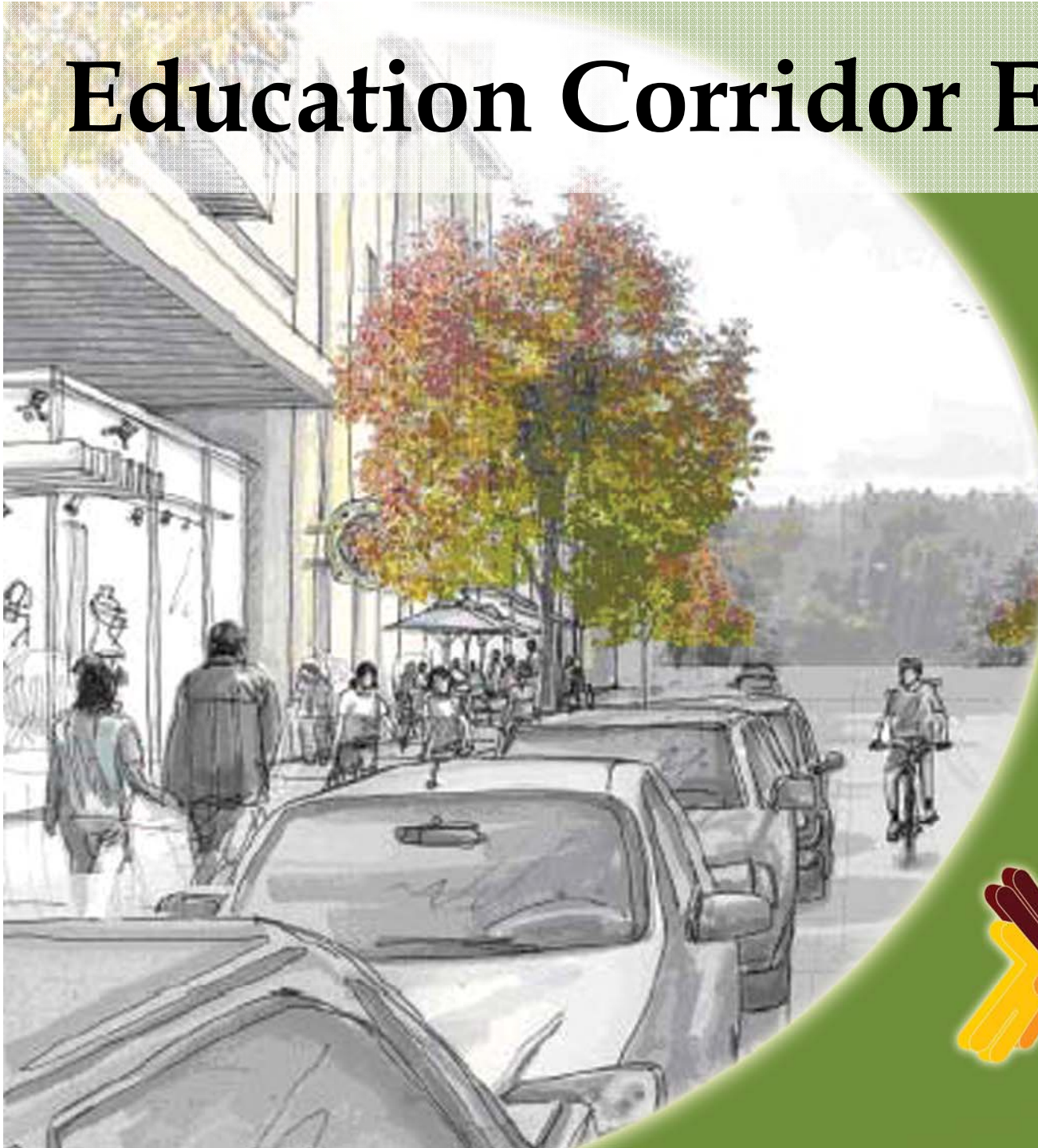


Education Corridor Expansion



by

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Background

- DeArmond Mill site closed
- Land vacancy created (17 acres)



Background

Development options for land

- Retail/commercial only
- Higher education expansion

Methodology

Step 1 • Measure current impact of institutions

Step 2 • Measure impact of institutions with expansion

Step 3 • Measure impact of exclusive retail/commercial development

Step 4 • Compare results



Methodology

Step 1. Current impact of institutions

Institutions provide data on...

