

Economic Research Analysis

Town of Matthews

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Introduction

Two scenarios for redevelopment of the 100-acre plot of land previously used as the Family Dollar Inc. headquarters were analyzed. The economic impact of both ongoing operations and the construction aspect of the development were calculated. The analysis includes effects on the existing economic network within Matthews. Our goal was to deliver plausible land uses and provide details on how potential economic development on this land will both directly and indirectly impact the Town of Matthews. Given the Town's attractiveness for senior living, Scenario 1 included Mixed-Use Development with Nursing Care while Scenario 2 included Mixed-Use Development without Nursing Care. Overall, both scenarios showed about **\$96 million** in annual output, over \$68 million in value added, 460-490 jobs supported, plus more!

Methodology

- IMPLAN
 - Economic impact analysis software
- Access NC
 - General business industry information
- Building Journal
 - General construction information
- Town of Matthews Website
 - Basic information on businesses in Matthews
- General research on similar developments done in Magnolia, TX, Charlotte, NC, and South Springfield, MO

Data Analysis

Common Parameters

- Prime location near proposed expansion of light rail
- Live-work-play theme with housing, offices, restaurants and retail within development:
 - Multi-Family living (Residential)
 - Retail (Commercial)
 - Grocery (Commercial)
 - Offices (Commercial)
 - Health care (Commercial)
 - Recreation (Commercial)
 - Outdoor space (Commercial)
 - Nursing Care (Residential)

- 100 acres would be split 55% residential and 45% commercial

Scenario 1: Mixed-Use Development with living for all ages, including Nursing Care

Scenario 2: Mixed-Use Development without dedicated Nursing Care

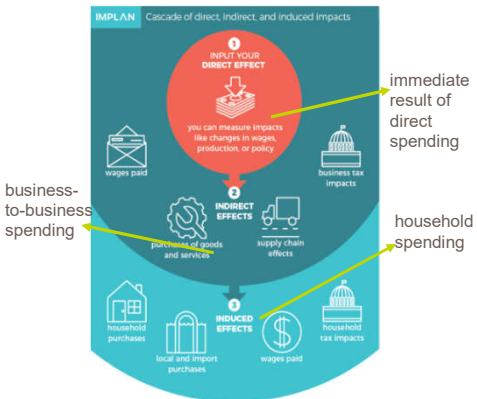
Ongoing Activity

- Both scenarios were analyzed
- Proposed business types to include in the development were evaluated
 - Judgement was based on IMPLAN dollar amounts for demand, value added, and total output
- Sectors were chosen to complement existing business networks within Matthews

Sector Name	Value Amounts: Total Output, Value Added, Demand	Total	% of Total	Valuation Method
Management of companies and enterprises	\$ 1,044,325,332 \$ 770,865,093 \$ 1,035,628,021	\$ 2,850,818,446	54.26%	\$ 54,259,792
Real estate	\$ 295,905,103 \$ 158,307,301 \$ 289,336,712	\$ 743,549,116	14.15%	\$ 14,152,013
Offices of physicians	\$ 135,967,133 \$ 97,182,953 \$ 135,967,133	\$ 369,117,220	7.03%	\$ 7,025,429
Data processing services	\$ 124,222,789 \$ 67,294,957 \$ 123,515,373	\$ 315,033,120	6.00%	\$ 5,996,044
Health services	\$ 108,741,225 \$ 108,741,225 \$ 108,741,225	\$ 326,223,674	6.21%	\$ 6,209,034
All Retail	\$ 99,309,342 \$ 62,663,570 \$ 99,122,729	\$ 261,095,641	4.97%	\$ 4,969,448
Restaurants	\$ 93,752,719 \$ 55,034,786 \$ 93,017,540	\$ 241,805,046	4.60%	\$ 4,602,289
Sport centers	\$ 24,501,040 \$ 13,712,125 \$ 24,467,632	\$ 62,680,797	1.19%	\$ 1,193,007
Wholesalers	\$ 19,250,780 \$ 10,085,991 \$ 19,124,791	\$ 48,461,562	0.92%	\$ 923,372
Personal Care Services	\$ 12,551,897 \$ 9,183,966 \$ 12,550,312	\$ 34,286,175	0.65%	\$ 652,571
Outdoor/Family friendly entertainment	\$ 340,092 \$ 265,559 \$ 340,089	\$ 945,739	0.02%	\$ 18,000
		\$ 5,254,016,535	100%	\$ 100,000,000

