

A REPORT OF THE ECONOMIC IMPACT OF ABC RETAIL CENTER IN AUSTIN, TEXAS

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EXECUTIVE SUMMARY

DESCRIPTION OF ANALYSIS

This analysis projects the economic impact of ABC Retail Center on the economy of Austin, Texas and additional revenues for the City of Austin, Travis County, Special Road, and Austin Independent School District during construction and its first twenty years of operations.

DESCRIPTION OF ABC RETAIL CENTER

ABC Retail Center is the proposed \$53.65 million redevelopment of the Oaks Shopping Center in Austin, Texas as an entertainment center. The 19 acre center is on I-35. The 205,000 square foot development will include multiple new tenants including a movie theater, entertainment complex, a fitness facility and other retail tenants. The center will also have a 150-room family motel. The center will have an estimated \$56.8 million in annual sales when fully leased and 330 workers.

The facility will take about two years to construct and is expected to begin operations in April, 2011.

ECONOMIC IMPACT DURING CONSTRUCTION OF THE CENTER

The construction of the center will generate \$53.65 million in direct revenues for area construction companies, architects, engineers, and others in the construction industry. In addition, an estimated 298 direct construction and related workers will be employed each year during the construction period. The estimated direct construction payroll will be \$26.8 million.

This construction activity and direct construction jobs and salaries will, in turn, create and support revenues in other businesses in the area and indirect jobs and salaries during the time that the projects are being constructed. In total, the project may support an estimated \$121 million in gross area product or economic activity in area during its construction, an estimated 613 total jobs each year during construction of the center, and total salaries estimated to be \$52.1 million.

This construction activity will generate the following taxable sales in the community:

Taxable Sales in Austin During Construction	
Purchases of construction materials for the project	\$26,825,000
Taxable spending by direct and indirect workers	\$4,696,441
Taxable spending by indirect businesses	\$17,076,795
Total taxable spending during construction	\$48,598,236

These taxable sales will generate the following sales tax collections for the city and county:

Sales Tax Collections During Construction	
City	\$728,974
County	\$242,991
Total	\$971,965



EXECUTIVE SUMMARY

ECONOMIC IMPACT OVER THE FIRST TWENTY YEARS OF THE CENTER'S OPERATION

The facility's operations will have an important impact on Austin's economy. Some of the economic impacts, over the first twenty years of operations, are shown below:

Economic Impact over the First Twenty Years	
Total number of new direct and indirect jobs to be created	451
Salaries to be paid to direct and indirect workers	\$294,448,623
Additional taxable sales in the city:	
Spending by direct and indirect workers in other businesses in the city	\$79,501,128
Spending by some out-of-town visitors to the center at other businesses in the city	\$256,989,048
Taxable sales at the center	\$1,427,716,931
Total additional taxable sales in the city	\$1,764,207,107
Room sales subject to the city's hotel occupancy taxes at motels in the center	\$88,269,180
The market value the center's property when completed	\$51,740,000

TOTAL COSTS AND BENEFITS FOR THE CITY, COUNTY, SPECIAL ROAD, AND SCHOOL DISTRICT

Over the first twenty years, local taxing districts can expect the following total net benefits from the center, its employees and workers in spin-off jobs created in the community:

Costs and Benefits for Local Taxing Districts over the First Twenty Years			
	Benefits	Costs	Net Benefits
Sales taxes*	\$23,862,407		\$23,862,407
Property taxes	\$25,258,931		\$25,258,931
Hotel occupancy taxes	\$6,178,843		\$6,178,843
Other taxes and user fees	\$478,617		\$478,617
Additional state school funding for the school district	\$1,787,592		\$1,787,592
Costs of municipal and county services to new residents		\$342,597	(\$342,597)
Costs of public services for the center		\$2,008,155	(\$2,008,155)
Costs of educating new students		\$3,563,012	(\$3,563,012)
Total	\$57,566,389	\$5,913,764	\$51,652,626

*After some sales taxes may be rebated by the city to reimburse the developer for cost of constructing infrastructure and architectural upgrades and for debt service for the developer to borrow money to fund these costs.



EXECUTIVE SUMMARY

COSTS AND BENEFITS FOR EACH LOCAL TAXING DISTRICT OVER THE FIRST TWENTY YEARS

Over the first twenty years, each local taxing district can expect the following net benefits from the facility, its employees and workers in spin-off jobs created in the community.

Costs and Benefits for Each Local Taxing District Over the First Twenty Years			
	Revenues/ Benefits	Costs	Net Benefits
City of Austin	\$22,944,674	\$2,168,034	\$20,776,640
Travis County	\$13,592,380	\$182,719	\$13,409,662
Special Road	\$999,912	\$0	\$999,912
Austin CISD	\$20,029,424	\$3,563,012	\$16,466,412
Total	\$57,566,389	\$5,913,764	\$51,652,626

SALES TAXES THAT MAY BE REBATED OVER THE FIRST TWENTY YEARS OF THE CENTER'S OPERATIONS BY THE CITY UNDER CHAPTER 380 OF THE LOCAL GOVERNMENT CODE

The developer is requesting that the city rebate some of the sales taxes that will be collected from the center to reimburse the developer for the costs to construct *infrastructure and architectural upgrades and interest* for the developer to borrow these funds while awaiting rebates from the city.

The total costs of constructing infrastructure and architectural upgrades and interest for the developer to borrow these funds are shown below:

Developer's Cost for Infrastructure, Architectural Upgrades and Interest on Loan	
Cost of constructing infrastructure and architectural upgrades	\$8,500,000
<u>Interest on a loan to fund cost of construction:</u>	
Length of loan, in years	10
Interest rate	7%
Total interest to be paid over the loan period	\$3,343,065
Total construction and interest cost	\$11,843,065

The following percentages of taxes to be collected are requested to be rebated until the cost of constructing infrastructure and architectural upgrades including interest are reimbursed to the developer:

Percent of Reimbursement Requested	
Sales taxes	80%

The City's 1% sales tax collected for the general fund will be requested for rebates. The other half-cent collected for property tax relief will not be requested for rebates.

If City sales taxes collected from the center are rebated to pay the developer's costs, the following City taxes will be rebated:

City Sales Taxes to be Rebated		
	Annual Rebates	Cumulative Rebates
Year 1	\$360,800	\$360,800
Year 2	\$418,077	\$778,877
Year 3	\$454,543	\$1,233,420
Year 4	\$468,179	\$1,701,598
Year 5	\$482,224	\$2,183,823
Year 6	\$496,691	\$2,680,514
Year 7	\$511,592	\$3,192,105
Year 8	\$526,939	\$3,719,045
Year 9	\$542,748	\$4,261,793
Year 10	\$559,030	\$4,820,823
Year 11	\$575,801	\$5,396,624
Year 12	\$593,075	\$5,989,699
Year 13	\$610,867	\$6,600,566
Year 14	\$629,193	\$7,229,759
Year 15	\$648,069	\$7,877,828
Year 16	\$667,511	\$8,545,339
Year 17	\$687,536	\$9,232,876
Year 18	\$708,163	\$9,941,038
Year 19	\$729,407	\$10,670,446
Year 20	\$751,290	\$11,421,735
Total	\$11,421,735	

As shown above, if the city rebates the requested sales taxes collected from the center, the City will rebate sufficient taxes in about 20 years to reimburse the developer for the costs of infrastructure and architectural upgrades, and interest.

If the city considers (1) these rebates of sales taxes as a possible City investment in the project and (2) the additional net benefits that the City will receive from the center, its workers and workers in indirect jobs created as the returns on that investment, then financial analysis may be used to determine the appropriateness of this investment.

Two calculations to analyze this investment are made below -- average annual rate of return on investment and payback period.

Rate of return on investment is the average annual rate of return, over each of the first twenty years, that the City will receive from additional revenues as a result of the City's investment in the infrastructure and architectural upgrades at the center.

Payback period is the number of years that it will take the City to recover the investment from revenues that the City will receive from the center and its new direct and indirect employees.

The average annual rate of return on investment over the first twenty years and the investment payback period on the City's possible investment (in the form of sales taxes rebated) in the project.

Return and Payback for the City on Possible Sales Tax Rebates	
Net revenues for the City over the first twenty years after sales taxes are rebated	\$20,776,640
Average annual net revenues over the first twenty years after rebates	\$1,038,832
Requested city investment in the cost of infrastructure, architectural upgrades and interest costs	\$11,843,065
Average annual rate of return on investment over each of the first twenty years	8.8%
Payback period, in years	13.8

Details of this analysis are on the following pages, beginning with an introduction to this study.