- Payroll and expenditures
- Student enrollment and credit production

Model calculates...

- College operations effect
- Credit accumulation in workforce

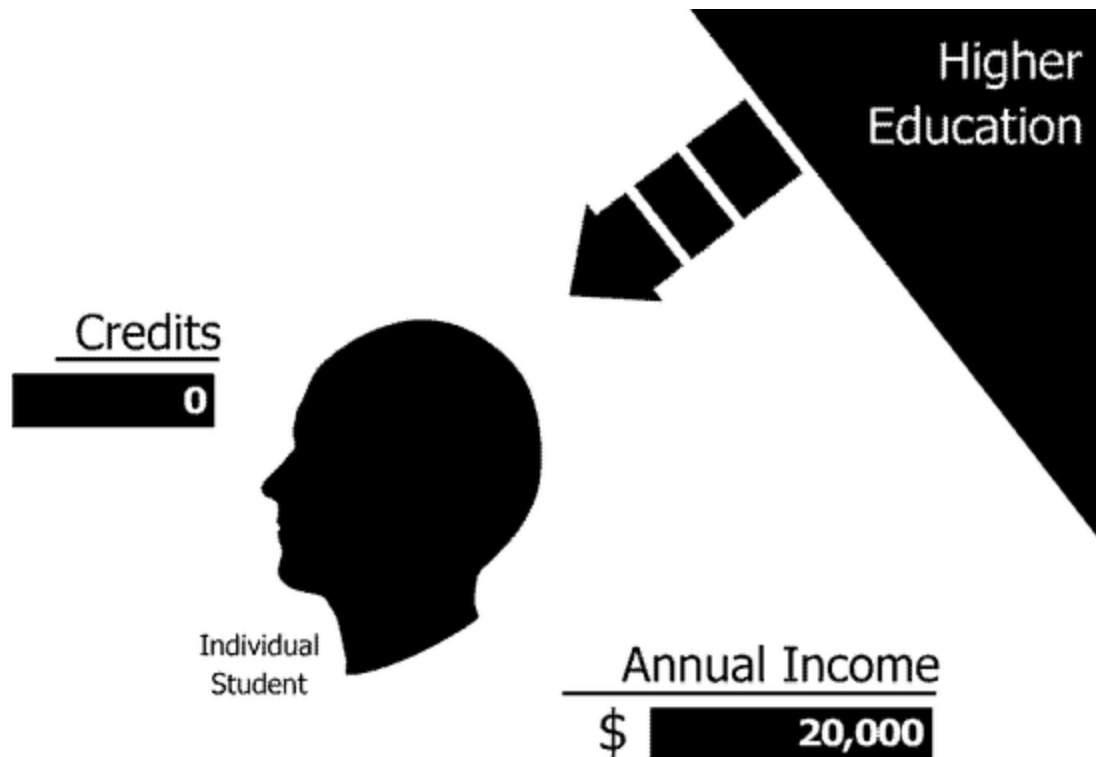
Methodology

Input-output modeling

- Predicts effect of institutions on other industry sectors
- Generates indirect “multiplier” effects