- A percentage system was created to allocate the \$100 million in output this land development plan will create

Terminology: Direct, Indirect, and Induced Effects



immediate result of direct spending

household spending

business-to-business spending

Conclusion

	With Nursing Care	Without Nursing Care
Total Jobs Supported	490	462
Directly	487	459
Indirectly	3	3
Induced	<1	<1

	\$	\$
Total Labor Income	46,901,427	47,327,366
Directly	46,700,948	47,127,399
Indirectly	181,800	180,841
Induced	18,679	19,126

	\$	\$
Total Output	95,817,294	95,810,862
Directly	95,270,591	95,270,591
Indirectly	496,560	488,931
Induced	50,143	51,340

State and Local Tax Revenue		
Sales Tax	\$ 2,131,043	\$ 2,114,297
Property Tax	\$ 1,436,789	\$ 1,425,498
Motor Vehicle License	\$ 60,122	\$ 59,649
Other Taxes	\$ 208,617	\$ 206,978
Corporate Profits Tax	\$ 109,155	\$ 110,018
Personal Tax: Income Tax	\$ 88,103	\$ 90,331
Personal Tax: Motor Vehicle License	\$ 4,329	\$ 4,430
Personal Tax: Property Tax	\$ 1,188	\$ 1,217
Total	\$ 4,039,346	\$ 4,012,418

- Scenario 1 with nursing care generates slightly higher numbers than Scenario 2 without senior living
 - 28 more jobs
 - \$6,432 more in total output
 - \$26,928 more in tax revenue
- Scenario 2 without nursing care would generate \$425,939 more in labor income than Scenario 1 with nursing care, probably due to the fact that jobs related to serving seniors tend to be low paying

Type	Total Area (sqft)	% Total Area	Total Cost
Residential	2,395,800	55%	\$80,586,000
Apartment 1-3 Story	1,524,600	35%	\$45,738,000
Apartment 4-7 Story	871,200	20%	\$34,848,000
Commercial	1,960,200	45%	\$152,155,080
Medical Office	87,120	2%	\$5,837,040
Office 4 - 7 Story	435,600	10%	\$27,442,800
Outdoor Arena	130,680	3%	\$16,335,000
Parking Garage	174,240	4%	\$5,749,920
Restaurant	348,480	8%	\$35,544,960
Retail	348,480	8%	\$26,136,000
Supermarket	348,480	8%	\$28,575,360
Day Care Center	87,120	2%	\$6,534,000
Total	4,356,000	100%	\$232,741,080

References

- Burger, R. (2016, April 21). The Community Impact of New Construction. Retrieved March 30, 2020, from <https://blog.capterra.com/the-community-impact-of-new-construction/>
- Fountains Matthews Apartment Rentals - Matthews, NC. (2020). Retrieved April 15, 2020, from <https://www.zillow.com/b/fountains-matthews-matthews-nc-65hKLQ/>
- IMPLAN Economic impact analysis for planning. (2020, February 25). Retrieved March 30, 2020, from <https://implan.com/>

Construction Aspect

- Construction cost estimate was done through BuildingJournal.com
- Estimated cost with nursing care living: \$89M - \$110M
- Without nursing care: at least \$7.2M cheaper.

Construction Impact

- 700 jobs supported
- \$55M labor income
- \$66.6M in value added
- \$100.2M in output
- \$1.2 M in local & state taxes.

Total value of spending, includes intermediate inputs

IMPLAN Results

Generally equivalent to GDP; does not include intermediate inputs

