

UA Science and Technology Park: Economic Impact 2007

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Overview

- **Scope of Analysis**
- **Methodology & Data**
- **Economic Impacts**
- **Tax Revenue Impacts**
- **Comparison with Previous Studies**
- **Conclusion**



Scope of Analysis

- **Impact of the Tech Park**
 - Economic impact
 - Tax revenue impact
- **Temporal Scale: annual impact for 2007**
- **Spatial Scale: Pima County and State of Arizona**
- **Sources of Impacts**
 - Tenant operations
 - Construction-related activities
 - Visitor-related activities



Methodology & Data

- **SAM model of IMPLAN[®] Professional by MIG**
 - 509 industrial sectors & 4 non-industrial institutions
 - Inter-institutional transfers of SAM
 - Tax payments by individuals and businesses
- **Analysis-By-Parts (ABP) Protocol**
 - Part 1: commodity input purchases
 - Part 2: payroll or factor inputs
- **Tenant Survey**
 - Employment, payroll, property taxes, visitors and associated spending
 - R&D activity, employee place of residence



Economic Impacts

- **Operation-Related Impacts**
- **Visitor-Related Impacts**
- **One-time Impacts from Construction Activity**
- **Total Economic Impact**



Operation-Related Impact



- Direct Impact

# of Tenants	Jobs	Wages	Output (Sales)
32	6,175	\$ 438.9M	\$ 987.0M

Source: Tenant Survey and UA Office of Economic Development, Pima County IMPLAN Model.

- Job Impact

	Pima County	Arizona
Indirect	3,468	3,553
Induced	3,382	3,721
Total	6,850	7,274

- Wages and Sales

	Wage (Pima)	Wage (AZ)	Sales (Pima)	Sales (AZ)
Indirect	\$118.4M	\$144.3M	\$333.7M	\$392.8M
Induced	\$121.5M	\$146.9M	\$355.2M	\$434.1M
Total	\$239.9M	\$291.2M	\$688.9M	\$826.9M

Operation-Related Impact



- Pima County

	Jobs	Wages	Sales
Direct	6,175	\$438.9M	\$987.0M
Indirect & Induced	6,859	\$239.9M	\$688.9M
Total	13,025	\$678.8M	\$1,675.9M
Multiplier	2.11	1.55	1.70

- State of Arizona

	Jobs	Wages	Sales
Direct	6,175	\$438.9M	\$987.0M
Indirect & Induced	7,274	\$291.2M	\$826.9M
Total	13,449	\$730.1M	\$1,813.9M
Multiplier	2.18	1.66	1.84

- **From Tenant Survey**
 - 493 Tech Park visitors
 - Avg. 2.8 days in Tucson
 - Avg. daily spending per visitor to Tucson → \$97.67
- **Direct Impact**

Jobs	Wages	Output (Sales)
2	\$ 53,200	\$ 107,100

Source: Tenant Survey and UA Office of Economic Development, Pima County IMPLAN Model

Visitor Impact



- Pima County

	Jobs	Wages	Sales
Direct	1.8	\$53,200	\$107,100
Indirect & Induced	0.3	\$19,300	\$ 57,100
Total	2.1	\$72,500	\$164,200
Multiplier	1.17	1.36	1.53

- State of Arizona

	Jobs	Wages	Sales
Direct	1.8	\$53,200	\$107,100
Indirect & Induced	0.3	\$22,800	\$ 67,500
Total	2.1	\$76,000	\$174,600
Multiplier	1.17	1.43	1.63

Construction Impact



- Pima County

	Jobs	Wages	Sales
Direct	129	\$5.8M	\$15.7M
Indirect & Induced	91	\$3.4M	\$ 9.4M
Total	220	\$9.2M	\$25.1M
Multiplier	1.71	1.59	1.60

- State of Arizona

	Jobs	Wages	Sales
Direct	129	\$5.8M	\$15.7M
Indirect & Induced	96	\$4.0M	\$11.1M
Total	225	\$9.8M	\$26.8M
Multiplier	1.74	1.69	1.71