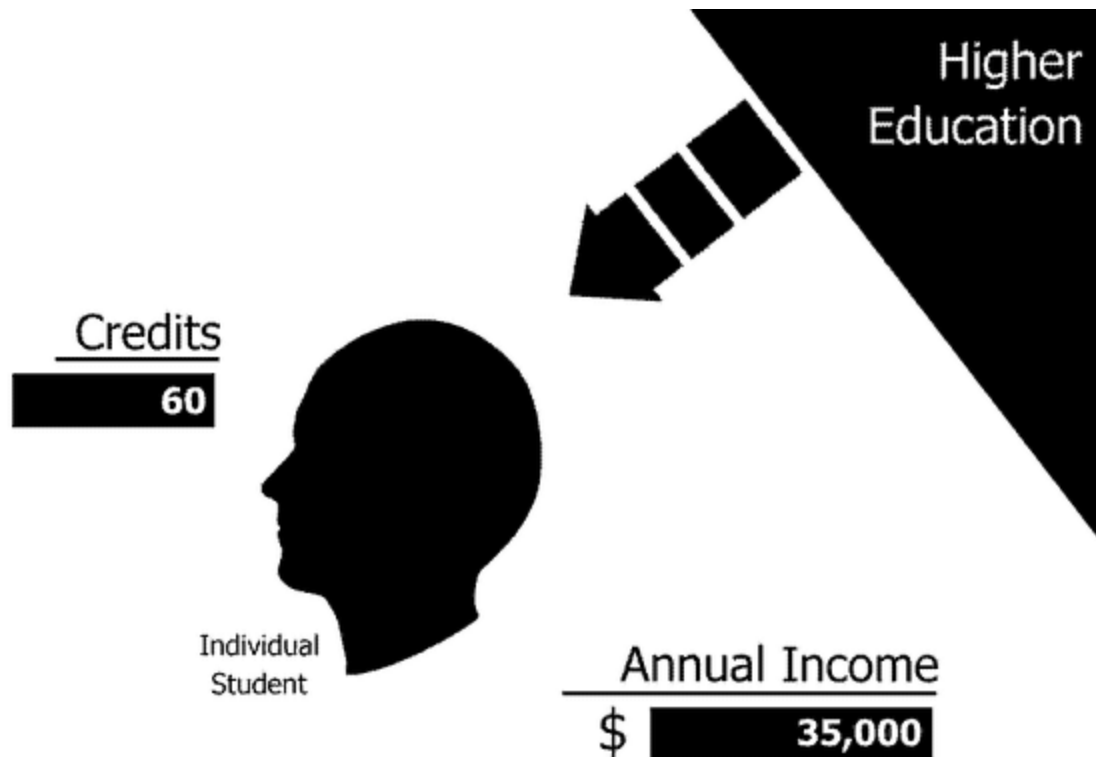
Methodology

Credit accumulation in workforce



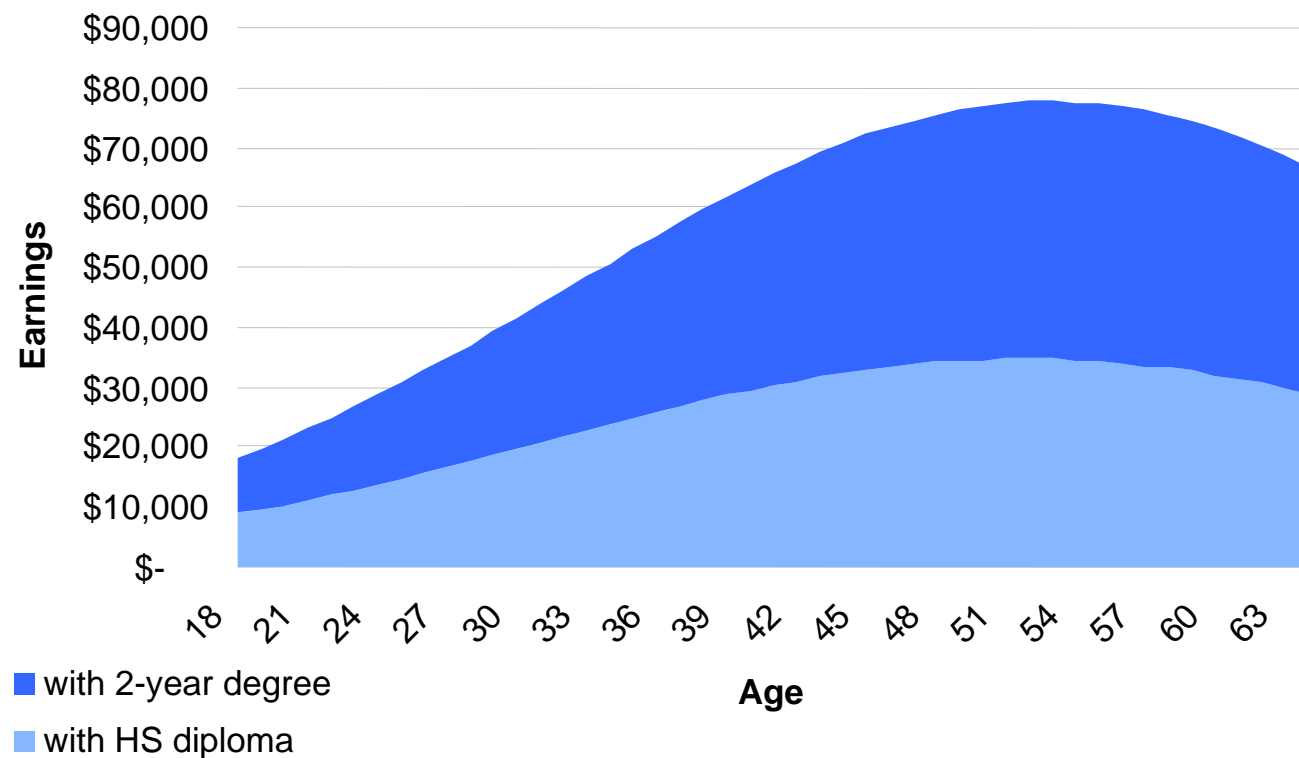
Methodology

Credit accumulation in workforce



Methodology

Annual earnings over lifetime



Source: Derived from national data supplied by US Census Bureau and Jacob Mincer, *Schooling, Experience and Earnings* (New York: National Bureau of Economic Research, 1974)

Results

Current impact of institutions

Year	2008
College operations effect	
Jobs impact	1,092
<i>Earnings impact (in millions)</i>	\$37.7
Student productivity effect	
<i>Earnings impact (in millions)</i>	\$90.4
Total effect	
<i>Earnings impact (in millions)</i>	\$128.1

Methodology

Step 2. Impact of institutions with expansion

Assumptions include...

- Costs of development
- Increases in college spending
- 2% annual growth in student enrollment

Model calculates...

- Temporary construction impacts
- College spending effects
- Student productivity effects

Results

