

**THE ECONOMIC AND FISCAL IMPACTS  
OF THE  
BL 2030 ECONOMIC DEVELOPMENT VISION**

*To*

**BUCKEYE LAKE 2030 CORPORATION**

*From*

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**GRUEN GRUEN + ASSOCIATES**

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## EXECUTIVE SUMMARY

### Tourism Scenario Overview/Assumptions (at full implementation, ± 20 years from now):

- “Low” scenario based on approximately 2,800 additional lodging rooms and 2.5 million visitor-days.
- “High” scenario based on approximately 4,300 additional lodging rooms and 4.3 million visitor-days.
- Direct annual lodging revenues and visitor spending of \$240 to \$390 million.

### Economic Impacts on the Three-County Region:

- Low scenario impacts equal to about 3,900 jobs, \$104 million of annual earnings, and \$400 million of annual output.
  - » The Low scenario impacts would equate to about a 2.6% increase in employment in the three-county area.<sup>1</sup>
- High scenario impacts equal to about 6,300 jobs, \$168 million of annual earnings, and \$650 million of annual output.
  - » The High scenario impacts would equate to about a 4.3% increase in employment in the three-county area.
- Food Services and Drinking Places, Arts, Entertainment and Recreation, Accommodations, and Retail Trade sectors will comprise about three in every four jobs created.

### Fiscal Impacts on Local Treasuries

- Annual direct property tax of about \$11 million to \$17 million from new lodging properties and housing units.
- Annual local (county) sales tax revenues, generated directly and indirectly in the three-county study area, of about \$3.6 million to \$5.8 million.
  - » Impact estimates would equate to about a 6% to 10% increase in sales tax collections in the three-county area.<sup>2</sup>
- Annual local lodging tax revenues, generated directly and indirectly in the three-county study area, of about \$2.0 million to \$7.0 million.
  - » Note: lodging tax revenues will depend significantly upon where future development/redevelopment occurs.

<sup>1</sup> The three-county area contained 147,800 total jobs as of 2015 (according to the Bureau of Economic Analysis).

<sup>2</sup> Total local sales and use tax collections in the three-county area were \$57.4 million in 2015 (according to the Ohio Department of Taxation).



## INTRODUCTION

Gruen Gruen + Associates (GG+A) has been retained to prepare an economic and fiscal impact analysis of the tourism vision for the Buckeye Lake Region 2036 (BLR 2036) Initiative that aims to restore and reinvent the lake and environs following completion of the new dam in 2019.

We recognize that the tourism vision and associated plan and strategy are still a work-in-progress. This report is directed at providing initial order-of-magnitude estimates that characterize the economic and fiscal ramifications of successfully implementing and realizing the vision. The impact analysis summarized in this report reflects an approximately 20 year implementation of the BLR 2036 vision.

### Purpose

- Describe the scale of regional economic impact that would result from:
  - » Attracting significantly more visitation to the lake, supported by an enhanced lodging capacity and other envisioned activities and amenities that will draw visitors; and
  - » Attracting a greater number of households to live either permanently or seasonally around the lake.
- Identify the order-of-magnitude fiscal benefits (i.e., tax revenues) that successful implementation of the vision would produce for the local municipal and county treasuries.

“The vision is to create an epicenter for visitors. This means a place where people go on vacation or weekend trips, where they can sit at their favorite restaurant, watch the activity of people walking along the boardwalk, or enjoy the scenery of the lake while listening to and enjoying live entertainment.”

- Buckeye Lake Land Use and Transportation Focus Plan, Page 16

“The Buckeye Lake Region will be the most popular year-round, tourism destination of the Midwest. It will be known for its inviting, old fashioned, nostalgic, wholesome, quaint, family-oriented atmosphere, anchored in the local culture and traditions, respectful of its natural resources, where all generations will find a broad range of activities.”

“There will be hospitality venues ranging from quaint bed and breakfasts to small hotels, live music venues and a wide variety of restaurants, with many of them serving locally grown products. There will be wineries, breweries, distilleries, and organic farms producing goods, consistently branded, to promote the Region while being hospitality destinations of their own right. The retail and hospitality venues will be on main streets in the villages and on boardwalks along the Lake. Additionally, there will be a public amphitheater, artisan shops, art galleries, a history museum, and a fishing pier.”

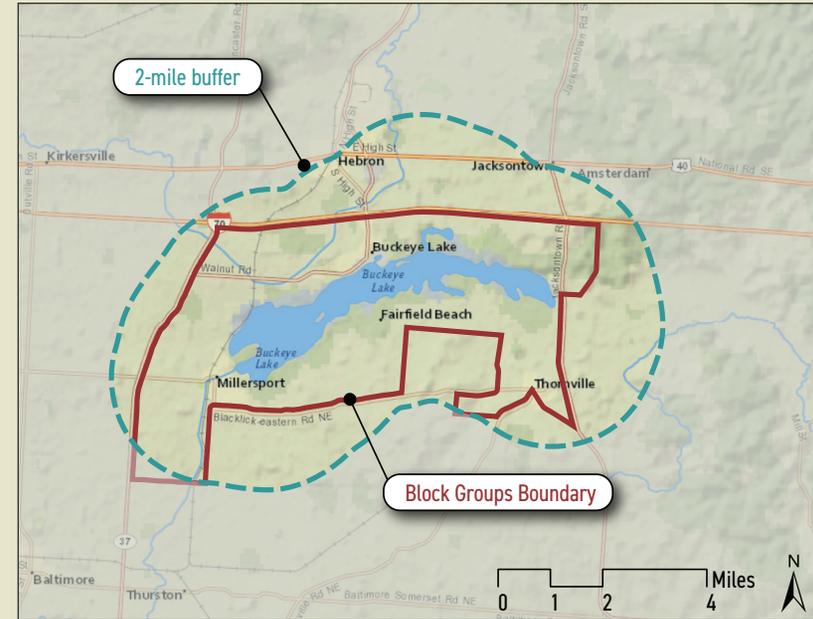
- BLR 2036 Initiative, “Our Vision” excerpts



