IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Dan Spatz
Economic Development Officer

MEETING DATE: May 17, 2024

RE: May 21, 2024 Regular Urban Renewal Agency Board Meeting
Agenda Item 9. A., Supplemental Information

Dear Board Members:

Please find attached supplemental materials for our meeting this Tuesday, May 21, 2024. Regrettably, these arrived on Thursday, too late for the agenda packet. Attachments include:

- PowerPoint slide deck combining materials from the Tiberius Solutions fiscal analysis, the Economic Impact Analysis by Johnson Economics, and Elaine Howard's slides comparing projects with the Agency's revised goals and objectives. (*Elaine's slides have been reformatted from the version included in Wednesday's Agenda Staff Report, but the content is unchanged*.)
- Economic Impact Analysis by Johnson Economics

Tiberius Solutions Principal Nick Popenuk will lead the fiscal presentation on Tuesday, followed by Elaine Howard's presentation.

Thank you for your patience and understanding.

City of The Dalles
Columbia Gateway Urban Renewal District
Fiscal Analysis, Part II

Nick Popenuk
Tiberius Solutions LLC
May 21, 2024

TIBERIUS SOLUTIONS

1

Maximum Indebtedness (MI) Capacity

- Total MI Allowed: **$29,125,583**
- Total MI Used: **$23,369,324**
- MI Remaining: **$5,756,258**

Total Maximum Indebtedness Allowed

Tiberius Solutions

2

Finance Plan Summary

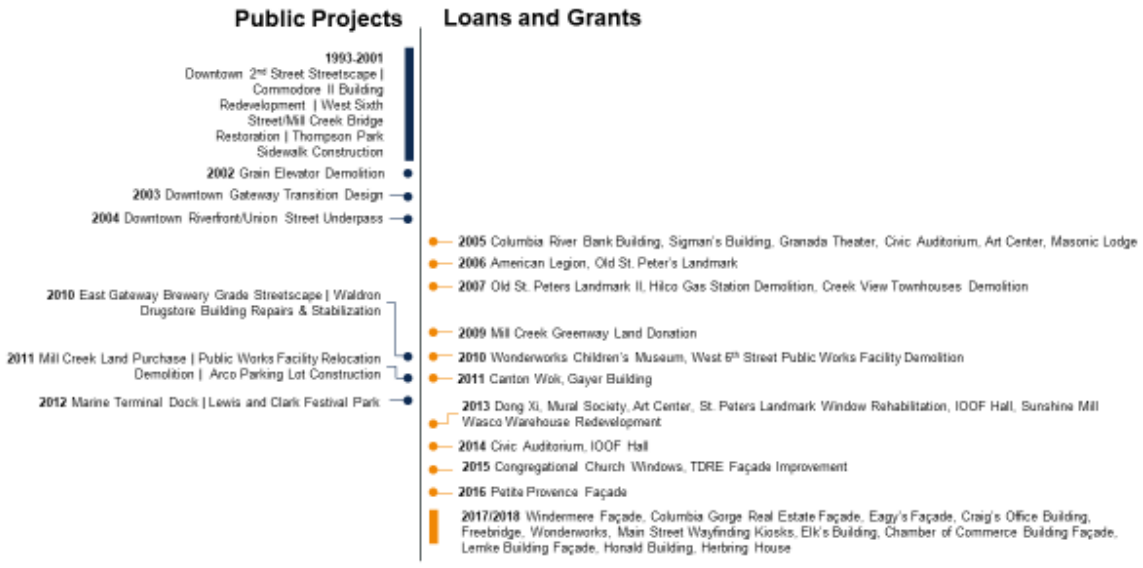
Continue activities until MI is reached (FYE 2024 at earliest, but no later than 2029) and collect TIF until sufficient funds to repay debt (FYE 2026)

- Future TIF Needed: **$4,300,000**
- MI Reached: **FYE 2024-29 (when current funds spent)**
- Total Future Capacity for Projects/Admin: **$6,000,000**
  - Maximum Indebtedness: **$5,700,000**
  - "Program Income": **$ 300,000**

Tiberius Solutions

3

Project Timeline



Tiberius Solutions

Cumulative Historical Impacts (FYE 1991–2023)

Taxing District	Estimated Impact
General Government	
Wasco County	$7,600,000
Port of The Dalles	$400,000
Northern Wasco County Park & Rec	$1,200,000
Mid Columbia Fire & Rescue	$3,800,000
City of The Dalles	$5,400,000
Wasco County Soil Conservation District	$400,000
4-H & Extension Service District	$400,000
Wasco County Library District	$1,200,000
Subtotal	*$20,400,000*
Education	
Columbia Gorge Community College	$500,000
Columbia Gorge ESD	$800,000
North Wasco County SD 21*	$9,400,000
Subtotal	*$10,700,000*
Total	**$31,100,000**

Tiberius Solutions

Cumulative Future Impacts (FYE 2024–2026)

Taxing District	Total Impact
General Government	
Wasco County	$1,060,000
Port of The Dalles	$50,000
Northern Wasco County Park & Rec	$170,000
Mid Columbia Fire & Rescue	$530,000
City of The Dalles	$750,000
Wasco County Soil Conservation District	$60,000
4-H & Extension Service District	$60,000
Wasco County Library District	$170,000
Subtotal	*$2,860,000*
Education	
Columbia Gorge Community College	$70,000
Columbia Gorge ESD	$120,000
North Wasco County SD 21*	$1,310,000
Subtotal	*$1,500,000*
Total	**$4,350,000**

Tiberius Solutions

Annual Additional Revenue after District Closes

Taxing District	Total Impact
General Government	
Wasco County	$500,000
Port of The Dalles	$20,000
Northern Wasco County Park & Rec	$80,000
Mid Columbia Fire & Rescue	$250,000
City of The Dalles	$350,000
Wasco County Soil Conservation District	$30,000
4-H & Extension Service District	$30,000
Wasco County Library District	$80,000
Subtotal	*$1,340,000*
Education	
Columbia Gorge Community College	$30,000
Columbia Gorge ESD	$50,000
North Wasco County SD 21*	$610,000
Subtotal	*$700,000*
Total	**$2,030,000**