Impact of institutions with expansion *Temporary construction impacts*

<i>Construction Cost</i>	<i>FTEs</i>	<i>Hdcnt</i>
Phase 1 (years 1-4)		
\$11,250,000	450	1,600
Phase 2 (years 5-9)		
\$12,750,000	510	1,820
Phase 3 (years 10-13)		
\$14,499,999	580	2,010
Phase 4 (years 14-17)		
\$15,500,001	620	2,150
\$54,000,000	2,160	7,580

Results

Impact of institutions with expansion *Temporary construction impacts*

Phases One & Two		Phases Three & Four	
Jobs impact	62	Jobs impact	77
Earnings impact (in millions)	\$2.5	Earnings impact (in millions)	\$3.1

Results

Impact of institutions with expansion

College operations effect

- **453** new jobs by 2018
- **889** new jobs by 2028
- **\$15.3 million** added earnings by 2018
- **\$30.8 million** added earnings by 2028



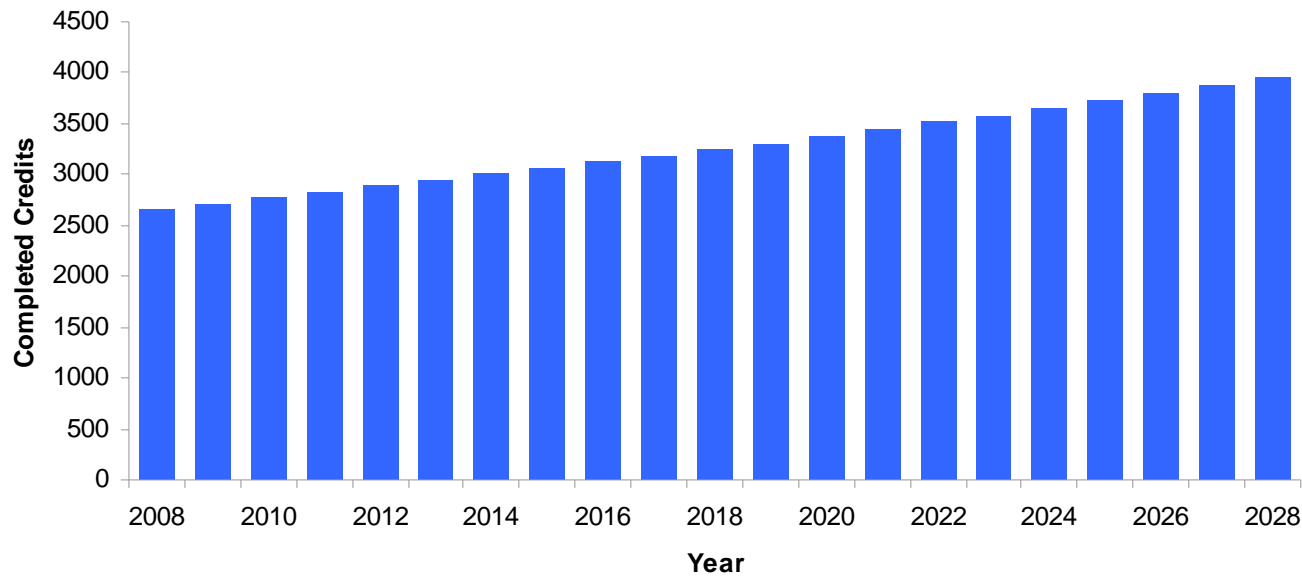
Results

Impact of institutions with expansion *Addition to economic base*

2007 current non-local revenue	\$24.1 million
2018 estimated non-local revenue	\$35.6 million
Addition to economic base by 2018	\$11.5 million