## EXISTING CONDITIONS OF BUCKEYE LAKE AREA

- **Buckeye Lake area contained an estimated 5,800 housing units as of the 2014 American Community Survey** (estimate for Census Block Groups surrounding the lake).
  - » About 4,500 housing units or 80% of the housing inventory is estimated to be currently occupied by permanent, year-round households.
  - » Housing units for “Seasonal, Recreational, or Occasional Use” are estimated to represent about 11% of the current housing inventory.
  
- **The total permanent population in the Buckeye Lake area is estimated at about 10,500 persons.**
  - » Average household size is about 2.4 persons.
  
- **Buckeye Lake area contained approximately 1,600 wage and salary jobs as of 2014.**
  - » Leisure & Hospitality and Retail Trade sectors comprise about 40% of the existing job base.
  - » Construction and Education & Healthcare are other large job sectors, comprising about 30% of the existing base.

### Buckeye Lake Area



### Buckeye Lake Area Demographics (Block Group Estimates):

	<u>2014</u>
Population.....	10,538
Permanent Households .....	4,490
Average Household Income .....	\$61,176
Seasonal/Part-Time Households .....	638
Housing Units.....	5,775
Employment (Jobs).....	1,556

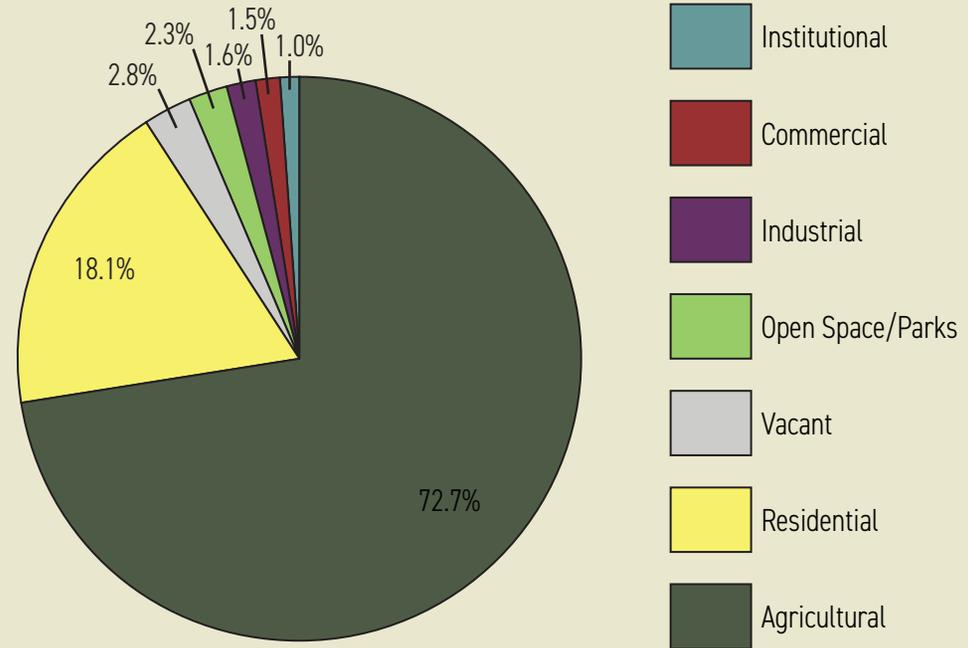
Sources: U.S. Census Bureau; Gruen Gruen + Associates.

- **Significant development capacity exists around Buckeye Lake and its shoreline.**

- » According to MORPC data, about three-quarters of land within two miles of Buckeye Lake is currently agricultural or vacant.
- » Buckeye Lake is not part of a reservoir system and does not have much designated park and open space land around it (unlike many other lakes). Protected open space/park land totals less than 3% of existing land use.
- » Residential uses (predominately low-density) comprise another 18% of current land use.

- **The population, household, and job base of the Buckeye Lake area is projected to grow modestly under status quo conditions.** MORPC forecasts that, within two miles of Buckeye Lake, average annual population, household, and job growth rates (to 2040) will range from 0.7% to 0.9% .

**Existing Land Use Within Two Miles of Buckeye Lake**



Sources: Mid Ohio Regional Planning Commission; Gruen Gruen + Associates.



## **ECONOMIC IMPACTS ON THE REGIONAL ECONOMY**

This section presents an estimate of the economic impact that the successful execution and realization of the BLR 2036 tourism vision is likely to have on the economy of the three-county area surrounding Buckeye Lake (Fairfield, Licking, and Perry). The economic impacts estimated and presented in this section relate to:

1. Occupancy and operation of lodging properties;
2. Visitor expenditures (on retail goods, entertainment and recreation, and eating and drinking); and
3. Expenditures of new households (permanent and seasonal) attracted.

