



Economic Impact Results South Monroe Walls

Introduction

The Center for Economic Forecasting & Analysis (CEFA) at Florida State University, in Partnership with the Tallahassee-Leon County Office of Economic Vitality (OEV) prepared the following economic impact analysis for South Monroe Walls. Consistent with standard practice for economic impact analysis, the direct impacts associated with the proposed project, as well as the indirect and induced impacts are calculated for the Tallahassee Metropolitan Statistical Area (MSA). These impacts have been produced using the IMPLAN® model.

This report evaluates the proposed project’s broader economic benefits, measured in terms of economic output (the value of industry production), local employment or jobs, and income or wages. Calculations are provided for two categories of benefits (and totaled): a) Construction (or Temporary) benefits; and b) Permanent benefits associated with the ongoing operation of the commercial operations. The total economic impact of South Monroe Walls is the summation of the one-time economic benefits associated with the construction phase of the project and the ongoing, permanent operations of the proposed \$4.75 million redevelopment project.

The project will generate the following types of economic benefits in the regional economy:

- **Direct Benefits.** Direct benefits relate to: a) the short-term business activity associated with project construction, and b) the ongoing business activity associated with the businesses that are located within the developed project.
- **Indirect Benefits.** Indirect benefits will result when local firms directly impacted by the project in turn purchase materials, supplies or services from other firms.
- **Induced Benefits.** Induced benefits relate to the consumption and spending of employees of firms that are directly or indirectly affected by the project. These would include all of the goods and services normally associated with household consumption (i.e., housing, retail purchases, local services, etc.).

Summary of Total Economic Impact

The total economic impact of South Monroe Walls is estimated to be 130 jobs, over \$4.85 million in income or wages and approximately \$15.2 million in economic output. The construction impacts are estimated to total 63 jobs, over \$1.8 million in income or wages and more than \$9.9 million in economic output (sales/revenues). On an annual (permanent) basis, the project is projected to generate 67 jobs, approximately \$1.1 million in income or wages, and more than \$5.3 million in economic output (sales/revenues).

Tallahassee MSA Total Economic Impact

Economic Measure	Economic Output (Sales/Revenues)	Employment or Jobs	Income or Wages
Construction	\$ 9,901,040	63	\$ 2,916,396
Permanent Employment	\$ 5,256,837	67	\$ 1,935,470
Grand Total	\$ 15,157,877	130	\$ 4,851,866

* in April 2020 \$

Summary of Employment Impact

Construction (temporary) impact will create 25 one-time jobs with an additional 38 indirect and induced jobs. These jobs are not permanent jobs, rather, when the project is complete the construction employment demands



created by the project will cease. A total of 44 permanent jobs will be created when construction is complete and all economic activities are fully operational, with an additional 5 indirect and 18 induced jobs needed to support project operations. The jobs associated with the operations are permanent jobs, therefore these impacts will continue on an annual basis.

Tallahassee MSA Employment Impact

Employment	Direct	Indirect	Induced	Total
Construction	25	11	27	63
Permanent	44	5	18	67
Grand Total	69	16	45	130

Summary of Output Impact

Construction (temporary) impacts will result in over \$4.7 million in direct economic output (total economic activity generated by the project) with an additional \$5.1 million in output from indirect and induced economic activity. Permanent direct economic output will exceed \$2.2 million annually, with an additional \$3.1 million in annual indirect and induced economic output.

Tallahassee MSA Output Impact

Output	Direct	Indirect	Induced	Total
Construction	\$ 4,752,486	\$ 1,667,903	\$ 3,480,651	\$ 9,901,040
Permanent	\$ 2,207,965	\$ 790,859	\$ 2,258,013	\$ 5,256,837
Grand Total	\$ 6,960,451	\$ 2,458,762	\$ 5,738,664	\$ 15,157,877

* in April 2020 \$

Summary of Income Impact

Construction (temporary) direct impacts will result in over \$1.1 million in one-time income with an additional \$1.8 million in income from indirect and induced jobs. The jobs associated with construction are not permanent jobs, rather, when the project is complete those employment demands created by the project will cease. Nearly \$860,000 in income annually will be created by permanent employment when construction is complete and all economic activities are fully operational, with an additional \$1.1 million in indirect and induced income paid to jobs needed to support project operations. The income associated with the operations are permanent wages, therefore these impacts will continue on an annual basis.

Tallahassee MSA Income Impact

Income	Direct	Indirect	Induced	Total
Construction	\$ 1,109,520	\$ 501,921	\$ 1,304,955	\$ 2,916,396
Permanent	\$ 858,660	\$ 229,828	\$ 846,982	\$ 1,935,470
Grand Total	\$ 1,968,180	\$ 731,749	\$ 2,151,937	\$ 15,157,877

* in April 2020 \$

Summary of State, Local and Federal Taxes Impacts

In addition to the employment, income and economic output associated with the project, there is also the accrual of State, Local, and Federal taxes. The one-time fiscal impact associated with the construction of the project is estimated to be approximately \$974,192. The estimated annual fiscal impact is equal to \$690,541.

Tallahassee MSA State, Local, and Federal Taxes Impact

Taxes	Permanent	Construction	Total
State & Local Taxes	\$ 281,640	\$ 369,185	\$ 650,825
Federal Taxes	\$ 408,901	\$ 605,007	\$ 1,013,908
Grand Total	\$ 690,541	\$ 974,192	\$ 1,664,733

* in April 2020 \$

**All impacts are presented as impacts to the Tallahassee MSA with monetary figures presented in current (April 2020) dollars. Additionally, the analysis is based on information provided by company representatives. Economic Impact analysis does not include any quality of life nor opportunity costs (alternative investment) valuation. Small differences in the estimates may occur due to rounding.*

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