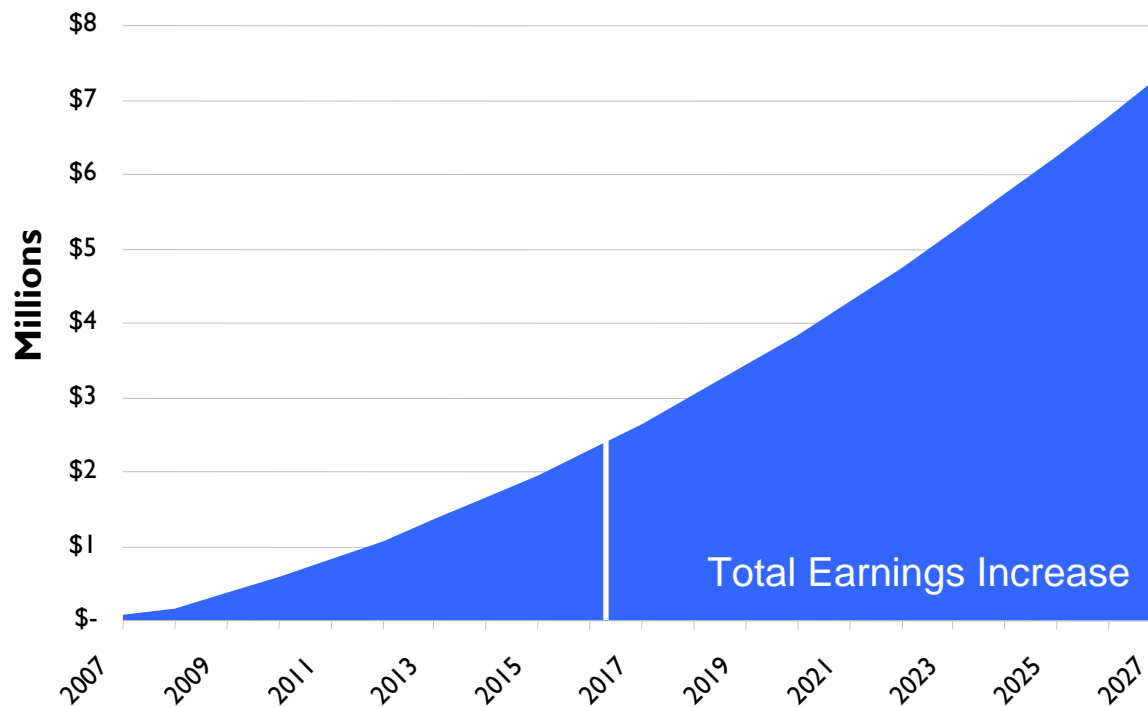
Results

Impact of institutions with expansion *Accumulation of credits in workforce*



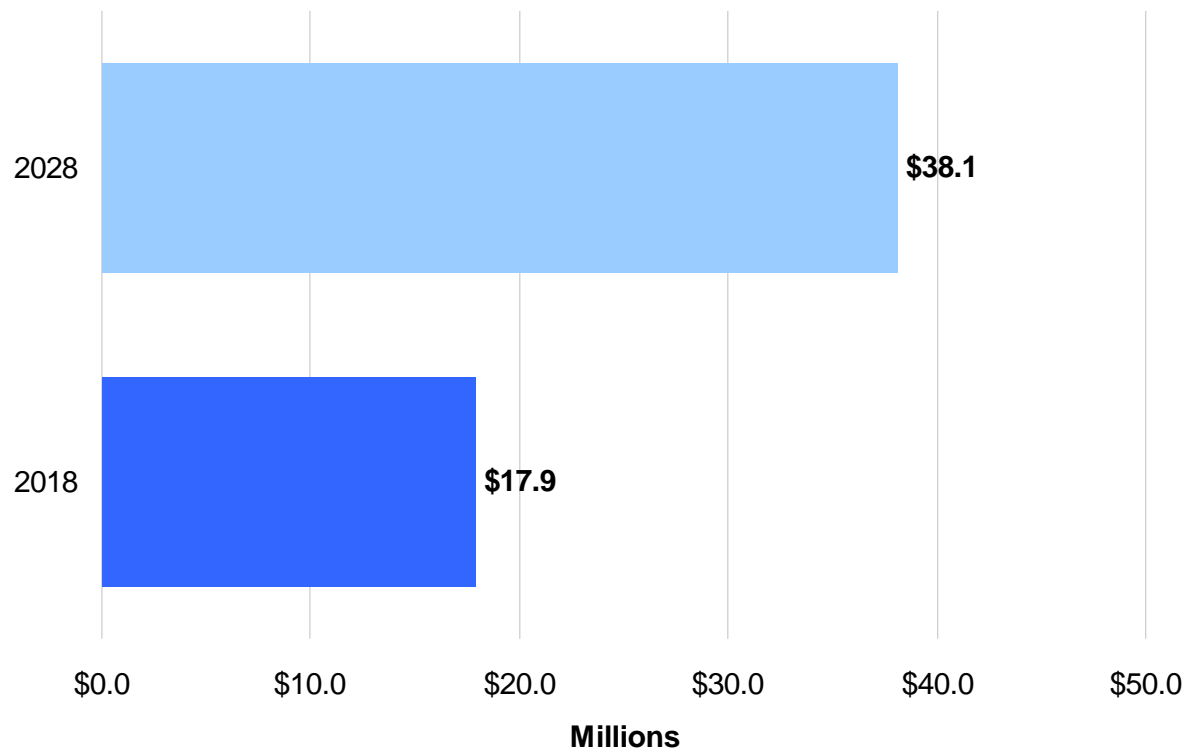
Results

Impact of institutions with expansion *New growth in regional earnings*



Results

Impact of institutions with expansion *College operations plus educational attainment*



Methodology

Step 3. Impact of exclusive retail/commercial development

Data and assumptions include...

- Size of land and structure
- Value of land and structure
- Tax rates

Model calculates...

- Property taxes collected
- Sales taxes collected

Results

Retail/commercial development *Value of Land and Structure*

Land size	17 acres
<i>Max value of land</i>	<i>\$14.8 million</i>

Structure size (no. of levels)	2 levels
<i>Max value of structure</i>	<i>\$122.0 million</i>

Total value	\$136.8 million
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Results