Tiberius Solutions

Investment and Development Summary

	Nominal $			2024 $		
FYE	RMV of New Construction in URA	URA Expenditures: Capital Outlay	URA Expenditures: Project-Based Materials & Services	RMV of New Construction in URA	URA Expenditures: Capital Outlay	URA Expenditures: Project-Based Materials&Services
1990	$0			$0	$0	$0
1991	$3,390,245			$7,773,828	$0	$0
1992	$3,755,705			$8,357,621	$0	$0
1993	$2,445,083			$5,284,155	$0	$0
1994	$0			$0	$0	$0
1995	$5,338,456			$10,938,376	$0	$0
1996	$6,898,532			$13,731,682	$0	$0
1997	$10,547,848			$20,516,148	$0	$0
1998	$0			$0	$0	$0
1999	$0	$0	$0	$0	$0	$0
2000	$0	$395,010	$48,499	$0	$716,260	$87,941
2001	$881,227	$2,915,649	$97,694	$1,730,488	$5,142,027	$172,293
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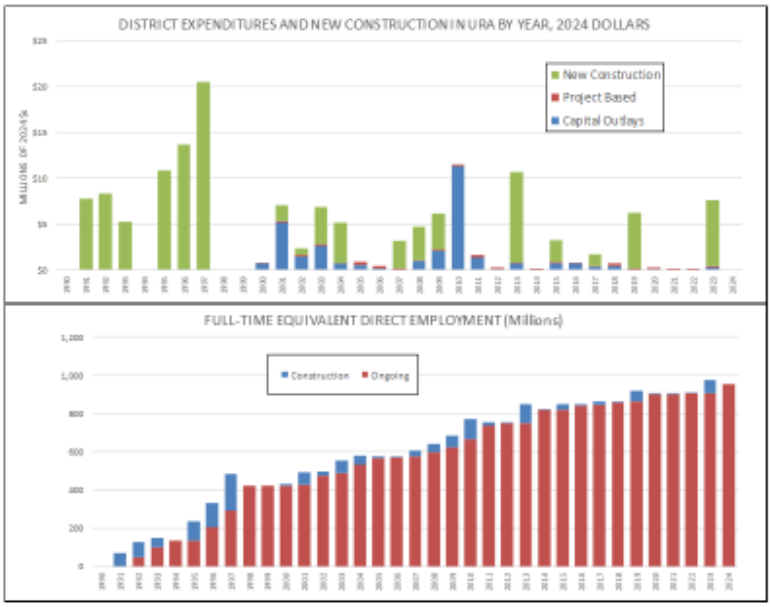
2021	$0	$0	$133,681	$0	$0	$154,039
2022	$0	$0	$131,858	$0	$0	$140,694
2023	$7,037,065	$290,352	$141,554	$7,210,953	$297,527	$145,052
2024	$0	$0	$0	$0	$0	$0
Total	$68,131,662	$20,224,941	$3,137,344	$114,775,572	$30,474,147	$4,354,102

Johnson Economics

Summary of Timing



Johnson Economics

Summary of Projected Impacts

Employment is stated in Full Time Equivalents (FTE). This reflects one full time position for a single year.

Payroll or labor income reflects direct wages as well as the value of benefits such as health care.

Johnson Economics

PROJECTED IMPACTS, WASCO COUNTY (2024 $s)	Employment	Labor Income	Value Added	Output
CONSTRUCTION - INFRASTRUCTURE				
Direct Effect	209.1	$15,881,195	$18,718,545	$34,828,250
Indirect Effect	24.0	$1,567,111	$2,938,681	$6,483,410
Induced Effect	57.2	$3,071,653	$5,641,964	$9,762,138
Total Effect	290.3	$20,519,959	$27,299,190	$51,073,799

PROJECTED IMPACTS, WASCO COUNTY (2024 $s)	Employment	Labor Income	Value Added	Output
CONSTRUCTION - DEVELOPMENT				
Direct Effect	791.4	$52,622,664	$54,276,559	$114,775,572
Indirect Effect	113.3	$6,578,949	$11,699,236	$22,564,867
Induced Effect	192.5	$10,340,005	$18,987,004	$32,855,404
Total Effect	1,097.2	$69,541,618	$84,962,800	$170,195,843

PROJECTED IMPACTS, WASCO COUNTY (2024 $s)	Employment	Labor Income	Value Added	Output
ONGOING - ANNUAL @ BUILDOUT				
Direct Effect	956.5	$48,503,548	$126,728,276	$337,823,906
Indirect Effect	377.8	$21,130,358	$35,810,199	$74,535,570
Induced Effect	205.0	$11,041,052	$20,217,764	$35,013,670
Total Effect	1,539.3	$80,674,958	$182,756,238	$447,373,146

1990-2024	EMPLOYMENT	PAYROLL
Direct Effect	12,514.8	$1,063,876,293
Indirect Effect	4,716.5	$264,177,814
Induced Effect	2,713.1	$146,107,139
Total	19,944.5	$1,474,161,247

ANNUAL AVERAGE	EMPLOYMENT	PAYROLL
Direct Effect	368.1	$31,290,479
Indirect Effect	138.7	$7,769,936
Induced Effect	79.8	$4,297,269
Total	586.6	$43,357,684

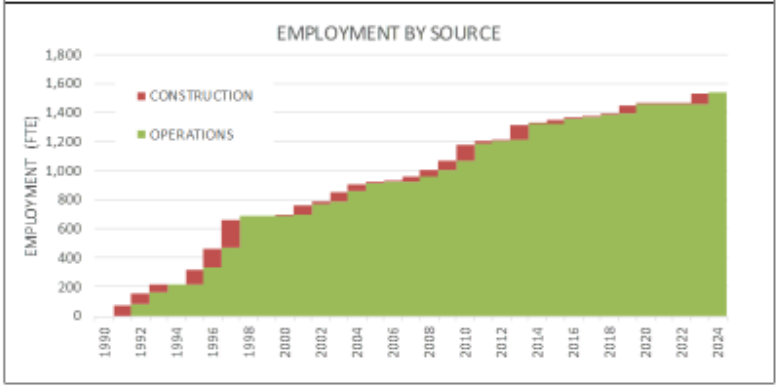
Summary of Projected Impacts

Construction impacts reflect the economic impacts of construction activity. This is a one-time impact, reflecting construction that has occurred from 1990 through present.

Impact from operations reflect current annual impacts. These should be assumed to continue going forward based on the current level of development and activity.

