

# A REPORT OF THE ECONOMIC IMPACT OF ABC CORPORATION IN AUSTIN, TEXAS

Prepared for:

XYZ Economic Development Corporation  
123 Oak Street  
Austin, TX 78701

March 5, 2009

**Impact**DataSource

Economic Consulting, Research & Analysis

4709 Cap Rock Drive  
Austin, Texas 78735  
P: 512 892.0205  
F: 512 892.2569

[www.impactdatasource.com](http://www.impactdatasource.com)



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# PROJECT SUMMARY

## INTRODUCTION

This report presents the results of an economic impact analysis performed by Impact DataSource located in Austin, Texas. The analysis was to determine the impact that ABC Corporation in Austin, Texas will have on the economy of the Austin area and calculate the costs and benefits for local taxing districts over the first ten years.

## DESCRIPTION OF THE FACILITY

ABC Corporation plans a 600,000 square foot facility in Austin to manufacture solar panels. The facility will cost \$95.5 million -- \$500,000 for land, \$75 million for buildings and other real property improvements and \$20 million for equipment. The facility will employ 400 workers with average annual salaries of \$50,000.

How the facility will impact the economy of the area is discussed next.

## SUMMARY OF THE ECONOMIC IMPACT OF THE FACILITY

The facility will have the following economic impact on the Austin area over the first ten years:

Economic Impact over the First Ten Years	
Total number of permanent direct and indirect jobs to be created	486
Number of direct and indirect workers who will move to the City	64
Number of new residents in the City	192
Number of new residential properties to be built in the City	13
Number of new students expected in Austin ISD	42
Salaries to be paid to direct and indirect workers	\$184,303,119
Taxable sales and purchases expected in the City	\$79,054,853
The value of new residential property to be built for direct and indirect workers who move to the City by Year 10	\$1,376,747
The facility's assets added to local tax rolls	\$96,500,000

How this economic activity translates into additional costs and benefits for local taxing districts is discussed next.



# ANALYSIS OF ECONOMIC IMPACT

## COST-BENEFIT ANALYSIS FOR LOCAL TAXING DISTRICTS

### Benefits:

Local taxing districts can expect to receive additional revenues as a result of the facility locating in the community. The estimated additional revenue to be received over the first ten years is scheduled below.

Additional Revenues for Local Taxing Districts over the First Ten Years					
	City of Austin	Travis County	Austin ISD	Austin College	Total
Sales taxes	\$1,185,823	\$395,274			\$1,581,097
Property tax collections after tax abatement, if any	\$2,740,510	\$2,226,356	\$10,686,879	\$582,799	\$16,236,544
Utility revenues	\$1,151,035				\$1,151,035
Utility franchise fees	\$82,820				\$82,820
Hotel occupancy taxes	\$76,167				\$76,167
Other taxes and user fees	\$42,047	\$35,039			\$77,086
Building permits and fees	\$200,000				\$200,000
Add'l state and federal school funding			\$2,196,117		\$2,196,117
<b>Total additional revenues</b>	<b>\$5,478,401</b>	<b>\$2,656,669</b>	<b>\$12,882,996</b>	<b>\$582,799</b>	<b>\$21,600,865</b>

### Costs:

While local taxing districts will receive additional revenues from the facility, the districts will incur additional costs as well. The estimated additional costs to be incurred over the first ten years as a result of the facility is scheduled below.

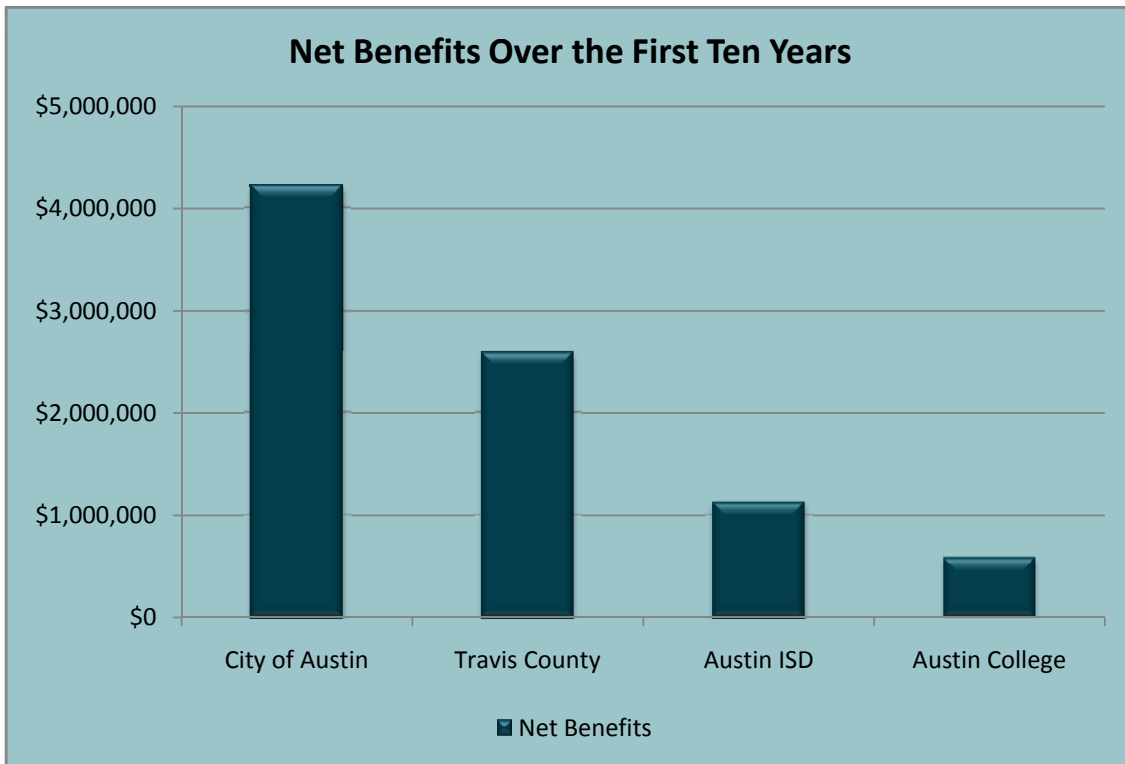
Additional Costs Over the First Ten Years					
	City of Austin	Travis County	Austin ISD	Austin College	Total
Costs of providing utilities to new residents	\$1,047,442				\$1,047,442
Costs of services to new residents	\$210,235	\$70,078			\$280,313
Costs of providing services to new students			\$2,147,314		\$2,147,314
Reduction in state aid as a result of new property being added to the school district's tax rolls			\$9,611,167		\$9,611,167
<b>Total additional costs</b>	<b>\$1,257,676</b>	<b>\$70,078</b>	<b>\$11,758,481</b>	<b>\$0</b>	<b>\$13,086,235</b>

