

065 – Economic Development Secrets – All About Impact DashBoard with Paul Scheuren

Podcast Transcript

Intro (00:03):

Welcome to Economic Development Secrets, where economic developers from across the country spill their secrets to our host, Nicole D'Souza. You'll hear firsthand accounts from economic developers in the trenches, from what works to what doesn't work, how deals come together, or how deals go bad. You'll hear everyone's economic development secrets.

Nicole (00:28):

Hello and welcome to Economic Development Secrets. I'm your host, Nicole, and I'm so happy to be back with all of you for this very special episode.

Paul (00:38):

Hey, wait a minute, Nicole, give us an update, what's been going on in the last three years and tell us an update on the host.

Nicole (00:52):

Of course. Of course. Well, a few years ago, I had a transition to another avenue of the economic development world. I spent some time at Google and at Meta, and in that time I got married and I had a beautiful baby boy, and I moved to Japan because my husband is in the Air Force and is stationed on the beautiful little island of Okinawa, and we love living here. It's certainly an adventure. It seems like we're learning something new every day it seems, which that also could be from having a toddler now, but I am so happy to be back again helping out at Impact DataSource and I'm so looking forward to connecting with all of my wonderful economic developer friends.

Paul (01:41):

Thank you, Nicole. I appreciate you helping out with everything you've been doing with Impact DataSource and helping with this podcast, and that is a lot of life updates happening or a lot of life milestones happening in just a short period of time, but that's exciting. That's great.

Nicole (02:01):

Thank you. Thank you. Well, this very special episode of Economic Development Secrets I'm joined with, joined by Paul Scheuren from Impact Data Source, and we are going to discuss Impact DashBoard today, which is a powerful tool for economic developers to use to strategically analyze their economic development projects. If you'd like to follow along with some of the tools and resources that we're going to mention in this episode, you can find all of that www.impactdatasource.com/webinar. And there we're going to have some links to sample

reports and a video and of course a registration link for an upcoming webinar that we have, which is coming up. When is that, Paul?

Paul (02:54):

It's next week, October 9th, so next Wednesday.

Nicole (02:56):

Perfect. Awesome. Well, welcome Paul. Thank you so much for joining us today.

Paul (03:01):

Thanks, Nicole. This is great to be back doing the podcast thing here again and having you lead it, so I really appreciate it.

Nicole (03:09):

Of course, of course. Well, could you start by sharing with the audience just a little bit about yourself and your company, Impact DataSource?

Paul (03:17):

Yeah, sure. My name is Paul Scheuren, our company's name is Impact DataSource. We're an economic consulting company based in Austin, Texas. The company was started in 1993, so about 31 years ago by my partner Jerry Walker. Jerry passed away last September, so just about a little over a year anniversary of his passing. But I had the opportunity to work side by side with Jerry for 15 years. I joined him in 2009. And in general, Impact DataSource primarily works with economic developers at the city, county, or state economic development departments. Our niche, so to speak in the industry is the incentive evaluation. And so our studies are generally intended to lay out the economic impact, fiscal impact and provide an analysis of possible economic development incentives.

Nicole (04:08):

Great. Thank you for that intro. And would you mind telling the audience about Impact DashBoard? Obviously the parent company's Impact DataSource, the product is Impact DashBoard, so please tell us what it is and how economic developers can use this tool.

Paul (04:25):

Sure. I thought it was being real clever with Impact DataSource and Impact DashBoard, but it gets confusing. So Impact DashBoard is our web-based software for economic developers that want to evaluate prospective economic development projects. So over the years, Jerry, early on, and then when I joined him as well, we had some clients that wanted to have a tool that they could use in-house to evaluate projects. So a lot of what we do is individual consulting work. So from an individual project, we'll prepare an analysis for a client, but some clients just want to have a tool that they can use themselves. And so that's where we built Impact DashBoard. Again, it's a web-based software. You can just log in, you can have multiple logins for your whole

organization, and you have the ability to evaluate, collect information on the project and generate reports and model different incentive scenarios.

Nicole (05:27):

Awesome. Well, and how is Impact Dashboard different from other relatable platforms? We know there's so many resources out there for our economic developers to use.

Paul (05:38):

Yeah, impact DashBoard is really kind of focused on economic development, the use case of economic development for impact modeling. So it's kind of the hardcore economic development modeling. A lot of other software can help you get economic impacts or maybe you can come up with a spreadsheet to do some tax calculations, but Impact DashBoard really tries to wrap everything together and be able to generate a report that incorporates those economic impacts, translates it into all the different tax revenues you might receive, as well as accounting for potentially costs for the different entities of the city and the county and the school district and so forth. And so Impact DashBoard is just really kind of speaks the language of economic developers and helps them be able to comprehend and evaluate projects in that context.