ANALYSIS OF ECONOMIC IMPACT

INTRODUCTION

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that ABC Retail Center will have on the economy of Austin, Texas and additional revenues for the City of Austin, Travis County, Special Road, and Austin Independent School District during construction and over the first twenty years of the center's operation.

DESCRIPTION OF ABC RETAIL CENTER

ABC Retail Center is the proposed \$53.65 million redevelopment of the Oaks Shopping Center in Austin, Texas as an entertainment center. The 19 acre center is on I-35. The 205,000 square foot development will include multiple new tenants including a movie theater, entertainment complex, a fitness facility and other retail tenants. The center will also have a 150-room family motel. The center will have an estimated \$56.8 million in annual sales when fully leased and 330 workers.

The facility will take about two years to construct and is expected to begin operations in April, 2011.

The types of economic impacts that the center's operations will provide are discussed next.

ECONOMIC IMPACT DURING CONSTRUCTION OF THE CENTER

Types of Economic Impacts During Construction of the Center

The project will create revenues for area businesses, along with jobs and salaries.

These economic impacts may be characterized as direct, indirect and induced.

The direct economic impact will be the revenues of local development and construction firms that design and build the center, construction jobs and construction jobs. From the spending of the construction firms and their workers, indirect and induced benefits or spin-off benefits will be created.

Indirect sales, jobs and salaries will be created or supported in local businesses and organizations, such as trucking companies, concrete suppliers, lumber yards and other businesses while the center is being constructed.

In addition, induced sales, jobs and salaries will be created or supported in new or existing area businesses, such as restaurants, gas stations, banks, book stores, grocery stores, apartment complexes, convenience stores, service companies, etc. that supply goods and services to construction workers and their families and, in turn, to workers in indirect jobs and their families.

To estimate the indirect and induced economic impact of project during construction, regional economic multipliers were used. Regional economic multipliers for Texas and areas of the state are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).



ANALYSIS OF ECONOMIC IMPACT

Three types of regional economic multipliers were used in this analysis for the construction period:

- § An output multiplier and
- § An employment multiplier and
- § An earnings multiplier.

An output multiplier was used to estimate indirect and induced revenues generated in businesses in Austin during the construction period. The multiplier shows the indirect and induced revenues in other businesses throughout the area for each dollar of development and construction costs.

Similarly, an employment multiplier was used to estimate the number of indirect and induced jobs created and supported in Austin for each development and construction job at the project. Similarly, an earnings multiplier was used to estimate the amount of salaries to be paid to the workers in these indirect and induced jobs for every dollar paid to a direct development and construction worker at the project. Indirect and induced multipliers used in this analysis during development and construction are shown below.

Indirect Multipliers Used in the Analysis During the Development and Construction Period	
Output	1.2732
Employment	1.0569
Earnings	0.9453

The construction of the center will generate \$53.65 million in direct revenues for area construction companies, architects, engineers, and others in the construction industry. In addition, an estimated 298 direct construction and related workers will be employed each year during the construction period. The estimated direct construction payroll will be \$26.8 million.



ANALYSIS OF ECONOMIC IMPACT

This construction activity and direct construction jobs and salaries will, in turn, create and support revenues in other businesses in the area and indirect jobs and salaries during the time that the projects are being constructed. In total, the project may support an estimated \$121 million in gross area product or economic activity in area during its construction, an estimated 613 total jobs each year during construction of the center, and total salaries estimated to be \$52.1 million, as shown below.

Economic Impact During Construction of the Center	
Revenues for area businesses:	
Direct	\$53,650,000
Indirect	\$68,307,180
Total revenues	\$121,957,180
Jobs:	
Direct	298
Indirect	315
Total jobs	613
Salaries:	
Direct	\$26,825,000
Indirect	\$25,357,673
Total salaries	\$52,182,673



ANALYSIS OF ECONOMIC IMPACT

Sales Taxes to be Collected During Construction by the City and County

Taxable Sales

The following estimated taxable sales will be generated during construction of the center:

Taxable Sales During Construction of the Center	
Cost of constructing the center	\$53,650,000
Percent of costs for materials	50%
Percent of costs for labor	50%
Total cost of materials	\$26,825,000
Estimated percent of construction materials that will be taxable in Austin with the construction site being the point of sale	100%
Total taxable construction materials	\$26,825,000
Total direct construction labor	\$26,825,000
Percent of construction salaries to be spent on taxable goods and services	30%
Percent of construction salaries to be spent in Austin	30%
Total taxable spending by construction workers in Austin	\$2,414,250
Indirect salaries (salaries to be paid to workers supported in indirect jobs in the community)	\$25,357,673
Percent of construction salaries to be spent on taxable goods and services	30%
Percent of construction salaries to be spent in Austin	30%
Total taxable spending by construction workers in Austin	\$2,282,191
Estimated taxable spending in Austin by indirect businesses (spending excluding payments for salaries)	\$17,076,795
Summary of taxable spending in Austin:	
Purchases of construction materials for the project	\$26,825,000
Taxable spending by direct and indirect workers	\$4,696,441
Taxable spending by indirect businesses	\$17,076,795
Total taxable spending during construction	\$48,598,236



ANALYSIS OF ECONOMIC IMPACT

Sales Tax Collections

The City of Austin and Travis County will collect the following sales taxes during construction of the center:

Estimated Taxable Sales and Sales Tax Collections During Construction			
	Total	City of Austin	Travis County
Taxable Sales:			
Purchases of construction materials	\$26,825,000		
Taxable spending by workers:			
Construction workers	\$2,414,250		
Indirect workers	\$2,282,191		
Taxable spending by indirect businesses	\$17,076,795		
Total taxable sales	\$48,598,236		
Sales tax collections:			
Sales tax rate		1.5%	0.5%
Sales tax collections	\$971,965	\$728,974	\$242,991

Economic Impacts over the First Twenty Years of the Center's Operations

Types of Economic Impacts that the Center's Operation will Provide

Austin will receive substantial economic benefits from the operations of the center.

These economic benefits include the following:

- The economic benefits from sales at the center and related sales in other businesses and organizations in the community,
- Jobs,
- Worker salaries,
- Worker spending, and
- Real and personal property at the center added to local tax rolls.



ANALYSIS OF ECONOMIC IMPACT

As with construction impacts discussed above, these economic impacts from the center's operations may be characterized as direct, indirect and induced.

The direct economic impact comes from the sales at the center and the spending of the center's employees in other businesses in the community.

From the sales at the center and spending of the center's employees or direct workers in other businesses in the community, indirect and induced benefits or spin-off benefits will be created and supported in the community.

Indirect sales, jobs and salaries will be created in other businesses and organizations in the community that may supply goods and services to the center. In addition, induced sales, jobs and salaries will be created in other businesses or organizations in the community, such as restaurants, gas stations, banks, grocery stores, convenience stores, service companies, etc. that will supply some of the goods and services to the center's workers and their families and, in turn, to workers in indirect jobs and their families.

To estimate the indirect and induced economic impact of the center and its employees on Austin' economy, regional economic multipliers were used. Regional economic multipliers for Travis County are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

The following regional economic multipliers were used in this analysis:

Regional Economic Multipliers	
Output	1.6289
Employment	1.3677
Earnings	1.5267

An output multiplier of 1.6289 means that for every dollar of sales at the center, there is \$.6289 in additional sales generated in other local businesses or organizations. Further, for every worker at the center, there will be an additional .3677 spin-off jobs created in the community. Similarly, for every dollar paid to workers at the center, there will be \$.5267 paid to workers in spin-off jobs created in the community.

The economic impact of the center, its direct workers and indirect workers over the first twenty years is shown next.



ANALYSIS OF ECONOMIC IMPACT

The Economic Impact of the Center over the First Twenty Years

Annual Sales, Jobs and Workers' Salaries

The center will have annual taxable sales of about \$58.6 million when fully leased, 330 workers, and annual salaries of \$7.9 million.

This activity will generate the following annual direct and indirect economic impacts when fully leased:

Annual Economic Output, Jobs, and Salaries Generated by the Center When Fully Leased			
	Economic Output	Jobs	Salaries
Direct	\$56,817,826	330	\$7,932,639
Indirect and induced	\$35,732,731	121	\$4,177,724
Total	\$92,550,556	451	\$12,110,363

As shown above, the center's annual sales or revenues of \$56.8 million, when fully leased, will generate another \$35.7 million in additional annual revenues for local businesses and organizations in the community. In total, the annual economic impact of the center operations when fully leased on Austin's economy will be \$92.5 million.