Total Economic Impact



- Pima County

	Jobs	Wages	Sales
Operations	13,025	\$678.8M	\$1,675.9M
Visitor	2	\$ 0.1M	\$ 0.2M
Construction	220	\$ 9.2M	\$ 25.1M
Total	13,247	\$688.1M	\$1,701.2M

- State of Arizona

	Jobs	Wages	Sales
Operations	13,449	\$730.1M	\$1,813.9M
Visitor	2	\$ 0.1M	\$ 0.2M
Construction	225	\$ 9.8M	\$ 26.8M
Total	13,676	\$740.0M	\$1,840.9M

Tax Revenue

- **Generated from Tech Park Operations**
- **Generated from Construction Activity**
- **Total Tax Revenues Generated**



State and Local Taxes Generated



- **Tax revenue generated**

	Direct	Indirect & Induced
State of Arizona	\$7.6M	\$21.8M
Pima County	\$1.4M	\$16.7M
City of Tucson	\$2.6M	\$12.9M
Total	\$11.6M	\$51.4M

- **Out of \$11.6M in direct tax revenue**

- **47% (\$29.4M) to State of Arizona**
- **29% (\$18.1M) to Pima County**
- **24% (\$15.5M) to City of Tucson**

- **Main source of tax revenue**

- **State of Arizona: Sales Tax & Use Tax**
- **Pima County: County Excise Tax & State Shared Sales Tax**
- **City of Tucson: City Excise Tax & State Shared Sales Tax**

Tax Revenue Impact



- Tax revenue generated from construction

	Direct	Indirect & Induced
State of Arizona	\$0.12M	\$0.30M
Pima County	\$0.02M	\$0.25M
City of Tucson	\$0.04M	\$0.18M
Total	\$0.18M	\$0.73M

- Summary of tax revenue

	City of Tucson	Pima County	State of Arizona	Total
Operation-related	\$15.5M	\$18.1M	\$29.4M	\$63.0M
Construction-related	\$ 0.2M	\$ 0.3M	\$ 0.4M	\$ 0.9M
Total	\$15.7M	\$18.4M	\$29.8M	\$63.9M

Total Economic Impact CY 2007



Economic and Tax Revenue Impacts in Pima County CY2007 (\$ Million)

	Operations	Visitor	Construction	Total
JOBS	13,025	2	220	13,247
DOLLARS (millions):				
Wages	678.8	0.1	9.2	688.1
Output (Sales)	1,675.9	0.2	25.1	1,701.2
Tax Revenue:				
State of Arizona	29.4	0.15	0.42	30.0
Pima County	18.0	0.12	0.27	18.4
City of Tucson	15.5	0.10	0.22	15.8
Total Tax Revenue	62.9	0.4	0.9	64.2
Total Dollar Impact*	2,417.6	0.7	35.2	2,453.5

Source: Tenant Survey, and UA Office of Economic Development, Pima County IMPLAN Model.

* Total Dollar Impact includes wages, output (sales) and tax revenues in local government.

Ten-Year Comparison



FY 1997-1998

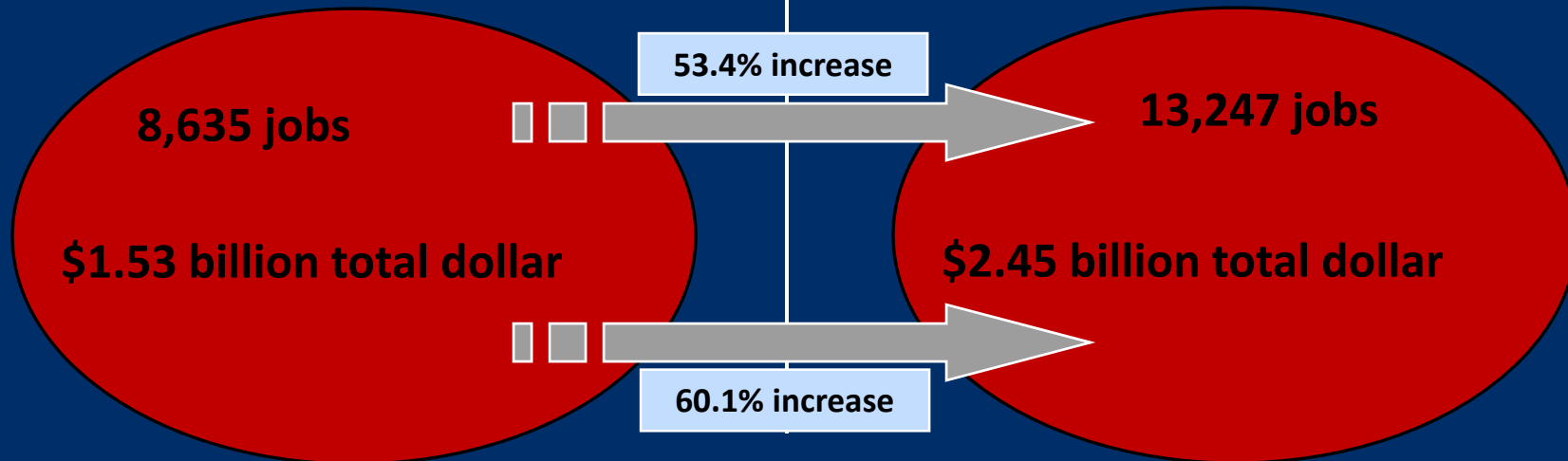
- 17 tenants
- 4,173 direct jobs at Tech Park
- \$210.8 million wages
- \$1.1 billion in Sales in Pima County
- \$28.8 million total tax revenue