Johnson Economics

	PROJECTED IMPACTS, WASCO COUNTY (2024 $s)			
	Employment	Labor Income	Value Added	Output
CONSTRUCTION				
Direct Effect	1,000.6	$68,503,859	$72,995,104	$149,603,822
Indirect Effect	137.3	$8,146,060	$14,637,917	$29,048,278
Induced Effect	249.7	$13,411,659	$24,628,968	$42,617,542
Total Effect	1,387.5	$90,061,578	$112,261,989	$221,269,642
OPERATIONS				
Direct Effect	956.5	$48,503,548	$126,728,276	$337,823,906
Indirect Effect	377.8	$21,130,358	$35,810,199	$74,535,570
Induced Effect	205.0	$11,041,052	$20,217,764	$35,013,670
Total Effect	1,539.3	$80,674,958	$182,756,238	$447,373,146



Tax Summary, Construction

CONSTRUCTION - ONE TIME Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
FEDERAL					
Social Ins Tax- Employee Contribution	$5,828,347				$5,828,347
Social Ins Tax- Employer Contribution	$4,041,177				$4,041,177
Indirect Bus Tax: Excise Taxes		$83,738			$83,738
Indirect Bus Tax: Custom Duty		$93,289			$93,289
Corporate Profits Tax				$694,002	$694,002
Personal Tax: Income Tax			$8,058,541		$8,058,541
Total Federal Tax	$9,869,524	$177,027	$8,058,541	$694,002	$18,799,093
STATE AND LOCAL					
Social Insurance Tax- Employee Contribution	$118,881				$118,881
Social Insurance Tax- Employer Contribution	$121,935				$121,935
Tax on Production and Imports: Sales Tax		$1,402,368			$1,402,368
Tax on Production and Imports: Property Tax		$3,425,117			$3,425,117
Tax on Production and Imports: Motor Vehicle Lic		$119,085			$119,085
Tax on Production and Imports: Severance Tax		$7,817			$7,817
Tax on Production and Imports: Other Taxes		$667,517			$667,517
Tax on Production and Imports: Special Assessments		$27,490			$27,490
Personal Tax: Income Tax			$3,206,906		$3,206,906
Personal Tax: Motor Vehicle License			$124,473		$124,473
Personal Tax: Other Tax (Fish/Hunt)			$76,700		$76,700
Total State and Local	$240,816	$5,649,394	$3,408,079	$0	$9,298,288

Johnson Economics

Tax Summary, Ongoing – Annual

OPERATIONS - ONGOING Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
FEDERAL					
Social Ins Tax- Employee Contribution	$5,553,059				$5,553,059
Social Ins Tax- Employer Contribution	$4,664,386				$4,664,386
Indirect Bus Tax: Excise Taxes		$127,700			$127,700
Indirect Bus Tax: Custom Duty		$142,265			$142,265
Corporate Profits Tax				$3,935,612	$3,935,612
Personal Tax: Income Tax			$6,011,415		$6,011,415
Total Federal Tax	$10,217,445	$269,965	$6,011,415	$3,935,612	$20,434,437
STATE AND LOCAL					
Social Insurance Tax- Employee Contribution	$137,214				$137,214
Social Insurance Tax- Employer Contribution	$140,739				$140,739
Tax on Production and Imports: Sales Tax		$2,138,605			$2,138,605
Tax on Production and Imports: Property Tax		$5,223,288			$5,223,288
Tax on Production and Imports: Motor Vehicle Lic		$181,604			$181,604
Tax on Production and Imports: Severance Tax		$11,920			$11,920
Tax on Production and Imports: Other Taxes		$1,017,961			$1,017,961
Tax on Production and Imports: Special Assessments		$41,923			$41,923
Personal Tax: Income Tax			$2,476,171		$2,476,171
Personal Tax: Motor Vehicle License			$104,227		$104,227
Personal Tax: Other Tax (Fish/Hunt)			$59,010		$59,010
Total State and Local	$277,953	$8,615,302	$2,639,409	$0	$11,532,663

Johnson Economics

City of The Dalles
Columbia Gateway Urban Renewal Plan
Projects

Elaine Howard
Elaine Howard Consulting
May 21, 2024

ELAINE HOWARD CONSULTING, LLC

Potential Projects

- Incentive Program
- First Street Project
- Tony's site redevelopment
- Federal Street Plaza

Elaine Howard Consulting

Relevant Goals and Objectives

B. To make strategic investments of urban renewal funds and engage in various urban renewal activities which increase the value of properties within the Urban Renewal District so that the area will contribute its fair share to the costs of public services.

C. To make strategic investments that return unused and underused public and private properties to productive condition, consistent with the City's Comprehensive Plan and implementing ordinances;

Elaine Howard Consulting

Relevant Goals and Objectives

D. To participate through land acquisition and disposition, rehabilitation loans and other activities in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved in ways which will accomplish any or all of the following goals:

1. Encourage the expansion and development of businesses that will expand property values, produce jobs for the people of The Dalles and Wasco County;
2. Ensure a more attractive, functional and economically viable city;
5. Expand availability of family-wage housing, including but not limited to vertical downtown housing and multi-family residential housing;
7. Support the development of public spaces downtown.

Elaine Howard Consulting

Relevant Goals and Objectives

H. To install and maintain coordinated street furniture, night lighting and landscaping in areas of maximum pedestrian concentration; including alley rights-of-way in the downtown area;

J. To identify and actively pursue external grant and private resources in order to leverage the Agency's financial resources to the maximum extent possible.

Elaine Howard Consulting

Matrix of Goals and Objectives and Projects

Project	Goals	Objectives	Costs
Incentive Program	B,C,D,G, H, J	D. 1,2,5,6	$1.7 million
First Street	B,D,G,H,J	D.1,2,6	$6.6 million
Tony's property	A,B,C,D	D. 1,2,5,6	To be determined
Federal Plaza	A,B,C,D,G,H,J	D. 1,2,5,6	$705,180

Elaine Howard Consulting

Elaine Howard Consulting

Walawála Plaza

Walla Walla, WA

Elaine Howard Consulting

Walawála Plaza

Walla Walla, WA

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Walawála Plaza

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Walawála Plaza

Walla Walla, WA

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Walawála Plaza

Walla Walla, WA

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Questions?

