



# Assessing Economic Impact and Job Creation of Droneport Activities

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# Economic Impact Analysis

- Impact analysis typically uses jobs and wages as a way to evaluate the impacts associated with a specific project or activity
- Construction impacts are “temporary” in nature
  - When the project is completed, the impacts cease
- Operational impacts are ongoing, and can be estimated for a given period of time
  - Usually calculated for a year
  - Can vary from year-to-year

# Types of Economic Impacts

Direct Impacts – Jobs and wages attributed directly to the economic entity being evaluated

Indirect Impacts – Impacts based on the spending by the economic entity for goods and services in the regional marketplace, such as landscaping services, advertising, professional services, etc.

Induced Impacts – Those impacts which occur as a result of employees spending their salary/wages in the regional economy for things like food, housing, entertainment, vehicles, etc.

# Common Options for Estimating Economic Impacts

## RIMS-II

- US Bureau of Economic Analysis
- Least expensive, lowest level of detail

## IMPLAN

- Private sector group
- Moderately priced, higher level of detail

## REMI

- Private sector
- Highest price, highest level of detail

# Grand Sky Economic Impacts from Construction

- \$53 million in construction activity through 2016
  - \$38 million in buildings for two main tenants
  - \$15.5 million in infrastructure projects

Employment and Wage Impacts Resulting from Construction Activities		
ImpactType	Employment	Labor Income
Direct Effect	362.8	\$ 23,481,544
Indirect Effect	54.1	\$ 3,107,827
Induced Effect	133.7	\$ 5,426,508
<b>Total Effect</b>	<b>550.6</b>	<b>\$ 32,015,879</b>

Source: IMPLAN 2016

# Grand Sky Economic Impacts from Ongoing Operations

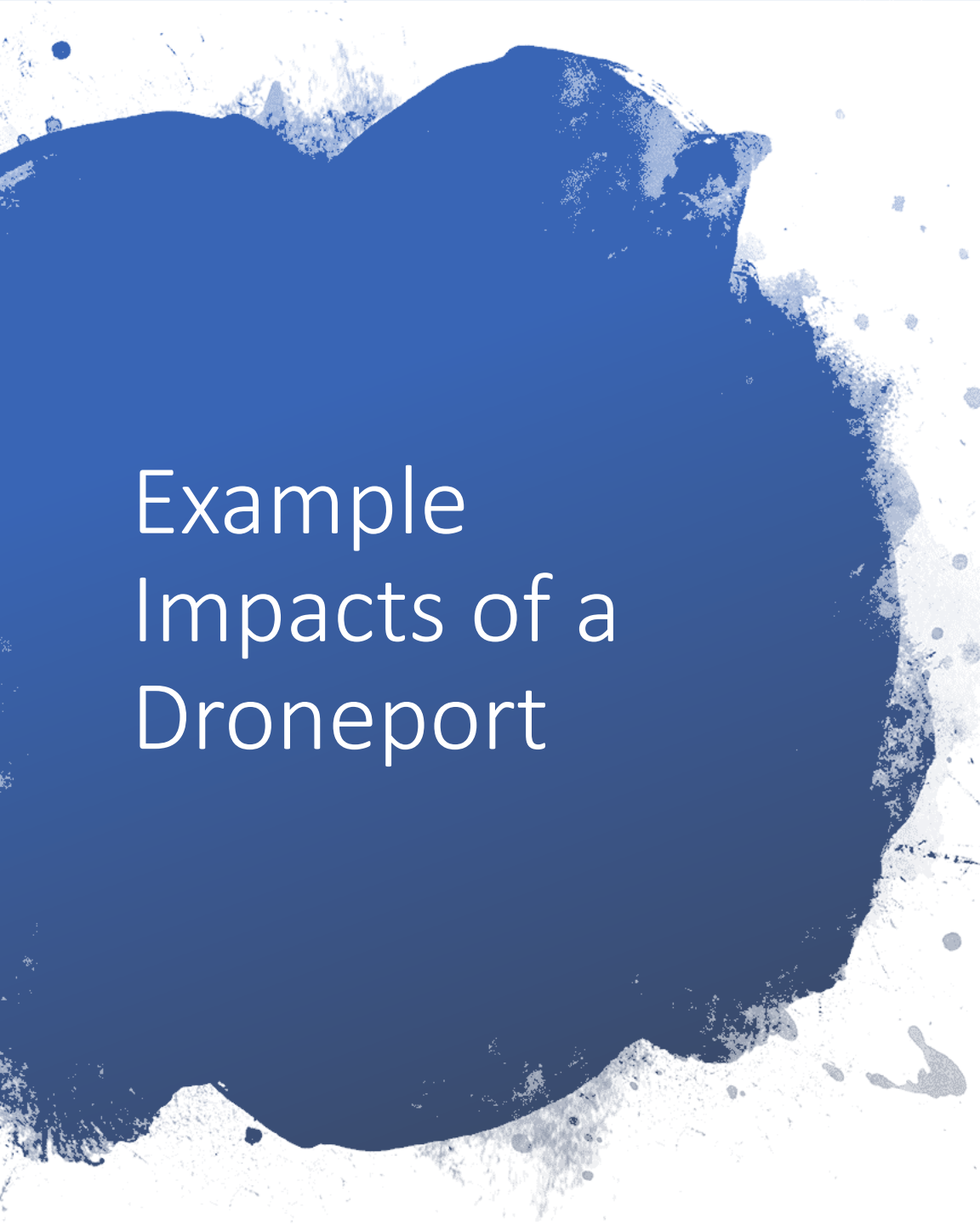
- Two large tenants plus several smaller organizations operate at Grand Sky
  - Northrop Grumman and General Atomics are anchor tenants
  - Each built the own facilities with their own capital
  - Both are expanding their presence at Grand Sky
- Number of indirect and induced jobs exceed direct employment (1.1)