These three distinct sources of activity will all produce “on-going” or recurring economic impacts on the local and regional economy. Once completed and occupied, hotels and other lodging properties (e.g., bed and breakfast inns, vacation rentals) will produce sales, pay wages to employees, and purchase goods and services from other businesses in the local economy. Overnight visitors and day trip visitors attracted to Buckeye Lake will generate on-going economic impacts of their own through the purchases of other local goods and services during their stay, while new households attracted to live (either permanently or seasonally) near the lake will generate a similar on-going impact through the circulation of their personal consumption dollars.

### **Study Area and Data Source**

The Study Area for this economic impact analysis is the three-county area comprised of Fairfield County, Licking County, and Perry County. The Study Area is sometimes referred to as the “three-county” area. The analysis is based on RIMS II input-output multipliers obtained from the Bureau of Economic Analysis, a provider of custom input-output data for local economies.

### **2017 Constant Dollars**

The figures presented in this report are expressed in constant 2017 dollars. That is, the possible effects of inflation or deflation on future economic activities are not quantified.



## Types of Economic Impacts Estimated

The economic impacts quantified in this report are presented in terms of:

- Employment (full- and part-time jobs);
- Earnings (wages, salaries, benefits and proprietor income); and
- Output (the value of goods and services produced or sold).

The attraction of more visitors and households to the Buckeye Lake area will cause an economic impact beyond the direct expenditures associated with the on-going activities and visitation. Secondary or “multiplier” effects result from increased production in industries affected by direct changes in local economic activity. These secondary impacts are referred to as indirect and induced effects.

## Limiting Assumptions

As reviewed on following pages, the economic impact analysis is based on a series of assumptions related to future lodging capacity and performance, overnight and day trip visitation, visitor spending, and new household growth in the area immediately surrounding Buckeye Lake. The intent of these assumptions are to quantify the possible direct demand changes that would be commensurate with our understanding of the BLR 2036 tourism vision. GG+A has not prepared an independent market analysis to confirm whether or when these demands will materialize.

Similarly, we do not quantify any potential difference between “net” and “gross” economic impacts. That is, the impact estimates are gross numbers that assume all of the direct activities and expenditures will be new to the three-county area. A more in-depth study of the future geographic market area likely to be served by an enhanced Buckeye Lake would be needed to estimate net impacts.

**Direct Effects** are the number of jobs, earnings, and output in industries whose production changes directly as the result of changes in final demand (i.e., change in expenditures). The direct effect of the occupancy and operation of a vacation lodge, for example, can be quantified in terms of the total expected gross revenue from operations.

**Indirect Effects** relate to changes in the number of jobs, earnings, and output resulting from a change in the “input” requirements of the directly affected industry. In other words, businesses buy products and services from one another, and the indirect effects quantify these interdependencies among economic sectors within a local economy.

**Induced Effects** refer to the impacts of increased household spending. For example, a portion of the wages paid to lodge workers (direct employment) and a portion of the wages paid to employees of firms providing goods or services to the lodge (indirect employment) will then be spent locally to purchase goods and services (induced effect) in the local economy.

## **KEY ASSUMPTIONS TO QUANTIFY DIRECT ECONOMIC ACTIVITY**

### **Lodging Capacity and Performance** (see Table 3)

- Approximately 2,800 to 4,300 total rooms. Mix of full service hotels, select service hotels, bed and breakfasts, and vacation cottage rentals.
- Overall annual occupancy rate of  $\pm$  56% and overall Average Daily Rate (ADR) of about \$110.

### **Visitation and Visitor Expenditures** (see Table 4)

- Estimates draw on Ohio statewide visitation metrics for 2015 provided by TourismOhio.
- Overnight visitation estimates based on average occupancy of 1.5 visitors per room and average length of stay ranging from 2.2 nights (for hotels) to 4.0 nights (for vacation rentals).
- Overnight "visitor-days" comprise 40% to 45% of total annual visitation, per 2015 statewide average.
- Non-lodging expenditures of about \$65 daily (per visitor) on retail goods, entertainment, recreation, and eating and drinking, per 2015 statewide average.

### **New Housing/Households** (see Table 5)

- Future annual growth rate of 1.2% to 1.6% over next 25 years. (The assumptions are based on a 50% and 100% increase to the annual rate of long-term household growth forecast around Buckeye Lake by the Mid Ohio Regional Planning Commission).
- Household income of future permanent households conservatively assumed to reflect that of existing households.
- Proportion of housing inventory occupied by seasonal part-time households assumed to grow over time.