This impact represents an increase in the gross area product, an economic measure of the value of goods and services produced in the Austin area during the year. These economic benefits for the local area are equivalent to the nation's gross domestic product.

While the center will employ 330 workers, spending by the center and the spending of its direct workers will support another 121 jobs in the community. In total, the center will support 451 jobs in the community.

Similarly, while annual salaries of workers at the center, when fully leased, will total \$7.9 million, the spending by the center and the center's workers in the community will support another \$4.1 million in salaries for workers in spin-off jobs in the community. Therefore, total annual salaries supported by the center in Austin will be \$12.1 million when the center is fully leased.



ANALYSIS OF ECONOMIC IMPACT

Total Economic Impact over the First Twenty Years

ABC Retail Center, its workers and workers in indirect jobs created in the community will have the following economic impact on Austin over the first twenty years:

Economic Impact of the Company Operations Over the First Twenty Years	
Total number of direct and indirect jobs created	451
Number of direct and indirect workers who will move to the City	68
Number of new residents in the City	102
Number of new students expected in Austin CISD	17
Number of new residential properties to be built in the area	17
Salaries to be paid to direct and indirect workers	\$294,448,623
Additional taxable sales in the city:	
Spending by direct and indirect workers in other businesses in the city	\$79,501,128
Spending by some out-of-town visitors to the center at other businesses in the city	\$256,989,048
Taxable sales at the center	\$1,427,716,931
Total additional taxable sales in the city	\$1,764,207,107
Room sales subject to the city's hotel occupancy taxes at motels in the center	\$88,269,180
The market value of new residential property to be built for direct and indirect workers who move to the City by Year 20	\$2,329,020
The market value of the center's property when completed	\$51,740,000

How the economic activity generated by the center translates into additional revenues for local taxing districts is discussed next.



ANALYSIS OF ECONOMIC IMPACT

Costs and Benefits for Local Taxing Districts over the First Twenty Years of the Center's Operati

Public Revenues

Local taxing districts can expect the following revenues (after some sales tax rebates may be made by the city) from the operations of the center, its workers and workers in indirect jobs created in the community.

Public Revenues from the Center's Operations over the First Twenty Years					
	City of Austin	Travis County	Special Road	Austin Independent School District	Total
Sales taxes*	\$15,041,371	\$8,821,036			\$23,862,407
Property taxes	\$1,337,203	\$4,679,985	\$999,912	\$18,241,832	\$25,258,931
Hotel occupancy taxes	\$6,178,843				\$6,178,843
Other taxes, permits, user fees and charges for services	\$387,257	\$91,359			\$478,617
Additional state school funding				\$1,787,592	\$1,787,592
Total	\$22,944,674	\$13,592,380	\$999,912	\$20,029,424	\$57,566,389

**After some sales taxes may be rebated by the city to reimburse the developer for cost of constructing infrastructure and architectural upgrades and for debt service for the developer to borrow money to fund these costs.*

Public Costs

The city, county, Special Road, and school district will incur the following costs over the first twenty years, as a result of the center being built in the community:

Public Costs for the Center's Operations over the First Twenty Years					
	City of Austin	Travis County	Special Road	Austin Independent School District	Total
Cost of providing public services to new residents	\$159,879	\$182,719			\$342,597
Cost of providing public services to the Center	\$2,008,155				\$2,008,155
Additional costs of educating new students who move to the City				\$3,563,012	\$3,563,012
Total	\$2,168,034	\$182,719	\$0	\$3,563,012	\$5,913,764



ANALYSIS OF ECONOMIC IMPACT

Net Public Benefits

The net benefits over the first twenty years for the city, county, special road, and school district (additional public revenues after rebates less additional public costs) from the center, its workers and workers in indirect jobs created in the community are shown below.

Net Benefits for Local Taxing Districts over the First Twenty Years			
	Revenues	Costs	Net Benefits
City of Austin	\$22,944,674	\$2,168,034	\$20,776,640
Travis County	\$13,592,380	\$182,719	\$13,409,662
Special Road	\$999,912	\$0	\$999,912
Austin CISD	\$20,029,424	\$3,563,012	\$16,466,412
Total	\$57,566,389	\$5,913,764	\$51,652,626

Discounted Cash Flow for Local Taxing Districts

The discounted cash flow over the first twenty years for the city, county, special road, and school district from the center's operations is shown below:

Discounted Cash Flow for Local Taxing Districts Over the First Twenty Years for	
City of Austin	\$11,153,961
Travis County	\$7,221,181
Special Road	\$999,912
Austin ISD	\$8,945,279
Total	\$28,320,332

The above discounted cash flow or present value of net benefits is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing district's discount rate. This analysis uses a discount rate of 6% to make the dollars comparable -- by expressing them in today's dollars or in present value.



ANALYSIS OF ECONOMIC IMPACT

Sales Taxes that May be Rebated over the First Twenty Years of the Operations of the Center by the City Under Chapter 380 of the Local Government Code

The developer is requesting that the city rebate some of the sales taxes that will be collected from the center to reimburse the developer for the costs to construct infrastructure and architectural upgrades and interest for the developer to borrow these funds while awaiting rebates from the city.

The total costs of constructing infrastructure and architectural upgrades and interest for the developer to borrow these funds are shown below:

Developer's Cost for Infrastructure, Architectural Upgrades and Interest on Loan	
Cost of constructing infrastructure and architectural upgrades	\$8,500,000
Interest on a loan to fund cost of construction:	
Length of loan, in years	10
Interest rate	7%
Total interest to be paid over the loan period	\$3,343,065
Total construction and interest cost	\$11,843,065

The following percentages of taxes to be collected are requested to be rebated until the costs of infrastructure and architectural upgrades including interest are reimbursed to the developer:

Percent of Reimbursement Requested	
Sales taxes	80%

The City's 1% sales tax collected for the general fund will be requested for rebates. The other half-cent collected for property tax relief will not be requested for rebates.



ANALYSIS OF ECONOMIC IMPACT

Total City sales taxes that will be collected and rebated on the center's sales are shown below.

Sales Taxes to be Collected and Rebated by the City on the Center							
		Taxable Sales at Center	With 1% Tax	Sales Taxes Collected With 0.5% Tax	Total Sales Taxes	Sales Taxes to be Rebated	Sales Taxes Collected from the Center & Retained by City after Rebates
Year 1		\$45,100,000	\$451,000	\$225,500	\$676,500	\$360,800	\$315,700
Year 2		\$52,259,625	\$522,596	\$261,298	\$783,894	\$418,077	\$365,817
Year 3		\$56,817,826	\$568,178	\$284,089	\$852,267	\$454,543	\$397,725
Year 4		\$58,522,360	\$585,224	\$292,612	\$877,835	\$468,179	\$409,657
Year 5		\$60,278,031	\$602,780	\$301,390	\$904,170	\$482,224	\$421,946
Year 6		\$62,086,372	\$620,864	\$310,432	\$931,296	\$496,691	\$434,605
Year 7		\$63,948,963	\$639,490	\$319,745	\$959,234	\$511,592	\$447,643
Year 8		\$65,867,432	\$658,674	\$329,337	\$988,011	\$526,939	\$461,072
Year 9		\$67,843,455	\$678,435	\$339,217	\$1,017,652	\$542,748	\$474,904
Year 10		\$69,878,759	\$698,788	\$349,394	\$1,048,181	\$559,030	\$489,151
Year 11		\$71,975,122	\$719,751	\$359,876	\$1,079,627	\$575,801	\$503,826
Year 12		\$74,134,375	\$741,344	\$370,672	\$1,112,016	\$593,075	\$518,941
Year 13		\$76,358,406	\$763,584	\$381,792	\$1,145,376	\$610,867	\$534,509
Year 14		\$78,649,159	\$786,492	\$393,246	\$1,179,737	\$629,193	\$550,544
Year 15		\$81,008,633	\$810,086	\$405,043	\$1,215,130	\$648,069	\$567,060
Year 16		\$83,438,892	\$834,389	\$417,194	\$1,251,583	\$667,511	\$584,072
Year 17		\$85,942,059	\$859,421	\$429,710	\$1,289,131	\$687,536	\$601,594
Year 18		\$88,520,321	\$885,203	\$442,602	\$1,327,805	\$708,163	\$619,642
Year 19		\$91,175,931	\$911,759	\$455,880	\$1,367,639	\$729,407	\$638,232
Year 20		\$93,911,209	\$939,112	\$469,556	\$1,408,668	\$751,290	\$657,378
Total			\$14,277,169	\$7,138,585	\$21,415,754	\$11,421,735	\$9,994,019

As shown above, if the city rebates the requested sales taxes collected from the center, the City will rebate sufficient taxes in about 20 years to reimburse the developer for the costs of infrastructure, architectural upgrades and interest.