- Locally in Pima County

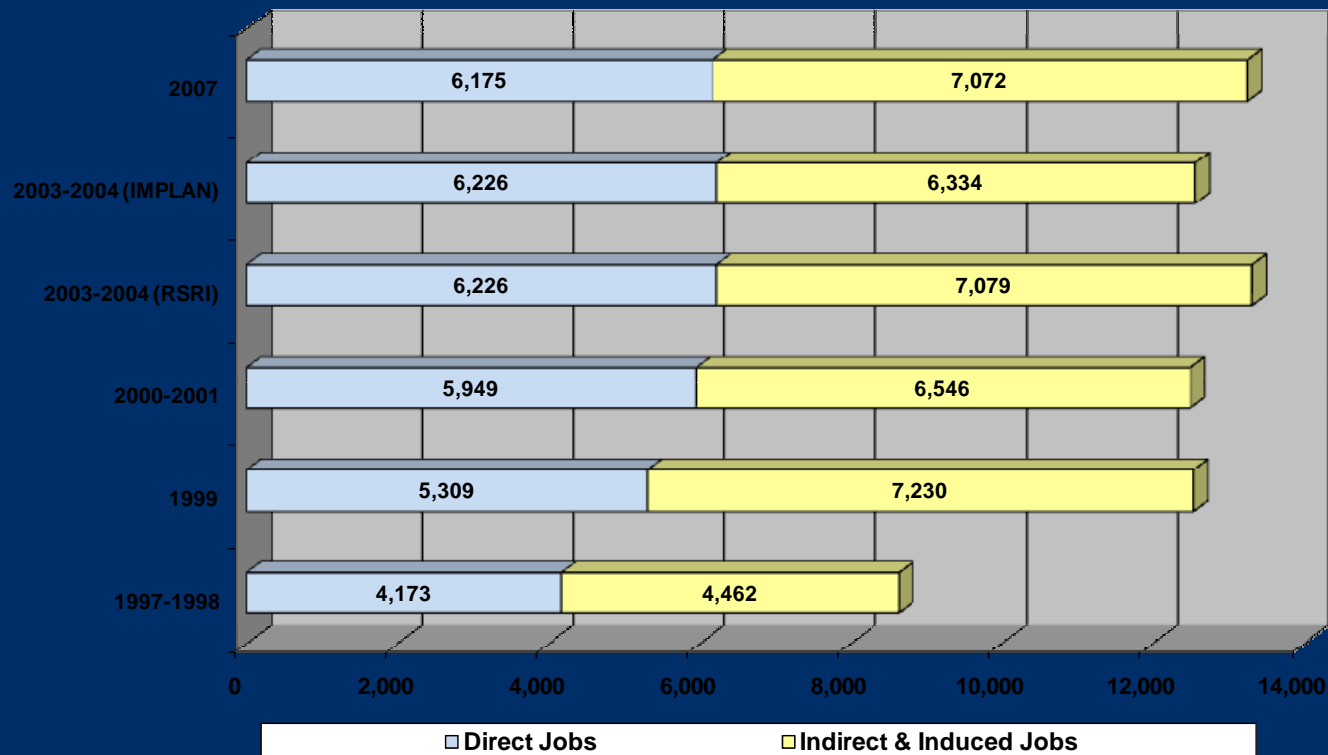
Calendar Year 2007

- 32 tenants
- 6,175 direct jobs at Tech Park
- \$444.8 Million wages
- \$1.7 billion in Sales in Pima County
- \$63.9 million total tax revenue