<b>Table 3: Future Lodging Mix/Capacity, Overnight Visitation Estimates, and Related Revenue Assumptions</b>					
	<b>Full Service Hotels</b>	<b>Select Service Hotels</b>	<b>Bed &amp; Breakfasts</b>	<b>Vacation Cottages</b>	<b>TOTAL</b>
# Properties	1 - 2	4 - 6	40 - 50	1,000 - 1,500	
Average # Rooms Per Property	200	125	8	1.8 <sup>A</sup>	
<b>Total # Rooms</b>	<b>200 to 400</b>	<b>500 to 750</b>	<b>320 to 500</b>	<b>1,800 to 2,700</b>	<b>2,820 to 4,250</b>
Annual Occupancy Rate <sup>B</sup>	65.0%	70.0%	60.0%	50.0%	± 56%
Occupied Room Nights (# annual)	47,450 - 94,900	127,750 - 191,625	70,080 - 87,600	328,500 - 492,750	573,780 - 866,875
Visitor-Nights @ 1.5 Visitors Per Room <sup>C</sup>	71,175 - 142,350	191,625 - 287,438	105,120 - 131,400	492,750 - 739,125	860,670 - 1,300,313
Average Length of Stay (nights/days) <sup>D</sup>	2.2 / 3.2	2.2 / 3.2	3.0 / 4.0	4.0 / 5.0	
<b>Overnight Visitor-Days (# annual)</b>	<b>103,527 to 207,055</b>	<b>278,727 to 418,091</b>	<b>140,160 to 175,200</b>	<b>615,938 to 923,906</b>	<b>1,138,352 to 1,724,252</b>
Average Daily Rate (ADR) <sup>E</sup>	\$250	\$150	\$125	\$1,000 (weekly/unit)	± \$110
Rooms % of Gross Revenue	70.0%	95.0%	100.0%	100.0%	
<b>Total Gross Revenue (annual)</b>	<b>\$16.9M to \$33.9M</b>	<b>\$20.2M to \$30.3M</b>	<b>\$8.8M to \$11.0M</b>	<b>\$26.1M to \$39.1M</b>	<b>\$71.9M to \$114.2M</b>

<sup>A</sup> Assumes unit mix consisting of 40% one-bedroom units, 40% two-bedroom units, and 20% three-bedroom units.  
<sup>B</sup> Overall hotel occupancy throughout Greater Columbus approximated 65.0% in 2015 and 57.2% in first quarter 2016 according to the Greater Columbus Convention & Visitors Bureau.  
<sup>C</sup> Overnight travelers to Ohio in 2015 exhibited an average travel party size of 3.5 persons according to TourismOhio. The average party included 2.5 adults and 1.0 children.  
<sup>D</sup> Overnight travelers to Ohio in 2015 exhibited an average length of stay of 2.2 nights according to TourismOhio; nearly 70% stayed in hotels.  
<sup>E</sup> The ADR in Greater Columbus was \$99.22 in 2015 and \$98.16 in early 2016 according to the Greater Columbus Convention & Visitors Bureau. ADR assumptions used here are approximate minimum rates likely required for feasible new construction (and also represent our review of room rates in the broader area).

Sources: Ohio Development Services Agency, TourismOhio; Smith Travel Research; Gruen Gruen + Associates



**Table 4: Future Visitation Scenarios and Associated Visitor Expenditure Estimates**

	Low Scenario		High Scenario	
	#	%	#	%
<b>VISITOR-DAYS:</b>				
Overnight Visitors (from Table 3)	1,138,352	45.0	1,724,252	40.0
Day Trip Visitors <sup>A</sup>	1,391,319	55.0	2,586,378	60.0
<b>Total Visitor-Days</b>	<b>2,529,671</b>	<b>100.0</b>	<b>4,310,629</b>	<b>100.0</b>
	Low Scenario		High Scenario	
	\$	%	\$	%
<b>VISITOR SPENDING: <sup>B</sup></b>				
Retail Trade @ \$15 Daily/Visitor	37,945,068	23.1	64,659,439	23.1
Recreation & Entertainment @ \$20 Daily/Visitor	50,593,424	30.8	86,212,585	30.8
Food & Beverage @ \$30 Daily/Visitor	75,890,136	46.2	129,318,878	46.2
<b>Total Visitor Expenditures</b>	<b>164,428,629</b>	<b>100.0</b>	<b>280,190,902</b>	<b>100.0</b>

<sup>A</sup> Estimate of day trip visitors based on visitation mix for State of Ohio in 2015. Survey research commissioned by TourismOhio suggests that “day trippers” comprised about 57% of visitor-days in Ohio in 2015; we assume for purposes of this analysis that day trip visitors comprise 55% to 60% of total visitation.

<sup>B</sup> Travelers in Ohio spent an estimated \$33 billion in 2015. Excluding Transportation, Gas, and Lodging (the expenditures on which are estimated directly in Table 3), traveler spending on Retail Trade, Recreation and Entertainment, and Food and Beverage totaled about \$22 billion in 2015 or approximately \$64 per visitor-day. For purposes of this analysis, we do not include visitor expenditures on Transportation and Gas that are likely to be primarily made outside of the Buckeye Lake area.

Sources: Ohio Development Services Agency, TourismOhio; Gruen Gruen + Associates.



**Table 5: Future Household Income Growth in Buckeye Lake Area**

	Low Scenario	High Scenario
<b>PERMANENT HOUSEHOLDS:</b>		
Estimate 2014	4,490	4,490
Projection 2040	6,123	6,784
Household Growth (Avg. Annual Growth Rate) <sup>A</sup>	1,633 (1.2%)	2,294 (1.6%)
Average Household Income <sup>B</sup>	\$61,176	\$61,176
<b>Household Income Growth</b>	<b>\$99,900,408</b>	<b>\$140,337,744</b>
<b>SEASONAL/PART-TIME HOUSEHOLDS:</b>		
Permanent:Seasonal Household Ratio <sup>C</sup>	6.0 : 1.0	4.0 : 1.0
Household Growth	272	574
Average Household Income @ 3 Months/Year <sup>D</sup>	\$22,941	\$22,941
<b>Household Income Growth</b>	<b>\$6,239,952</b>	<b>\$13,168,134</b>
<sup>A</sup> MORPC forecasts an average annual growth rate of 0.8% for the two-mile area surrounding Buckeye Lake. The impact scenarios assume growth will occur 50% and 100% faster. <sup>B</sup> 2015 average household income for the Census Block Groups surrounding Buckeye Lake. <sup>C</sup> The ratio of permanent-to-seasonal households according to Census data for the Buckeye Lake area currently approximates 7.0. <sup>D</sup> Assumes seasonal/part-time households have 50% higher average incomes than permanent households and an average stay duration of three months at Buckeye Lake.		
Sources: U.S. Census Bureau; Gruen Gruen + Associates.		