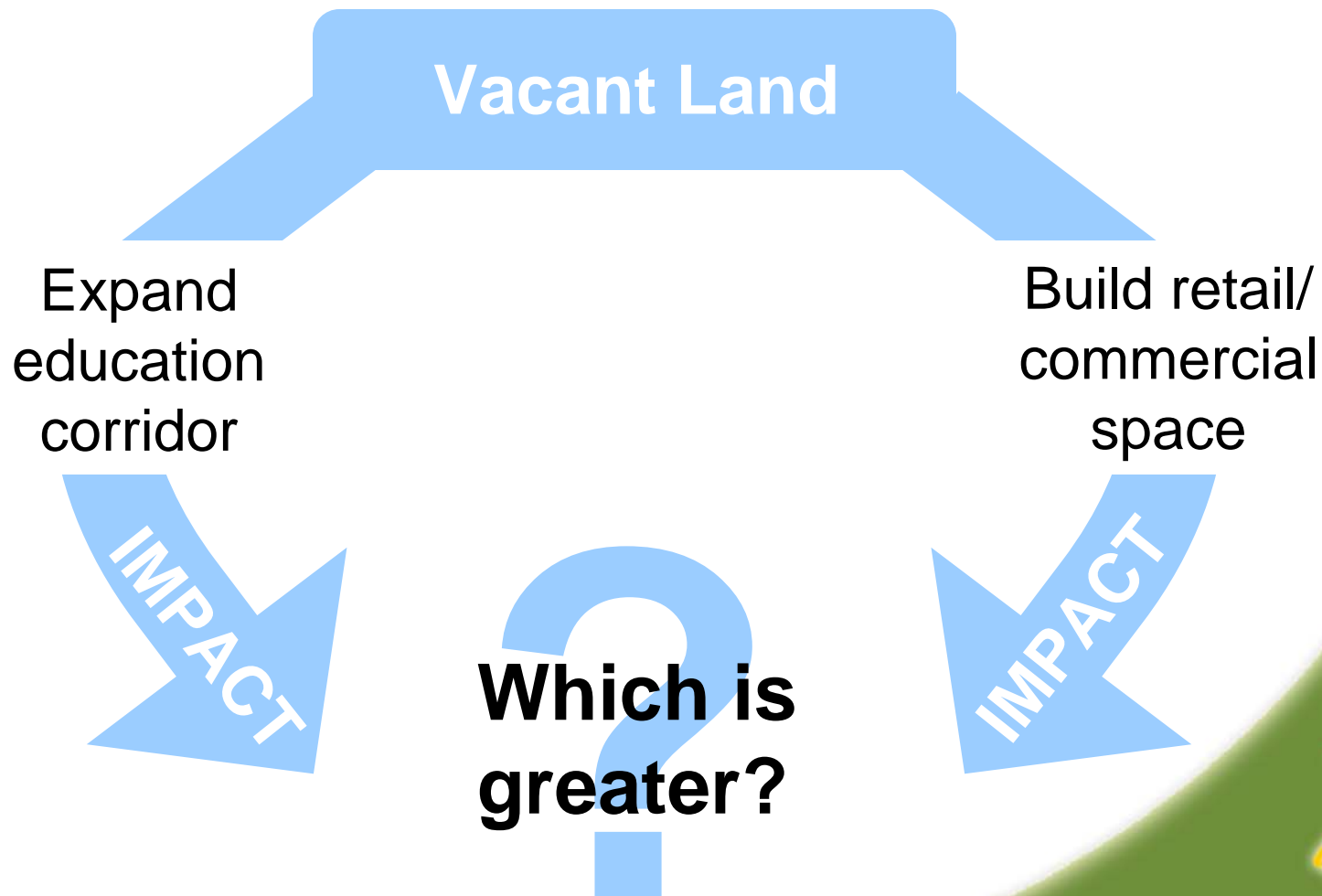
Retail/commercial development

Fiscal impacts

- Current levy rate = **0.008328144**
- Total property taxes collected by...
 - 2018 = **\$8.9 million**
 - 2028 = **\$20.2 million**