- Locally in Pima County



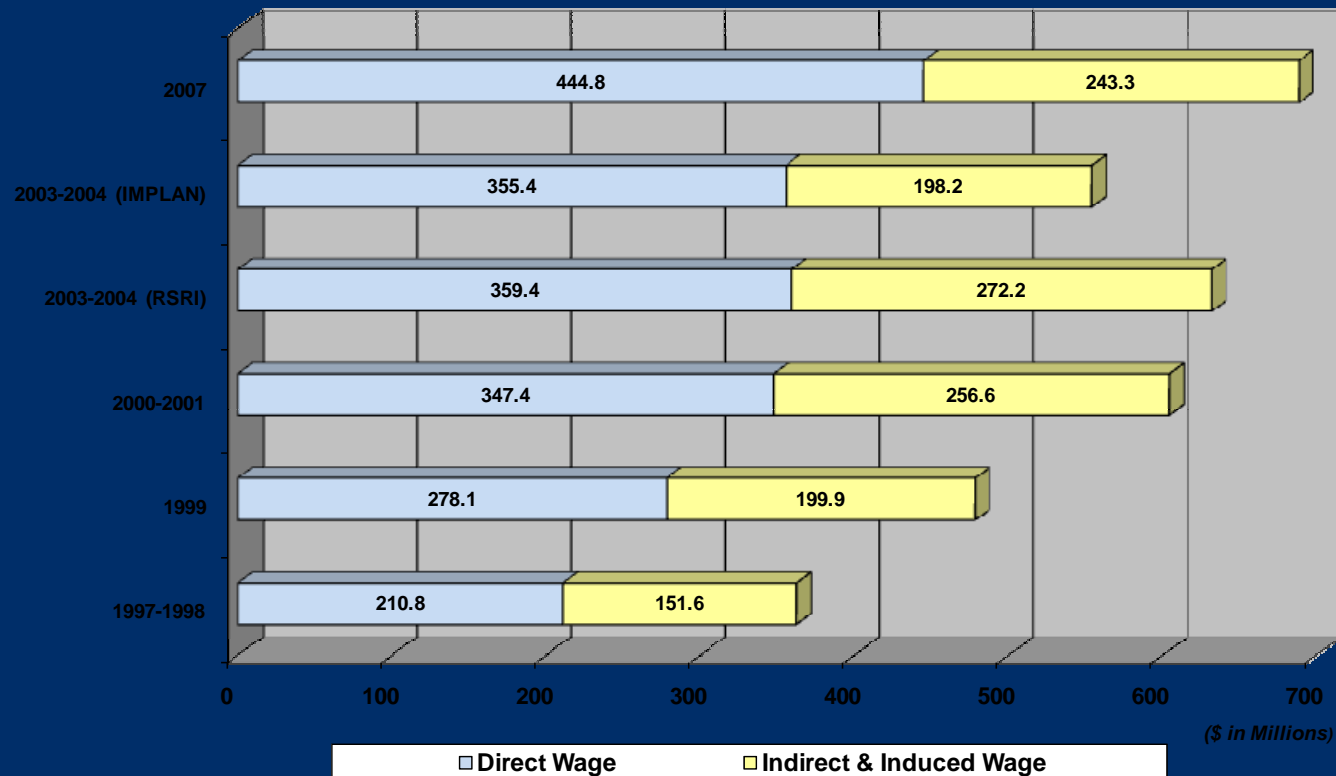
Job Impact



JOB IMPACT IN 2007

Direct Jobs	6,175
Indirect and Induced Jobs	6,850
Construction-Related Jobs	220
Visitor-Related Jobs	2
Total	13,247

