



Economic and Real Estate Consulting

MEMORANDUM

To: Todd Hardy

From: Elliott D. Pollack & Company

Date: January 31, 2020

Re: Economic & Fiscal Impact Summary of Proposed Agri-Food Innovation Center – Phoenix, Arizona

Elliott D. Pollack & Company was retained to assess the preliminary economic and fiscal impacts of the proposed Agri-Food Innovation Center in Phoenix, Arizona. As currently conceived, the Agri-Food Innovation Center master plan includes a variety of land uses, including a wholesale foods market, farmers market, research and development office campus and testing fields, a regional park, a convention center, and a hotel.

The following summary outlines a conservative estimate of the impacts of the proposed project. It should be noted that the impacts exclude several components of the plan which will undoubtedly create additional jobs and taxable revenue for the City of Phoenix, including the farmer's market, convention center, and the potential retail sales aspect of the Wholesale Foods Market. In addition, there will be public benefits for local residents that cannot be monetized, such as the regional park and more convenient access to fresh produce.

Elliott D. Pollack & company

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Economic Impacts

- ❖ Construction of the master plan will generate 913 person-years of employment, nearly \$81.1 million in wages, and an estimated **\$200.7 million** in economic impact throughout the local community and region.
- ❖ The commercial operations throughout the Agri-Food Innovation Center, including the wholesale food market, research park, hotel, and additional employment supported by tourists will create at least 1,518 direct jobs, with wages of nearly \$141.1 million and generate an estimated \$385.0 million in economic activity each year. **Including the ripple effects of this direct activity, a total of 4,594 jobs, over \$303.2 million in wages, and an estimated \$848.6 million in annual economic activity throughout the region.**

Economic Impact Summary Phoenix Agri-Food Innovation Center (2020 Dollars)	
Construction	
Construction jobs	913
Total jobs	1,460
Wages (\$mil)	\$81.1
Economic Output (\$ mil)	\$200.7
Operations (Annual at Buildout)	
Direct jobs	1,518
Total Jobs	4,594
Wages (\$mil)	\$303.2
Economic Output (\$ mil)	\$848.6
NOTE: The total may not equal the sum of the impacts due to rounding. All dollar figures are in constant dollars. Inflation has not been included in these figures.	
Sources: Elliott D. Pollack & Co; IMPLAN; ADOR	



Fiscal Impacts

- ❖ Construction of the Agri-Food Innovation Center master plan would generate an estimated **\$2.4 million** in tax revenues for the City of Phoenix, including construction sales tax, use tax, and employee generated revenues.
- ❖ After the project is completed, operations of the wholesale food market, research park, hotel, and tourist spending would create over **\$3.5 million** in ongoing annual tax revenue that would be collected by the City of Phoenix each year at stabilized occupancy. Property taxes, commercial lease taxes, sales tax, and bed tax would be the largest primary revenue sources. The City would also collect taxes from direct, indirect, and induced employees from sales taxes, property taxes, and state shared revenues.

Fiscal Impact Summary		
Phoenix Agri-Food Innovation Center		
City of Phoenix		
(2020 Dollars)		
Construction		
Primary Impacts	Construction sales tax	\$1,689,600
	Use tax	\$31,000
Secondary Impact from Employees	Secondary total	\$716,800
Total Impact from Construction		\$2,437,400
Operations (annual at buildout)		
Primary Impacts	Property Tax	\$376,900
	Sales Tax	\$185,800
	Bed Tax	\$106,800
	Commercial Lease Tax	\$235,400
	Utility Tax	\$39,400
Secondary Impact from Employees	Secondary total	\$2,585,400
Total Annual Impact from Operations		\$3,529,700
Sources: Elliott D. Pollack & Co.; IMPLAN; ADOR		



Appendix - Detailed Tables

Economic Impact of Construction Phoenix Agri-Food Innovation Center (2020 Dollars)			
Impact Type	Person Years of Employment	Wages	Economic Output
Direct	913	\$51,769,000	\$113,018,000
Indirect	126	\$8,509,000	\$24,331,000
Induced	421	\$20,773,000	\$63,323,000
Total	1,460	\$81,051,000	\$200,672,000

1/ The total may not equal the sum of the impacts due to rounding. All dollar figures are in constant dollars. Inflation has not been included in these figures.