If the city considers (1) these rebates of sales taxes as a possible City investments in the project and (2) the additional net benefits that the City will receive from the center, its workers and workers in indirect jobs created as the returns on that investment, then financial analysis may be used to determine the appropriateness of this investment.

Two calculations to analyze this investment are made below -- average annual rate of return on investment and payback period.

Rate of return on investment is the average annual rate of return, over each of the first twenty years, that the City will receive from additional revenues as a result of the City's investment in infrastructure and architectural upgrades at the center.



ANALYSIS OF ECONOMIC IMPACT

Payback period is the number of years that it will take the City to recover the investment from revenues that the City will receive from the center and its new direct and indirect employees.

The average annual rate of return on investment over the first twenty years and the investment payback period on the City's possible investment (in the form of sales taxes rebated) in the project.

Return and Payback for the City on Possible Sales Tax Rebates	
Net revenues for the City over the first twenty years after sales taxes are rebated	\$20,776,640
Average annual net revenues over the first twenty years after rebates	\$1,038,832
Requested city investment in the cost of infrastructure, architectural upgrades and interest costs	\$11,843,065
Average annual rate of return on investment over each of the first twenty years	8.8%
Payback period, in years	13.8



METHODOLOGY

Conduct of the Analysis

This analysis was conducted by Impact DataSource using information supplied by the developer. In addition, Impact DataSource used local tax rates and some estimates and assumptions.

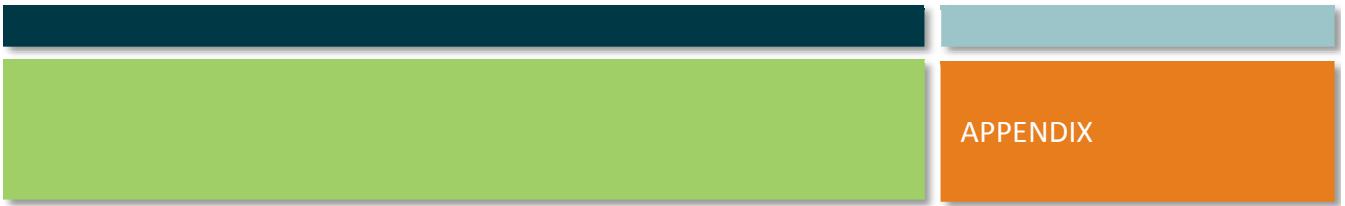
Using this data, the economic impact of the facility and additional revenues for the City of Austin, Travis County, Special Road, and Austin Independent School District were calculated for a twenty year period.

About Impact DataSource

Impact DataSource is a fifteen-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and 25 other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

Data used in the analysis, along with schedules showing the results of calculations, are on the following pages.





APPENDIX: DATA & RATES

Community information and rates:

Sales tax rate:

City of Austin:	
Collected for the City's general fund	1.0%
Collected for property tax relief	0.5%
Total	1.5%

Travis County	0.5%
---------------	------

City of Austin hotel occupancy tax rate	7.0%
---	------

Property tax rate:

City of Austin	\$0.1074
Travis County	\$0.3749
Special Road	\$0.0801
Austin Independent School District	\$1.4613

Estimated annual increase in property tax rates for the city, county, and county roads over the next twenty years	0%
---	----

Expected inflation rate over the first twenty years	3%
---	----

Discount rate used in analysis to compute discounted cash flows	6%
---	----

Estimated average taxable value of a residential unit that may be built for for some workers moving to Austin:

Single family	\$140,000
Multi-family	\$70,000

Estimated percent of total residential units that may be built:

Single family	50%
Multi-family	50%

Estimated average value of single and multi-family residential units that may be built	\$105,000
--	-----------

Percent annual increase in the taxable value of residential and commercial real property on local tax rolls over the first twenty years	3%
---	----

Estimated other taxes and user fees received from each household -- those revenues in addition to property and sales taxes:

City of Austin	\$175
Travis County	\$50



APPENDIX: DATA & RATES

Estimated additional annual state school funding received for each new student that moves to the district:

Year 1	\$3,900
Year 2	\$4,017
Year 3	\$4,138

Estimated annual marginal costs of providing city and county services to the households of new workers that move to the community:

City	\$350
County	\$100

Estimated annual costs of providing city services to the center, including police, fire and other emergency services:

Year 1	\$60,000
Year 2	\$75,000
Year 3	\$80,000
Year 4	\$82,400
Year 5	\$84,872

Estimated annual marginal cost for the school district to provide services to each new student that moves to the district

\$7,800

Information on ABC Retail Center:

Estimated market value of property at the facility:

Land	\$5,000,000
Buildings and other real property improvements	\$41,000,000
Business personal property, including:	
Furniture, fixtures and equipment	\$5,125,000
Inventory	\$615,000
Total value of business personal property	\$5,740,000
Total estimated market value of assets at the facility	\$51,740,000

Value of replacement furniture, fixtures and equipment to be purchased in:

Year 8	\$6,492,197
Year 16	\$8,470,844

Estimated development and building permits and fees

\$67,500

Estimated assessed or taxable value of initial assets on tax rolls:



APPENDIX: DATA & RATES

Real property (land, buildings and other real property improvements with about 90% of market value of on tax rolls)	\$41,400,000
Business personal property	\$5,740,000
Estimated total appraised value of property at the center on local tax rolls	\$47,140,000
Estimated annual taxable sales at the center beginning with year in which construction starts:	
Year 1	\$45,100,000
Year 2	\$52,259,625
Year 3	\$56,817,826
Year 4	\$58,522,360
Year 5	\$60,278,031
Percent of annual increase in taxable sales after Year 5	3%
Nightly room rate at motel in the center	\$100
Percent of annual increase in nightly room rate	3%
Number of motel rooms	150
Estimated room sales at the motel:	
Year 1	\$3,285,000
Year 2	\$3,383,550
Year 3	\$3,485,057
Year 4	\$3,589,608
Year 5	\$3,697,296
Estimated number of new workers to be hired by the center's tenants	330
Estimated average hourly wages including the wages of workers, managers, administrative and other personnel and tips of restaurant workers	\$11.00
Percent of expected increase in employees' wages	2.5%
Percent of direct and indirect workers who may move to the City	15%
Percent of workers who move to the community that will buy a new home or require that new residential property be built for them	25%
The number of people in a typical worker's household	1.5
The number of school children in a typical worker's household	0.25



APPENDIX: DATA & RATES

Estimated percent of taxable shopping by a typical direct and indirect worker in other businesses in Austin	90%
Percent of total salaries that a typical workers spends on taxable goods and services	30%
Visitors to the center:	
Estimated spending by each visitors to the center during a visit	\$22.50
Estimated annual increase in this average spending	3%
Percent of visitors to the center from out-of-town	45%
Percent of out-of-town visitors likely to spend money in other Austin businesses	30%
Estimated spending by the out-of-town visitors likely to spend money in other Austin businesses	\$30



APPENDIX: DETAILED CALCULATIONS

Number of local jobs and worker salaries to be created each year:

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	330	121	451	\$7,550,400	\$3,976,418	\$11,526,818
2	0	0	0	\$0	\$0	\$0
3	0	0	0	\$0	\$0	\$0
4	0	0	0	\$0	\$0	\$0
5	0	0	0	\$0	\$0	\$0
6	0	0	0	\$0	\$0	\$0
7	0	0	0	\$0	\$0	\$0
8	0	0	0	\$0	\$0	\$0
9	0	0	0	\$0	\$0	\$0
10	0	0	0	\$0	\$0	\$0
11	0	0	0	\$0	\$0	\$0
12	0	0	0	\$0	\$0	\$0
13	0	0	0	\$0	\$0	\$0
14	0	0	0	\$0	\$0	\$0
15	0	0	0	\$0	\$0	\$0
16	0	0	0	\$0	\$0	\$0
17	0	0	0	\$0	\$0	\$0
18	0	0	0	\$0	\$0	\$0
19	0	0	0	\$0	\$0	\$0
20	0	0	0	\$0	\$0	\$0
Total	330	121	451			



