis contained within this Section covers only the business operations associated with the construction of new facilities and renovation of existing facilities in the Project area. The potential economic impact from business operations include business resulting from the following improvements made in the Area, most, but not all, of which are contained in the Main Street Project Area discussed in Section II as described below.

- West Main Street – Renovation of existing retail and restaurant establishments and construction of a new mixed-use building for offices and restaurants.
- East Main Street – Renovation of an existing office, new construction of mixed-use buildings containing retail establishments, offices and multi-family residential units, a parking garage, office spaces, and a health and wellness facility.
- Motor Sports/ Automotive Technology Center – New offices and manufacturing facilities with an emphasis on motor sports.
- North of 16<sup>th</sup> Street – New hotel with an integrated conference center, a new theme restaurant, relocation and expansion of the Hall of Fame Museum and offices related to the Hall of Fame Museum.

Fiscal and economic impacts have been estimated for new businesses, employees and labor income only. Current sales and employment in the Project area is unavailable, and incremental employment, output or labor income could not be estimated for renovated buildings or establishments currently in the Town or MSA but expected to relocate to the Project area such as the Hall of Fame Museum.

Assuming construction in the Project area is completed in 2013, the first full year of operations in 2014. The results of our analyses of business operations present impacts for the first ten (10) years of full business operations, regardless of the actual year in which this occurs.

#### Fiscal Impact

Fiscal impacts represent the direct, indirect and induced taxes from sales, labor income and property taxes that the Project may generate for the benefit of State and local governmental units. If the Project is constructed as proposed and businesses operate in the Project area as proposed, and consumer expenditures reach the levels estimated, the Project is estimated to generate over \$5.3 million in taxes from State sales tax, Marion County Food and Beverage Tax, Marion County Innkeepers Tax, State Income Tax (personal), County Income tax and local property tax in the first year of operations. During the first ten years of operations, the Project is estimated to have a fiscal impact of nearly \$86 million.

## Economic Impact

As proposed, business operations in the Project area are expected to generate the following direct, indirect and induced economic activity. Economic impacts encompass the Project's potential effects on the local economy via new output<sup>1</sup>, employment and labor income. Induced economic impact activity is commonly regarded as the multiplier effect on a region's economy as a result of the direct and indirect investment in construction and revenues received from operations of the Project, and is the result of money re-spent in the region by companies, individuals and households from income received from the Project. Increased spending in the Town and MSA also will result in an increase in employment not directly resulting from the Project, but resulting as a direct consequence of the Project employment, labor income and output.

Highlights of the economic impacts from the Project in its first full year of operations include:

- Up to 2,049 direct full-time equivalent jobs resulting from new jobs at new retail establishments, restaurants, office, manufacturing facilities and hotel;
- 1,609 additional indirect and induced jobs during the construction period;
- Approximately \$56.2 million in direct labor income (salary, wages, proprietors' income, etc.); and
- \$19.9 million of additional indirect and induced output spread throughout the Town and MSA economy.

Highlights of the economic impacts from the Project in its first ten years of operations include:

- Up to 2,259 direct full-time equivalent jobs resulting from new jobs at new retail establishments, restaurants, office, manufacturing facilities and hotel;
- 1,663 additional indirect and induced jobs during the construction period;
- Approximately \$644.7 million in direct labor income (salary, wages, proprietors' income, etc.); and
- \$227.7 million of additional indirect and induced output spread throughout the Town and MSA economy.

Appendices F through H contain detailed information on direct, indirect and induced impacts on output, employment and labor income by type of establishment, i.e. restaurant, retail establishments, offices, manufacturing facilities and hotel.

Appendix E contains detailed information on sales, income and property taxes to State and local units as a result of output from the Project. The Fiscal and Economic Impact Analysis section of the Report contains a brief discussion on income taxes.

In preparing this analysis, Crowe has utilized the assumptions provided by the SRC, GreenStreet LTD, Mansur Real Estate Services and from independent sources deemed to be reliable.

## Fiscal and Economic Impact Analysis – Business Operations

If business operations achieve the direct output levels estimated, the Project will have significant fiscal and economic impacts on the Town and MSA. Fiscal impacts represent the direct taxes the project may generate for the benefit of Federal, State and local governmental units. Economic impacts, including direct, indirect and induced, encompass the Project's potential effects on the local economy via new employment, labor income and output.

This section of the Report summarizes potential impacts the Project may have on State and local governmental units through tax revenues. It also examines the related direct, indirect and induced economic impacts of the Project on the Indianapolis MSA. It is important to note that, for purposes of this section of the Report, we are only calculating the incremental output, employment and labor income. We have assumed that all new buildings in the Project will be occupied by establishments that are new to the Town and MSA. If an establishment is relocating from another part of the Town or MSA, the output, employment and labor income generated at that establishment would not be incremental (new). For example, the current Project plan proposes to build a new facility for an existing manufacturer, which is currently located in the Town, while a new manufacturer is proposed to take over the existing facility. The relocated manufacturer has not been included in the analysis for this Report, but the new manufacturer expected to locate to the existing facility has been included. In addition, due to lack of data regarding current sales and employment at existing establishments that will be renovated during the Project, incremental output, employment and labor income has not been calculated for the establishments located in the renovated buildings.

For purposes of calculating the economic and fiscal impacts of the Project, Project components have been grouped into the following categories.

- Retail – New retail establishments.
- Restaurant – New restaurants including one by the proposed hotel.
- Office – New office space, including the facilities with a combination of offices and garages for motor sports teams.
- Manufacturing – New manufacturing plant proposed to relocate to an existing facility.
- Museum/Entertainment – Relocation of the IMS Hall of Fame Museum and new complementary museums.
- Hotel – New all-suite hotel and conference center.
- Residential – New multi-family residential development.

Because the Hall of Fame Museum already exists, and the residential component will not generate output or new employment, the Museum/Entertainment and Residential Project components are expected to have fiscal impacts only. Using the assumptions provided below, the Museum/Entertainment and Residential Project components are not anticipated to have any new economic impacts.

## Assumptions

The assumptions disclosed in this section of the Report are believed to be significant to this fiscal and economic impact analysis. Differences may exist between the assumptions provided below and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The assumptions were based on estimated construction cost data provided by the SRC, GreenStreet LTD, Mansur Real Estate Services and data believed by Crowe to be reliable.

The following assumptions underlie this fiscal and economic impact analysis.

- It is assumed that all Project components will be completed in 2013, with the first full year of operations in 2014.
- For the fiscal analysis, impact is based on the following tax rates in effect as of January 1, 2009. State sales tax calculations also account for the .3% processing allowance to businesses.