Wage Impact

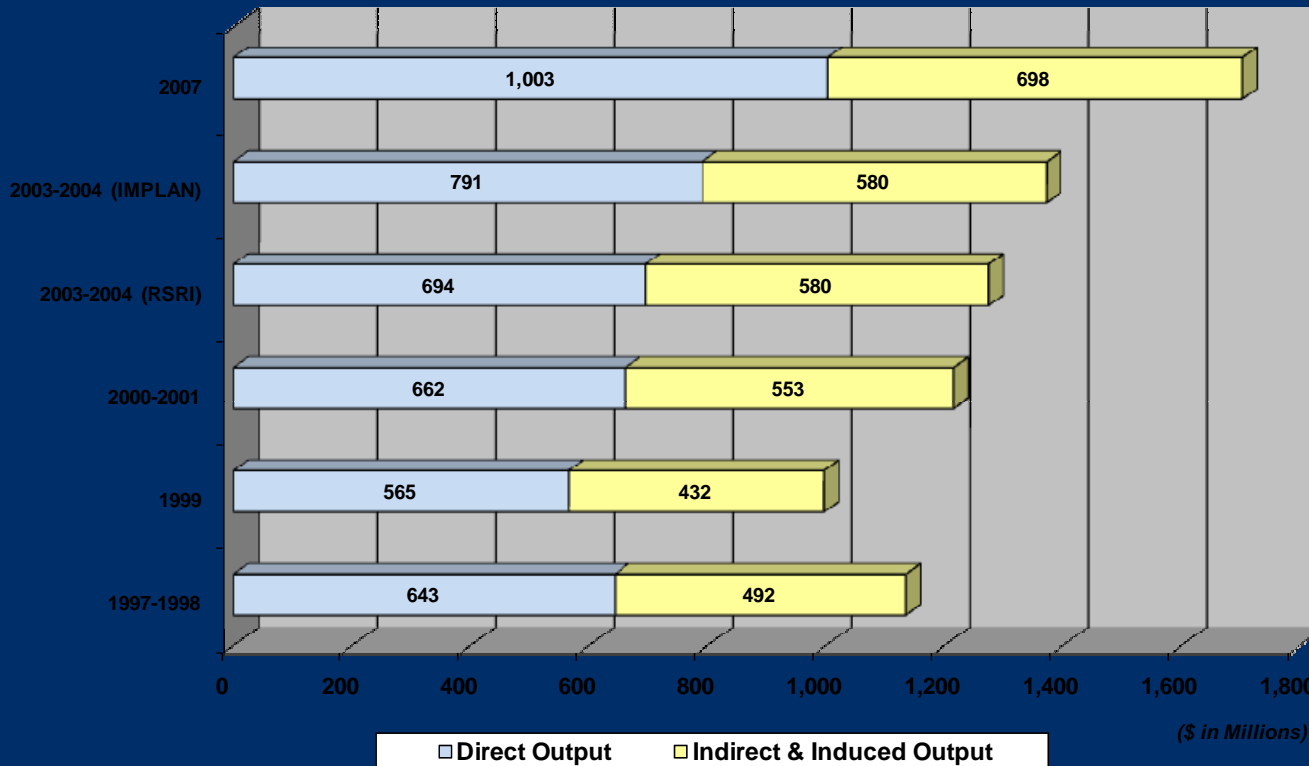


WAGE IMPACT IN 2007

(\$ in Millions)