APPENDIX: DETAILED CALCULATIONS

Cumulative number of local jobs supported each year and annual salaries to be paid to workers:

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	330	121	451	\$7,550,400	\$3,976,418	\$11,526,818
2	330	121	451	\$7,739,160	\$4,075,829	\$11,814,989
3	330	121	451	\$7,932,639	\$4,177,724	\$12,110,363
4	330	121	451	\$8,130,955	\$4,282,167	\$12,413,122
5	330	121	451	\$8,334,229	\$4,389,222	\$12,723,450
6	330	121	451	\$8,542,585	\$4,498,952	\$13,041,537
7	330	121	451	\$8,756,149	\$4,611,426	\$13,367,575
8	330	121	451	\$8,975,053	\$4,726,712	\$13,701,765
9	330	121	451	\$9,199,429	\$4,844,879	\$14,044,309
10	330	121	451	\$9,429,415	\$4,966,001	\$14,395,416
11	330	121	451	\$9,665,150	\$5,090,151	\$14,755,302
12	330	121	451	\$9,906,779	\$5,217,405	\$15,124,184
13	330	121	451	\$10,154,449	\$5,347,840	\$15,502,289
14	330	121	451	\$10,408,310	\$5,481,536	\$15,889,846
15	330	121	451	\$10,668,518	\$5,618,575	\$16,287,092
16	330	121	451	\$10,935,230	\$5,759,039	\$16,694,270
17	330	121	451	\$11,208,611	\$5,903,015	\$17,111,626
18	330	121	451	\$11,488,827	\$6,050,590	\$17,539,417
19	330	121	451	\$11,776,047	\$6,201,855	\$17,977,902
20	330	121	451	\$12,070,448	\$6,356,902	\$18,427,350
Total				\$192,872,383	\$101,576,240	\$294,448,623

 **APPENDIX: DETAILED CALCULATIONS**

Estimated room sales at the motel in the center:

Year	Room Sales
1	\$3,285,000
2	\$3,383,550
3	\$3,485,057
4	\$3,589,608
5	\$3,697,296
6	\$3,808,215
7	\$3,922,462
8	\$4,040,136
9	\$4,161,340
10	\$4,286,180
11	\$4,414,765
12	\$4,547,208
13	\$4,683,625
14	\$4,824,133
15	\$4,968,857
16	\$5,117,923
17	\$5,271,461
18	\$5,429,604
19	\$5,592,493
20	\$5,760,267
Total	\$88,269,180



APPENDIX: DETAILED CALCULATIONS

Estimated taxable sales at the center:

Year	Taxable Sales
1	\$45,100,000
2	\$52,259,625
3	\$56,817,826
4	\$58,522,360
5	\$60,278,031
6	\$62,086,372
7	\$63,948,963
8	\$65,867,432
9	\$67,843,455
10	\$69,878,759
11	\$71,975,122
12	\$74,134,375
13	\$76,358,406
14	\$78,649,159
15	\$81,008,633
16	\$83,438,892
17	\$85,942,059
18	\$88,520,321
19	\$91,175,931
20	\$93,911,209
Total	\$1,427,716,931

 **APPENDIX: DETAILED CALCULATIONS**

Taxable spending by direct and indirect workers at other businesses in the community:

<u>Year</u>	<u>Spending</u>
1	\$3,112,241
2	\$3,190,047
3	\$3,269,798
4	\$3,351,543
5	\$3,435,332
6	\$3,521,215
7	\$3,609,245
8	\$3,699,476
9	\$3,791,963
10	\$3,886,762
11	\$3,983,931
12	\$4,083,530
13	\$4,185,618
14	\$4,290,258
15	\$4,397,515
16	\$4,507,453
17	\$4,620,139
18	\$4,735,643
19	\$4,854,034
20	\$4,975,384
Total	\$79,501,128



APPENDIX: DETAILED CALCULATIONS

Estimated number of visitors to the center and visitors from out of town and their spending in other businesses in Austin:

Year	Total Number of Visitors	Number of Visitors From Out-of-Town	Number of Visitors from Out-of-Town Likely to Spend Money in Other Austin Businesses	Average Spending by Each of the These Out-of-Town Visitors in Other Austin Businesses	Total Spending by These Out-of-Town Visitors in Other Austin Businesses
1	2,004,444	902,000	270,600	\$30.00	\$8,118,000
2	2,255,000	1,014,750	304,425	\$30.90	\$9,406,733
3	2,380,278	1,071,125	321,338	\$31.83	\$10,227,209
4	2,380,278	1,071,125	321,338	\$32.78	\$10,534,025
5	2,380,278	1,071,125	321,338	\$33.77	\$10,850,046
6	2,380,278	1,071,125	321,338	\$34.78	\$11,175,547
7	2,380,278	1,071,125	321,338	\$35.82	\$11,510,813
8	2,380,278	1,071,125	321,338	\$36.90	\$11,856,138
9	2,380,278	1,071,125	321,338	\$38.00	\$12,211,822
10	2,380,278	1,071,125	321,338	\$39.14	\$12,578,177
11	2,380,278	1,071,125	321,338	\$40.32	\$12,955,522
12	2,380,278	1,071,125	321,338	\$41.53	\$13,344,188
13	2,380,278	1,071,125	321,338	\$42.77	\$13,744,513
14	2,380,278	1,071,125	321,338	\$44.06	\$14,156,849
15	2,380,278	1,071,125	321,338	\$45.38	\$14,581,554
16	2,380,278	1,071,125	321,338	\$46.74	\$15,019,001
17	2,380,278	1,071,125	321,338	\$48.14	\$15,469,571
18	2,380,278	1,071,125	321,338	\$49.59	\$15,933,658
19	2,380,278	1,071,125	321,338	\$51.07	\$16,411,668
20	2,380,278	1,071,125	321,338	\$52.61	\$16,904,018
Total					\$256,989,048



APPENDIX: DETAILED CALCULATIONS

Total additional taxable sales in Austin:

Year	Sales at the Center	Direct and Indirect Workers' Spending in the City	Spending by Out-of-Town Visitors to the Center at Other Austin Businesses	Total Taxable Sales
1	\$45,100,000	\$3,112,241	\$8,118,000	\$56,330,241
2	\$52,259,625	\$3,190,047	\$9,406,733	\$64,856,404
3	\$56,817,826	\$3,269,798	\$10,227,209	\$70,314,832
4	\$58,522,360	\$3,351,543	\$10,534,025	\$72,407,928
5	\$60,278,031	\$3,435,332	\$10,850,046	\$74,563,408
6	\$62,086,372	\$3,521,215	\$11,175,547	\$76,783,134
7	\$63,948,963	\$3,609,245	\$11,510,813	\$79,069,022
8	\$65,867,432	\$3,699,476	\$11,856,138	\$81,423,046
9	\$67,843,455	\$3,791,963	\$12,211,822	\$83,847,240
10	\$69,878,759	\$3,886,762	\$12,578,177	\$86,343,698
11	\$71,975,122	\$3,983,931	\$12,955,522	\$88,914,575
12	\$74,134,375	\$4,083,530	\$13,344,188	\$91,562,093
13	\$76,358,406	\$4,185,618	\$13,744,513	\$94,288,538
14	\$78,649,159	\$4,290,258	\$14,156,849	\$97,096,266
15	\$81,008,633	\$4,397,515	\$14,581,554	\$99,987,702
16	\$83,438,892	\$4,507,453	\$15,019,001	\$102,965,346
17	\$85,942,059	\$4,620,139	\$15,469,571	\$106,031,769
18	\$88,520,321	\$4,735,643	\$15,933,658	\$109,189,621
19	\$91,175,931	\$4,854,034	\$16,411,668	\$112,441,632
20	\$93,911,209	\$4,975,384	\$16,904,018	\$115,790,611
Total	\$1,427,716,931	\$79,501,128	\$256,989,048	\$1,764,207,107



APPENDIX: DETAILED CALCULATIONS

Cumulative number of direct and indirect workers and their families who will move to the area and their children who will attend Austin CISD schools:

Year	New Workers	New Residents	New Students
1	68	102	17
2	68	102	17
3	68	102	17
4	68	102	17
5	68	102	17
6	68	102	17
7	68	102	17
8	68	102	17
9	68	102	17
10	68	102	17
11	68	102	17
12	68	102	17
13	68	102	17
14	68	102	17
15	68	102	17
16	68	102	17
17	68	102	17
18	68	102	17
19	68	102	17
20	68	102	17

 **APPENDIX: DETAILED CALCULATIONS**

Cumulative number of new residential properties that may be built in Austin for direct and indirect workers who will move to the community:

Year	New Residential Properties
1	17
2	17
3	17
4	17
5	17
6	17
7	17
8	17
9	17
10	17
11	17
12	17
13	17
14	17
15	17
16	17
17	17
18	17
19	17
20	17



APPENDIX: DETAILED CALCULATIONS

Cumulative market value of new residential property built for direct and indirect workers who move to the community:

Year	New Residential Property
1	\$1,785,000
2	\$1,838,550
3	\$1,893,707
4	\$1,950,518
5	\$2,009,033
6	\$2,069,304
7	\$2,131,383
8	\$2,195,325
9	\$2,261,185
10	\$2,329,020
11	\$2,398,891
12	\$2,470,857
13	\$2,544,983
14	\$2,621,333
15	\$2,699,973
16	\$2,780,972
17	\$2,864,401
18	\$2,950,333
19	\$3,038,843
20	\$3,130,008



APPENDIX: DETAILED CALCULATIONS

Cumulative market value of the center's property:

Year	Land	Buildings	Furniture, Fixtures and Equipment	Inventory	Total
1	\$5,000,000	\$41,000,000	\$5,125,000	\$615,000	\$51,740,000
2	\$5,150,000	\$42,230,000	\$4,612,500	\$633,450	\$52,625,950
3	\$5,304,500	\$43,496,900	\$3,690,000	\$652,454	\$53,143,854
4	\$5,463,635	\$44,801,807	\$2,583,000	\$672,027	\$53,520,469
5	\$5,627,544	\$46,145,861	\$1,549,800	\$692,188	\$54,015,393
6	\$5,796,370	\$47,530,237	\$774,900	\$712,954	\$54,814,461
7	\$5,970,261	\$48,956,144	\$309,960	\$734,342	\$55,970,708
8	\$6,149,369	\$50,424,828	\$6,492,197	\$756,372	\$63,822,767
9	\$6,333,850	\$51,937,573	\$5,842,977	\$779,064	\$64,893,464
10	\$6,523,866	\$53,495,701	\$4,674,382	\$802,436	\$65,496,384
11	\$6,719,582	\$55,100,572	\$3,272,067	\$826,509	\$65,918,729
12	\$6,921,169	\$56,753,589	\$1,963,240	\$851,304	\$66,489,302
13	\$7,128,804	\$58,456,196	\$981,620	\$876,843	\$67,443,464
14	\$7,342,669	\$60,209,882	\$392,648	\$903,148	\$68,848,347
15	\$7,562,949	\$62,016,179	\$117,794	\$930,243	\$70,627,164
16	\$7,789,837	\$63,876,664	\$8,470,844	\$958,150	\$81,095,495
17	\$8,023,532	\$65,792,964	\$7,623,760	\$986,894	\$82,427,150
18	\$8,264,238	\$67,766,753	\$6,099,008	\$1,016,501	\$83,146,500
19	\$8,512,165	\$69,799,756	\$4,269,305	\$1,046,996	\$83,628,223
20	\$8,767,530	\$71,893,748	\$2,561,583	\$1,078,406	\$84,301,268



APPENDIX: DETAILED CALCULATIONS

Cumulative taxable value of the center's property on local tax rolls:

Year	Land	Buildings	Furniture, Fixtures and Equipment	Inventory	Total
1	\$4,500,000	\$36,900,000	\$5,125,000	\$615,000	\$47,140,000
2	\$4,635,000	\$38,007,000	\$4,612,500	\$633,450	\$47,887,950
3	\$4,774,050	\$39,147,210	\$3,690,000	\$652,454	\$48,263,714
4	\$4,917,272	\$40,321,626	\$2,583,000	\$672,027	\$48,493,925
5	\$5,064,790	\$41,531,275	\$1,549,800	\$692,188	\$48,838,053
6	\$5,216,733	\$42,777,213	\$774,900	\$712,954	\$49,481,800
7	\$5,373,235	\$44,060,530	\$309,960	\$734,342	\$50,478,067
8	\$5,534,432	\$45,382,346	\$6,492,197	\$756,372	\$58,165,347
9	\$5,700,465	\$46,743,816	\$5,842,977	\$779,064	\$59,066,322
10	\$5,871,479	\$48,146,130	\$4,674,382	\$802,436	\$59,494,427
11	\$6,047,624	\$49,590,514	\$3,272,067	\$826,509	\$59,736,714
12	\$6,229,052	\$51,078,230	\$1,963,240	\$851,304	\$60,121,826
13	\$6,415,924	\$52,610,577	\$981,620	\$876,843	\$60,884,964
14	\$6,608,402	\$54,188,894	\$392,648	\$903,148	\$62,093,092
15	\$6,806,654	\$55,814,561	\$117,794	\$930,243	\$63,669,252
16	\$7,010,853	\$57,488,998	\$8,470,844	\$958,150	\$73,928,845
17	\$7,221,179	\$59,213,668	\$7,623,760	\$986,894	\$75,045,501
18	\$7,437,814	\$60,990,078	\$6,099,008	\$1,016,501	\$75,543,401
19	\$7,660,949	\$62,819,780	\$4,269,305	\$1,046,996	\$75,797,031
20	\$7,890,777	\$64,704,373	\$2,561,583	\$1,078,406	\$76,235,140



APPENDIX: DETAILED CALCULATIONS

Cumulative taxable value of new residential property built for direct and indirect workers who move to the community and the facility's property on local tax rolls:

Year	New Residential Property	Value of Property at the Facility	Total Taxable Property
1	\$1,785,000	\$47,140,000	\$48,925,000
2	\$1,838,550	\$47,887,950	\$49,726,500
3	\$1,893,707	\$48,263,714	\$50,157,420
4	\$1,950,518	\$48,493,925	\$50,444,443
5	\$2,009,033	\$48,838,053	\$50,847,086
6	\$2,069,304	\$49,481,800	\$51,551,104
7	\$2,131,383	\$50,478,067	\$52,609,451
8	\$2,195,325	\$58,165,347	\$60,360,672
9	\$2,261,185	\$59,066,322	\$61,327,507
10	\$2,329,020	\$59,494,427	\$61,823,447
11	\$2,398,891	\$59,736,714	\$62,135,605
12	\$2,470,857	\$60,121,826	\$62,592,684
13	\$2,544,983	\$60,884,964	\$63,429,947
14	\$2,621,333	\$62,093,092	\$64,714,425
15	\$2,699,973	\$63,669,252	\$66,369,224
16	\$2,780,972	\$73,928,845	\$76,709,817
17	\$2,864,401	\$75,045,501	\$77,909,902
18	\$2,950,333	\$75,543,401	\$78,493,734
19	\$3,038,843	\$75,797,031	\$78,835,874
20	\$3,130,008	\$76,235,140	\$79,365,148



APPENDIX: DETAILED CALCULATIONS

Additional Revenues and Costs for the City of Austin:

Development and building permits and fees:

Year	Permits and Fees
1	\$67,500

Property tax collections on:

Year	New Residential Property	Property at the Center, After Rebated	Total
1	\$192	\$50,628	\$50,820
2	\$197	\$51,432	\$51,629
3	\$2,034	\$51,835	\$53,869
4	\$2,095	\$52,082	\$54,177
5	\$2,158	\$52,452	\$54,610
6	\$2,222	\$53,143	\$55,366
7	\$2,289	\$54,213	\$56,503
8	\$2,358	\$62,470	\$64,827
9	\$2,429	\$63,437	\$65,866
10	\$2,501	\$63,897	\$66,398
11	\$2,576	\$64,157	\$66,734
12	\$2,654	\$64,571	\$67,225
13	\$2,733	\$65,390	\$68,124
14	\$2,815	\$66,688	\$69,503
15	\$2,900	\$68,381	\$71,281
16	\$2,987	\$79,400	\$82,386
17	\$3,076	\$80,599	\$83,675
18	\$3,169	\$81,134	\$84,302
19	\$3,264	\$81,406	\$84,670
20	\$3,362	\$81,877	\$85,238
Total	\$48,010	\$1,289,192	\$1,337,203