## **ESTIMATED DIRECT, INDIRECT, AND INDUCED ECONOMIC EFFECTS**

The assumptions related to future lodging capacity and performance, overnight and day trip visitation, visitor spending, and new household growth in the area immediately surrounding Buckeye Lake result in the following economic impact estimates for the three-county study area (see Table 6 for detailed estimates):

### **Employment**

- Total employment impact estimated at approximately 3,900 to 6,300 jobs (full- and part-time).
- Direct employment impact from lodging and visitor expenditures totals about 2,500 to 4,200 jobs. These direct jobs would be located in the immediate vicinity of Buckeye Lake (where development/redevelopment occurs) and would represent a substantial increase in local jobs (about 1,600 jobs are estimated to exist today around the lake).
- Food Services and Drinking Places, Arts, Entertainment and Recreation, Accommodations, and Retail Trade sectors will comprise about three in every four jobs created.

### **Earnings**

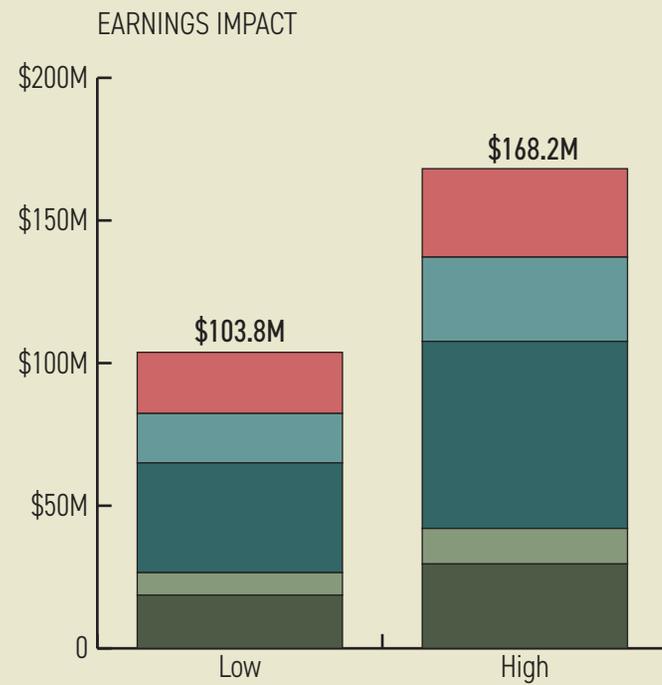
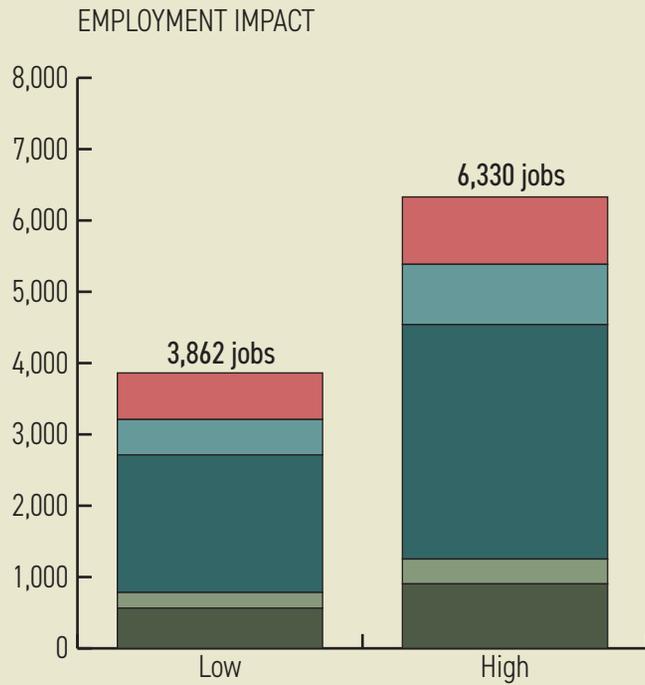
- Total annual earnings impact estimated at \$104 to \$168 million. Annual earnings per job approximate \$27,000 on average.
- For every \$1 of direct earnings created, an additional \$0.80 of earnings results from indirect and induced effects.

### **Output**

- Total volume of economic activity created within the three-county area (directly and indirectly) estimated at approximately \$400 to \$650 million.
- For every \$1 of direct output created, an additional \$0.85 of output results from indirect and induced effects.



### Total Annual Economic Impact by Source



Sources: RIMS II, Regional Product Division, Bureau of Economic Analysis; Gruen Gruen + Associates.