<u>Tax</u>	<u>Tax Rate</u>
Indiana State Sales Tax Impact	0.0700
Indiana State Income Tax - personal	0.0340
Indiana State Income Tax - Corporate	0.0850
County Income Tax	0.0165
Marion County Food and Beverage	0.0200
Marion County Innkeepers Tax	0.0800
Speedway-Wayne Twp Net Tax Rate (*)	1.9100

\*Estimated per \$100 of Net Assessed Value.

- Corporate income taxes have not been included.
- This analysis does not account for the significant fiscal or economic impact of existing businesses within the Speed Zone, including Allison Transmission, Praxair Surface Technologies, Zipp Speed Weaponry, the Indianapolis Motor Speedway and the Indy Racing League, which collectively employ approximately 4,000 people.
- Sales and employment for the establishments that will be renovated or expanded during the Project are currently unavailable, and these project components have been excluded from the economic impact portion of this analysis. The renovation or expansion of certain components are expected to generate incremental property tax revenue and are included in the fiscal impact portion of this analysis.
- All final demand purchases are made within the nine county Indianapolis Metropolitan Statistical Area (MSA).
- Employment and employees are drawn from the same MSA.
- An assumption of 3% annual inflation has been made for all sales and labor income.
- The businesses in the Project area will be operating at full capacity beginning in 2014 (i.e., no vacancies).

- The following IMPLAN industry multipliers were used for each project component. Note that, for each component, a general category multiplier was used because specific information regarding tenants is not available.
  - Retail – “Retail Stores – General Merchandise”
  - Restaurant – “Food Services and Drinking Places”
  - Office – “Office – Administrative Services”
  - Manufacturing – “Other General Purpose Machinery Manufacturing”
  - Museum/Entertainment – “Museums – Historical Sites – Zoos – Parks”
  - Hotel – “Hotels and Motels – Including Casino Hotels”

## Methodology

### Fiscal Impact

The following methodology applies to the fiscal impact analysis contained in this Operations Report.

#### *State Sales Tax*

The Indiana Sales Tax is applied to taxable retail sales at a rate of 7%. A retailer with more than \$600,000 in annual sales that collects sales tax is entitled to retain .3% of the tax collected as compensation for collection and remittance costs. It has been assumed that all retailers in the Project will have more than \$600,000 in annual sales. (Although the percent of retainage will be greater at lower levels of sales, it is assumed that all retail businesses operating in the Project area will have net taxable sales at least at this level.)

For the purposes of this Report, taxable sales (output) were estimated using external data sources including Biz Stats® and Smith Travel Research. State sales tax is expected to be collected at the retail, restaurant and hotel components of the Project.

#### *Income Tax (State and County)*

Generally, Indiana Income Tax is applied at a rate of 3.4% on the adjusted gross income of a taxpayer that is earned in the State after all exemptions and deductions (“taxable income”), but before credits are applied. In addition, the Marion County Income Tax Council has applied a County Option Income Tax at a rate of 1.0%, a Property Tax Relief Local Option Income Tax (LOIT) at a rate of .3% and a Public Safety LOIT at a rate of .35%, for a total County income tax rate of 1.65%.

Indiana taxable income is based on Federal adjusted gross income (AGI) reported on the taxpayer’s Federal income tax return. Indiana AGI is determined by making certain adjustments to the Federal AGI (e.g., renter’s deduction). After Indiana AGI is established, the taxpayer may further reduce income subject to taxes by deducting items such as the personal exemption amount and personal deductions. The result is taxable income, to which State and local income tax rates are applied.

For the purposes of this report, AGI data from the Indiana Department of Revenue was used to estimate taxable income. Personal Income tax is anticipated to be collected from individuals employed at all Project components.

## *Property Tax*

Property Tax is applied on owners of real property and certain types of personal property. Land owned by the government and not-for-profit corporations is exempt from taxation if used for governmental or not-for-profit purposes. The estimated rate of taxation for the Town of Speedway - Wayne Township taxing district, where the Project will be located, is \$1.91 per \$100 of net assessed value. The estimated property tax rate is based on the most recently certified tax rate for district (pay 2007) less rates for funds that will be removed from local government budgets and assumed by the State beginning in 2009. The property tax is applied to the estimated incremental net assessed valuation of the Project components.

## **Direct Economic Impact**

The following methodology applies to the direct impact analysis contained in this section of the Report.

### **Output**

Estimated output data is based on the following data sources:

- Retail and Restaurant: Sales per square foot data from Biz Stats®.
- Hotel: Smith Travel Research HOST Report

### **Employment**

Estimated employment data are based on the following data sources:

- Hotel, Retail and Restaurant: Derived from IMPLAN multiplier data, through the following formula:  $(\text{Direct Output}/1,000,000) * \text{IMPLAN Direct Employment Multiplier}$
- Manufacturing and Office: Employees per square foot data from the U.S. Energy Information Administration

### **Labor Income**

- Hotel, Retail and Restaurant: Derived from IMPLAN multiplier data, through the following formula:  $\text{Direct Output} * \text{IMPLAN Direct Labor Income Multiplier}$
- Manufacturing and Office: Based on U.S. Department of Labor, Bureau of Labor Statistics covered employment wage data.

## **Indirect Economic Impact**

The following methodology applies to the indirect impact analysis contained in this Operations Report.

### **Output**

Indirect output for each component was derived using the IMPLAN multipliers and the following formula:

- $(\text{Direct Output} * \text{IMPLAN Type I Output Multiplier}) - \text{Direct Output}$

The IMPLAN Direct Output multiplier indicates the change in output that results from a \$1 change in the final demand.

### Employment

Employment figures for all Project components are based on the following calculation:

- $(\text{Direct Employment} * \text{IMPLAN Type I Employment Multiplier}) - \text{Direct Employment}$

### Labor Income

Labor income figures are based on the following calculation:

- $(\text{Direct Labor Income} * \text{IMPLAN Type Labor Income Multiplier}) - \text{Direct Labor Income}$

### Induced Economic Impact

The following methodology applies to the induced impact analysis contained in this Operations Report.

### Output

Induced output for each component was derived using the IMPLAN multipliers and the following formula:

- $(\text{Direct Output} * \text{IMPLAN Type SAM Output Multiplier}) - \text{Direct Output} - \text{Indirect Output}$

The IMPLAN Direct Output multiplier indicates the change in output that results from a \$1 change in the final demand.

