



Assessing Economic Impact and Job Creation of Droneport Activities

Jeffrey Donohoe, Principal

Jeffrey Donohoe Associates LLC

jeff@teamdonohoe.com



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
Total Effect	550.6	\$ 32,015,879
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
Total Effect	341.6	\$ 19,300,987
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		
0	Total	162.50	98.74	80.35	341.59		
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

Droneport Example Construction Impact		
Impact Type	Employment	Labor Income
Direct Effect	36.2	\$ 2,279,143
Indirect Effect	4.4	\$ 254,827
Induced Effect	12.6	\$ 516,801
Total Effect	53.2	\$ 3,050,771
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

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

Questions?

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jeff@teamdonohoe.com

603.568.5912