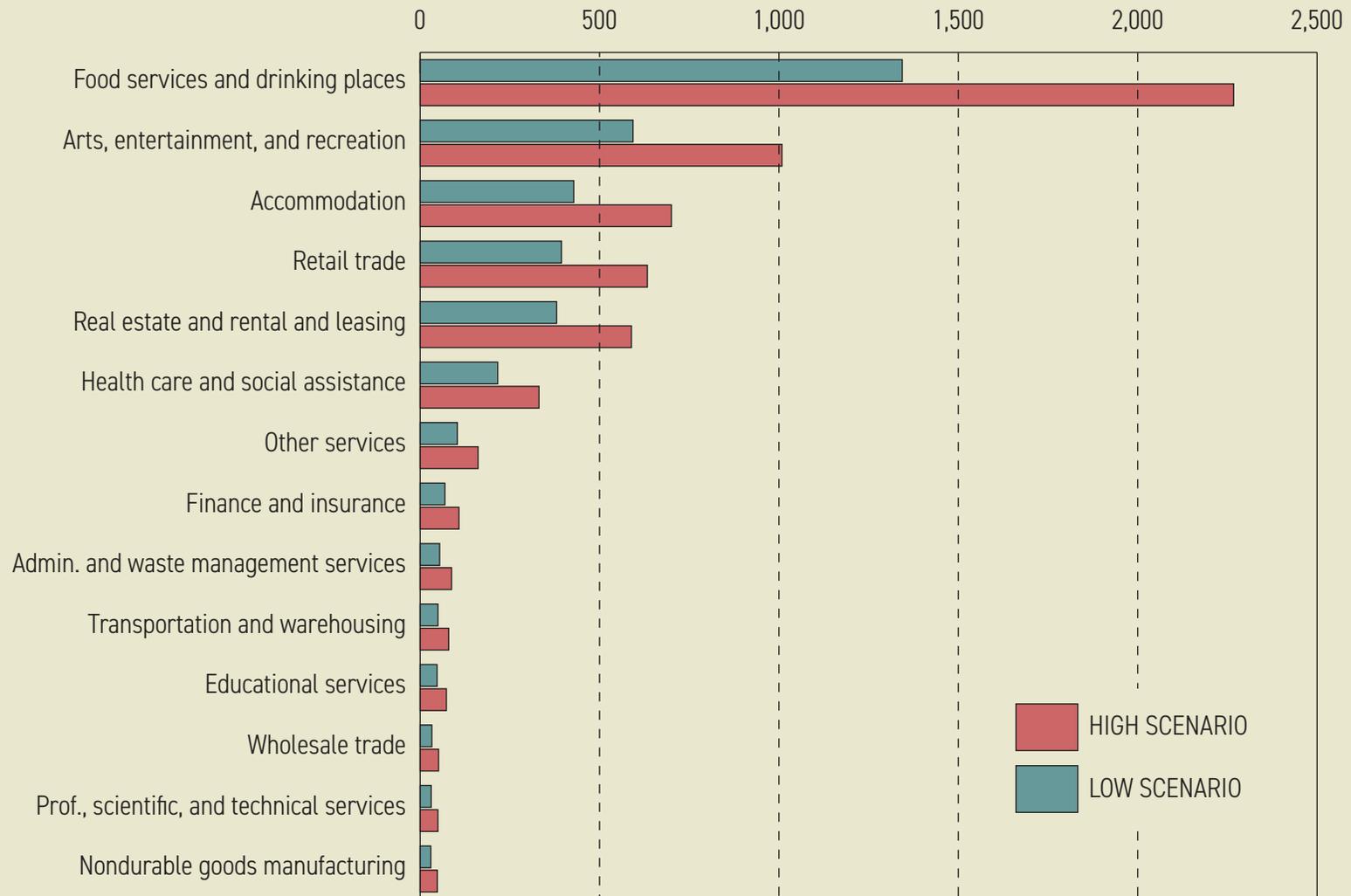


**Table 6: Annual Economic Impact of Lodging Operations, Visitor Spending, and New Households**

	Low Scenario			High Scenario		
	\$ Output <sup>A</sup>	\$ Earnings <sup>B</sup>	# Employment <sup>C</sup>	\$ Output <sup>A</sup>	\$ Earnings <sup>B</sup>	# Employment <sup>C</sup>
<b>LODGING:</b>						
Direct Effects	71,948,910	18,684,703	564.6	114,206,579	29,581,557	904.3
Indirect & Induced Effects	32,239,760	7,849,834	219.1	51,193,998	12,467,126	347.9
<b>Total Effects</b>	<b>104,188,670</b>	<b>26,534,537</b>	<b>783.7</b>	<b>165,400,577</b>	<b>42,048,683</b>	<b>1,252.3</b>
Multiplier	1.45	1.42	1.39	1.45	1.42	1.39
<b>VISITOR SPENDING:</b>						
Direct Effects	139,764,334	38,484,797	1,929.4	238,162,267	65,579,152	3,287.7
Indirect & Induced Effects	73,238,851	17,320,951	496.1	124,801,015	29,515,377	845.4
<b>Total Effects</b>	<b>213,003,186</b>	<b>55,805,749</b>	<b>2,425.5</b>	<b>362,963,282</b>	<b>95,094,529</b>	<b>4,133.1</b>
Multiplier	1.52	1.45	1.26	1.52	1.45	1.26
<b>NEW HOUSEHOLDS:</b>						
Direct Effects	0	0	0.0	0	0	0.0
Indirect & Induced Effects	82,895,621	21,440,353	653.2	119,888,091	31,008,187	944.8
<b>Total Effects</b>	<b>82,895,621</b>	<b>21,440,353</b>	<b>653.2</b>	<b>119,888,091</b>	<b>31,008,187</b>	<b>944.8</b>
Multiplier	NA	NA	NA	NA	NA	NA
<sup>A</sup> Volume of economic activity (value of goods and services produced or sold). <sup>B</sup> Wages, salaries, benefits and proprietor income. <sup>C</sup> Total full- and part-time jobs.						
Sources: RIMS II, Regional Product Division, Bureau of Economic Analysis; Gruen Gruen + Associates.						