Source: Elliott D. Pollack & Company; IMPLAN

Fiscal Impact of Construction Phoenix Agri-Food Innovation Center City of Phoenix (2020 Dollars)						
Impact Type	Primary		Secondary Revenues			Total Revenues
	Construction Sales Tax	Use Tax	Employee Spending Sales Tax	Employee Property Tax	State Shared Revenues	
Direct	\$1,689,600	\$31,000	\$197,100	\$148,900	\$125,600	\$2,192,200
Indirect	N/A	N/A	\$30,500	\$20,500	\$10,400	\$61,400
Induced	N/A	N/A	\$83,400	\$68,600	\$31,800	\$183,800
Total	\$1,689,600	\$31,000	\$311,000	\$238,000	\$167,800	\$2,437,400

1/ The figures are intended only as a general guideline as to how the City could be impacted by the project. The above figures are based on the current economic structure and tax rates of the City.

Source: Elliott D. Pollack & Co.; IMPLAN; AZ Dept. of Revenue; ATRA



Annual Economic Impact of Operations (at Buildout) Phoenix Agri-Food Innovation Center Greater Phoenix (2020 Dollars)			
Impact Type	Jobs	Wages	Economic Output
Wholesale Food Market			
Direct	183	\$16,651,000	\$47,143,000
Indirect	118	\$6,768,000	\$18,847,000
Induced	166	\$8,175,000	\$24,919,000
Total	466	\$31,594,000	\$90,909,000
Hotel			
Direct	22	\$842,000	\$2,680,000
Indirect	7	\$363,000	\$1,034,000
Induced	8	\$416,000	\$1,268,000
Total	37	\$1,621,000	\$4,982,000
Research Park			
Direct	1,275	\$122,461,000	\$331,440,000
Indirect	1,367	\$76,739,000	\$205,253,000
Induced	1,388	\$68,558,000	\$208,983,000
Total	4,031	\$267,758,000	\$745,676,000
Employment Supported by Tourist Spending			
Direct	38	\$1,141,000	\$3,695,000
Indirect	10	\$529,000	\$1,586,000
Induced	12	\$575,000	\$1,752,000
Total	59	\$2,245,000	\$7,033,000
GRAND TOTAL			
Direct	1,518	\$141,095,000	\$384,958,000
Indirect	1,501	\$84,399,000	\$226,720,000
Induced	1,574	\$77,724,000	\$236,922,000
Total Impact^{1/}	4,594	\$303,218,000	\$848,600,000
1/ The total may not equal the sum of the impacts due to rounding. All dollar figures are in constant dollars. Inflation has not been included in these figures.			
Source: Elliott D. Pollack & Company; IMPLAN			



Annual Fiscal Impact of Operations Phoenix Agri-Food Innovation Center City of Phoenix (2020 Dollars)

Primary Revenue (at buildout)	
Property Tax	\$376,900
Sales Tax	\$185,800
Bed Tax	\$106,800
Commercial Lease Tax	\$235,400
Utility Tax	\$39,400
Sub-Total	\$944,300
Secondary Revenue (at buildout)	
Employee Spending Sales Tax	\$1,096,900
Employee Property Tax	\$857,900
State Shared Revenues	\$630,600
Sub-Total	\$2,585,400
Total Revenue (at buildout)	
GRAND TOTAL	\$3,529,700

1/The total may not equal the sum of the impacts due to rounding. All dollar figures are in constant dollars. All of the above figures are representative of the major revenue sources for the City. The above figures are based on the current economic structure and tax rates of the City.

Source: Elliott D. Pollack & Co.; ADOR