Methodology

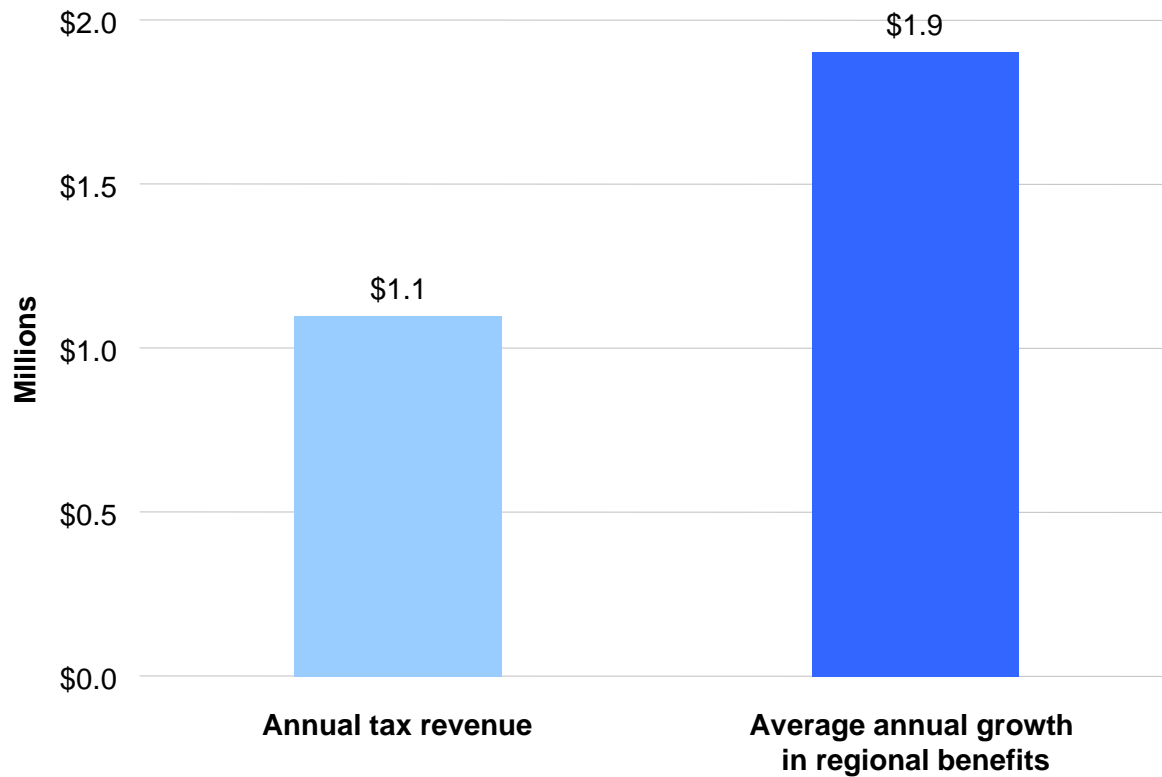
Step 4. Comparison of results



Results

Comparison of results

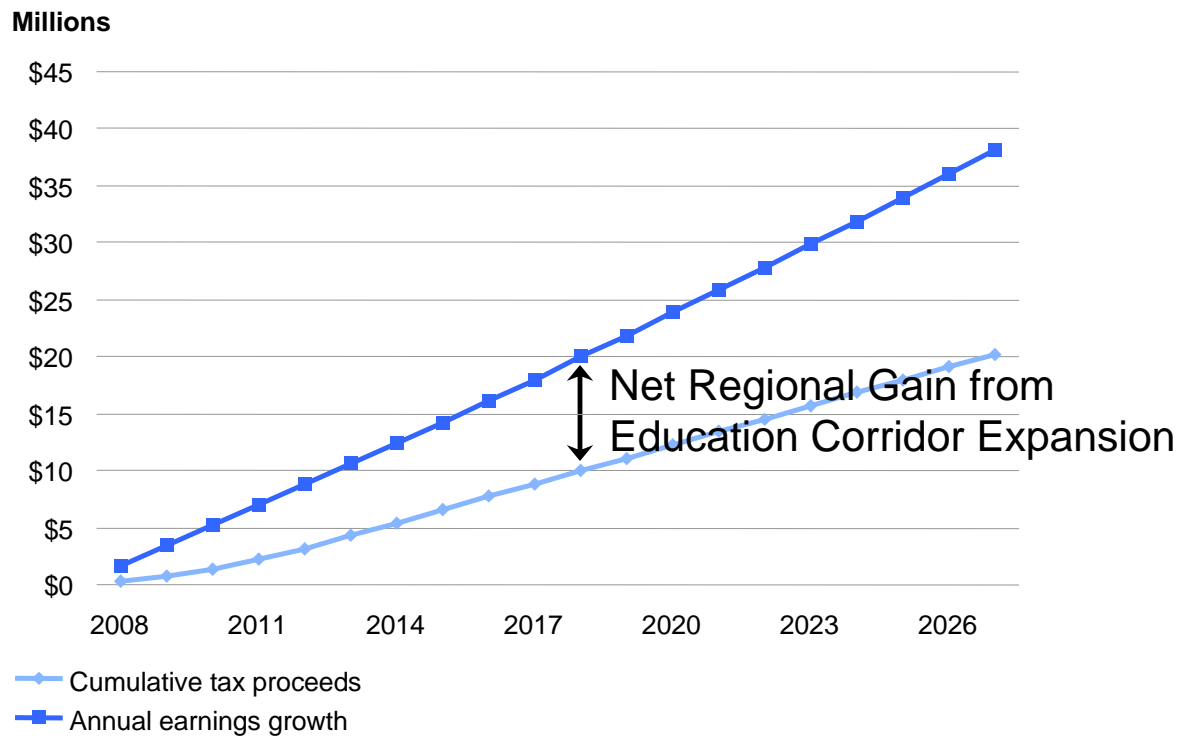
Annual tax revenue vs. regional growth



Results

Comparison of results

Cumulative tax revenue vs. regional growth



\$9.0 million difference by 2018

\$17.9 million difference by 2028



Implications

Educational institutions operate at peak capability when they...

- Pool resources
- Develop synergy and cohesion

Separating campuses...

- Interrupts synergy and cohesion
- Creates logistical concerns
- Divides resources
- Lessens value of educational system

Higher education research and development...

- Recruits businesses
- Contributes to technology transfer
- Enhances workforce development
- Promotes economic growth