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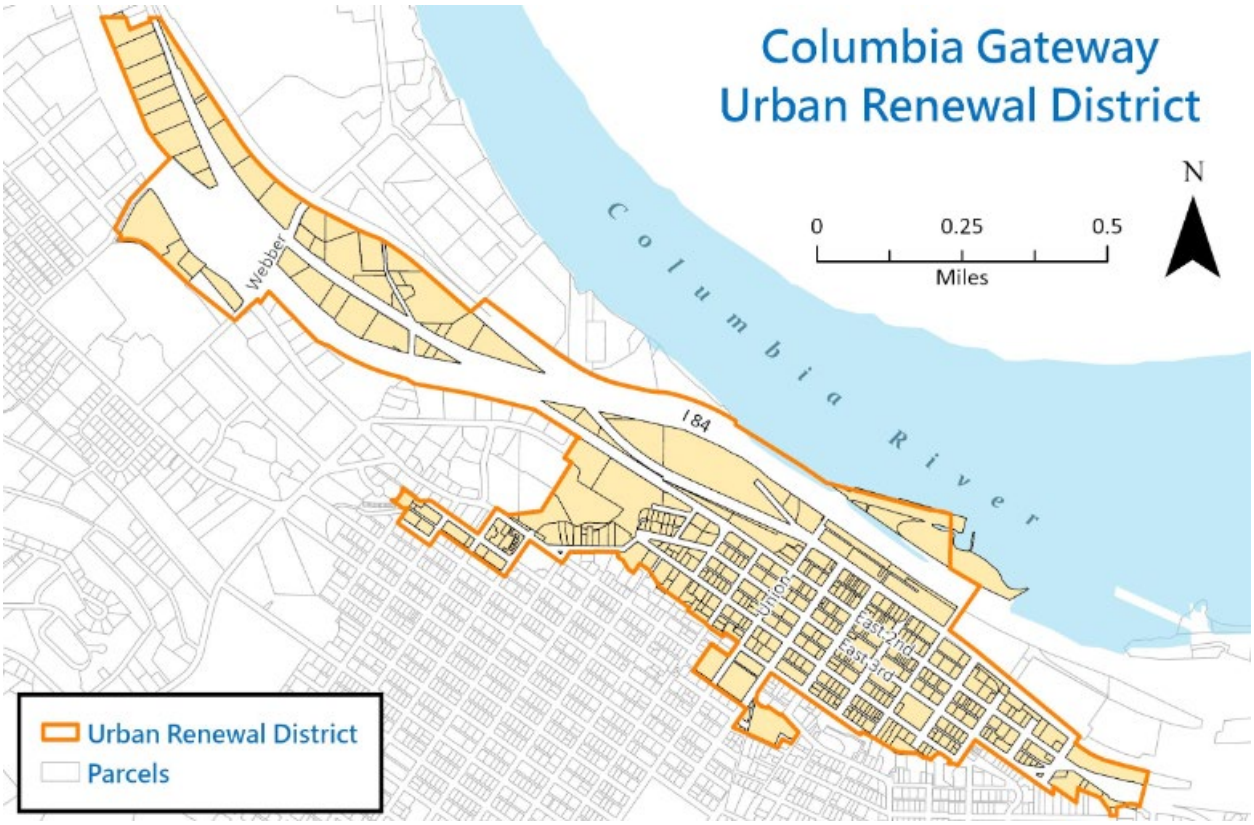
TIBERIUS SOLUTIONS

ELAINE HOWARD CONSULTING, LLC

JOHNSON ECONOMICS

JOHNSON
ECONOMICS



ECONOMIC IMPACT ANALYSIS
COLUMBIA GATEWAY URBAN RENEWAL DISTRICT
CITY OF THE DALLES

MAY 2024

JOHNSON ECONOMICS, LLC
621 SW Alder St, Suite 506
Portland, Oregon 97205

TABLE OF CONTENTS

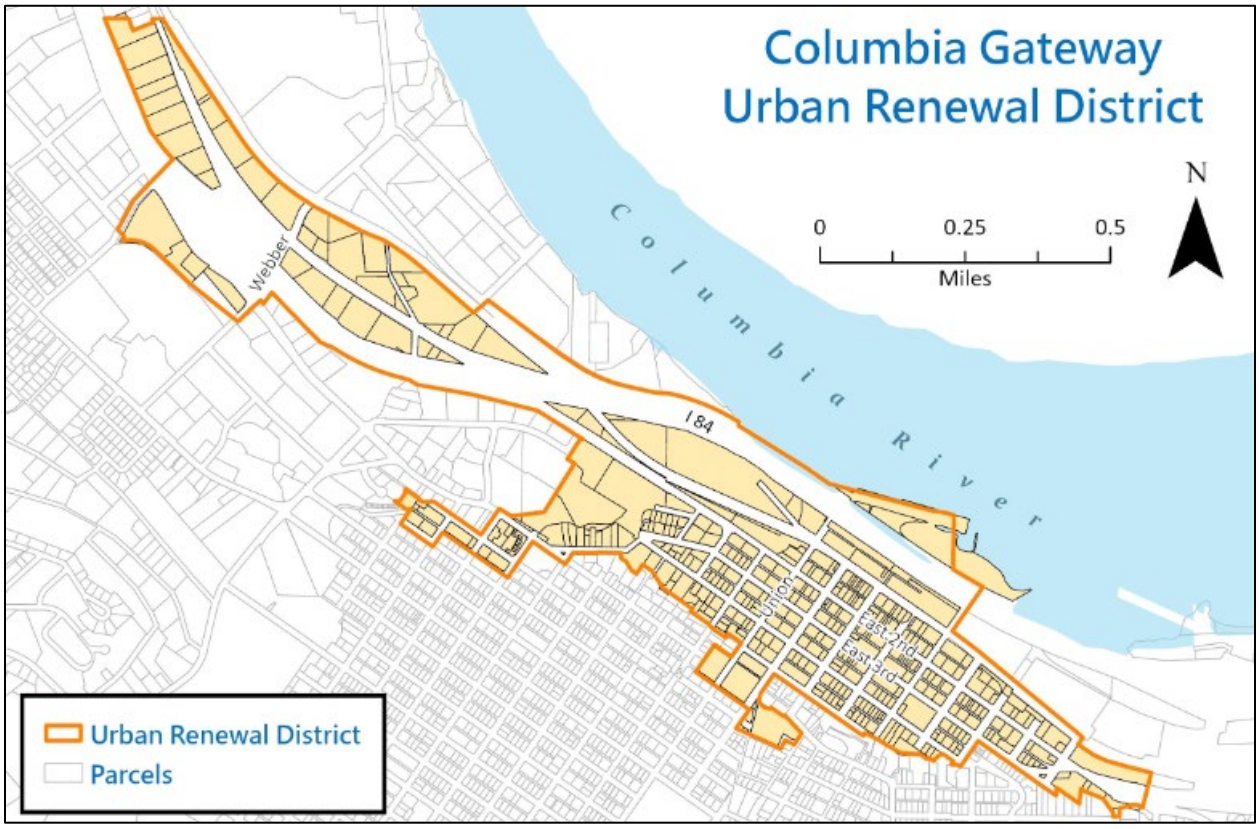
I. INTRODUCTION

JOHNSON ECONOMICS was retained to conduct an analysis of the economic and fiscal impacts of the Columbia View Urban Renewal District (URA) in The Dalles. The URA was adopted in 1990 with the mission to:

> *…eliminate blight and depreciating property values within the Agency's jurisdiction and in the process, attract aesthetically pleasing, job producing private investments that will stabilize or increase property values and protect the Area's historic places and values.*[1]

Specific objectives include increasing the value of properties, placing unused and underutilized properties in productive conditions, assisting with opportunities, and supporting development or redevelopment projects.

FIGURE 1.1: COLUMBIA GATEWAY URA BOUNDARY



Source: City of The Dalles Urban Renewal Agency

The economic and fiscal impact analysis evaluates the impacts on employment, incomes, and tax revenues associated with public and private sector investments in the URA since 1990. The analysis relies in part on IMPLAN modeling software (see Appendix for description and glossary). The economic analysis is conducted at the Wasco County level.

1 Columbia Gateway Urban Renewal Mission Statement

II. ECONOMIC IMPACT

The Columbia Gateway URA has generated substantial economic impacts in the local and regional economy since its' inception in 1990. The public infrastructure investments supported by the URA have attracted private investment and facilitated a significant level of development. This has supported a substantial level of employment from construction as well as ongoing business activity. Impacts during the construction phase are realized during the construction period, while the impacts from operations have been ongoing and are expected to continue. These impacts include direct impacts (jobs and spending occurring directly in the URA), as well indirect and induced impacts. Indirect impacts are secondary impacts generated by the portion of direct expenditures that are spent on goods and services provided by local businesses. Induced impacts are secondary impacts generated by local expenditures made by employees who received personal income from the direct and indirect expenditures. The induced impacts are often referred to as the "multiplier effect" as the initial direct expenditures are re-spent multiple times, rippling through the local economy.

To model the economic impacts of various activities, Johnson Economics utilized the IMPLAN (IMPact for PLANning)[2] economic multiplier model. IMPLAN is an economic impact model designed for analyzing the effects of industry activity (employment, income, or business revenues) upon all other industries in an economic area. The analysis was done at the Wasco County level.

ECONOMIC IMPACTS OF CONSTRUCTION ACTIVITY

To evaluate the impacts associated with construction, we utilized estimates of total construction spending on infrastructure and new development generated by Tiberius and measured as a direct industry change. Estimated construction expenditures were converted into 2024 dollars and estimated contributions to employment income and output at the Wasco County level.

The Columbia Gateway URA reported almost $30.5 million in capital outlays since 1990, as well as an additional $4.4 million in project-based materials and services. Private development activity in the URA was estimated at $114.8 million in current dollars since 1990. Combining the planned public infrastructure expenditures with the anticipated private development results in a total of more than $149.6 million in planned expenditures within the URA since 1990.

The following table summarizes the annual expenditures by year, expressed in both nominal as well as 2024 dollars.

2 Minnesota IMPLAN Group (MIG), Stillwater, Minnesota

FIGURE 2.1: SUMMARY OF NEW CONSTRUCTION AND URA EXPENDITURES, COLUMBIA GATEWAY URA

	Nominal $			2024 $		
FYE	RMV of New Construction in URA	URA Expenditures: Capital Outlay	URA Expenditures: Project-Based Materials & Services	RMV of New Construction in URA	URA Expenditures: Capital Outlay	URA Expenditures: Project-Based Materials&Services
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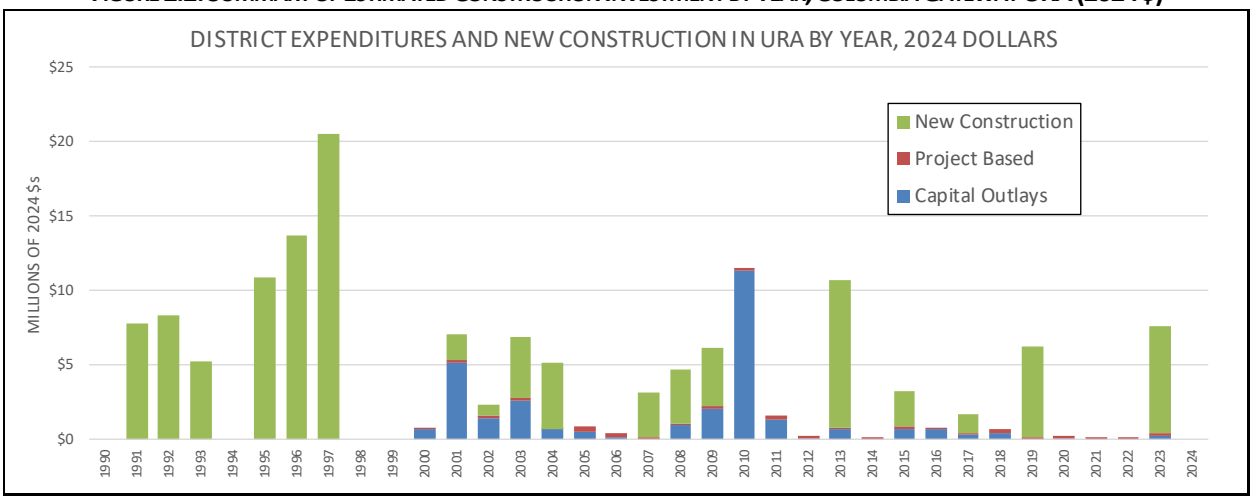
2024	$0	$0	$0	$0	$0	$0
Total	**$68,131,662**	**$20,224,941**	**$3,137,344**	**$114,775,572**	**$30,474,147**	**$4,354,102**

SOURCE: Tiberius

Public investment in the district has leveraged private investment at a ratio of 3.3 to 1.0 during this period.