# ANALYSIS OF ECONOMIC IMPACT

## **Net Benefits:**

The difference between the additional revenues and additional costs to local taxing districts is the net benefits resulting from the facility locating in the community. Net benefits over the first ten years are listed below as well as the discounted cash flow or present value of net benefits.

Net Benefits over the First Ten Years					
	<i>City of Austin</i>	<i>Travis County</i>	<i>Austin ISD</i>	<i>Austin College</i>	<i>Total</i>
Additional Revenues	\$5,478,401	\$2,656,669	\$12,882,996	\$582,799	<b>\$21,600,865</b>
Additional Costs	\$1,257,676	\$70,078	\$11,758,481	\$0	<b>\$13,086,235</b>
<b>Net Benefits</b>	<b>\$4,220,725</b>	<b>\$2,586,591</b>	<b>\$1,124,515</b>	<b>\$582,799</b>	<b>\$8,514,629</b>
<i>Present Value of Net Benefits*</i>	<i>\$3,283,647</i>	<i>\$1,972,496</i>	<i>\$1,053,500</i>	<i>\$439,652</i>	<i>\$6,749,294</i>



*\*The 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 entity's discount rate. This analysis uses a discount rate of 6% to make the dollars comparable.*



# ANALYSIS OF ECONOMIC IMPACT

## NET BENEFITS TO THE CITY FROM THE FACILITY AND NEW WORKERS

The City of Austin will receive benefits from spending and investments by the facility and from spending by new workers. These benefits, associated costs and net benefits for the first ten years are shown below for these two categories.

Net Benefits to the City from the Facility and New Workers			
	<i>Benefits/Costs from:</i>		
	<i>The Facility</i>	<i>New Workers</i>	<i>Total</i>
<i>Additional revenues:</i>			
Sales taxes	\$522,332	\$663,491	<b>\$1,185,823</b>
Property taxes	\$2,670,451	\$70,059	<b>\$2,740,510</b>
Utility revenues	\$394,190	\$756,845	<b>\$1,151,035</b>
Utility franchise fees	\$23,581	\$59,239	<b>\$82,820</b>
Hotel occupancy taxes	\$76,167		<b>\$76,167</b>
Other taxes and user fees		\$42,047	<b>\$42,047</b>
Building permits and fees	\$200,000		<b>\$200,000</b>
<b>Total additional revenues</b>	<b>\$3,886,720</b>	<b>\$1,591,680</b>	<b>\$5,478,401</b>
<i>Additional costs:</i>			
Costs of providing utilities	\$358,713	\$688,729	<b>\$1,047,442</b>
Costs of providing municipal services for new residents		\$210,235	<b>\$210,235</b>
<b>Total additional costs</b>	<b>\$358,713</b>	<b>\$898,963</b>	<b>\$1,257,676</b>
<b>Net Benefits</b>	<b>\$3,528,008</b>	<b>\$692,717</b>	<b>\$4,220,725</b>
<i>Percent of total net benefits for the City</i>	<i>84%</i>	<i>16%</i>	



# ANALYSIS OF INCENTIVES

## TAX ABATEMENT

The City of Austin, Travis County and Austin College are considering abating taxes on the taxable assets at facility at the following percentages:

Tax Abatement	
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	50%
Year 7	50%
Year 8	50%
Year 9	50%
Year 10	50%

If taxes are abated as proposed, the following property taxes will be abated for the facility:

Property Taxes to be Abated for the Facility				
	City	County	College	Total
Year 1	\$265,204	\$215,448	\$57,659	<b>\$538,310</b>
Year 2	\$263,843	\$214,343	\$57,384	<b>\$535,569</b>
Year 3	\$262,566	\$213,305	\$57,128	<b>\$532,999</b>
Year 4	\$261,375	\$212,337	\$56,890	<b>\$530,602</b>
Year 5	\$260,271	\$211,441	\$56,672	<b>\$528,383</b>
Year 6	\$259,255	\$210,616	\$56,474	<b>\$526,345</b>
Year 7	\$258,331	\$209,865	\$56,296	<b>\$524,492</b>
Year 8	\$257,499	\$209,189	\$56,138	<b>\$522,827</b>
Year 9	\$256,762	\$208,590	\$56,002	<b>\$521,355</b>
Year 10	\$261,675	\$212,582	\$57,082	<b>\$531,339</b>
<b>Total</b>	<b>\$2,606,781</b>	<b>\$2,117,716</b>	<b>\$567,725</b>	<b>\$5,292,222</b>

An analysis of possible incentives that the City may consider for the facility is next.



