



COMMUNITY BENEFITS

The Impacts of New Business

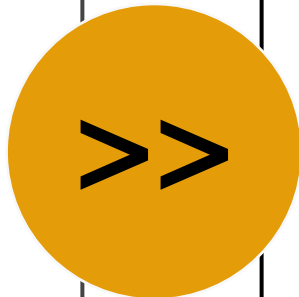
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Maureen Howell, VP, Research & Strategy
December 11, 2017

COMMUNITY BENEFITS

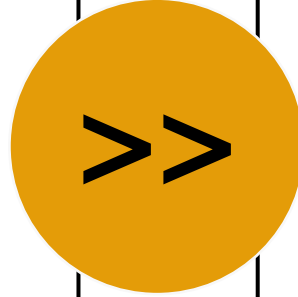
What benefits does a new business bring to a community?

01

Capital Investment



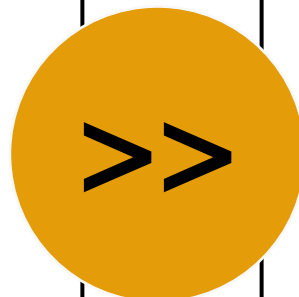
Includes:
Building
Equipment



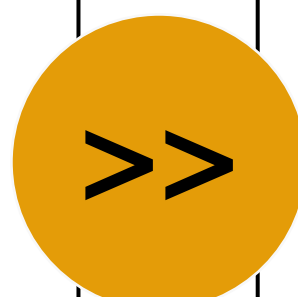
Produces:
Sales Tax Revenue (construction)
Property Tax Revenue