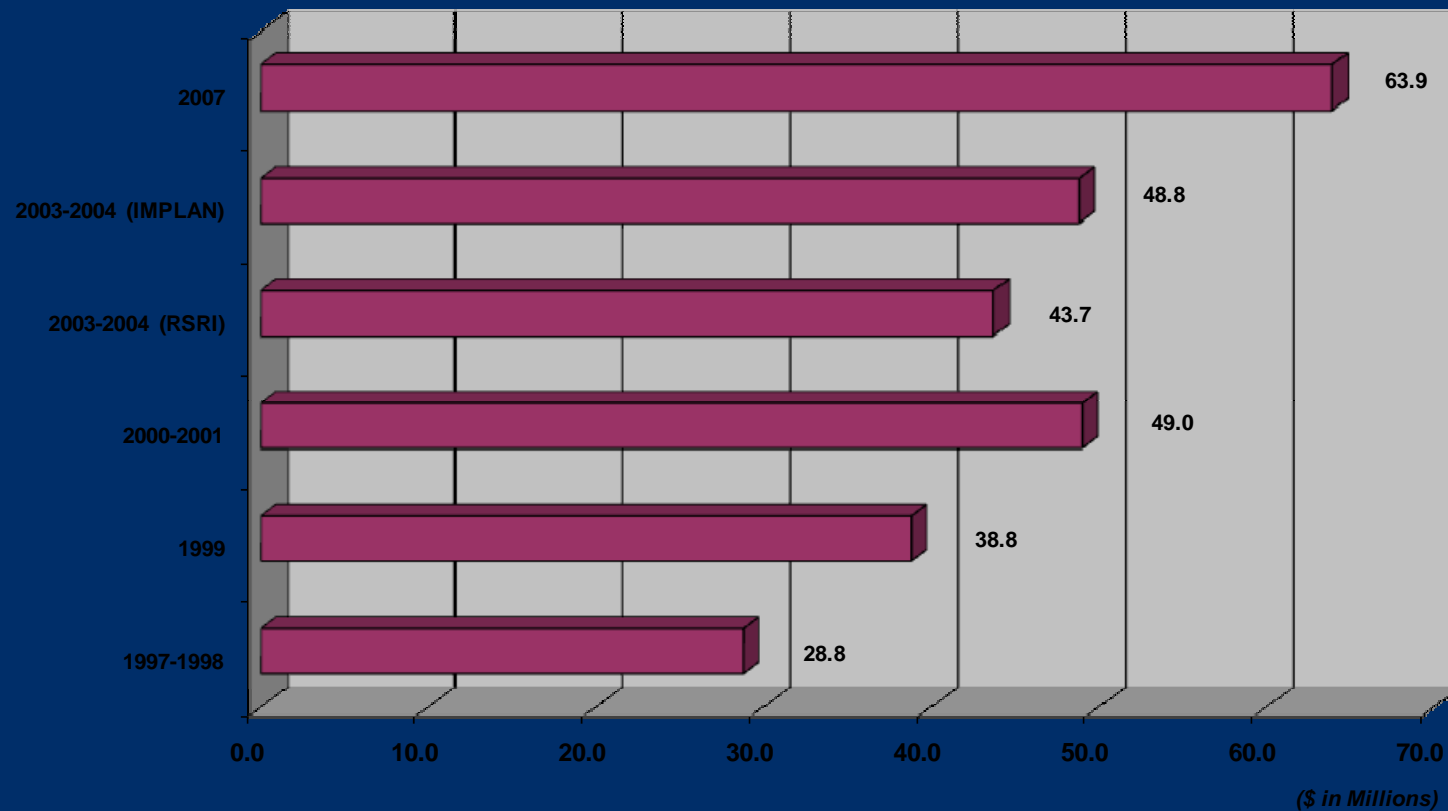
Direct Wages	\$ 438.9
Indirect and Induced Wages	\$ 239.9
Construction-Related Wages	\$ 9.2
Visitor-Related Wages	\$ 0.1
Total	\$ 688.1