### Employment

Employment figures are based on the following calculation:

- $(\text{Direct Employment} * \text{IMPLAN Type SAM Employment Multiplier}) - \text{Direct Employment} - \text{Indirect Employment}$

### Labor Income

Labor income figures are based on the following calculation:

- $(\text{Direct Labor Income} * \text{IMPLAN Type SAM Labor Income Multiplier}) - \text{Direct Labor Income} - \text{Indirect Labor Income}$

### Fiscal Impact Results

As illustrated in Table I, the Project offers an opportunity for the collection of revenue from a variety of tax revenue streams. The table illustrates the sources of tax revenue from each Project component.

**Table I: Tax Revenue Sources**

	Retail	Restaurant	Office	Manufacturing	Museum/ Entertainment	Hotel
State Sales Tax	Yes	Yes	No	No	No	Yes
State Income Tax (Personal)	Yes	Yes	Yes	Yes	Yes	Yes
County Food and Beverage Tax	No	Yes	No	No	No	No
County Innkeepers Tax	No	No	No	No	No	Yes
County Income Tax	Yes	Yes	Yes	Yes	Yes	Yes
Property Tax	Yes	Yes	Yes	Yes	Yes	Yes

The tax impact in 2014, the first full year the project components are anticipated to be operational, is estimated to be over \$5 million in new tax revenue for State and local governmental units. Table J illustrates the breakdown of the tax impact by component in the project's first operational year.

**Table J: Estimated Fiscal Impacts in Year 1 of Operations (2014)**

	Retail	Restaurant	Office	Manufacturing	Museum/ Entertainment	Residential	Hotel	Total
State Sales Tax	\$ 1,910,913	\$ 325,958	\$ -	\$ -	\$ -	\$ -	\$ 264,515	\$ 2,501,386
Marion County Food and Beverage	-	93,411	-	-	-	-	-	93,411
Marion County Inkeepers Tax	-	-	-	-	-	-	303,213	303,213
State Income Tax - Personal	322,897	40,207	841,615	238,113	-	-	33,566	1,476,398
County Income Tax	156,700	19,512	408,431	115,555	-	-	16,290	716,488
Property Tax (*)	-	-	-	-	-	-	-	-
Totals	<u>\$ 2,390,510</u>	<u>\$ 479,088</u>	<u>\$ 1,250,046</u>	<u>\$ 353,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 617,584</u>	<u>\$ 5,090,896</u>

\* Property in the development will be assessed for the first time in March 2012, with taxes payable in 2013.

Over a ten-year period, State and local government units may see a tax impact of nearly \$83 million through the development of the Project. Table K depicts the 10-year projected revenue by project component from each of the tax streams. Annual projections of the tax streams by component are included in Appendix E.

**Table K: Estimated Fiscal Impacts - 10 Year Summary (2014 - 2023)**

	Retail	Restaurant	Office	Manufacturing	Museum/ Entertainment	Residential	Hotel	Total
State Sales Tax	\$ 21,906,475	\$ 3,736,740	\$ -	\$ -	\$ -	\$ -	\$ 3,032,370	\$ 28,675,585
Marion County Food and Beverage	-	1,070,853	-	-	-	-	-	1,070,853
Marion County Inkeepers Tax	-	-	-	-	-	-	3,475,995	3,475,995
State Income Tax - Personal	3,701,654	460,927	9,648,171	2,729,702	-	-	384,800	16,925,254
County Income Tax	1,796,389	223,687	4,682,201	1,324,709	-	-	186,742	8,213,728
Property Tax (*)	2,701,782	631,467	9,913,815	2,938,356	4,139,253	344,124	3,942,810	24,611,607
Totals	<u>\$ 30,106,300</u>	<u>\$ 6,123,674</u>	<u>\$ 24,244,187</u>	<u>\$ 6,992,767</u>	<u>\$ 4,139,253</u>	<u>\$ 344,124</u>	<u>\$ 11,022,717</u>	<u>\$ 82,973,022</u>

\* Property in the development will be assessed for the first time in March 2014, with taxes payable in 2015.

## Direct Economic Impact

In addition to tax revenue, the Project will have a direct economic impact on the Town and MSA in three measurable ways: new jobs, labor income to those employed by the Project components, and output. The direct economic impact will begin during construction, and will continue to be realized throughout the operations of each component.

Once constructed, the Project will bring value to the Town and MSA. As illustrated in Table D by project component, in the first full year of operations (2014) the total output of the project may yield nearly \$36 million, create 2,049 new jobs and result in over \$56 million in labor income.

Sales (output) data for the Office and Manufacturing Project components were not provided; therefore, output for these components is not included in Tables L and M, as well as Appendix F.<sup>4</sup>

**Table L: Direct Economic Impact – Year 1 of Operations (2014)**

	Retail	Restaurant	Office	Manufacturing	Hotel	Total
Output	\$ 27,380,900	\$ 4,670,550	\$ -	\$ -	\$ 3,790,160	\$ 35,841,610
Estimated Employment	552	90	1,197	163	47	2,049
Labor Income	\$ 12,298,595	\$ 1,531,416	\$ 32,055,660	\$ 9,069,320	\$ 1,278,483	\$ 56,233,474

Over a 10-year period, the direct impact total output is estimated to be nearly \$411 million, may create 2,049 new jobs, and may increase labor income by nearly \$645 million. Table M illustrates the impact the Project may have in from 2014 – 2023 by project component. Annual projections of the direct economic impact by component are included in Appendix F.

**Table M: Direct Economic Impact – 10 Year Total (2014 – 2023)**

	Retail	Restaurant	Office	Manufacturing	Hotel	Total
Output	\$ 313,891,332	\$ 53,542,624	\$ -	\$ -	\$ 43,449,935	\$ 410,883,891
Estimated Employment	720	117	1,197	163	62	2,259
Labor Income	\$ 140,989,612	\$ 17,555,972	\$ 367,482,229	\$ 103,969,594	\$ 14,656,369	\$ 644,653,776

*\*Note: Employment figures are not cumulative; rather, they represent the highest number of potential positions during the timeframe.*

## Indirect and Induced Economic Impacts

The development of the Project will also have indirect and induced economic impacts on the Town and MSA in the areas of employment, labor income, and output. This indirect and induced economic impact will occur in other businesses and industries in the Town and MSA as a result of the direct economic activity. For example, when one of the new retail establishments hires an

<sup>4</sup> Output for the Office and Manufacturing components may be estimated using estimated employment for the components and the IMPLAN multipliers for direct employment in the following formula: (Direct Employment/IMPLAN Direct Employment Multiplier)\*1,000,000. If this formula is used, the estimated 10 year total direct output is approximately \$2.1 billion for the Office component and \$420.5 million for the Manufacturing component.

employee at a higher wage than she had earned previously, she may increase her spending on such things as groceries, gasoline, and clothing. That results in more sales for the local grocer, service station and discount store, plus the other merchants with whom she shops. At their increased sales levels, those three employers can then better afford to add more employees and increase their payrolls. Thus, the indirect effect of employment, labor income and output at the Project components incrementally increases employment, payroll and output in *other* industries across the Indianapolis MSA.