02

Jobs

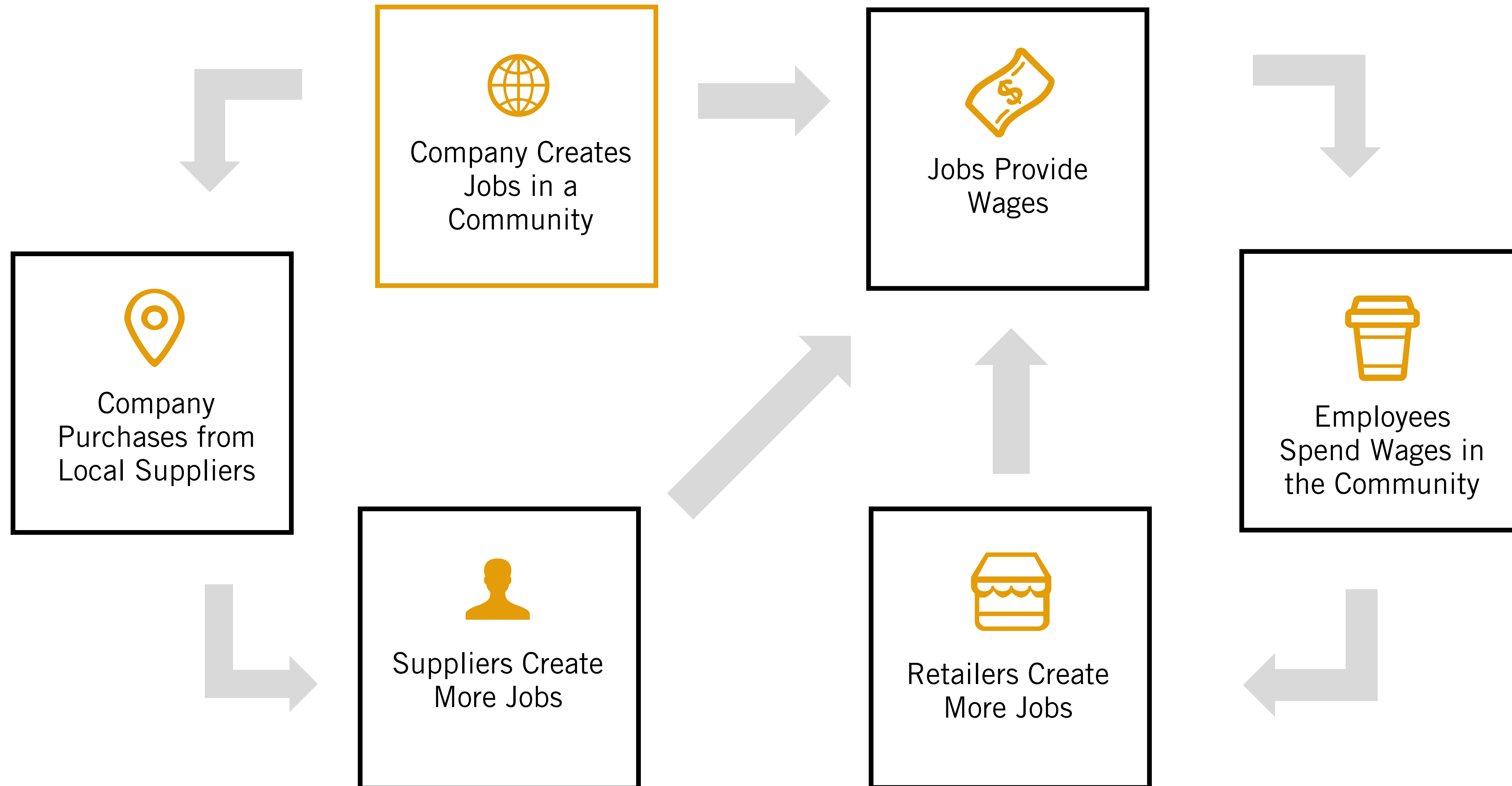


Includes:
Wages



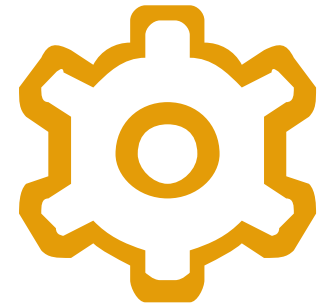
Produces:
Income Tax Revenue (State Shared Revenues)
Consumer Spending (Sales Tax Revenue)
Property Tax Revenue (Residents)

COMMUNITY IMPACTS



BUSINESS TYPES

Different types of business have different impacts



MANUFACTURING

- Wages: \$64,860 average*
- High Capital Investment
- Indirect Jobs: 1 job produces 3.63 other jobs**
- Induced Consumer Spending (Sales Tax Revenue)



RETAIL

- Wages: \$30,297 average*
- Low Capital Investment
- Indirect Jobs: 1 job produces around 0.67 other jobs**
- Direct Consumer Spending (Sales Tax Revenue)



OFFICE

- Wages: \$89,851 average*
- Medium Capital Investment
- Indirect Jobs: 1 job produces around 1.24 other jobs**
- Induced Consumer Spending (Sales Tax Revenue)



LOGISTICS

- Wages: \$42,442 average*
- High Capital Investment
- Indirect Jobs: 1 job produces around 0.84 other jobs**
- Direct Consumer Spending (Sales Tax Revenue)

*National average for wages, salaries, and proprietor earnings

**Multipliers are for Greater Phoenix using the following industries: Metal can manufacturing; Warehouse Clubs and Supercenters; Securities Brokerage; General Warehousing and Storage.

Data from EMSI 2017.3 Class of Worker

Office includes Finance and Insurance; Real Estate and Rental and Leasing; and Professional, Scientific, and Technical Services.

Logistics includes Warehousing and Storage



RECENT GOODYEAR LOCATES



KYSOR GLOBAL PANELS
Manufacturing Operation
85 jobs



ALDI, INC
Logistics Operation
132 jobs



HUHTAMAKI PLASTICS
Manufacturing Operation
250 jobs



CHEWY, INC
Logistics Operation
700 jobs



UPS
Logistics Operation
147 net new jobs (1,000 total jobs)



BALL CORPORATION
Manufacturing Operation
130 jobs

These projects will bring an estimated **\$5.7 million** in direct revenues and **\$6.2 million** in total revenues to the City of Goodyear in their first year of operation.

BALL CORPORATION

\$63,764

Average Salary

130

Jobs

\$240 M

Largest Capital Investment
in Goodyear History



\$1.0 M IN 1ST YEAR
\$2.1 M OVER 5 YEARS

Direct Revenues*

Total Revenues:
\$1.1 million in first year
\$2.6 million over five years

*Estimated revenues are from the Greater Phoenix Consensus Impact Model developed by Applied Economics. The analysis includes property reclassification from potential Foreign Trade Zone status and additional depreciation on personal property as recently allowed under new legislation.