FIGURE 2.2: SUMMARY OF ESTIMATED CONSTRUCTION INVESTMENT BY YEAR, COLUMBIA GATEWAY URA (2024 $)



SOURCE: Tiberius

To evaluate impacts related to construction of the identified infrastructure and development programs, we calculated the *total* construction spending measured as a direct industry change in construction of new non-residential structures as well construction of infrastructure investments. Estimated construction expenditures were converted into estimated contributions to employment income and output at the Wasco County level.

- *Construction spending would translate into an estimated 1,000 direct full-time equivalent (FTE) jobs. Direct jobs would pay an estimated average of $68,495 per FTE for wages and benefits (2024 dollars).*
- *Because the development period extended over multiple years, the direct construction jobs projected likely represent some of the same employees.*
- *Each direct construction job would support approximately 0.38 indirect and induced jobs during the construction period. This translates into 387 FTE indirect and induced jobs.*
- *The total estimated economic impacts (direct, indirect, and induced) from construction in the district since 1990 is 1,388 FTE positions and $90.1 million in labor income (2024 dollars).*

FIGURE 2.3: SUMMARY OF PROJECTED IMPACTS ASSOCIATED WITH CONSTRUCTION, COLUMBIA GATEWAY URA

	PROJECTED IMPACTS, WASCO COUNTY (2024 $s)			
	Employment	**Labor Income**	**Value Added**	**Output**
CONSTRUCTION - INFRASTRUCTURE				
Direct Effect	209.1	$15,881,195	$18,718,545	$34,828,250
Indirect Effect	24.0	$1,567,111	$2,938,681	$6,483,410
Induced Effect	57.2	$3,071,653	$5,641,964	$9,762,138
Total Effect	290.3	$20,519,959	$27,299,190	$51,073,799
	PROJECTED IMPACTS, WASCO COUNTY (2024 $s)			
	Employment	**Labor Income**	**Value Added**	**Output**
CONSTRUCTION - DEVELOPMENT				
Direct Effect	791.4	$52,622,664	$54,276,559	$114,775,572
Indirect Effect	113.3	$6,578,949	$11,699,236	$22,564,867
Induced Effect	192.5	$10,340,005	$18,987,004	$32,855,404
Total Effect	1,097.2	$69,541,618	$84,962,800	$170,195,843

Source: Johnson Economics, based on assumed future development activity.

The preceding table also summarizes projected impacts on value added and output. The following is a brief description of what these terms represent.

- Output - Output is the value of an industry's production. It can be measured in two ways: from the sales (income) perspective or the expenditure (spending) perspective.
    - *From the sales (income) perspective, Output is the sum of sales to final users in the economy (GDP), sales to other industries (Intermediate Inputs), and inventory change.*
    - *From the expenditures perspective, Output is the sum of an industry's Value Added and Intermediate Inputs.*

- Value Added - Value Added is defined as the total market value of all final goods and services produced within a region during a period of time. It is the sum of all added value at every stage of production of all final goods and services produced within a country in each period. In other words, it is the wealth created by industry activity.
    - *Value Added in a Social Accounting Matrix (SAM) model such as IMPLAN, is equal to Gross Domestic Product (GDP).*

Economic Impacts of Ongoing Operations

Following development, the ongoing operation of firms in commercial and industrial space provides ongoing impacts to the local and regional economy. Firms operating in the new contruction support a range of local suppliers, while employees at these facilities are expected to generate income that will circulate in the local economy, supporting additional employment and tax revenues.

The realized developments includes a mix of commercial and industrial uses, with an overall estimated direct employment level of 956 in 2024.

- *On an ongoing basis, the study area is expected to accommodate 956.5 direct employees, with annual labor income of $48.5 million and $337.8 million in economic output.*
- *The associated ancillary indirect and induced impacts are estimated to account for 582.8 jobs and $32.2 million in labor income per year.*
- *The total annual impact is estimated at 1,539 full-time equivalent positions with annual labor income in current dollars approaching $80.7 million per year.*
- *These numbers reflect the contributions of marginal development in the area since 199 and would be expected to continue in the future.*

FIGURE 2.5: SUMMARY OF PROJECTED ONGOING IMPACTS, COLUMBIA GATEWAY URA (2024 $)

	PROJECTED IMPACTS, WASCO COUNTY (2024 $s)			
	Employment	Labor Income	Value Added	Output
ONGOING - ANNUAL @ BUILDOUT				
Direct Effect	956.5	$48,503,548	$126,728,276	$337,823,906
Indirect Effect	377.8	$21,130,358	$35,810,199	$74,535,570
Induced Effect	205.0	$11,041,052	$20,217,764	$35,013,670
Total Effect	1,539.3	$80,674,958	$182,756,238	$447,373,146

Source: Johnson Economics, based on development and employment assumptions

Construction activity and ongoing business operations in the district have supported a significant level of employment, both directly as well as overall. The construction and ongoing operation of developments in the area is estimated to have supported almost 20,000 full time equivalent positions since 1990, reflecting average annual employment of approximately 586.6 jobs, with over $43.4 million per year in labor income in current dollars.

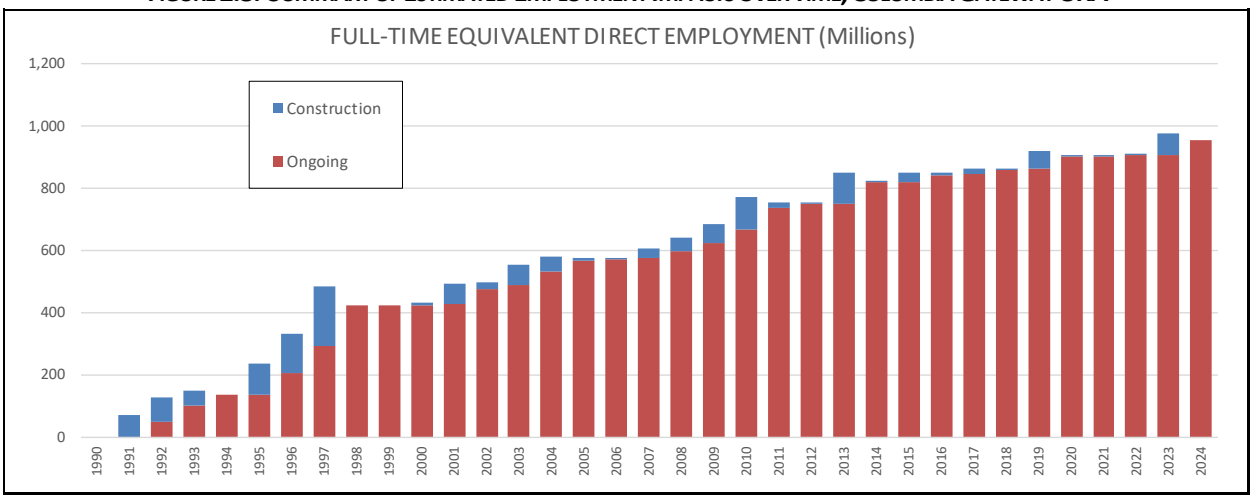
FIGURE 2.7: SUMMARY OF AVERAGE ANNUAL IMPACTS THROUGH 2049, COLUMBIA GATEWAY URA (2024 $)