IMPLAN multipliers from the Minnesota IMPLAN Group are used to measure the indirect and induced effects the Project’s operations may have on employment, labor income and output in the Town and MSA. IMPLAN data illustrates an industry’s resulting change in a region on employment (number of jobs), labor income (household earnings), and output for a new project. IMPLAN data shows the ripple effect, or industry interdependence; therefore, each industry sector in a region has a multiplier, which is a tool used to express the interdependent relationships. For example, for every \$1 of production (output) of retail, to highlight one industry, the IMPLAN model estimate of \$1.251221 of associated indirect demand (sales) for all other products and \$0.5546 of associated induced demand (sales) for all other products.

The components of the Project will bring indirect and induced value to the Town and MSA. As illustrated in Table F by project component, the total output of the project may yield nearly \$20 million in the first full year of operations (2014), create 1,609 new jobs and result in nearly \$37 million in labor income.

Direct sales (output) data for the Office and Manufacturing Project components were not provided; therefore, indirect and induced output for these components is not included in Tables N and ), as well as Appendices G and H<sup>5</sup>.

**Table N: Indirect and Induced Economic Impact – Year 1 of Operations (2014)**

	<u>Retail</u>	<u>Restaurant</u>	<u>Office</u>	<u>Manufacturing</u>	<u>Hotel</u>	<u>Total</u>
Output	\$ 15,181,614	\$ 2,574,767	\$ -	\$ -	\$ 2,106,097	\$ 19,862,478
Estimated Employment	135	21	1,282	153	18	1,609
Labor Income	\$ 5,078,742	\$ 841,556	\$ 23,212,850	\$ 6,335,872	\$ 726,116	\$ 36,195,136

Over a 10-year period, total output may be nearly \$228 million, may create 1,609 new jobs, and may increase labor income by nearly \$415 million. Table O illustrates the impact the Project may have from 2014 – 2023 by project component. Annual projections of the indirect economic impact by component are included in Appendix G, and annual projections of the induced economic impact by component are included in Appendix H.

---

<sup>5</sup> Indirect output for the Office and Manufacturing components may be estimated using estimated direct output and the IMPLAN multipliers for indirect output in the following formula: (Direct Output\*IMPLAN Type I Output Multiplier)-Direct Output. Induced output for the Office and Manufacturing components may be estimated using estimated direct output and the IMPLAN multipliers for induced output in the following formula: (Direct Output\*IMPLAN SAMS Output Multiplier)-Direct Output-Indirect Output. If these formulas are used, the estimated 10 year total for combined indirect and induced output is approximately \$1.3 billion for the Office component and \$205 million for the Manufacturing component.

**Table O: Indirect and Induced Economic Impact - 10 Year Total (2014 - 2023)**

	<u>Retail</u>	<u>Restaurant</u>	<u>Office</u>	<u>Manufacturing</u>	<u>Hotel</u>	<u>Total</u>
Output	\$ 174,040,188	\$ 29,516,817	\$ -	\$ -	\$ 24,144,043	\$ 227,701,048
Estimated Employment	176	28	1,282	153	24	1,663
Labor Income	\$ 58,222,083	\$ 9,647,498	\$ 266,109,317	\$ 72,633,678	\$ 8,324,100	\$ 414,936,676

*\*Note: Employment figures are not cumulative; rather, they represent the highest number of positions during the timeframe.*



## Appendix A – Direct, Indirect and Induced Economic Impact of the Road Construction Project

	16th Street	Main Street	10th Street	Holt Road - South of 10th to 16th	Holt Road - 16th to 30th	Total
<u>Direct Construction (2007 Dollars)</u>						
Output	\$ 37,036,161	\$ 10,689,726	\$ 10,058,043	\$ 11,994,452	\$ 20,454,489	\$ 90,232,871
Employment (Number of Jobs)	321	93	87	104	177	782
Labor Income	\$ 17,097,711	\$ 4,934,903	\$ 4,643,287	\$ 5,537,228	\$ 9,442,797	\$ 41,655,926
<u>Direct Professional Services (2007 Dollars)</u>						
Output	\$ 9,583,258	\$ 2,766,010	\$ 2,602,560	\$ 3,103,614	\$ 5,292,682	\$ 23,348,124
Employment (Number of Jobs)	94	27	26	31	52	230
Labor Income	\$ 5,723,085	\$ 1,651,851	\$ 1,554,239	\$ 1,853,467	\$ 3,160,770	\$ 13,943,412
<u>Indirect Construction (2007 Dollars)</u>						
Output	\$ 10,344,936	\$ 2,985,853	\$ 2,809,411	\$ 3,350,289	\$ 5,713,345	\$ 25,203,834
Employment (Number of Jobs)	80	23	22	26	44	195
Labor Income	\$ 3,955,436	\$ 1,141,655	\$ 1,074,192	\$ 1,280,999	\$ 2,184,525	\$ 9,636,807
<u>Indirect Professional Services (2007 Dollars)</u>						
Output	\$ 2,629,992	\$ 759,093	\$ 714,236	\$ 851,744	\$ 1,452,503	\$ 6,407,568
Employment (Number of Jobs)	25	7	7	8	14	61
Labor Income	\$ 993,470	\$ 286,745	\$ 269,800	\$ 321,743	\$ 548,678	\$ 2,420,436
<u>Induced Construction (2007 Dollars)</u>						
Output	\$ 11,029,225	\$ 3,183,359	\$ 2,995,247	\$ 3,571,901	\$ 6,091,268	\$ 26,871,000
Employment (Number of Jobs)	103	30	27	33	57	250
Labor Income	\$ 3,982,655	\$ 1,149,512	\$ 1,081,584	\$ 1,289,814	\$ 2,199,558	\$ 9,703,123
<u>Induced Professional Services(2007 Dollars)</u>						
Output	\$ 3,910,313	\$ 1,128,631	\$ 1,061,938	\$ 1,266,386	\$ 2,159,604	\$ 9,526,872
Employment (Number of Jobs)	36	11	10	12	20	89
Labor Income	\$ 1,283,654	\$ 370,500	\$ 348,607	\$ 415,722	\$ 708,942	\$ 3,127,425
<u>Total (In 2007 Dollars)</u>						
Output	\$ 74,533,885	\$ 21,512,672	\$ 20,241,435	\$ 24,138,386	\$ 41,163,891	\$181,590,269
Employment (Number of Jobs)	659	191	179	214	364	1,607
Labor Income	\$ 33,036,011	\$ 9,535,166	\$ 8,971,709	\$ 10,698,973	\$ 18,245,270	\$ 80,487,129