Nicole (06:36):

Well, how specific do the results get on impacts on the community? Does it show impacts on the state, the county, the city, even smaller?

Paul (06:47):

Yeah, so a lot of times if you're thinking about property tax and a homeowner, if you get your property tax bill at the end of the year, you have one check to write maybe. But that property tax is usually made up of several components, so maybe the city gets a portion of that property tax in the county and so on. And so that's kind of the way our reports are set up to be able to itemize the different revenues that each entity might receive. So at the local level, you may have a city, the county, a school district, or maybe a road district or a fire district or something like that. And so our reports will be able to isolate the property tax that the city gets from the property tax that the county gets, or if there's a city local sales tax will have a line item for sales taxes for the city and that sort of thing. So the city will be fully itemized, the county will be fully itemized, and you're able to identify these things in the way that the city council wants to see just what the city council's going to get or what the city entity will get. So that's kind of a really kind of unique feature of Impact DashBoard in the way that we put our reports together.

Nicole (07:57):

Well, and then what about communities that have a TIRZ or a TIF? Can that be accounted for in the model?

Paul (08:04):

Yeah, yeah. So it's kind of all those typical economic development incentives or wrinkles that you can think of are built into Impact DashBoard. So if you need to apply a TIF district, so for tax increment financing, we want a certain portion or all of the incremental taxes to go to this TIF entity, or in Texas they call TIRZ, but we can kind of enable that aspect in the software and you'll basically be able to modify: okay, well the city's not going to get all of their property taxes because it's being contributed to the TIF. And then you can see in total what the TIF will get once they receive the contributions from the different entities. So all of those typical economic development things. So TIF is kind of an advanced one, but the basic property tax abatement, sales tax rebates, as well as grants or the good old job creation grant that sometimes comes into play.

Nicole (09:04):

And then can you tell us about some of the data that you use in the model to analyze these projects?

Paul (09:12):

Sure. Yeah. So in the background, what we're going to do to set up your model, it would be really nice if we had some national database that we could just kind of click some buttons and everything gets pulled together. But unfortunately when we build a model for a client, we're actually going out and doing a little bit of research so that we can model the local tax structure, we can get an understanding by looking at the city budget, the county budget, the school district's budget to understand what services are being provided, what kind of costs they have. And so all of that research is being done upfront by us, so you don't have to look at a big empty model and figure out what local information you need to plug in there. So we're incorporating a lot of different things. So I mentioned the budgets. We also have economic impact multipliers built in there. We're using RIMS II multipliers from the Bureau of Economic Analysis. Those will be region specific, and then you're able to tell us what industry the project is in. We'll also pull in commuting patterns and other demographic information at the local level so that it's representative of your actual community, and we're not just using nationwide averages for different things. So it's things that we're doing on the front end to kind of pull this into the software so it's ready to go from your standpoint.

Nicole (10:36):

I think that's really great that Impact DataSource does the research and collects all of that for everyone, for very busy economic developers that are wearing many hats and have a lot going on. So how often do you update this data, the background data?

Paul (10:52):

Sure. Well, the most obvious one for folks usually is going to be the property tax rate. And those very often we'll update in the fall. So maybe around this time the newest tax rates are getting put out there. And so we'll update and review all of the data in the model at that time. So we want to be able to update and have those latest property tax rates in there for you. And we'll also kind of review the other inputs, some of the other demographic information multipliers or

budget data at that time with the annual update, if other things change, sometimes if there's a new sales tax rate that gets added or something like that, we can update that on the fly, so to speak. So at least once a year, and typically we're at that period of time where some of those tax rates are getting finalized. And so we'll be updating that in the coming weeks and months.

Nicole (11:43):

Excellent. Thank you for that. So for an economic developer who is using Impact DashBoard to analyze their projects, what project specific data will they need in order to model their economic development projects?

Paul (11:59):

So the big things that you would be collecting, so a typical economic development project, let's say it's a new manufacturer coming in, they're going to hire a certain number of workers and they're going to have an investment in new facility. So the big things we would want to understand would be the number of jobs they're creating, the average salary or maybe the total payroll that will be paid, the company's capital investment. And we would probably try to break that down to how much is being invested for buildings versus equipment and that sort of thing. And then ultimately, what's the NAICS code or what activity, what does this company do? And so those are the big key inputs of job salaries, capital investment, and the NAICS code or industry code. But you can incorporate other things as you're thinking about the project specific data. There may be the company supporting taxable sales; they may have inventories or other aspects to it that you want to capture.