# ANALYSIS OF INCENTIVES

## ANALYSIS OF POSSIBLE INCENTIVES FOR THE FACILITY

The city is considering the following incentives for the facility:

Incentives Under Consideration	
Job creation incentives	\$540,000
Land	\$1,271,226
<b>Total incentives</b>	<b>\$1,811,226</b>

Financial incentives offered to the firm may be considered as an investment that the City makes in the facility. Four calculations analyzing possible investments were made:

1. Net Benefits - *detailed above*
2. Present Value of Net Benefits - *detailed above*
3. Rate of Return on Investment - *discussed and detailed below*
4. Payback Period - *discussed and detailed below*

The rate of return on investment calculates the average annual rate of return to the City, treating the incentives as the initial investment and the net benefits to the City as the return. The payback period is the number of years that it will take the City to recover the cost of incentives from the additional revenues that it will receive as a result of the facility.

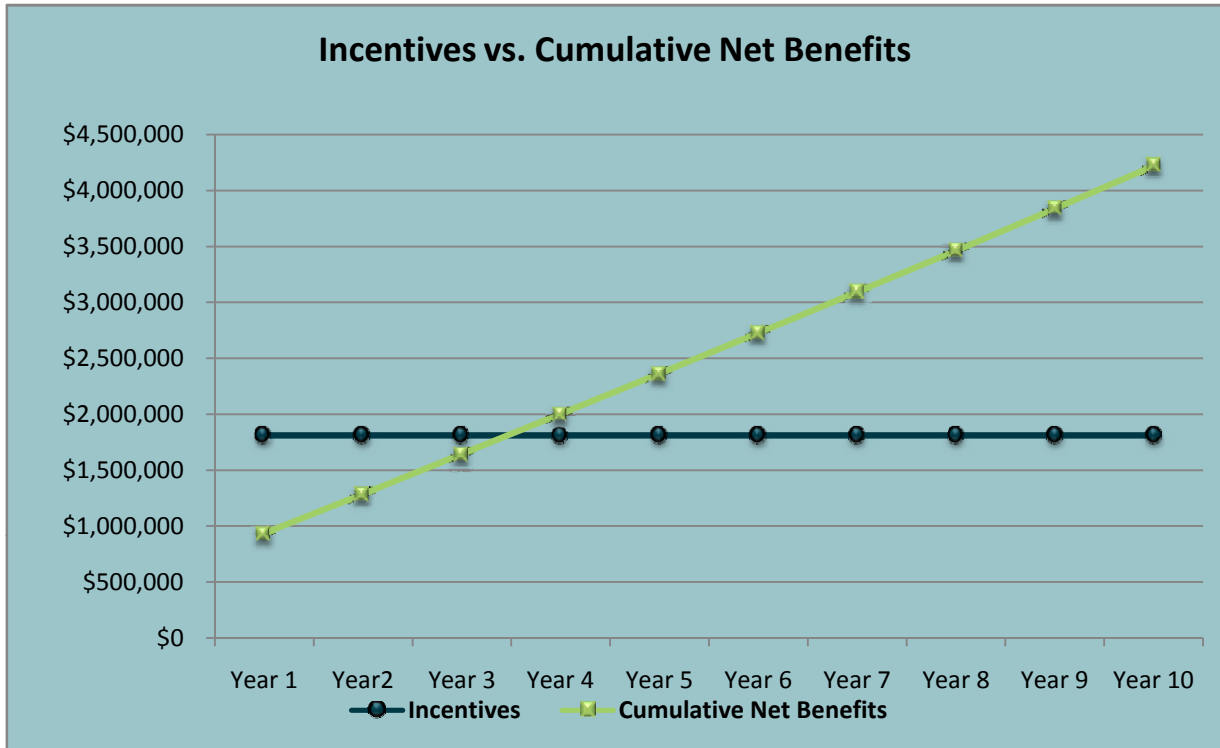
Rate of return and payback period for different level of incentives are calculated below.

Rate of Return and Payback Period		
Incentives	Annual Rate of Return	Payback Period (in years)
\$ 250,000	169%	0.3
\$ 500,000	84%	0.5
\$ 540,000	78%	0.6
\$ 750,000	56%	0.8
\$1,000,000	42%	1.2
\$1,250,000	34%	1.9
\$1,271,226	33%	2.0
\$1,500,000	28%	2.6
\$1,750,000	24%	3.3
\$1,811,226	23%	3.5
\$2,000,000	21%	4.0
\$2,250,000	19%	4.7
\$2,500,000	17%	5.4
\$2,750,000	15%	6.1
\$4,055,194	10%	9.6

# ANALYSIS OF INCENTIVES

## ANALYSIS OF POSSIBLE INCENTIVES AND CUMULATIVE BENEFITS

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits. The intersection indicates the length of time until the incentives are paid back.





## METHODOLOGY

### CONDUCT OF THE ANALYSIS

This analysis was conducted by Impact DataSource using data, rates and information supplied by the firm and the City of Austin. In addition, Impact DataSource used certain estimates and assumptions.

Using this data, the economic impact from the facility and the costs and benefits for the City of Austin, Travis County, Austin ISD, and Austin College were calculated for a ten year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are defined as those that result directly from the facility locating in the area. These impacts are the direct expenditures by the facility. Second, this economic impact analysis calculates the indirect and induced impacts that result from the facility. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services to the facility. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families

To estimate the indirect and induced economic impact of the facility and its employees on the Austin area, 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).