## Appendix B – Fiscal Impact of the Road Construction Project

	<u>16th Street</u>	<u>Main Street</u>	<u>10th Street</u>	<u>Holt Road - South of 10th to 16th</u>	<u>Holt Road - 16th to 30th</u>	<u>Total</u>
<u>Direct Construction (2009 Dollars)</u>						
Output	\$ 39,400,000	\$ 11,372,000	\$ 10,700,000	\$ 12,760,000	\$ 21,760,000	\$ 95,992,000
Taxes	\$ 211,460	\$ 61,034	\$ 57,427	\$ 68,483	\$ 116,786	\$ 515,190
<u>Direct Professional Services (2009 Dollars)</u>						
Output	\$ 9,850,000	\$ 2,843,000	\$ 2,675,000	\$ 3,190,000	\$ 5,440,000	\$ 23,998,000
Taxes	\$ 46,049	\$ 13,291	\$ 12,506	\$ 14,913	\$ 25,432	\$ 112,191
<u>Indirect Construction (2009 Dollars)</u>						
Taxes	\$ 469,741	\$ 135,581	\$ 127,569	\$ 152,129	\$ 259,430	\$ 1,144,450
<u>Indirect Professional Services (2009 Dollars)</u>						
Taxes	\$ 92,214	\$ 26,616	\$ 25,043	\$ 29,864	\$ 50,928	\$ 224,665
<u>Induced Construction (2009 Dollars)</u>						
Taxes	\$ 720,519	\$ 207,963	\$ 195,674	\$ 233,346	\$ 397,932	\$ 1,755,434
<u>Induced Professional Services(2009 Dollars)</u>						
Taxes	\$ 1,476,949	\$ 426,291	\$ 401,100	\$ 478,322	\$ 815,696	\$ 3,598,358
<u>Total All (2009 Dollars)</u>						
Output	\$ 49,250,000	\$ 14,215,000	\$ 13,375,000	\$ 15,950,000	\$ 27,200,000	\$119,990,000
Taxes	\$ 3,016,932	\$ 870,776	\$ 819,319	\$ 977,057	\$ 1,666,204	\$ 7,350,288

## Appendix C – Direct, Indirect and Induced Economic Impact of the Main Street Construction Project

	Retail	Restaurant	Office/ Manufacturing	Residential	Museum/ Entertainment	Hotel	Parking	Total
<u>Direct Construction (2007 Dollars)</u>								
Output	\$ 21,163,782	\$ 4,429,864	\$ 108,542,614	\$ 5,160,636	\$ 25,174,527	\$ 21,394,742	\$ 12,214,141	\$ 198,080,306
Employment (Number of Jobs)	184	38	942	27	218	186	106	1,701
Labor Income	\$ 8,622,488	\$ 1,804,803	\$ 44,222,122	\$ 1,272,736	\$ 10,256,534	\$ 8,716,585	\$ 4,976,250	\$ 79,871,518
<u>Direct Professional Services (2007 Dollars)</u>								
Output	\$ 6,105,112	\$ 1,289,119	\$ 29,682,874	\$ 1,318,306	\$ 7,121,650	\$ 5,477,538	\$ 3,120,153	\$ 54,114,752
Employment (Number of Jobs)	60	13	292	13	70	54	31	533
Labor Income	\$ 3,645,950	\$ 769,857	\$ 17,726,500	\$ 787,287	\$ 4,253,022	\$ 3,271,165	\$ 1,863,344	\$ 32,317,125
<u>Indirect Construction (2007 Dollars)</u>								
Output	\$ 5,911,465	\$ 1,237,349	\$ 30,318,110	\$ 1,856,999	\$ 7,031,746	\$ 5,975,977	\$ 3,411,652	\$ 55,743,298
Employment (Number of Jobs)	46	9	234	18	54	46	26	433
Labor Income	\$ 2,250,961	\$ 471,156	\$ 11,544,495	\$ 690,551	\$ 2,677,540	\$ 2,275,526	\$ 1,299,085	\$ 21,209,314
<u>Indirect Professional Services (2007 Dollars)</u>								
Output	\$ 1,675,463	\$ 353,781	\$ 8,146,053	\$ 361,791	\$ 1,954,438	\$ 1,503,234	\$ 856,283	\$ 14,851,043
Employment (Number of Jobs)	16	3	77	3	18	14	8	139
Labor Income	\$ 632,900	\$ 133,639	\$ 3,077,143	\$ 136,665	\$ 738,282	\$ 567,842	\$ 323,458	\$ 5,609,929
<u>Induced Construction (2007 Dollars)</u>								
Output	\$ 6,302,492	\$ 1,319,196	\$ 32,323,569	\$ 1,135,365	\$ 7,496,876	\$ 6,371,271	\$ 3,637,324	\$ 58,586,093
Employment (Number of Jobs)	59	13	302	10	70	60	34	548
Labor Income	\$ 2,068,931	\$ 433,056	\$ 10,610,921	\$ 372,709	\$ 2,461,014	\$ 2,091,509	\$ 1,194,031	\$ 19,232,171
<u>Induced Professional Services (2007 Dollars)</u>								
Output	\$ 2,491,105	\$ 526,007	\$ 12,111,677	\$ 537,916	\$ 2,905,889	\$ 2,235,032	\$ 1,273,134	\$ 22,080,760
Employment (Number of Jobs)	23	5	113	5	27	21	12	206
Labor Income	\$ 817,765	\$ 172,675	\$ 3,975,948	\$ 176,584	\$ 953,927	\$ 733,702	\$ 417,937	\$ 7,248,538
<u>Total (In 2007 Dollars)</u>								
Output	\$ 43,649,419	\$ 9,155,316	\$ 221,124,897	\$ 10,371,013	\$ 51,685,126	\$ 42,957,794	\$ 24,512,687	\$ 403,456,252
Employment (Number of Jobs)	388	81	1,960	76	457	381	217	3,560
Labor Income	\$ 18,038,995	\$ 3,785,186	\$ 91,157,129	\$ 3,436,532	\$ 21,340,319	\$ 17,656,329	\$ 10,074,105	\$ 165,488,595
<u>Total (In 2009 Dollars)</u>								
Output	\$ 45,612,823	\$ 9,566,810	\$ 231,118,341	\$ 10,842,504	\$ 54,014,038	\$ 44,910,116	\$ 25,626,932	\$ 421,691,564
Employment (Number of Jobs)	388	81	1,960	76	457	381	217	3,560
Labor Income	\$ 18,831,314	\$ 3,951,290	\$ 95,182,853	\$ 3,584,567	\$ 22,279,526	\$ 18,441,164	\$ 10,522,001	\$ 172,792,715