Output Sales Impact



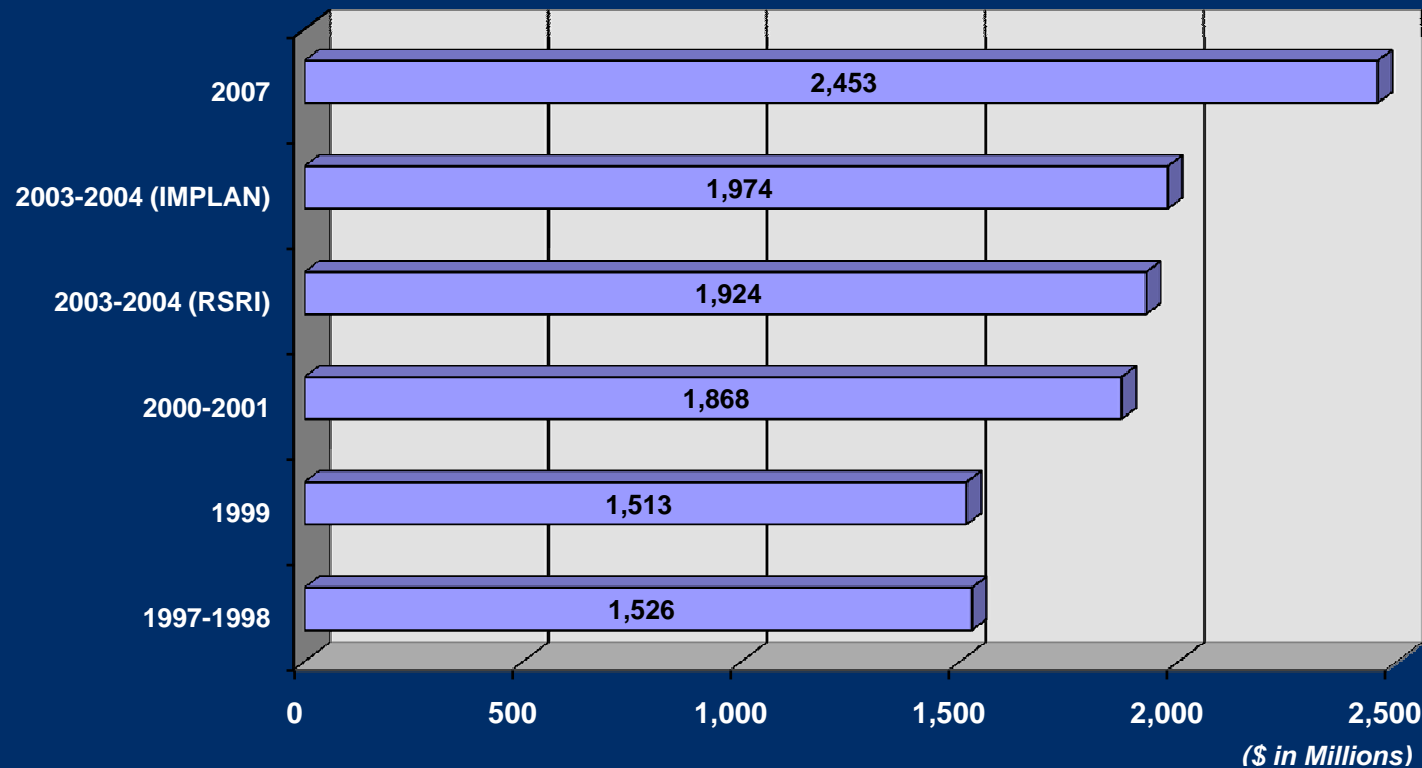
OUTPUT IMPACT IN 2007	
<i>(\$ in Millions)</i>	
Direct Output	\$ 987.0
Indirect and Induced Output	\$ 688.9
Construction-Related Output	\$ 25.1
Visitor-Related Output	\$ 0.2
Total	\$ 1,701.2

Tax Revenue Impact



	City of Tucson	Pima County	State of Arizona	Total
Operations-related	15.5	18.1	29.4	63.0
Construction-related	0.22	0.27	0.42	0.91
Total	15.7	18.4	29.8	63.9

Change in Total Dollar Impact



TOTAL DOLLAR IMPACT IN 2007	
<i>(\$ in Millions)</i>	
Direct	\$ 1,449.1
Indirect and Induced	\$ 968.7
Construction-Related	\$ 35.1
Visitor-Related	\$ 0.3
Total	\$ 2,453.2

Conclusion

- **Summary of economic activities at Tech Park**

- \$2.45 billion economic impact in 2007
- Job growth of 53.4% vs. 19.4% in Pima County
- Wage growth of 89.9% vs. 23.8% of growth per capita wage
- Growth in output sales of 50.0%
- Growth in tax revenue of 121.9%
- Growth total dollar impact of 60.9%

- **Job Multiplier in Pima County**

- FY 1997 - 1998 → 2.07
- CY 2007 → 2.15

- **Avg. Annual Wage per Capita in 2007**

- Tech Park → \$71,080
- Pima County → \$38,220



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