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the Austin area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The multipliers show the estimated number of indirect and induced jobs created for every one direct job at the facility and the amount of salaries paid to these workers for every dollar paid to a direct worker at the facility. The multipliers used in this analysis are listed below:

Employment multiplier	2.2396
Earnings multiplier	\$1.0947

### DISCUSSION OF STATE AID FOR THE SCHOOL DISTRICT

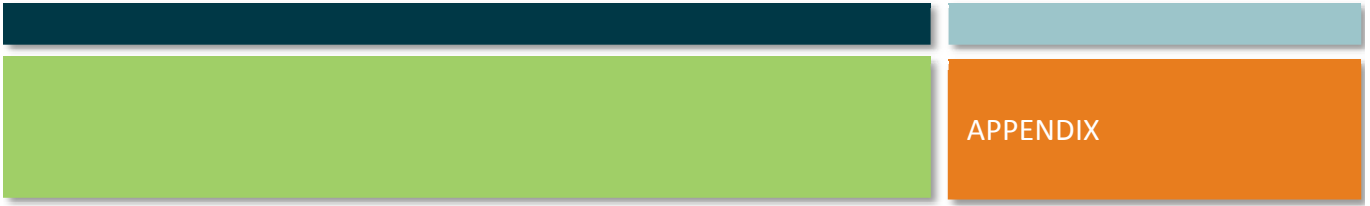
According to the Texas Education Agency, any property added to local tax rolls reduces funding from the state – dollar for dollar. However, it takes a year for this to affect. Therefore, the analysis shows that the school district keeps or benefits from the first year's property taxes but state funding in subsequent years is reduced by the amount of local property taxes collected from the new facility. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

## 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 of the results of calculations, are on the following pages.





## APPENDIX: DATA & RATES

### Local Tax Rates:

City of Austin sales tax rate	1.5%
Travis County sales tax rate	0.5%
City of Austin hotel occupancy tax rate	7%
Property tax rates, per \$100 of valuation:	
City of Austin	\$0.5554
Travis County	\$0.4512
Austin ISD	\$1.1100
Austin College	\$0.1195

### Relevant City Rates:

Annual marginal cost of providing municipal services, excluding utilities, to each new household	\$300
Estimated annual other taxes and user fees to be collected by the city from each new household -- those revenues that are in addition to sales and property taxes, utilities and utility franchise fees	\$60
Annual increase expected in the city's other revenues and marginal costs	2%
The city's estimated annual water, wastewater and garbage collection billings per household	\$1,080

Utility Service	Estimated Monthly Billing	Estimated Annual Billing (Monthly billing x 12)
Water	\$35	\$420
Wastewater	\$30	\$360
Solid waste	\$25	\$300

The city's cost of providing water, wastewater and solid waste services, as a percent of utility billings	91%
Annual increase expected in city-owned utility billings	2%



## APPENDIX: DATA & RATES

The city's utility franchise fee percentages:

Electricity	3%
Natural gas	2%
Cable	5%
Telephone monthly line access charge:	
Residential	\$0.98
Non-residential	\$1.00

Annual utility franchise fees collected from utility providers for each household in the city as detailed below \$78.90

Utility Service	Estimated Monthly Billing	Utility Franchise Fee Percentage	Monthly Utility Franchise Fee Collections	Estimated Annual Utility Franchise Fee Collections <i>(Monthly collections x 12)</i>
Electricity	\$85	3%	\$2.55	\$30.60
Natural gas	\$40	2%	\$0.80	\$9.60
Cable	\$40	5%	\$2.00	\$24.00
Telephone	1.25 lines	\$0.98	\$1.23	\$14.70

### Relevant County Rates:

Annual marginal cost of providing county services to each new household	\$100
Annual miscellaneous taxes and user fees to be collected from each new household, those county revenues other than property and sales taxes	\$50
Annual increase expected in other county revenues and marginal costs	2%

### Relevant School District Rates:

Estimated annual state, federal and other funding received by the district for for each child enrolled	\$4,500
Average annual cost of providing services to each child in the district	\$8,000
Average annual cost for each new child, as a percent of average annual cost	55%
Annual marginal cost of providing services to each new child	\$4,400



## APPENDIX: DATA & RATES

### Relevant Community Rates:

Expected inflation rate over the first ten years	3.5%
Discount rate used in analysis to compute discounted cash flows	6%
Percent of a typical worker's salary that will be spent on taxable goods and services	30%
Average taxable value of a new single family residence in the community that will be built for some individuals moving to Austin	\$90,000
Percent annual increase in the taxable value of residential property and commercial real property on local tax rolls over the first ten years	2%

### Depreciation rates:

To estimate the annual taxable or depreciable value of furniture, fixtures and equipment at the facility being analyzed in this analysis, this analysis uses straight line depreciation, an ten year life and a 20% residual value. Therefore, property taxes on the facility's furniture, fixtures and equipment are calculated on the following percentages of the costs of such equipment purchased each year:

Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	20%



## APPENDIX: DATA & RATES

### The Facility's Investments, Assets and Construction:

The investments at the facility each year at the facility:

	Land improvements	Buildings and Other Real Property	Furniture, Fixtures, and Equipment	Total
Year 1	\$500,000	\$75,000,000	\$20,000,000	\$95,500,000
Year 2	\$0	\$0	\$0	\$0
Year 3	\$0	\$0	\$0	\$0
Year 4	\$0	\$0	\$0	\$0
Year 5	\$0	\$0	\$0	\$0
Year 6	\$0	\$0	\$0	\$0
Year 7	\$0	\$0	\$0	\$0
Year 8	\$0	\$0	\$0	\$0
Year 9	\$0	\$0	\$0	\$0
Year 10	\$0	\$0	\$0	\$0
Total	\$500,000	\$75,000,000	\$20,000,000	\$95,500,000

The facility's taxable inventories:

Year 1	\$1,000,000
Year 2	\$1,030,000
Year 3	\$1,060,900
Year 4	\$1,092,727
Year 5	\$1,125,509
Year 6	\$1,159,274
Year 7	\$1,194,052
Year 8	\$1,229,874
Year 9	\$1,266,770
Year 10	\$1,304,773

Estimated annual increase in the volume and value of inventories

3%



## APPENDIX: DATA & RATES

### Spending During Construction:

Estimated spending for construction:

Year 1	\$75,000,000
Year 2	\$0
Year 3	\$0
Year 4	\$0
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$0
Year 9	\$0
Year 10	\$0

Percent of construction costs for:

Materials	50%
Labor	50%

Estimated percent of construction materials that will be purchased in the city and be subject to sales tax 40%

Percent of taxable spending by construction workers that will be in the city 40%

Estimated percent of furniture, fixtures and equipment that will be purchased in the city and be subject to sales tax 30%

Building permits and fees to be paid to the city:

Year 1	\$200,000
Year 2	\$0
Year 3	\$0
Year 4	\$0
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$0
Year 9	\$0
Year 10	\$0



## APPENDIX: DATA & RATES

### Activities During the Facility's Operations:

The facility's taxable sales subject to sales tax in the city:

Year 1	\$0
Year 2	\$0
Year 3	\$0
Year 4	\$0
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$0
Year 9	\$0
Year 10	\$0

Expected annual increase in taxable sales after the first year 3%

Estimated annual utilities at the facility:

	Water	Wastewater	Solid Waste	Electricity	Natural Gas	Cable	Telephone
Year 1	\$20,000	\$6,000	\$10,000	\$50,000	\$20,000	\$2,500	\$40,000
Year 2	\$20,400	\$6,120	\$10,200	\$51,000	\$20,400	\$2,550	\$40,800
Year 3	\$20,808	\$6,242	\$10,404	\$52,020	\$20,808	\$2,601	\$41,616
Year 4	\$21,224	\$6,367	\$10,612	\$53,060	\$21,224	\$2,653	\$42,448
Year 5	\$21,649	\$6,495	\$10,824	\$54,122	\$21,649	\$2,706	\$43,297
Year 6	\$22,082	\$6,624	\$11,041	\$55,204	\$22,082	\$2,760	\$44,163
Year 7	\$22,523	\$6,757	\$11,262	\$56,308	\$22,523	\$2,815	\$45,046
Year 8	\$22,974	\$6,892	\$11,487	\$57,434	\$22,974	\$2,872	\$45,947
Year 9	\$23,433	\$7,030	\$11,717	\$58,583	\$23,433	\$2,929	\$46,866
Year 10	\$23,902	\$7,171	\$11,951	\$59,755	\$23,902	\$2,988	\$47,804
Annual increase	2%	2%	2%	2%	2%	2%	2%

Estimated number of telephone lines at the facility 10

Percent of utility usage for manufacturing and processing activities and not subject to sales tax 95%



## APPENDIX: DATA & RATES

The facility's estimated local taxable purchases of materials, supplies and services for its operations:

Year 1	\$500,000
Year 2	\$515,000
Year 3	\$530,450
Year 4	\$546,364
Year 5	\$562,754
Year 6	\$579,637
Year 7	\$597,026
Year 8	\$614,937
Year 9	\$633,385
Year 10	\$652,387

Expected annual increase in taxable purchases after the first year 3%

The facility's total taxable purchases and taxable utilities:

	Taxable Purchases of Supplies, Materials and Services	Utilities Subject to Sales Tax			Total
		Utilities Subject to Sales Tax	Percent Taxable	Taxable Utilities	
Year 1	\$500,000	\$112,500	5%	\$5,625	\$505,625
Year 2	\$515,000	\$114,750	5%	\$5,738	\$520,738
Year 3	\$530,450	\$117,045	5%	\$5,852	\$536,302
Year 4	\$546,364	\$119,386	5%	\$5,969	\$552,333
Year 5	\$562,754	\$121,774	5%	\$6,089	\$568,843
Year 6	\$579,637	\$124,209	5%	\$6,210	\$585,847
Year 7	\$597,026	\$126,693	5%	\$6,335	\$603,361
Year 8	\$614,937	\$129,227	5%	\$6,461	\$621,398
Year 9	\$633,385	\$131,812	5%	\$6,591	\$639,976
Year 10	\$652,387	\$134,448	5%	\$6,722	\$659,109



## APPENDIX: DATA & RATES

Number of new workers hired at the facility each years

Year 1	150
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	150

Number of new workers who will move to the city to take job at the facility:

Estimated percent of total new workers moving to the city	20%
Year 1	30
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	30

Average annual salaries of workers at the facility \$50,000

Percent of expected increase in employee salaries after year 1 3.5%



## APPENDIX: DATA & RATES

Multipliers for calculating the number of indirect and induced jobs and earnings in the area:

Earnings	\$1.0947
Employment	2.2396

*This cost-benefit analysis uses the above multipliers to project the indirect and induced benefits in the community as a result of the direct economic activity. The employment multiplier shows the number of spin-off jobs what will be created from each direct job. Similarly, the earnings multiplier estimates the salaries and wages to be paid to workers in these spin-off jobs for each \$1 paid to direct workers.*

Percent employees to be hired in spin-off jobs created at the facility who will move to the city to take a job	10%
Percent of workers who move to the community that will buy a new home or require that new residential property be built for them	20%
The number of people in a typical worker's household	3
The number of school children in a typical worker's household	0.65
Percent of retail shopping by a typical worker in the city	80%

 **APPENDIX: DATA & RATES****Visitors to the Facility from Out-of-Town:**

Estimated number of annual out-of-town visitors to the facility	100
Average annual increase in the number of out-of-town visitors to the facility	3%
Average number of days that each of these visitors will stay in the city	2
Average number of nights that some of these visitors will stay in a motel in the city	1
Estimated average daily retail spending by each visitor in the city	\$60
Estimated daily motel room rate in the city	\$95

**Out-of-Town Truckers Loading and Unloading at the Facility:**

Estimated number of out-of-town truckers loading and unloading at the facility	4,500
Average annual increase in the number of out-of-town truckers	5%
Average taxable spending in the City by each out-of-town trucker	\$50.00
Estimated percent of out-of-town truckers who may stay overnight at a local motel	15%