## Appendix D – Fiscal Impact of the Main Street Construction Project

	Retail	Restaurant	Office/ Manufacturing	Residential	Museum/ Entertainment	Hotel	Parking	Total
<u>Direct Construction (2009 Dollars)</u>								
Output	\$ 22,227,433	\$ 4,652,500	\$ 113,997,755	\$ 5,420,000	\$ 26,439,750	\$ 22,470,000	\$ 12,828,000	\$ 208,035,438
Taxes	\$ 119,295	\$ 24,970	\$ 611,826	\$ 29,089	\$ 141,902	\$ 120,596	\$ 68,848	\$ 1,116,526
<u>Direct Professional Services (2009 Dollars)</u>								
Output	\$ 6,275,042	\$ 1,325,000	\$ 30,509,070	\$ 1,355,000	\$ 7,319,875	\$ 5,630,000	\$ 3,207,000	\$ 55,620,987
Taxes	\$ 29,336	\$ 6,194	\$ 142,630	\$ 6,335	\$ 34,220	\$ 26,320	\$ 14,993	\$ 260,028
<u>Indirect Construction (2009 Dollars)</u>								
Taxes	\$ 265,003	\$ 55,469	\$ 1,359,122	\$ 64,619	\$ 315,224	\$ 267,896	\$ 152,940	\$ 2,480,273
<u>Indirect Professional Services (2009 Dollars)</u>								
Taxes	\$ 58,746	\$ 12,404	\$ 285,620	\$ 12,685	\$ 68,527	\$ 52,707	\$ 30,023	\$ 520,712
<u>Induced Construction (2009 Dollars)</u>								
Taxes	\$ 406,479	\$ 85,081	\$ 2,084,709	\$ 99,117	\$ 483,511	\$ 410,915	\$ 234,589	\$ 3,804,401
<u>Induced Professional Services (2009 Dollars)</u>								
Taxes	\$ 823,137	\$ 172,132	\$ 4,245,115	\$ 203,175	\$ 981,156	\$ 842,136	\$ 480,871	\$ 7,747,722
<u>Total All (2009 Dollars)</u>								
Output	\$ 28,502,475	\$ 5,977,500	\$ 144,506,825	\$ 6,775,000	\$ 33,759,625	\$ 28,100,000	\$ 16,035,000	\$ 263,656,425
Taxes	\$ 1,701,996	\$ 356,250	\$ 8,729,022	\$ 415,020	\$ 2,024,540	\$ 1,720,570	\$ 982,264	\$ 15,929,662