Sometimes if a city is leasing a piece of property, that would be information that you might collect as well. But Impact DashBoard includes a data form feature where you can actually request this information from prospects. So you can go on and create your data form that you want to share with others, and then you could post that on your website or email it to someone. And then it's an online kind of data form wizard where you'll walk the prospect through and ask them how many jobs you're going to create, what's your capital investment? And then it's kind of in a very nice process for everyone to follow along and understand what's going on. And then if you're using this integrated data form feature, they'll submit it to you and then with a click of a button, you can just create a scenario in your model using that, the data that the prospect provided, and you start reviewing results at that point.

Nicole (13:51):

That's awesome. That's so awesome. Well, and then what if users need help while they're working through a project? Are you there to answer questions? Hold their hand?

Paul (14:01):

Yeah. Yeah. So you kind of touched on it earlier about economic developers not necessarily having the time to maybe load data into their model or understand all of the tax rates. And so they're not necessarily expected to be experts in economic and fiscal impact modeling. And so the way we work with Impact DashBoard on an annual subscription basis, that includes unlimited training as well as technical support. So the training aspect usually comes in when we

first set up the model for you, we'll schedule a training session with everyone who needs access to the model and so forth, and we'll show a demo of the software. But then inevitably you'll start working on your first project and it'll be a little different than that easy demo we might've done. And so at that point, we're available for questions as you start using the model.

If you run a report and something looks high or something looks low, or you're trying to add an element that you don't remember where that button is, you can reach out to us either by phone or email, and we can jump in there and take a look at it with you and get you set up. And even a lot of what that turns into is just discussing different ways that you could approach evaluating the project or different things that we're seeing with projects that we might be working on or other projects that our clients are working on

Nicole (15:22):

Well. And then can you tell the audience what types of reports are generated in the model and can you highlight some of the tables that economic developers might find useful?

Paul (15:34):

This might be where it would be really handy, at least in an audio format here, to be looking at some sample reports. So we'll have those on the website that we talked about at www.impactdatasource.com/webinar. In general, the software is going to generate three types of reports. The first one is a fact sheet report where it's just a one pager that summarizes what the project is all about in terms of the attributes of the direct activity, so the number of jobs, the capital investment, the payroll, and then all of those criteria about what the NAICS code is, what they're planning to do in terms of building a facility or leasing a facility, what their timeline might be, you can actually capture some information about the company that is supporting the project, so the details of when they were established and that sort of thing. And so that fact sheet report is really nice as a cover page to share as you're presenting the project.

Next we have some summary reports. So again, on a one pager infographic style report, we'll generate a summary for each one of the jurisdictions. So if you're the city, you might generate the city summary, and that's going to show the economic impact in terms of the jobs as well as the spinoff jobs and salaries, and then translate those economic impacts into fiscal impacts over a period of time. So you'll have a graph that shows you how the revenues and costs accrue to the city over whether it's 10 years or 20 years or whatever timeframe you want to look at it. And then it'll also itemize the specific benefits and costs listed out, so sales taxes, property taxes, and so forth. Then depending on the circumstances, if you have an incentive, there'll be a section that will show an analysis of the incentive that's included in the analysis. And so again, those summary reports, you'll have multiple versions of those. One, for example, the city, maybe the county and school district.

Then the third report type that we have is what we call our detailed report, and that'll be kind of a more traditional report with a narrative. It'll print out to maybe 15 to 20 pages depending on the circumstances. And it'll just kind of walk through in a more typical format of not just an infographic, but more of an explanation of what the impact is and show some additional tables that just don't fit on those one pagers.

Nicole (17:59):

Great. Well, thank you so, so much, Paul for joining me on the podcast and sharing all about Impact DashBoard to our listeners. For anyone interested in learning more about this economic development software, you can find sample reports, videos of the software, and a link to the upcoming demo webinar that we have coming up next week on October 9th at 1:00 PM Central. You can find all of that at www.impactdatasource.com/webinar. And I've also added that link to the show notes for ease. And thank you again, Paul, and thank you to our listeners for tuning in. Until next time, take care everyone.

Paul (18:38):

Thanks, Nicole.

Economic Development Secrets is brought to you by Impact Dashboard, the only impact software built for economic developers. For more information on this podcast or to listen to past episodes, check out www.impactdatasource.com.