

07

Economic, Fiscal, and Employment Impact Analysis



Introduction to Impacts

Hunden uses the IMPLAN input-output multiplier model, which determines the level of additional activity in the Washington County economy due to additional inputs. For example, for every dollar of direct new spending in Washington County, the IMPLAN model provides multipliers for the indirect and induced spending that will result.

The net new and recaptured direct spending discussed earlier in the chapter is considered to be the **Direct Impact**.

From the direct spending figures, further impact analyses will be completed.

- **Indirect Impacts** are the supply of goods and services that result from the initial direct spending. For example, a visitor's direct expenditure on a hotel room causes the hotel to purchase linens and other items from suppliers. The portion of these hotel purchases that are within the local economy is considered an indirect economic impact.
- **Induced Impacts** embody the change in spending due to the personal expenditures by employees whose incomes are affected by direct and indirect spending. For example, a waitress at a restaurant may have more personal income as a result of the induced customer's visit. The amount of the increased income that the employee spends in the area is considered an induced impact.
- **Fiscal Impacts** represent the incremental tax revenue collected by Washington County due to the net new economic activity. The fiscal impact represents the government's share of total economic benefit. The most relevant tax streams that flows directly to Washington County include sales tax and hotel accommodations tax.
- **Employment Impacts** include the incremental employment provided not only onsite, but due to the spending associated with it. For example, the direct, indirect and induced impacts generate spending, support new and ongoing businesses, and ultimately result in ongoing employment for citizens. Hunden will show the number of ongoing jobs supported by the project and provide the resulting income generated.

Net New Spending, FTEs & Earnings

As a result of the Project, the county will experience new visitors for regional and national shows that would not have visited the market otherwise. These net new visitors will spend money in Washington County, supporting the local economy.

Hunden classifies spending in five categories: food & beverage, lodging, retail, transportation and other. Hunden projects direct net new spending to total over \$764 million over 30 years. As this net new direct spending trickles through the Washington County economy, it generates induced and indirect spending.

Combined total net new spending within Washington County is expected to surpass \$1.2 billion over 30 years.

Direct, Indirect and Induced Net New Spending to Washington County (\$000s) - Project									
	2028	2029	2030	2031	2032	2037	2047	2057	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Year 30	
Direct Spending									
Food & Beverage	\$ 1,713	\$ 3,142	\$ 4,716	\$ 4,833	\$ 4,950	\$ 5,534	\$ 6,704	\$ 7,873	\$ 181,098
Lodging	\$ 1,631	\$ 3,264	\$ 5,060	\$ 5,185	\$ 5,311	\$ 5,938	\$ 7,192	\$ 8,447	\$ 193,990
Retail	\$ 705	\$ 1,372	\$ 2,174	\$ 2,464	\$ 2,766	\$ 4,448	\$ 8,672	\$ 14,040	\$ 210,312
Transportation	\$ 1,112	\$ 1,982	\$ 2,942	\$ 3,014	\$ 3,087	\$ 3,452	\$ 4,181	\$ 4,911	\$ 113,025
Other	\$ 739	\$ 1,205	\$ 1,704	\$ 1,746	\$ 1,788	\$ 2,000	\$ 2,422	\$ 2,845	\$ 65,625
Total	\$ 5,899	\$ 10,965	\$ 16,595	\$ 17,243	\$ 17,903	\$ 21,373	\$ 29,171	\$ 38,116	\$ 764,051
Total Spending	2028	2029	2030	2031	2032	2037	2047	2057	Total
Direct	\$ 5,899	\$ 10,965	\$ 16,595	\$ 17,243	\$ 17,903	\$ 21,373	\$ 29,171	\$ 38,116	\$ 764,051
Indirect	\$ 2,268	\$ 4,234	\$ 6,425	\$ 6,689	\$ 6,957	\$ 8,374	\$ 11,584	\$ 15,298	\$ 302,393
Induced	\$ 1,168	\$ 2,134	\$ 3,206	\$ 3,328	\$ 3,452	\$ 4,103	\$ 5,558	\$ 7,218	\$ 145,884
Total	\$ 9,336	\$ 17,333	\$ 26,227	\$ 27,260	\$ 28,312	\$ 33,849	\$ 46,314	\$ 60,632	\$ 1,212,327

Source: Hunden Partners

Net New Earnings & Full-Time Equivalent Jobs

Jobs will be created onsite as well as offsite from the direct, indirect and induced spending. Over 30 years net new earnings within Washington County is expected total over \$382 million, supporting an annual average of 234 new jobs over 30 years.

Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (\$000s) - Project									
	2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2037 Year 10	2047 Year 20	2057 Year 30	Total
Net New Earnings									
From Direct	\$ 2,631	\$ 4,843	\$ 7,300	\$ 7,584	\$ 7,872	\$ 9,390	\$ 12,799	\$ 16,705	\$ 241,267
From Indirect	\$ 953	\$ 1,808	\$ 2,758	\$ 2,867	\$ 2,978	\$ 3,563	\$ 4,879	\$ 6,393	\$ 91,654
From Induced	\$ 546	\$ 1,006	\$ 1,515	\$ 1,572	\$ 1,630	\$ 1,933	\$ 2,611	\$ 3,383	\$ 49,488
Total	\$ 4,131	\$ 7,657	\$ 11,573	\$ 12,022	\$ 12,480	\$ 14,886	\$ 20,290	\$ 26,481	\$ 382,409
Net New FTE Jobs									Average
From Direct	55	99	145	146	147	151	153	148	146
From Indirect	22	39	57	58	58	60	62	60	59
From Induced	12	20	30	30	30	31	31	29	29
Total	89	158	232	233	235	242	245	238	234

Source: Hunden Partners

30-Year Impact Summary

Over 30 years the Project is expected to generate more than \$1.2 billion in net new spending, \$382 million in net new earnings and 234 net new full-time equivalent jobs.

30-Year Fiscal Impact - Tax Impacts from Recommended Facility (\$000s) - Project

	2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2037 Year 10	2047 Year 20	2057 Year 30	Total
State Taxes (Texas)									
State - Sales Tax (6.25%)	\$ 353	\$ 669	\$ 1,021	\$ 1,061	\$ 1,102	\$ 1,244	\$ 1,710	\$ 2,247	\$ 36,590
State - Mixed Beverage (8.25%)	\$ 13	\$ 14	\$ 14	\$ 14	\$ 15	\$ 53	\$ 66	\$ 78	\$ 1,167
State - Hotel Occ. Tax (4.00%)	\$ 65	\$ 131	\$ 202	\$ 207	\$ 212	\$ 238	\$ 288	\$ 338	\$ 5,842
Total State	\$ 432	\$ 814	\$ 1,237	\$ 1,283	\$ 1,329	\$ 1,535	\$ 2,063	\$ 2,663	\$ 43,599
Local Taxes (Washington Co & Brenham)									
County - Sales Tax (0.05%)	\$ 3	\$ 5	\$ 8	\$ 8	\$ 9	\$ 10	\$ 14	\$ 18	\$ 270
Brenham - Sales Tax (1.50%)	\$ 85	\$ 161	\$ 245	\$ 255	\$ 264	\$ 299	\$ 410	\$ 539	\$ 8,021
Brenham - Hotel Occ. Tax (7.00%)	\$ 114	\$ 228	\$ 354	\$ 363	\$ 372	\$ 416	\$ 503	\$ 591	\$ 10,223
Total Local	\$ 202	\$ 394	\$ 607	\$ 626	\$ 645	\$ 724	\$ 927	\$ 1,148	\$ 18,514

Source: Hunden Partners

30-Year Impacts to Washington County Recommended Facility

Net New Spending	
Direct	\$764.1
Indirect	\$302.4
Induced	\$145.9
Total	\$1,212.3
Net New Earnings	
From Direct	\$241.3
From Indirect	\$91.7
From Induced	\$49.5
Total	\$382.4
Net New FTE Jobs	
From Direct	146
From Indirect	59
From Induced	29
Total	234
State Taxes	
State - Sales Tax (6.25%)	\$36.6
State - Mixed Beverage (8.25%)	\$1.2
State - Hotel Occ. Tax (4.00%)	\$5.8
Total State	\$43.6
Net New Local Taxes	
County - Sales Tax (0.05%)	\$0.3
Brenham - Sales Tax (1.50%)	\$8.0
Brenham - Hotel Occ. Tax (7.00%)	\$10.2
Total Local	\$18.5
Total Taxes	\$62.1

Source: Hunden Partners