### Total Employment Impacts by Industry Sector

(sectors with more than 25 jobs shown)



Sources: RIMS II, Regional Product Division, Bureau of Economic Analysis; Gruen Gruen + Associates.



## FISCAL IMPACTS TO LOCAL TREASURIES

This section presents an estimate of the fiscal benefits that the tourism vision is likely to have on the local municipal and county treasuries. The fiscal benefits estimated and presented in this section include those related to property tax, sales tax, and lodging tax.<sup>1</sup> The sales and lodging tax revenue estimates are based on the results of the economic impact model for the three-county area. In other words, these estimates of tax revenue are inclusive of both directly and indirectly generated “output” (i.e, revenue) in the three-county study area. The property tax estimates are based on the future lodging capacity and performance and new household growth scenarios utilized for the economic impact analysis.<sup>2</sup>

The estimates of annual tax revenue should be considered order-of-magnitude estimates because they do not specifically reflect where future development/redevelopment around Buckeye Lake will occur (a multitude of tax districts and taxing entities, with different tax rates, comprise the Buckeye Lake area and broader three-county area).

### Applicable Local Tax Rates

- **Effective property tax rates of 1.57% and 1.87% percent of market value for residential and commercial class uses**, respectively. These assumptions reflect the average 2015 property tax rates for about a dozen different tax districts surrounding Buckeye Lake (as reported in the Ohio Department of Taxation’s *Property Tax Rate Abstract by Taxing District*).
- **Average local sales tax rates of 1.33% of taxable sales/revenues.** Fairfield County imposes a 1.0% local sales tax rate while Licking and Perry County impose 1.5% sales tax rates. Sales and use taxes apply to a broad range of goods and services.
- **Lodging tax rates of 3.0% to 6.0% of gross revenues.** Fairfield County imposes a lodging tax rate of 4.5%, while Licking and Perry County impose a rate of 3.0%. The Village of Buckeye Lake is the only local municipality to currently impose a lodging tax. For example, a hotel built in the Village of Buckeye Lake would be subject to a 6.0% tax rate on gross revenues.

<sup>1</sup> Local income tax is not estimated because not all school districts and municipalities in the vicinity of Buckeye Lake impose an income tax. In that regard, the overall tax revenue estimates may be conservative.

<sup>2</sup> We have not estimated the amount of retail, restaurant, and entertainment-type space that would be supported by the visitation scenarios and therefor have not estimated property taxes potentially supported by these additional uses.



## ANNUAL PROPERTY TAX REVENUE ESTIMATES

- **Total annual property tax from lodging properties is estimated to range from about \$5.3 million to \$7.9 million.**

- » Estimates are based on the lodging capacity/mix scenarios used for the economic impact analysis and an average market value of \$100,000 per room.
- » An average market value of \$100,000 per room is roughly equal to capitalized values at a 10.0% capitalization rate (applied to the previously described occupancy and ADR assumptions and typical operating margins for hotels and other lodging properties).

- **Total annual property tax from residential units is estimated to range from about \$6.0 to \$9.0 million.**

- » Estimates reflect an average market value assumption of \$200,000 per unit.
- » Single-family homes in new subdivisions to the west and north of Buckeye Lake are generally being built and marketed for sale in the \$200,000 to \$300,000 price range (about \$90- to \$150-per-square-foot). The low end of the range is applied to account for the likelihood that some new growth will also occur in smaller multi-family units.

**Table 7: Estimate of Annual Property Tax Revenue**

	<u>Low Scenario</u>	<u>High Scenario</u>
<b>LODGING:</b>		
# Rooms	2,820	4,250
Average Market Value Per Room	\$100,000	\$100,000
Total Market Value	\$282,000,000	\$425,000,000
Effective Tax Rate	1.87%	1.87%
<b>Annual Property Tax</b>	<b>\$5,265,000</b>	<b>\$7,935,000</b>
<b>HOUSING:</b>		
# Units	1,905	2,068
Average Market Value Per Unit	\$200,000	\$200,000
Total Market Value	\$381,000,000	\$573,600,000
Effective Tax Rate	1.57%	1.57%
<b>Annual Property Tax</b>	<b>\$5,982,000</b>	<b>\$9,006,000</b>
Sources: Ohio Department of Taxation; Gruen Gruen + Associates.		



## ANNUAL SALES TAX REVENUE ESTIMATES

- **Local (county) sales tax revenues generated directly and indirectly in the three-county study area are estimated to total approximately \$3.6 million to \$5.8 million annually.**
  - » Food services/drinking places (i.e., restaurants and bars), accommodations, and retail trade sectors will comprise about 80% of sales tax revenues.
  - » Estimates of gross annual sales (drawn from the economic impact model) are converted to “taxable” sales estimates based on the relationship between statewide taxable sales and total output/GDP in each sector.