1990-2024	EMPLOYMENT	PAYROLL
Direct Effect	12,514.8	$1,063,876,293
Indirect Effect	4,716.5	$264,177,814
Induced Effect	2,713.1	$146,107,139
Total	19,944.5	$1,474,161,247

ANNUAL AVERAGE	EMPLOYMENT	PAYROLL
Direct Effect	368.1	$31,290,479
Indirect Effect	138.7	$7,769,936
Induced Effect	79.8	$4,297,269
Total	586.6	$43,357,684

Source: Johnson Economics, based on investment and development assumptions

FIGURE 2.8: SUMMARY OF ESTIMATED EMPLOYMENT IMPACTS OVER TIME, COLUMBIA GATEWAY URA



Source: IMPLAN and Johnson Economics

III. FISCAL IMPACT

In addition to economic impacts, development, and operation of new developments supported by infrastructure investments in the URA will have fiscal implications for Wasco County, other local service providers, and the State of Oregon. These impacts include property taxes, income and business taxes, and development charges and fees. Federal revenues will largely accrue from income taxes and social security contributions. For State and local entities, property taxes will represent the most significant fiscal contribution.

Figures 3.1 and 3.2 present an estimate of tax contributions, such as income and business taxes, from the construction and operation of new development since 1990 in the URA based on the modeling assumptions in the IMPLAN scenarios. Estimates are broken down by federal vs. state and local contributions.

- *New development activity in the URA contributed an estimated $18.8 million at the federal level, and $9.3 million in state and local tax revenues.*
- *The state and local contributions include significant sales tax revenue. While the State of Oregon does not have a sales tax, IMPLAN classifies several taxes which are charged as a percentage of price under sales taxes, including taxes on motor fuels, tobacco products, alcoholic beverages, and public utilities.*
- *New development since 1990 in the district is estimated to have contributed $47.4 million in state and local taxes, while paying $99.2 million in federal taxes.*
- *Property taxes represent the largest source of state and local revenue, with over $3.4 million in taxes during construction and an additional $20.1 million from operations since 1990.*

FIGURE 3.1: SUMMARY OF ANTICIPATED TAX REVENUES ASSOCIATED WITH CONSTRUCTION (2024 $)

CONSTRUCTION - ONE TIME Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
FEDERAL					
Social Ins Tax- Employee Contribution	$5,828,347				$5,828,347
Social Ins Tax- Employer Contribution	$4,041,177				$4,041,177
Indirect Bus Tax: Excise Taxes		$83,738			$83,738
Indirect Bus Tax: Custom Duty		$93,289			$93,289
Corporate Profits Tax				$694,002	$694,002
Personal Tax: Income Tax			$8,058,541		$8,058,541
Total Federal Tax	$9,869,524	$177,027	$8,058,541	$694,002	$18,799,093
STATE AND LOCAL					
Social Insurance Tax- Employee Contribution	$118,881				$118,881
Social Insurance Tax- Employer Contribution	$121,935				$121,935
Tax on Production and Imports: Sales Tax		$1,402,368			$1,402,368
Tax on Production and Imports: Property Tax		$3,425,117			$3,425,117
Tax on Production and Imports: Motor Vehicle Lic		$119,085			$119,085
Tax on Production and Imports: Severance Tax		$7,817			$7,817
Tax on Production and Imports: Other Taxes		$667,517			$667,517
Tax on Production and Imports: Special Assessments		$27,490			$27,490
Personal Tax: Income Tax			$3,206,906		$3,206,906
Personal Tax: Motor Vehicle License			$124,473		$124,473
Personal Tax: Other Tax (Fish/Hunt)			$76,700		$76,700
Total State and Local	$240,816	$5,649,394	$3,408,079	$0	$9,298,288

Source: Johnson Economics, Minnesota IMPLAN Group, based on assumed development estimates

FIGURE 3.2: SUMMARY OF ACCRUED TAX REVENUES SINCE 1990 (2024 $)

IMPACTS FROM OPERATIONS Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
FEDERAL					
Social Ins Tax- Employee Contribution	$26,920,242				$26,920,242
Social Ins Tax- Employer Contribution	$22,646,538				$22,646,538
Indirect Bus Tax: Excise Taxes		$492,746			$492,746
Indirect Bus Tax: Custom Duty		$548,948			$548,948
Corporate Profits Tax				$19,530,776	$19,530,776
Personal Tax: Income Tax			$29,071,796		$29,071,796
Total Federal Tax	$49,566,781	$1,041,693	$29,071,796	$19,530,776	$99,211,046
STATE AND LOCAL					
Social Insurance Tax- Employee Contribution	$666,202				$666,202
Social Insurance Tax- Employer Contribution	$683,316				$683,316
Tax on Production and Imports: Sales Tax		$8,252,069			$8,252,069
Tax on Production and Imports: Property Tax		$20,154,700			$20,154,700
Tax on Production and Imports: Motor Vehicle Lic		$700,742			$700,742
Tax on Production and Imports: Severance Tax		$45,996			$45,996
Tax on Production and Imports: Other Taxes		$3,927,928			$3,927,928
Tax on Production and Imports: Special Assessments		$161,764			$161,764
Personal Tax: Income Tax			$11,979,542		$11,979,542
Personal Tax: Motor Vehicle License			$504,668		$504,668
Personal Tax: Other Tax (Fish/Hunt)			$285,476		$285,476
Total State and Local	$1,349,518	$33,243,200	$12,769,686	$0	$47,362,403

Source: Johnson Economics, Minnesota IMPLAN Group, based on assumed future development forecasts

IV. APPENDIX: IMPLAN MODELING SYSTEM

IMPLAN utilizes an economic modeling technique called Input-Output analysis and a Social Accounting Matrix, which is a type of applied economic analysis that tracks the interdependence among various producing and consuming industries of an economy and the spending of households. It measures the relationship between a given set of demands for final goods and services and the inputs required to satisfy those demands.