## Appendix E – Fiscal Impact of the Project During Business Operations

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Retail</b>											
State Sales Tax	\$ 1,910,913	\$ 1,968,240	\$ 2,027,288	\$ 2,088,106	\$ 2,150,749	\$ 2,215,272	\$ 2,281,730	\$ 2,350,182	\$ 2,420,687	\$ 2,493,308	\$ 21,906,475
State Income Tax - Personal	322,897	332,584	342,562	352,838	363,424	374,326	385,556	397,123	409,036	421,308	3,701,654
County Income Tax	156,700	161,401	166,243	171,230	176,367	181,658	187,108	192,721	198,503	204,458	1,796,389
Property Tax (1)	-	300,198	300,198	300,198	300,198	300,198	300,198	300,198	300,198	300,198	2,701,782
Subtotal	\$ 2,390,510	\$ 2,762,423	\$ 2,836,291	\$ 2,912,372	\$ 2,990,738	\$ 3,071,454	\$ 3,154,592	\$ 3,240,224	\$ 3,328,424	\$ 3,419,272	\$ 30,106,300
<b>Restaurant</b>											
State Sales Tax	\$ 325,958	\$ 335,736	\$ 345,809	\$ 356,183	\$ 366,868	\$ 377,874	\$ 389,211	\$ 400,887	\$ 412,913	\$ 425,301	\$ 3,736,740
Marion County Food and Beverage Tax	93,411	96,213	99,100	102,073	105,135	108,289	111,538	114,884	118,330	121,880	1,070,853
State Income Tax - Personal	40,207	41,413	42,656	43,935	45,253	46,611	48,009	49,449	50,933	52,461	460,927
County Income Tax	19,512	20,098	20,701	21,322	21,961	22,620	23,299	23,998	24,717	25,459	223,687
Property Tax (1)	-	70,163	70,163	70,163	70,163	70,163	70,163	70,163	70,163	70,163	631,467
Subtotal	\$ 479,088	\$ 563,623	\$ 578,429	\$ 593,676	\$ 609,380	\$ 625,557	\$ 642,220	\$ 659,381	\$ 677,056	\$ 695,264	\$ 6,123,674
<b>Office</b>											
State Income Tax - Personal	\$ 841,615	\$ 866,863	\$ 892,869	\$ 919,655	\$ 947,245	\$ 975,662	\$ 1,004,932	\$ 1,035,080	\$ 1,066,133	\$ 1,098,117	\$ 9,648,171
County Income Tax	408,431	420,684	433,304	446,303	459,692	473,483	487,688	502,318	517,388	532,910	4,682,201
Property Tax (1)	-	1,101,535	1,101,535	1,101,535	1,101,535	1,101,535	1,101,535	1,101,535	1,101,535	1,101,535	9,913,815
Subtotal	\$ 1,250,046	\$ 2,389,082	\$ 2,427,708	\$ 2,467,493	\$ 2,508,472	\$ 2,550,680	\$ 2,594,155	\$ 2,638,933	\$ 2,685,056	\$ 2,732,562	\$ 14,330,372
<b>Manufacturing</b>											
State Income Tax - Personal	\$ 238,113	\$ 245,257	\$ 252,614	\$ 260,193	\$ 267,999	\$ 276,038	\$ 284,320	\$ 292,849	\$ 301,635	\$ 310,684	\$ 2,729,702
County Income Tax	115,555	119,022	122,592	126,270	130,058	133,960	137,979	142,118	146,382	150,773	1,324,709
Property Tax (1)	-	326,484	326,484	326,484	326,484	326,484	326,484	326,484	326,484	326,484	2,938,356
Subtotal	\$ 353,668	\$ 690,763	\$ 701,690	\$ 712,947	\$ 724,541	\$ 736,482	\$ 748,783	\$ 761,451	\$ 774,501	\$ 787,941	\$ 4,054,411
<b>Museum/Entertainment</b>											
Property Tax (1)	\$ -	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 4,139,253
Subtotal	\$ -	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 459,917	\$ 4,139,253
<b>Residential</b>											
Property Tax (1)	\$ -	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 344,124
Subtotal	\$ -	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 38,236	\$ 344,124
<b>Hotel</b>											
State Sales Tax	\$ 264,515	\$ 272,451	\$ 280,624	\$ 289,043	\$ 297,714	\$ 306,646	\$ 315,845	\$ 325,320	\$ 335,080	\$ 345,132	\$ 3,032,370
Marion County Inkeepers Tax	303,213	312,309	321,678	331,329	341,269	351,507	362,052	372,913	384,101	395,624	3,475,995
State Income Tax - Personal	33,566	34,573	35,611	36,679	37,779	38,913	40,080	41,282	42,521	43,796	384,800
County Income Tax	16,290	16,778	17,282	17,800	18,334	18,884	19,451	20,034	20,635	21,254	186,742
Property Tax (1)	-	438,090	438,090	438,090	438,090	438,090	438,090	438,090	438,090	438,090	3,942,810
Subtotal	\$ 617,584	\$ 1,074,201	\$ 1,093,285	\$ 1,112,941	\$ 1,133,186	\$ 1,154,040	\$ 1,175,518	\$ 1,197,639	\$ 1,220,427	\$ 1,243,896	\$ 11,022,717
<b>Total All Components</b>											
State Sales Tax	\$ 2,501,386	\$ 2,576,427	\$ 2,653,721	\$ 2,733,332	\$ 2,815,331	\$ 2,899,792	\$ 2,986,786	\$ 3,076,389	\$ 3,168,680	\$ 3,263,741	\$ 28,675,585
Marion County Food and Beverage	93,411	96,213	99,100	102,073	105,135	108,289	111,538	114,884	118,330	121,880	1,070,853
Marion County Inkeepers Tax	303,213	312,309	321,678	331,329	341,269	351,507	362,052	372,913	384,101	395,624	3,475,995
State Income Tax - Personal	1,476,398	1,520,690	1,566,312	1,613,300	1,661,700	1,711,550	1,762,897	1,815,783	1,870,258	1,926,366	16,925,254
County Income Tax	716,488	737,983	760,122	782,925	806,412	830,605	855,525	881,189	907,625	934,854	8,213,728
Property Tax (1)	-	2,734,623	2,734,623	2,734,623	2,734,623	2,734,623	2,734,623	2,734,623	2,734,623	2,734,623	24,611,607
Grand Total	\$ 5,090,896	\$ 7,978,245	\$ 8,135,556	\$ 8,297,582	\$ 8,464,470	\$ 8,636,366	\$ 8,813,421	\$ 8,995,781	\$ 9,183,617	\$ 9,377,088	\$ 82,973,022

(1) Because the Speed Zone is in a Tax Increment Allocation Area, all new (incremental) property tax revenue will be captured by the SRC.

## Appendix F – Direct Economic Impact of the Project During Business Operations

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Output</b>											
Retail	\$ 27,380,900	\$ 28,202,327	\$ 29,048,397	\$ 29,919,849	\$ 30,817,444	\$ 31,741,967	\$ 32,694,226	\$ 33,675,053	\$ 34,685,305	\$ 35,725,864	\$ 313,891,332
Restaurant	4,670,550	4,810,667	4,954,987	5,103,637	5,256,746	5,414,448	5,576,881	5,744,187	5,916,513	6,094,008	53,542,624
Office	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-
Hotel	3,790,160	3,903,865	4,020,981	4,141,610	4,265,858	4,393,834	4,525,649	4,661,418	4,801,261	4,945,299	43,449,935
<b>Total</b>	<b>\$ 35,841,610</b>	<b>\$ 36,916,859</b>	<b>\$ 38,024,365</b>	<b>\$ 39,165,096</b>	<b>\$ 40,340,048</b>	<b>\$ 41,550,249</b>	<b>\$ 42,796,756</b>	<b>\$ 44,080,658</b>	<b>\$ 45,403,079</b>	<b>\$ 46,765,171</b>	<b>\$ 410,883,891</b>
<b>Employment (Number of Jobs)</b>											
Retail	552	568	585	603	621	640	659	679	699	720	
Restaurant	90	93	95	98	101	104	107	111	114	117	
Office	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	
Manufacturing	163	163	163	163	163	163	163	163	163	163	
Hotel	47	49	50	52	53	55	56	58	60	62	
<b>Total</b>	<b>2,049</b>	<b>2,070</b>	<b>2,090</b>	<b>2,113</b>	<b>2,135</b>	<b>2,159</b>	<b>2,182</b>	<b>2,208</b>	<b>2,233</b>	<b>2,259</b>	
<b>Labor Income</b>											
Retail	\$ 12,298,595	\$ 12,667,553	\$ 13,047,580	\$ 13,439,007	\$ 13,842,177	\$ 14,257,443	\$ 14,685,166	\$ 15,125,721	\$ 15,579,493	\$ 16,046,877	\$ 140,989,612
Restaurant	1,531,416	1,577,359	1,624,680	1,673,420	1,723,623	1,775,331	1,828,591	1,883,449	1,939,952	1,998,151	17,555,972
Office	32,055,660	33,017,330	34,007,850	35,028,086	36,078,929	37,161,297	38,276,136	39,424,420	40,607,153	41,825,368	367,482,229
Manufacturing	9,069,320	9,341,400	9,621,642	9,910,291	10,207,600	10,513,828	10,829,243	11,154,120	11,488,744	11,833,406	103,969,594
Hotel	1,278,483	1,316,837	1,356,342	1,397,032	1,438,943	1,482,112	1,526,575	1,572,372	1,619,543	1,668,130	14,656,369
<b>Total</b>	<b>\$ 56,233,474</b>	<b>\$ 57,920,479</b>	<b>\$ 59,658,094</b>	<b>\$ 61,447,836</b>	<b>\$ 63,291,272</b>	<b>\$ 65,190,011</b>	<b>\$ 67,145,711</b>	<b>\$ 69,160,082</b>	<b>\$ 71,234,885</b>	<b>\$ 73,371,932</b>	<b>\$ 644,653,776</b>