**Table 8: Annual Direct and Indirect Sales Tax Estimate**

	Gross Sales (\$ millions) <sup>A</sup>		Taxable Sales (\$ millions) <sup>B</sup>			Local Sales Tax \$ <sup>C</sup>	
	Low	High	% Taxable	Low	High	Low	High
TAXABLE SECTORS:							
Retail trade	102.3	164.0	80.0	81.8	131.2	1,091,007	1,749,320
Information (telecommunications)	6.2	9.7	90.0	5.6	8.8	74,010	116,754
Finance and insurance	20.2	31.7	30.0	6.1	9.5	80,948	126,983
Real estate and rental and leasing	52.7	81.1	50.0	26.3	40.5	351,243	540,572
Admin. and waste mgmt services	6.6	10.6	30.0	2.0	3.2	26,387	42,469
Arts, entertainment, and recreation	52.6	89.3	20.0	10.5	17.9	140,157	238,151
Accommodations	46.8	76.5	100.0	46.8	76.5	624,142	1,020,630
Food services and drinking places	84.7	143.0	100.0	84.7	143.0	1,129,775	1,906,466
Other/personal services	11.1	17.2	40.0	4.4	6.9	58,991	91,791
<b>TOTAL</b>	<b>383.1</b>	<b>623.2</b>		<b>268.2</b>	<b>437.5</b>	<b>3,576,660</b>	<b>5,833,136</b>

<sup>A</sup> Direct, indirect, and induced output (sales) estimates for the three-county study area. Figures are rounded.

<sup>B</sup> Percentage estimates of taxable sales drawn from comparison between 2015 statewide taxable sales by sector and total output/GDP by sector.

<sup>C</sup> Based on average county tax rate of 1.33%.

Sources: RIMS II, Regional Product Division, Bureau of Economic Analysis; Ohio Department of Taxation; Gruen Gruen + Associates.



## ANNUAL LODGING TAX REVENUE ESTIMATES

- **Local lodging tax revenues generated directly and indirectly in the three-county study area are estimated to total approximately \$2.2 million to \$7.0 million annually.**
- The wide range in the estimate reflects lodging tax rates of 3.0% to 6.0%. Local lodging tax revenues will depend significantly upon:
  - » Where lodging development occurs around Buckeye Lake, e.g., whether it is incorporated or unincorporated, and
  - » Whether other local municipalities/townships in addition to the Village of Buckeye Lake choose to levy future lodging taxes up to 3.0% of gross revenues.

**Table 9: Estimate of Annual Lodging Tax Revenue**

	<u>Low Scenario</u>	<u>High Scenario</u>
Gross Revenue:		
Hotels and bed and breakfast inns	\$46,810,633	\$76,547,261
Vacation rentals	\$26,343,251	\$40,542,900
Annual lodging revenue	\$73,153,885	\$117,090,162
Lodging tax rate	3.0% to 6.0%	3.0% to 6.0%
<b>Annual Lodging Tax <sup>A</sup></b>	<b>\$2,194,600 to \$4,389,200</b>	<b>\$3,512,700 to \$7,025,400</b>

<sup>A</sup> Local lodging tax revenues will depend significantly upon where lodging development occurs around Buckeye Lake, whether it is incorporated or unincorporated, and if other local municipalities/townships in addition to the Village of Buckeye Lake choose to levy future lodging taxes up to 3.0% of gross revenues.

Sources: Ohio Department of Taxation; Gruen Gruen + Associates.



## **ABOUT GRUEN GRUEN + ASSOCIATES**

The urban economists, sociologists, market and financial analysts, demographers and statisticians of Gruen Gruen + Associates (GG+A) are dedicated to helping make the best use of land, real property and urban and environmental resources. GG+A provides public and private entrepreneurs with contract research and analysis, consulting, and pre-development services. Our clients develop, lease, manage, sell and influence real property. GG+A helps them realize the highest returns from their efforts.

All of GG+A's work is bound together by a common thread: the economics of land use. Land use is a complex phenomenon involving public policy, fiscal resources, market dynamics, demographic trends, finance, infrastructure development and a host of other factors that collectively compromise the urban system. As specialists in the economics of land use, GG+A serves a broad variety of public and private sector clients.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

For more than four decades, the analysts of GG+A have assessed the economic and fiscal ramifications resulting from a variety of activities, including the following:

- maritime commerce and commercial fisheries;
- recreational and cultural amenities, including boating and fishing activities, marinas, parks, fairs, museums, and historical sites;
- professional sports stadiums and franchises;
- colleges and universities;
- the development of hotels, shopping centers, office buildings, industrial facilities, medical facilities, residential communities, and new towns; and
- the development, operation, expansion or closing of roads, bridges, ports, airports, water and sanitary sewer service facilities, and power plants.

GG+A began its long history of fiscal impact analyses for cities and projects in the United States and Canada in 1972. In that year, our pioneering study was titled: "The Impacts of Growth: An Analytical Framework and Fiscal Example." This work was sponsored by the Associated Home Builders of the Greater East Bay and published by the California Housing Foundation. It used the cities of Pleasanton and Livermore as the examples of the recommended methodology.

Examples of representative clients for which GG+A has prepared fiscal and economic impact studies include:

- **Private Sector**

- » Alter Group
- » Golden State Warriors
- » Jones Lang Lasalle
- » M/I Homes
- » Pulte Homes
- » Regency Centers
- » Ryland Homes

- **Municipalities**

- » Cities of Surprise and Tempe (AZ)
- » Cities of Antioch, Brentwood, Dublin, Gilroy, Patterson, Pleasanton, Scotts Valley and Tracy (CA)
- » City of Aurora and Village of Hinsdale (IL)
- » City of San Antonio (TX)
- » City of Seattle (WA)

- **Public Entities / Agencies**

- » Arizona State Land Department
- » California Department of Food and Agriculture
- » Department of Defense
- » DuPage Airport Authority
- » Oregon State Fair

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