ASSUMPTIONS

Studies, results, and reports that rely on IMPLAN data are limited by the researcher's assumptions concerning the subject or event being modeled. IMPLAN provides the estimated Indirect and Induced Effects that stem from the given economic activity as defined by the inputs. Readers should be aware of the following assumptions within Input-Output and Social Accounting Matrix models.

CONSTANT RETURNS TO SCALE

The same quantity of inputs is needed per unit of Output, regardless of the level of production. In other words, if Output increases by 10%, input requirements will also increase by 10%.

FIXED INPUT STRUCTURE / NO SUBSTITUTION EFFECTS

There is no input substitution in the production of any one Commodity. This means that the same recipe of inputs will always be used to create the Output unless changes to the IMPLAN production function are made.

INDUSTRY HOMOGENEITY

All firms within an Industry are characterized by a common production process. If the production structure of the initially affected local firm is not consistent with the average relationships of the firms that make up the industry in the I-O accounts, then the impact of the change on the local economy will differ from that implied by a regional multiplier.

NO SUPPLY CONSTRAINTS

There are no restrictions on inputs, raw materials, and employment. The assumption is that there are sufficient inputs to produce an unlimited amount of product. It is up to the user to decide whether this is a reasonable assumption for their study area and analysis, especially when dealing with large-scale impacts.

TECHNOLOGY ASSUMPTION

An Industry, and the production of Commodities, uses the same technology to produce each of its products. In other words, an Industry's Leontief Production Function is a weighted average of the inputs required to produce the primary product and each of the byproducts, weighted by the Output of each of the products. The technology assumption is used to convert make-use tables (or supply-use tables for international datasets) into a symmetric I-O table. IMPLAN is an Industry Technology Assumption (ITA) model for all Industries which do not have any redefinitions into or out of them. For the Industries which do contain redefinitions, the production functions contain purchases of some Commodities necessary to make the secondary Commodity that has been redefined into it; thereby falling under the Commodity Technology Assumption (CTA).

CONSTANT BYPRODUCT COEFFICIENTS

As a requirement of the technology assumption, Industry byproduct coefficients are constant. An Industry will always produce the same mix of Commodities regardless of the level of production. In other words, an Industry will not increase the Output of one product without proportionately increasing the Output of all its other products.

THE MODEL IS STATIC

No price changes are built in IMPLAN, and the underlying data and relationships are not affected by impact runs. Input-Output models do not account for general equilibrium effects such as offsetting gains or losses in other Industries or geographies nor the diversion of funds from other projects. I-O and SAM models assume that consumer

preferences, government policy, technology, and prices all remain constant. In IMPLAN, the relationships for a given year do not change unless intentionally modified.

BACKWARD LINKED

Type I multipliers measure only the backward linkages, also known as upstream effects. Input-Output analysis does not look at forward linkages in terms of how an Industry's production is used as an input for other production or for final use, also known as downstream effects.

TIME DELINEATED

The length of time that it takes for the economy to settle at its new equilibrium after an initial change in economic activity is unclear because time is not explicitly included. One can assume the adjustment will be completed in one year because the flows in the underlying Industry data are measured over the same length of time. However, the actual adjustment period varies and is dependent on the change in final demand and the related industry structure that is unique to each study.

SOCIAL ACCOUNTING MATRICES

Regional Social Accounting Matrices, or SAMs, represent an IMPLAN extension for regional economic modeling. SAMs provide information on non-market financial flows. IMPLAN type inter-industry models provide information on market transactions between firms and consumers, and they capture payments of taxes by individuals and businesses, transfers of government funds to people and businesses, and transfer of funds from people to people.

GLOSSARY OF TERMS

Input-Output	A type of applied economic analysis that tracks the interdependence among various producing and consuming industries in an economy; it measures the relationship between a given set of demands for final goods and services, and the inputs required to satisfy those demands
Industries	The different IMPLAN Industry codes based on definitions put forth by the Bureau of Economic Analysis; there is a crosswalk available between NAICS codes and IMPLAN Industries
Direct	Initial effects to a local industry or industries due to the activity or policy being analyzed
Indirect	Effects stemming from business-to-business purchases in the supply chain taking place in the region
Induced	Effects in the region stemming from household spending of income, after removal of taxes, savings, and commuters
Output	The value of industry production. ▪ in IMPLAN these are annual production estimates for the year of the dataset in producer prices ▪ for Manufacturers, output = sales plus/minus change in inventory ▪ for service sectors, output = production = sales ▪ for retail and wholesale trade output = gross margin (not gross sales)
Employment	An industry-specific mix of full-time, part-time, and seasonal employment. An annual average that accounts for seasonality and follows the same definition used by the BLS and BEA. IMPLAN Employment is not equal to full-time equivalents.
Labor Income	All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income

Employee Compensation	Total payroll cost of the employee including wages and salaries, all benefits (e.g., health, retirement) and payroll taxes
Proprietor Income	The current-production income of sole proprietorships, partnerships, and tax-exempt cooperatives. Excludes dividends, monetary interest received by nonfinancial business, and rental income received by persons not primarily engaged in the real estate business (BEA).
Value Added	The difference between an industry's or establishment's total output and the cost of its intermediate inputs; it is a measure of the contribution to GDP
Intermediate Inputs	Purchases of non-durable goods and services such as energy, materials, and purchased services that are used to produce other goods and services rather than for final consumption
Taxes on Production & Imports Net of Subsidies (TOPI)	Includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments
Other Property Income (OPI)	Gross Operating Surplus minus Proprietor Income; it includes consumption of fixed capital (CFC), corporate profits, and business current transfer payments (net)
Multipliers	Multipliers are a measure of an Industry's connection to the wider local economy by way of input purchases, payments of wages and taxes, and other transactions. It is a measure of total Effects per Direct Effect within a Region.
Industry Contribution Analysis (ICA)	Industry Contribution Analysis is a method used to estimate the value of an Industry or group of Industries in a Region, at their current levels of production.
Multi-Regional Input-Output Analysis (MRIO)	MRIO analyses utilize interregional commodity trade and commuting flows to quantify the demand changes across regions stemming from a change in production and/or income in another Region. It measures the economic interdependence of regions.