## Appendix G – Indirect Economic Impact of the Project During Business Operations

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Output</b>											
Retail	\$ 6,878,652	\$ 7,085,012	\$ 7,297,562	\$ 7,516,489	\$ 7,741,984	\$ 7,974,243	\$ 8,213,470	\$ 8,459,875	\$ 8,713,671	\$ 8,975,081	\$ 78,856,039
Restaurant	1,437,808	1,480,942	1,525,370	1,571,132	1,618,265	1,666,813	1,716,818	1,768,322	1,821,372	1,876,013	16,482,855
Office	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-
Hotel	1,143,447	1,177,750	1,213,082	1,249,475	1,286,959	1,325,568	1,365,335	1,406,295	1,448,484	1,491,938	13,108,333
<b>Total</b>	<u>\$ 9,459,907</u>	<u>\$ 9,743,704</u>	<u>\$ 10,036,014</u>	<u>\$ 10,337,096</u>	<u>\$ 10,647,208</u>	<u>\$ 10,966,624</u>	<u>\$ 11,295,623</u>	<u>\$ 11,634,492</u>	<u>\$ 11,983,527</u>	<u>\$ 12,343,032</u>	<u>\$ 108,447,227</u>
<b>Employment</b>											
Retail	58	59	61	63	65	67	69	71	73	75	
Restaurant	11	11	11	12	12	12	13	13	13	14	
Office	766	766	766	766	766	766	766	766	766	766	
Manufacturing	79	79	79	79	79	79	79	79	79	79	
Hotel	9	10	10	10	11	11	11	12	12	12	
<b>Total</b>	<u>923</u>	<u>925</u>	<u>927</u>	<u>930</u>	<u>933</u>	<u>935</u>	<u>938</u>	<u>941</u>	<u>943</u>	<u>946</u>	
<b>Labor Income</b>											
Retail	\$ 2,353,164	\$ 2,423,759	\$ 2,496,472	\$ 2,571,366	\$ 2,648,507	\$ 2,727,962	\$ 2,809,801	\$ 2,894,095	\$ 2,980,918	\$ 3,070,345	\$ 26,976,389
Restaurant	468,330	482,380	496,852	511,757	527,110	542,923	559,211	575,987	593,266	611,065	5,368,881
Office	14,417,834	14,850,370	15,295,881	15,754,757	16,227,400	16,714,222	17,215,649	17,732,119	18,264,082	18,812,005	165,284,319
Manufacturing	3,915,407	4,032,869	4,153,855	4,278,471	4,406,825	4,539,030	4,675,201	4,815,457	4,959,921	5,108,718	44,885,754
Hotel	410,108	422,411	435,083	448,136	461,580	475,427	489,690	504,381	519,512	535,098	4,701,426
<b>Total</b>	<u>\$ 21,564,843</u>	<u>\$ 22,211,789</u>	<u>\$ 22,878,143</u>	<u>\$ 23,564,487</u>	<u>\$ 24,271,422</u>	<u>\$ 24,999,564</u>	<u>\$ 25,749,552</u>	<u>\$ 26,522,039</u>	<u>\$ 27,317,699</u>	<u>\$ 28,137,231</u>	<u>\$ 247,216,769</u>

## Appendix H – Induced Economic Impact of the Project During Business Operations

Output	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Retail	\$ 8,302,962	\$ 8,552,050	\$ 8,808,612	\$ 9,072,870	\$ 9,345,056	\$ 9,625,408	\$ 9,914,171	\$ 10,211,595	\$ 10,517,943	\$ 10,833,482	\$ 95,184,149
Restaurant	1,136,959	1,171,068	1,206,200	1,242,386	1,279,658	1,318,048	1,357,588	1,398,316	1,440,266	1,483,473	13,033,962
Office	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-
Hotel	962,650	991,530	1,021,277	1,051,914	1,083,472	1,115,976	1,149,455	1,183,938	1,219,457	1,256,041	11,035,710
<b>Total</b>	<b>\$ 10,402,571</b>	<b>\$ 10,714,648</b>	<b>\$ 11,036,089</b>	<b>\$ 11,367,170</b>	<b>\$ 11,708,186</b>	<b>\$ 12,059,432</b>	<b>\$ 12,421,214</b>	<b>\$ 12,793,849</b>	<b>\$ 13,177,666</b>	<b>\$ 13,572,996</b>	<b>\$ 119,253,821</b>
<b>Employment</b>											
Retail	77	80	82	85	87	90	92	95	98	101	
Restaurant	10	11	11	11	12	13	12	13	14	14	
Office	516	516	516	516	516	516	516	516	516	516	
Manufacturing	74	74	74	74	74	74	74	74	74	74	
Hotel	9	9	10	10	10	11	11	11	11	12	
<b>Total</b>	<b>686</b>	<b>690</b>	<b>693</b>	<b>696</b>	<b>699</b>	<b>704</b>	<b>705</b>	<b>709</b>	<b>713</b>	<b>717</b>	
<b>Labor Income</b>											
Retail	\$ 2,725,578	\$ 2,807,345	\$ 2,891,565	\$ 2,978,312	\$ 3,067,662	\$ 3,159,692	\$ 3,254,482	\$ 3,352,117	\$ 3,452,680	\$ 3,556,261	\$ 31,245,694
Restaurant	373,226	384,423	395,955	407,834	420,069	432,671	445,651	459,021	472,792	486,975	4,278,617
Office	8,795,016	9,058,865	9,330,632	9,610,551	9,898,868	10,195,834	10,501,709	10,816,759	11,141,263	11,475,501	100,824,998
Manufacturing	2,420,465	2,493,080	2,567,872	2,644,908	2,724,255	2,805,983	2,890,162	2,976,867	3,066,173	3,158,159	27,747,924
Hotel	316,008	325,488	335,253	345,310	355,669	366,340	377,330	388,649	400,309	412,318	3,622,674
<b>Total</b>	<b>\$ 14,630,293</b>	<b>\$ 15,069,201</b>	<b>\$ 15,521,277</b>	<b>\$ 15,986,915</b>	<b>\$ 16,466,523</b>	<b>\$ 16,960,520</b>	<b>\$ 17,469,334</b>	<b>\$ 17,993,413</b>	<b>\$ 18,533,217</b>	<b>\$ 19,089,214</b>	<b>\$ 167,719,907</b>