## APPENDIX: DETAILED CALCULATIONS

**Number of local jobs added each year and worker salaries to be paid:**

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	150	336	486	\$7,500,000	\$8,210,250	\$15,710,250
2	0	0	0	\$7,762,500	\$8,497,609	\$16,260,109
3	0	0	0	\$8,034,188	\$8,795,025	\$16,829,213
4	0	0	0	\$8,315,384	\$9,102,851	\$17,418,235
5	0	0	0	\$8,606,423	\$9,421,451	\$18,027,873
6	0	0	0	\$8,907,647	\$9,751,201	\$18,658,849
7	0	0	0	\$9,219,415	\$10,092,494	\$19,311,908
8	0	0	0	\$9,542,094	\$10,445,731	\$19,987,825
9	0	0	0	\$9,876,068	\$10,811,331	\$20,687,399
10	0	0	0	\$10,221,730	\$11,189,728	\$21,411,458
<b>Total</b>	<b>150</b>	<b>336</b>	<b>486</b>	<b>\$87,985,449</b>	<b>\$96,317,671</b>	<b>\$184,303,119</b>

**Number of direct and indirect workers and their families who will move to the area and their children who will attend local public schools:**

Year	New Workers Moving to the Area	Total New Residents	Total New Students
1	64	192	42
2	0	0	0
3	0	0	0
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
<b>Total</b>	<b>64</b>	<b>192</b>	<b>42</b>



## APPENDIX: DETAILED CALCULATIONS

**Number of new residential properties that may be built in the city for direct and indirect workers who will move to the community:**

Year	New Residential Properties
1	13
2	0
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0
Total	13

**Local taxable spending on which sales taxes will be collected:**

Year	Local Construction Workers' Spending and Furniture, Fixtures and Equipment	Direct and Indirect Workers' Spending	Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$25,500,000	\$3,770,460	\$237,000	\$0	\$505,625	\$30,013,085
2	\$0	\$3,902,426	\$257,311	\$0	\$520,738	\$4,680,475
3	\$0	\$4,039,011	\$279,368	\$0	\$536,302	\$4,854,682
4	\$0	\$4,180,376	\$303,321	\$0	\$552,333	\$5,036,030
5	\$0	\$4,326,690	\$329,333	\$0	\$568,843	\$5,224,866
6	\$0	\$4,478,124	\$357,582	\$0	\$585,847	\$5,421,553
7	\$0	\$4,634,858	\$388,260	\$0	\$603,361	\$5,626,479
8	\$0	\$4,797,078	\$421,577	\$0	\$621,398	\$5,840,054
9	\$0	\$4,964,976	\$457,761	\$0	\$639,976	\$6,062,712
10	\$0	\$5,138,750	\$497,057	\$0	\$659,109	\$6,294,916
Total	\$25,500,000	\$44,232,749	\$3,528,572	\$0	\$5,793,532	\$79,054,853



## APPENDIX: DETAILED CALCULATIONS

**Local spending by visitors on lodging by out-of-town visitors and out-of-town truckers:**

Year	Spending on Lodging
1	\$73,625
2	\$79,815
3	\$86,530
4	\$93,813
5	\$101,713
6	\$110,282
7	\$119,578
8	\$129,663
9	\$140,604
10	\$152,473
<b>Total</b>	<b>\$1,088,096</b>

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

Year	New Residential Property	Value of Property at the Facility on Local Tax Rolls	Total Taxable Property
1	\$1,152,000	\$96,500,000	\$97,652,000
2	\$1,175,040	\$96,040,000	\$97,215,040
3	\$1,198,541	\$95,611,100	\$96,809,641
4	\$1,222,512	\$95,213,931	\$96,436,443
5	\$1,246,962	\$94,849,137	\$96,096,099
6	\$1,271,901	\$94,517,375	\$95,789,276
7	\$1,297,339	\$94,219,315	\$95,516,654
8	\$1,323,286	\$93,955,642	\$95,278,928
9	\$1,349,752	\$93,727,053	\$95,076,805
10	\$1,376,747	\$95,534,262	\$96,911,009



# APPENDIX: DETAILED CALCULATIONS

## Costs and Benefits for the City of Austin

### Benefits:

#### Sales tax collections:

Year	During Construction and Purchases of Furniture, Fixtures and Equipment	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$382,500	\$56,557	\$3,555	\$0	\$7,584	\$450,196
2	\$0	\$58,536	\$3,860	\$0	\$7,811	\$70,207
3	\$0	\$60,585	\$4,191	\$0	\$8,045	\$72,820
4	\$0	\$62,706	\$4,550	\$0	\$8,285	\$75,540
5	\$0	\$64,900	\$4,940	\$0	\$8,533	\$78,373
6	\$0	\$67,172	\$5,364	\$0	\$8,788	\$81,323
7	\$0	\$69,523	\$5,824	\$0	\$9,050	\$84,397
8	\$0	\$71,956	\$6,324	\$0	\$9,321	\$87,601
9	\$0	\$74,475	\$6,866	\$0	\$9,600	\$90,941
10	\$0	\$77,081	\$7,456	\$0	\$9,887	\$94,424
Total	\$382,500	\$663,491	\$52,929	\$0	\$86,903	\$1,185,823

#### Property tax collections on:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$6,398	\$535,961	\$265,204	\$270,758	\$277,156
2	\$6,526	\$533,406	\$263,843	\$269,563	\$276,090
3	\$6,657	\$531,024	\$262,566	\$268,458	\$275,115
4	\$6,790	\$528,818	\$261,375	\$267,444	\$274,233
5	\$6,926	\$526,792	\$260,271	\$266,522	\$273,447
6	\$7,064	\$524,949	\$259,255	\$265,694	\$272,758
7	\$7,205	\$523,294	\$258,331	\$264,963	\$272,168
8	\$7,350	\$521,830	\$257,499	\$264,330	\$271,680
9	\$7,497	\$520,560	\$256,762	\$263,798	\$271,294
10	\$7,646	\$530,597	\$261,675	\$268,922	\$276,568
Total	\$70,059	\$5,277,232	\$2,606,781	\$2,670,451	\$2,740,510



