

IMPACT DASHBOARD TRAINING WORKSHOP

Presented by Impact DataSource

Wednesday, October 9th

9am-12pm

AGENDA

9:00 AM - Introductions

9:30 AM - **Basic Manufacturing Project**

- w/ 10-year Property Tax Abatement

10:30 AM - BREAK

10:45 AM - **Headquarters Relocation Project**

- w/ 15-year 380 Rebate and Infrastructure Grant

11:15 AM - **Hotel Project**

- w/ TIF District

Impact DataSource Team at TEDC

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Download this document from our website


<https://impactdatasource.com/training2019/>

BASIC MANUFACTURING PROJECT

1. Create a new Project named "Basic Manufacturing Project"
If you're attending the training with a co-worker using the same account, add your initials at the end of the project name so you can keep these two projects distinct.
2. Create a new Tag for "IDB Training" so we can distinguish this from real projects.
3. Create a new Scenario to begin our analysis.

Project Brief

- Wood Product Manufacturer
- Invest \$28.0 million
 - \$3.0 million investment to construct a building
 - \$25.0 million investment in equipment and machinery
- Hire 80 workers earning \$45,000 per year
- City and County are considering a property tax abatement
 - City: 50% building abatement for 10 years
 - County: 100% -> 10% Building abatement over 10 years.

	<p>What's the main revenue driver?</p> <p>How do the net benefits accrue over time?</p> <p>What questions might be asked about this project?</p>
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Extra Wrinkle

Let's create another iteration of this Scenario where we add a "per job" incentive.

Close the scenario to get back to the Control Center. Click on the Copy icon on the row corresponding to the scenario you wish to copy. Now you're editing a copy of the original scenario!

Presentation Discussion

What are some ways you present this information to your board or council?

- Print PDF of Summary or Detailed Report
- Show Impact Dashboard on a Projector
- Use select screenshots
- Other approaches?

HEADQUARTERS RELOCATION PROJECT

1. Create a new Project named "Headquarters Relocation"
If you're attending the training with a co-worker using the same account, put your initials at the end of the project name so you can keep these two projects distinct.
2. Apply our "IDB Training" tag so we can distinguish this from real projects.
3. Create a new Scenario to begin our analysis.

Project Brief

- Professional Services Company HQ
- Invest \$145.0 million
 - \$130.0 million investment to construct a building
 - \$15.0 million investment equipment and machinery
- Hire 700 workers over the next 5 years. Average salary \$125,000 per year
 - *Company will offer to relocate 50% of workforce from California*
- City is considering a 380 Rebate and an Infrastructure Grant
 - 15-year 380 rebate on real property improvements
 - \$5.0 million infrastructure grant



What's the main revenue driver?


How do the net benefits accrue over time?

What questions might be asked about this project?

How To

ADJUST THE LENGTH OF A SCENARIO

1. Inside the Scenario Workspace, click on the "gear icon" to access the Settings.
2. On the General Assumptions tab, click on the blue "Edit Defaults" button.
3. Scroll down to the input for "Scenario Length (Years)" and enter 15.

 This can be the first thing you do or the last thing you do.

HOTEL PROJECT

1. Create a new Project named "Hotel"
Don't forget your initials if you're attending the training with a co-worker.
2. Apply our "IDB Training" tag so we can distinguish this from real projects.
3. Create a new Scenario to begin our analysis.

Project Brief

- 252-room Convention Center Hotel - Westin
 - \$200 Average Daily Rate and 65% Occupancy Rate
- 230 hotel jobs at \$35,000 average salary
- TIF District where City and County contribute 75% of incremental real property taxes for 20 Years

Filling in the Gaps


- I estimated construction cost estimated using HVS Hotel Cost Survey data for Full-Service Hotel = \$293,200 per room or \$73,886,400
- I looked at the tax records of similar hotels in the area and determined the market value of a hotel of this size and quality would be approximately \$37.0 million or 50% of the cost of construction
- Annual Hotel Occupancy Taxes = # of Rooms x Occ. Rate x 365 days x ADR x HOT Rate
 - $252 \times 65\% \times 365 \times \$200 \times 7\% = \$837,018$
- Hotel's Taxable Sales, excluding Lodging ~ 35% of Lodging Sales for Full-Service
 - $252 \times 65\% \times 365 \times \$200 \times 35\% = \$4,185,090 \sim \4.2 million
- Offsite Visitor Spending Estimate = \$50 per occupied room night
 - $252 \times 65\% \times 365 \times \$50 = \$2,989,350 \sim \3.0 million



How To

ADJUST BUILDING MARKET VALUE ASSUMPTION

1. Inside the Scenario Workspace, click on the "gear icon" to access the Settings.
2. On the General Assumptions tab, click on the blue "Edit Defaults" button.
3. Enter 50% in the "Percent of Building and Improvement Costs that Represent Market Value".

 This allows us to capture the full capital investment but adjust the value of the property on the tax rolls.

HOTEL PROJECT – CONTINUED




ADJUST THE LENGTH OF A SCENARIO

1. Inside the Scenario Workspace, click on the “gear icon” to access the Settings.
2. On the General Assumptions tab, click on the blue “Edit Defaults” button.
3. Scroll down to the input for “Scenario Length (Years)” and enter 20.



ADD HOTEL OCCUPANCY TAXES

1. Inside the Scenario Workspace, click on the “gear icon” to access the Settings.
2. On the City tab, click on the blue “Edit Defaults” button.
3. Scroll down to find the “Create Direct Revenue”
4. Name the revenue “Hotel Occupancy Taxes” and choose “Percent Increase” as the Type.
 - a. This creates a new revenue line item for Hotel Occupancy Taxes throughout the analysis for the City.
 - b. You can enter the estimated Hotel Occupancy Tax revenue in a newly created section of the Scenario Info page.

 Choosing “Percent Increase” allows us to enter a single value in Year 1 and choose an annual increase to fill subsequent years.

HOTEL PROJECT – CONTINUED



How To

IMPLEMENT A TIF DISTRICT

1. Inside the Scenario Workspace, click on the “gear icon” to access the Settings.
2. Select the “TIF District” tab and click on the box that says “Project Located in TIF District”.
3. You will have the option to choose an existing TIF District that you may have saved to your account or create a new TIF District.
4. In the case of newly created TIF District, complete the table shown on the screen by identifying the portion of incremental taxes contributed to the TIF District. In our case, the City and County will contribute 75% of incremental building taxes.



Save the TIF District specifications to use in future scenarios.



- What’s the main revenue driver?
- How do the net benefits accrue over time?
- What questions might be asked about this project?