APPENDIX: DETAILED CALCULATIONS

Sales tax collections on:

Year	Workers' Spending in Other Businesses in the City	Taxable Sales at the Center After Rebates	Spending by Out-of-Town Visitors at Other Businesses in the City	Total
1	\$46,684	\$315,700	\$121,770	\$484,154
2	\$47,851	\$365,817	\$141,101	\$554,769
3	\$49,047	\$397,725	\$153,408	\$600,180
4	\$50,273	\$409,657	\$158,010	\$617,940
5	\$51,530	\$421,946	\$162,751	\$636,227
6	\$52,818	\$434,605	\$167,633	\$655,056
7	\$54,139	\$447,643	\$172,662	\$674,444
8	\$55,492	\$461,072	\$177,842	\$694,406
9	\$56,879	\$474,904	\$183,177	\$714,961
10	\$58,301	\$489,151	\$188,673	\$736,125
11	\$59,759	\$503,826	\$194,333	\$757,918
12	\$61,253	\$518,941	\$200,163	\$780,356
13	\$62,784	\$534,509	\$206,168	\$803,461
14	\$64,354	\$550,544	\$212,353	\$827,251
15	\$65,963	\$567,060	\$218,723	\$851,746
16	\$67,612	\$584,072	\$225,285	\$876,969
17	\$69,302	\$601,594	\$232,044	\$902,940
18	\$71,035	\$619,642	\$239,005	\$929,682
19	\$72,811	\$638,232	\$246,175	\$957,217
20	\$74,631	\$657,378	\$253,560	\$985,569
Total	\$1,192,517	\$9,994,019	\$3,854,836	\$15,041,371



APPENDIX: DETAILED CALCULATIONS

Hotel occupancy tax collections on:

Year	Hotel Occupancy Tax Collections
1	\$229,950
2	\$236,849
3	\$243,954
4	\$251,273
5	\$258,811
6	\$266,575
7	\$274,572
8	\$282,809
9	\$291,294
10	\$300,033
11	\$309,034
12	\$318,305
13	\$327,854
14	\$337,689
15	\$347,820
16	\$358,255
17	\$369,002
18	\$380,072
19	\$391,474
20	\$403,219
Total	\$6,178,843



APPENDIX: DETAILED CALCULATIONS

Other taxes and user fees and charges for services:

Year	Other Taxes, User Fees and Charges for Services
1	\$11,900
2	\$12,257
3	\$12,625
4	\$13,003
5	\$13,394
6	\$13,795
7	\$14,209
8	\$14,635
9	\$15,075
10	\$15,527
11	\$15,993
12	\$16,472
13	\$16,967
14	\$17,476
15	\$18,000
16	\$18,540
17	\$19,096
18	\$19,669
19	\$20,259
20	\$20,867
Total	\$319,757



APPENDIX: DETAILED CALCULATIONS

Additional costs to provide municipal services to new workers that move to the city:

Year	City's Additional Costs of Services
1	\$5,950
2	\$6,129
3	\$6,312
4	\$6,502
5	\$6,697
6	\$6,898
7	\$7,105
8	\$7,318
9	\$7,537
10	\$7,763
11	\$7,996
12	\$8,236
13	\$8,483
14	\$8,738
15	\$9,000
16	\$9,270
17	\$9,548
18	\$9,834
19	\$10,129
20	\$10,433
Total	\$159,879



APPENDIX: DETAILED CALCULATIONS

Estimated annual costs of providing city services to the center, including police, fire and other emergency services:

Year	City's Additional Costs of Services
1	\$60,000
2	\$75,000
3	\$80,000
4	\$82,400
5	\$84,872
6	\$87,418
7	\$90,041
8	\$92,742
9	\$95,524
10	\$98,390
11	\$101,342
12	\$104,382
13	\$107,513
14	\$110,739
15	\$114,061
16	\$117,483
17	\$121,007
18	\$124,637
19	\$128,377
20	\$132,228
Total	\$2,008,155



APPENDIX: DETAILED CALCULATIONS

Total additional costs and benefits for the City:

Year	Revenues	Costs	Net Benefits	Cumulative Annual Net Benefits
1	\$844,324	\$65,950	\$778,374	\$778,374
2	\$855,504	\$81,129	\$774,375	\$1,552,749
3	\$910,628	\$86,312	\$824,315	\$2,377,064
4	\$936,393	\$88,902	\$847,492	\$3,224,556
5	\$963,041	\$91,569	\$871,472	\$4,096,028
6	\$990,792	\$94,316	\$896,477	\$4,992,504
7	\$1,019,728	\$97,145	\$922,582	\$5,915,087
8	\$1,056,679	\$100,060	\$956,619	\$6,871,706
9	\$1,087,195	\$103,061	\$984,134	\$7,855,839
10	\$1,118,083	\$106,153	\$1,011,930	\$8,867,769
11	\$1,149,677	\$109,338	\$1,040,340	\$9,908,109
12	\$1,182,358	\$112,618	\$1,069,740	\$10,977,849
13	\$1,216,405	\$115,997	\$1,100,408	\$12,078,257
14	\$1,251,919	\$119,476	\$1,132,442	\$13,210,699
15	\$1,288,847	\$123,061	\$1,165,786	\$14,376,485
16	\$1,336,150	\$126,753	\$1,209,397	\$15,585,883
17	\$1,374,714	\$130,555	\$1,244,158	\$16,830,041
18	\$1,413,725	\$134,472	\$1,279,253	\$18,109,294
19	\$1,453,620	\$138,506	\$1,315,114	\$19,424,409
20	\$1,494,893	\$142,661	\$1,352,232	\$20,776,640
Total	\$22,944,674	\$2,168,034	\$20,776,640	



APPENDIX: DETAILED CALCULATIONS

Additional Costs and Benefits for the Travis County:

Sales tax collections on:

Year	Workers' Spending in Other Businesses in the City	Taxable Sales at the Center	Spending by Out-of-Town Visitors to the Center at Other Austin Businesses	Total
1	\$225,500	\$15,561	\$40,590	\$281,651
2	\$15,950	\$261,298	\$47,034	\$324,282
3	\$16,349	\$284,089	\$51,136	\$351,574
4	\$16,758	\$292,612	\$52,670	\$362,040
5	\$17,177	\$301,390	\$54,250	\$372,817
6	\$17,606	\$310,432	\$55,878	\$383,916
7	\$18,046	\$319,745	\$57,554	\$395,345
8	\$18,497	\$329,337	\$59,281	\$407,115
9	\$18,960	\$339,217	\$61,059	\$419,236
10	\$19,434	\$349,394	\$62,891	\$431,718
11	\$19,920	\$359,876	\$64,778	\$444,573
12	\$20,418	\$370,672	\$66,721	\$457,810
13	\$20,928	\$381,792	\$68,723	\$471,443
14	\$21,451	\$393,246	\$70,784	\$485,481
15	\$21,988	\$405,043	\$72,908	\$499,939
16	\$22,537	\$417,194	\$75,095	\$514,827
17	\$23,101	\$429,710	\$77,348	\$530,159
18	\$23,678	\$442,602	\$79,668	\$545,948
19	\$24,270	\$455,880	\$82,058	\$562,208
20	\$24,877	\$469,556	\$84,520	\$578,953
Total	\$607,444	\$6,928,646	\$1,284,945	\$8,821,036



APPENDIX: DETAILED CALCULATIONS

Property tax collections on:

Year	New Residential Property	Property at the Center	Total
1	\$6,692	\$176,728	\$183,420
2	\$6,893	\$179,532	\$186,425
3	\$7,100	\$180,941	\$188,040
4	\$7,312	\$181,804	\$189,116
5	\$7,532	\$183,094	\$190,626
6	\$7,758	\$185,507	\$193,265
7	\$7,991	\$189,242	\$197,233
8	\$8,230	\$218,062	\$226,292
9	\$8,477	\$221,440	\$229,917
10	\$8,731	\$223,045	\$231,776
11	\$8,993	\$223,953	\$232,946
12	\$9,263	\$225,397	\$234,660
13	\$9,541	\$228,258	\$237,799
14	\$9,827	\$232,787	\$242,614
15	\$10,122	\$238,696	\$248,818
16	\$10,426	\$277,159	\$287,585
17	\$10,739	\$281,346	\$292,084
18	\$11,061	\$283,212	\$294,273
19	\$11,393	\$284,163	\$295,556
20	\$11,734	\$285,806	\$297,540
Total	\$179,816	\$4,500,170	\$4,679,985