Employment and Wage Impacts Resulting from Ongoing Operations		
Impact Type	Employment	Labor Income
Direct Effect	162.5	\$ 11,091,894
Indirect Effect	98.7	\$ 4,944,999
Induced Effect	80.3	\$ 3,264,094
<b>Total Effect</b>	<b>341.6</b>	<b>\$ 19,300,987</b>

Source: IMPLAN 2017

# Sample IMPLAN Employment Data

Employee		Grand Sky IMPLAN Model 1.impdb			Copyright 2018 Minnesota IMPLAN Group, Inc		
Sector	Description	Direct	Indirect	Induced	Total		
<b>0</b>	<b>Total</b>	<b>162.50</b>	<b>98.74</b>	<b>80.35</b>	<b>341.59</b>		
440	Real estate	1.00	18.61	3.81	23.41		
454	Management consulting services	0.00	12.55	0.32	12.88		
460	Marketing research and all other miscellaneous pro	0.00	10.84	0.19	11.03		
449	Architectural, engineering, and related services	0.00	7.55	0.37	7.92		
447	Legal services	0.00	6.26	0.50	6.76		
464	Employment services	0.00	4.19	0.45	4.63		
433	Monetary authorities and depository credit intermec	0.00	3.51	1.64	5.15		
456	Scientific research and development services	152.00	3.21	0.02	155.22		
462	Office administrative services	0.00	3.16	0.26	3.41		
468	Services to buildings	0.00	2.20	1.29	3.49		
501	Full-service restaurants	0.00	2.03	5.06	7.09		
414	Scenic and sightseeing transportation and support	4.50	1.40	0.25	6.15		
448	Accounting, tax preparation, bookkeeping, and pay	0.00	1.40	0.39	1.79		



# Example Impacts of a Droneport

- Key Assumptions
  - 6 direct employees
    - Approximately \$900,000 in economic activity
  - Assumes 2,000 visitor days for training
    - \$300,000 in hotels
    - \$175,000 in food service and entertainment
  - \$5 million in construction/development for the facility
    - Commercial facility
    - No significant off-site infrastructure required
  - Uses IMPLAN to estimate impacts



# Impacts of \$5 Million Construction Project

- 36 direct jobs and \$2.3 million in labor income
- 17 indirect and induced jobs
- \$770,000 in indirect and induced wages

<b>Droneport Example Construction Impact</b>		
<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>
Direct Effect	36.2	\$ 2,279,143
Indirect Effect	4.4	\$ 254,827
Induced Effect	12.6	\$ 516,801
<b>Total Effect</b>	<b>53.2</b>	<b>\$ 3,050,771</b>
Source: IMPLAN 2016		

# Operational Impacts of a Droneport

- 13 direct jobs and \$434,000 in direct wages
- 8 indirect and induced jobs
- \$362,000 indirect and induced wages

<b>Droneport Example Operational Impacts</b>		
<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>
Direct Effect	13.0	\$ 434,438
Indirect Effect	4.7	\$ 226,760
Induced Effect	3.3	\$ 135,215
<b>Total Effect</b>	<b>21.0</b>	<b>\$ 796,413</b>
Source: IMPLAN 2016		

Questions?

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