## APPENDIX: DETAILED CALCULATIONS

### Costs and Benefits for the City of Austin - Continued

**Utilities and utility franchise fees collected by the city from new residents and from the facility:**

Year	Utilities	Utility Franchise	
		Fees	Total
1	\$105,120	\$7,195	\$112,315
2	\$107,222	\$7,416	\$114,638
3	\$109,367	\$7,645	\$117,011
4	\$111,554	\$7,881	\$119,435
5	\$113,785	\$8,124	\$121,909
6	\$116,061	\$8,376	\$124,437
7	\$118,382	\$8,635	\$127,017
8	\$120,750	\$8,903	\$129,653
9	\$123,165	\$9,180	\$132,345
10	\$125,628	\$9,466	\$135,094
Total	\$1,151,035	\$82,820	\$1,233,854

**Other city revenues, including hotel occupancy taxes, other taxes and user fees collected from new residents and building permits on construction at the facility:**

Year	Hotel	Other	Building	Total Other
	Occupancy Taxes	Taxes and User Fees	Permits and Fees	
1	\$5,154	\$3,840	\$200,000	\$208,994
2	\$5,587	\$3,917	\$0	\$9,504
3	\$6,057	\$3,995	\$0	\$10,052
4	\$6,567	\$4,075	\$0	\$10,642
5	\$7,120	\$4,157	\$0	\$11,276
6	\$7,720	\$4,240	\$0	\$11,959
7	\$8,370	\$4,324	\$0	\$12,695
8	\$9,076	\$4,411	\$0	\$13,487
9	\$9,842	\$4,499	\$0	\$14,341
10	\$10,673	\$4,589	\$0	\$15,262
Total	\$76,167	\$42,047	\$200,000	\$318,214



# APPENDIX: DETAILED CALCULATIONS

## Costs and Benefits for the City of Austin - Continued

### Costs:

The costs of providing municipal services and utility services to new residents:

Year	Cost of Services to New Residents	Costs of Utilities	Total Costs
1	\$19,200	\$95,659	\$114,859
2	\$19,584	\$97,572	\$117,156
3	\$19,976	\$99,524	\$119,500
4	\$20,375	\$101,514	\$121,890
5	\$20,783	\$103,545	\$124,327
6	\$21,198	\$105,615	\$126,814
7	\$21,622	\$107,728	\$129,350
8	\$22,055	\$109,882	\$131,937
9	\$22,496	\$112,080	\$134,576
10	\$22,946	\$114,322	\$137,267
Total	\$210,235	\$1,047,442	\$1,257,676

### Net Benefits for the City of Austin:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$1,048,660	\$114,859	\$933,801	\$933,801
2	\$470,439	\$117,156	\$353,283	\$1,287,084
3	\$474,999	\$119,500	\$355,499	\$1,642,583
4	\$479,851	\$121,890	\$357,961	\$2,000,544
5	\$485,006	\$124,327	\$360,679	\$2,361,223
6	\$490,478	\$126,814	\$363,664	\$2,724,886
7	\$496,278	\$129,350	\$366,928	\$3,091,814
8	\$502,421	\$131,937	\$370,484	\$3,462,298
9	\$508,921	\$134,576	\$374,345	\$3,836,644
10	\$521,348	\$137,267	\$384,081	\$4,220,725
Total	\$5,478,401	\$1,257,676	\$4,220,725	



# APPENDIX: DETAILED CALCULATIONS

## Costs and Benefits for Travis County

### Benefits:

#### Sales tax collections on spending:

Year	During Construction and Purchases of Furniture, Fixtures and Equipment	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$127,500	\$18,852	\$1,185	\$0	\$2,528	\$150,065
2	\$0	\$19,512	\$1,287	\$0	\$2,604	\$23,402
3	\$0	\$20,195	\$1,397	\$0	\$2,682	\$24,273
4	\$0	\$20,902	\$1,517	\$0	\$2,762	\$25,180
5	\$0	\$21,633	\$1,647	\$0	\$2,844	\$26,124
6	\$0	\$22,391	\$1,788	\$0	\$2,929	\$27,108
7	\$0	\$23,174	\$1,941	\$0	\$3,017	\$28,132
8	\$0	\$23,985	\$2,108	\$0	\$3,107	\$29,200
9	\$0	\$24,825	\$2,289	\$0	\$3,200	\$30,314
10	\$0	\$25,694	\$2,485	\$0	\$3,296	\$31,475
Total	\$127,500	\$221,164	\$17,643	\$0	\$28,968	\$395,274

#### Miscellaneous taxes and user fees to be collected from new residents:

Year	Misc. Taxes and User Fees
1	\$3,200
2	\$3,264
3	\$3,329
4	\$3,396
5	\$3,464
6	\$3,533
7	\$3,604
8	\$3,676
9	\$3,749
10	\$3,824
Total	\$35,039



# APPENDIX: DETAILED CALCULATIONS

## Costs and Benefits for Travis County - Continued

### Property tax collections on:

Year	New Residential Property	Property at the Facility		Total Taxes After Abatement	Total
		Taxes Collected	Taxes Abated		
1	\$5,198	\$435,408	\$215,448	\$219,960	\$225,158
2	\$5,302	\$433,332	\$214,343	\$218,990	\$224,292
3	\$5,408	\$431,397	\$213,305	\$218,092	\$223,500
4	\$5,516	\$429,605	\$212,337	\$217,268	\$222,784
5	\$5,626	\$427,959	\$211,441	\$216,519	\$222,145
6	\$5,739	\$426,462	\$210,616	\$215,847	\$221,585
7	\$5,854	\$425,118	\$209,865	\$215,253	\$221,106
8	\$5,971	\$423,928	\$209,189	\$214,739	\$220,709
9	\$6,090	\$422,896	\$208,590	\$214,306	\$220,396
10	\$6,212	\$431,051	\$212,582	\$218,469	\$224,681
Total	\$56,915	\$4,287,157	\$2,117,716	\$2,169,441	\$2,226,356