APPENDIX: DETAILED CALCULATIONS

Other taxes and user fees and charges for services from new residents:

Year	Other Taxes, User Fees and Charges for Services
1	\$3,400
2	\$3,502
3	\$3,607
4	\$3,715
5	\$3,827
6	\$3,942
7	\$4,060
8	\$4,182
9	\$4,307
10	\$4,436
11	\$4,569
12	\$4,706
13	\$4,848
14	\$4,993
15	\$5,143
16	\$5,297
17	\$5,456
18	\$5,620
19	\$5,788
20	\$5,962
Total	\$91,359



APPENDIX: DETAILED CALCULATIONS

Additional costs for the county to provide services to new residents:

Year	Additional Costs
1	\$6,800
2	\$7,004
3	\$7,214
4	\$7,431
5	\$7,653
6	\$7,883
7	\$8,120
8	\$8,363
9	\$8,614
10	\$8,872
11	\$9,139
12	\$9,413
13	\$9,695
14	\$9,986
15	\$10,286
16	\$10,594
17	\$10,912
18	\$11,239
19	\$11,577
20	\$11,924
Total	\$182,719



APPENDIX: DETAILED CALCULATIONS

Total annual costs and benefits for the County:

Year	Revenues	Costs	Net Benefits	Cumulative Annual Revenues
1	\$468,471	\$6,800	\$461,671	\$461,671
2	\$514,209	\$7,004	\$507,205	\$968,876
3	\$543,221	\$7,214	\$536,007	\$1,504,883
4	\$554,871	\$7,431	\$547,441	\$2,052,324
5	\$567,269	\$7,653	\$559,616	\$2,611,940
6	\$581,122	\$7,883	\$573,239	\$3,185,179
7	\$596,638	\$8,120	\$588,518	\$3,773,697
8	\$637,589	\$8,363	\$629,226	\$4,402,923
9	\$653,460	\$8,614	\$644,846	\$5,047,769
10	\$667,931	\$8,872	\$659,058	\$5,706,827
11	\$682,089	\$9,139	\$672,950	\$6,379,777
12	\$697,177	\$9,413	\$687,764	\$7,067,541
13	\$714,089	\$9,695	\$704,394	\$7,771,935
14	\$733,089	\$9,986	\$723,103	\$8,495,038
15	\$753,900	\$10,286	\$743,614	\$9,238,652
16	\$807,709	\$10,594	\$797,115	\$10,035,766
17	\$827,699	\$10,912	\$816,787	\$10,852,554
18	\$845,841	\$11,239	\$834,601	\$11,687,155
19	\$863,552	\$11,577	\$851,976	\$12,539,131
20	\$882,455	\$11,924	\$870,531	\$13,409,662
Total	\$13,592,380	\$182,719	\$13,409,662	



APPENDIX: DETAILED CALCULATIONS

Additional Revenues for Special Road

Property tax collections on:

Year	New Residential Property	Property at the Center	Total	Cumulative Collections
1	\$1,430	\$37,759	\$39,189	\$39,189
2	\$1,473	\$38,358	\$39,831	\$79,020
3	\$1,517	\$38,659	\$40,176	\$119,196
4	\$1,562	\$38,844	\$40,406	\$159,602
5	\$1,609	\$39,119	\$40,729	\$200,330
6	\$1,658	\$39,635	\$41,292	\$241,623
7	\$1,707	\$40,433	\$42,140	\$283,763
8	\$1,758	\$46,590	\$48,349	\$332,112
9	\$1,811	\$47,312	\$49,123	\$381,235
10	\$1,866	\$47,655	\$49,521	\$430,756
11	\$1,922	\$47,849	\$49,771	\$480,526
12	\$1,979	\$48,158	\$50,137	\$530,663
13	\$2,039	\$48,769	\$50,807	\$581,471
14	\$2,100	\$49,737	\$51,836	\$633,307
15	\$2,163	\$50,999	\$53,162	\$686,469
16	\$2,228	\$59,217	\$61,445	\$747,913
17	\$2,294	\$60,111	\$62,406	\$810,319
18	\$2,363	\$60,510	\$62,873	\$873,193
19	\$2,434	\$60,713	\$63,148	\$936,340
20	\$2,507	\$61,064	\$63,571	\$999,912
Total	\$38,419	\$961,493	\$999,912	



APPENDIX: DETAILED CALCULATIONS

Additional Costs and Benefits for the Austin Independent School District:

Property tax collections on:

Year	New Residential Property	Property at the Center	Total
1	\$26,084	\$688,857	\$714,941
2	\$26,867	\$699,787	\$726,653
3	\$27,673	\$705,278	\$732,950
4	\$28,503	\$708,642	\$737,145
5	\$29,358	\$713,670	\$743,028
6	\$30,239	\$723,078	\$753,316
7	\$31,146	\$737,636	\$768,782
8	\$32,080	\$849,970	\$882,050
9	\$33,043	\$863,136	\$896,179
10	\$34,034	\$869,392	\$903,426
11	\$35,055	\$872,933	\$907,988
12	\$36,107	\$878,560	\$914,667
13	\$37,190	\$889,712	\$926,902
14	\$38,306	\$907,366	\$945,672
15	\$39,455	\$930,399	\$969,853
16	\$40,638	\$1,080,322	\$1,120,961
17	\$41,857	\$1,096,640	\$1,138,497
18	\$43,113	\$1,103,916	\$1,147,029
19	\$44,407	\$1,107,622	\$1,152,029
20	\$45,739	\$1,114,024	\$1,159,763
Total	\$700,892	\$17,540,939	\$18,241,832



APPENDIX: DETAILED CALCULATIONS

Additional state school funding received by the district for new students:

Year	Additional State School Funding
1	\$70,338
2	\$70,338
3	\$70,338
4	\$72,448
5	\$74,621
6	\$76,860
7	\$79,166
8	\$81,541
9	\$83,987
10	\$86,506
11	\$89,102
12	\$91,775
13	\$94,528
14	\$97,364
15	\$100,285
16	\$103,293
17	\$106,392
18	\$109,584
19	\$112,871
20	\$116,257
Total	\$1,787,592



APPENDIX: DETAILED CALCULATIONS

Additional cost of providing services to new students:

Year	Additional Costs of Providing Services
1	\$132,600
2	\$136,578
3	\$140,675
4	\$144,896
5	\$149,242
6	\$153,720
7	\$158,331
8	\$163,081
9	\$167,974
10	\$173,013
11	\$178,203
12	\$183,549
13	\$189,056
14	\$194,728
15	\$200,569
16	\$206,586
17	\$212,784
18	\$219,168
19	\$225,743
20	\$232,515
Total	\$3,563,012



APPENDIX: DETAILED CALCULATIONS

Total annual costs and benefits for the School District:

Year	Revenues	Costs	Net Benefits	Cumulative Annual Revenues
1	\$785,279	\$132,600	\$652,679	\$652,679
2	\$796,991	\$136,578	\$660,413	\$1,313,092
3	\$803,288	\$140,675	\$662,613	\$1,975,704
4	\$809,592	\$144,896	\$664,697	\$2,640,401
5	\$817,650	\$149,242	\$668,407	\$3,308,808
6	\$830,176	\$153,720	\$676,456	\$3,985,265
7	\$847,948	\$158,331	\$689,616	\$4,674,881
8	\$963,591	\$163,081	\$800,510	\$5,475,391
9	\$980,166	\$167,974	\$812,192	\$6,287,583
10	\$989,932	\$173,013	\$816,920	\$7,104,503
11	\$997,089	\$178,203	\$818,886	\$7,923,389
12	\$1,006,442	\$183,549	\$822,892	\$8,746,281
13	\$1,021,430	\$189,056	\$832,374	\$9,578,655
14	\$1,043,036	\$194,728	\$848,308	\$10,426,963
15	\$1,070,138	\$200,569	\$869,569	\$11,296,531
16	\$1,224,254	\$206,586	\$1,017,667	\$12,314,199
17	\$1,244,889	\$212,784	\$1,032,105	\$13,346,304
18	\$1,256,613	\$219,168	\$1,037,445	\$14,383,749
19	\$1,264,900	\$225,743	\$1,039,157	\$15,422,907
20	\$1,276,020	\$232,515	\$1,043,505	\$16,466,412
Total	\$20,029,424	\$3,563,012	\$16,466,412	