### Costs of providing county services to new residents:

Year	Costs of County Services
1	\$6,400
2	\$6,528
3	\$6,659
4	\$6,792
5	\$6,928
6	\$7,066
7	\$7,207
8	\$7,352
9	\$7,499
10	\$7,649
Total	\$70,078



## APPENDIX: DETAILED CALCULATIONS

### Costs and Benefits for Travis County - Continued

#### Net Benefits for the County:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$378,423	\$6,400	\$372,023	\$372,023
2	\$250,958	\$6,528	\$244,430	\$616,453
3	\$251,103	\$6,659	\$244,444	\$860,897
4	\$251,360	\$6,792	\$244,568	\$1,105,465
5	\$251,733	\$6,928	\$244,806	\$1,350,271
6	\$252,226	\$7,066	\$245,160	\$1,595,431
7	\$252,842	\$7,207	\$245,635	\$1,841,066
8	\$253,585	\$7,352	\$246,234	\$2,087,300
9	\$254,459	\$7,499	\$246,960	\$2,334,260
10	\$259,980	\$7,649	\$252,331	\$2,586,591
Total	\$2,656,669	\$70,078	\$2,586,591	



# APPENDIX: DETAILED CALCULATIONS

## Costs and Benefits for the Austin ISD

### Benefits, including property taxes and additional state and federal school funding:

Year	Property Tax Collections on:			Additional State School Funding	Total
	New Residential Property	The Facility's Property	Total Collections		
1	\$12,787	\$1,071,150	\$1,083,937	\$187,200	\$1,271,137
2	\$13,043	\$1,066,044	\$1,079,087	\$193,752	\$1,272,839
3	\$13,304	\$1,061,283	\$1,074,587	\$200,533	\$1,275,120
4	\$13,570	\$1,056,875	\$1,070,445	\$207,552	\$1,277,996
5	\$13,841	\$1,052,825	\$1,066,667	\$214,816	\$1,281,483
6	\$14,118	\$1,049,143	\$1,063,261	\$222,335	\$1,285,596
7	\$14,400	\$1,045,834	\$1,060,235	\$230,117	\$1,290,351
8	\$14,688	\$1,042,908	\$1,057,596	\$238,171	\$1,295,767
9	\$14,982	\$1,040,370	\$1,055,353	\$246,507	\$1,301,859
10	\$15,282	\$1,060,430	\$1,075,712	\$255,134	\$1,330,847
<b>Total</b>	<b>\$140,016</b>	<b>\$10,546,863</b>	<b>\$10,686,879</b>	<b>\$2,196,117</b>	<b>\$12,882,996</b>

### Costs of educating children of new workers who move to the district:

Year	Cost of Educating New Students
1	\$183,040
2	\$189,446
3	\$196,077
4	\$202,940
5	\$210,043
6	\$217,394
7	\$225,003
8	\$232,878
9	\$241,029
10	\$249,465
<b>Total</b>	<b>\$2,147,314</b>



## APPENDIX: DETAILED CALCULATIONS

### Costs and Benefits for the Austin ISD - Continued

**Reduction in State aid to the school district as a result of new residential property for the facility's employees and the facility's property being added to the school district's tax rolls:**

Year	Reduction in State Aid for the School District
1	\$0
2	\$1,083,937
3	\$1,079,087
4	\$1,074,587
5	\$1,070,445
6	\$1,066,667
7	\$1,063,261
8	\$1,060,235
9	\$1,057,596
10	\$1,055,353
Total	\$9,611,167

### Net Benefits for the School District:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$1,271,137	\$183,040	\$1,088,097	\$1,088,097
2	\$1,272,839	\$1,273,384	(\$545)	\$1,087,553
3	\$1,275,120	\$1,275,164	(\$44)	\$1,087,509
4	\$1,277,996	\$1,277,527	\$470	\$1,087,979
5	\$1,281,483	\$1,280,487	\$996	\$1,088,975
6	\$1,285,596	\$1,284,061	\$1,535	\$1,090,510
7	\$1,290,351	\$1,288,264	\$2,088	\$1,092,597
8	\$1,295,767	\$1,293,113	\$2,654	\$1,095,251
9	\$1,301,859	\$1,298,625	\$3,234	\$1,098,485
10	\$1,330,847	\$1,304,817	\$26,029	\$1,124,515
Total	\$12,882,996	\$11,758,481	\$1,124,515	



## APPENDIX: DETAILED CALCULATIONS

### Benefits for Austin College

#### Property tax collections:

Year	New Residential Property	Property at the Facility		Total Taxes After Abatement	Total
		Taxes Collected	Taxes Abated		
1	\$1,377	\$115,318	\$57,659	\$57,659	\$59,035
2	\$1,404	\$114,768	\$57,384	\$57,384	\$58,788
3	\$1,432	\$114,255	\$57,128	\$57,128	\$58,560
4	\$1,461	\$113,781	\$56,890	\$56,890	\$58,351
5	\$1,490	\$113,345	\$56,672	\$56,672	\$58,162
6	\$1,520	\$112,948	\$56,474	\$56,474	\$57,994
7	\$1,550	\$112,592	\$56,296	\$56,296	\$57,846
8	\$1,581	\$112,277	\$56,138	\$56,138	\$57,720
9	\$1,613	\$112,004	\$56,002	\$56,002	\$57,615
10	\$1,645	\$114,163	\$57,082	\$57,082	\$58,727
<b>Total</b>	<b>\$15,074</b>	<b>\$1,135,451</b>	<b>\$567,725</b>	<b>\$567,725</b>	<b>\$582,799</b>