CHEWY, INC

\$26,000

Average Salary

700

Jobs



\$30 M / \$10 M

Capital Investment /
Taxable Sales Each Year

\$1.4 M IN 1ST YEAR
\$5.3 M OVER 5 YEARS

Direct Revenues*

Total Revenues:
\$1.7 million in first year
\$6.6 million over five years

*Estimated revenues are from the Greater Phoenix Consensus Impact Model developed by Applied Economics. The analysis includes property reclassification from potential Foreign Trade Zone status and additional depreciation on personal property as recently allowed under new legislation.

COMPARABLE REVENUE IMPACTS

How do single-year direct revenue impacts of \$2.4 million from companies like Ball Corporation and Chewy, Inc compare to other projects and investments?

OFFICE PROJECTS

Goodyear's projected revenues from Ball Corporation and Chewy are comparable to estimated revenues from:

- ADP – 1,000 jobs in Tempe: \$1.5 million
- Kudelski – 225 jobs in Phoenix: \$1.2 million

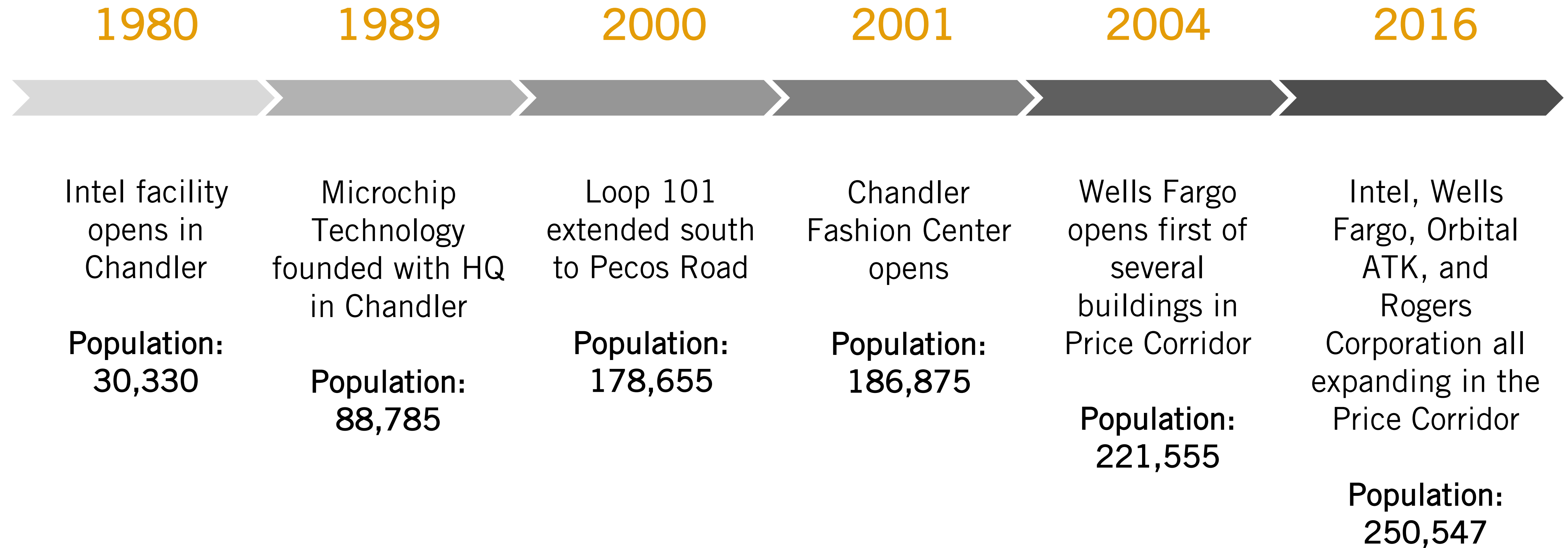
EQUIVALENT INVESTMENTS

These single-year direct revenues to Goodyear could pay for:

- 2 Fire Trucks with Equipment and
- 2 Police Officers for a Year and
- 1 Softball Field and
- 1 Pickleball Court

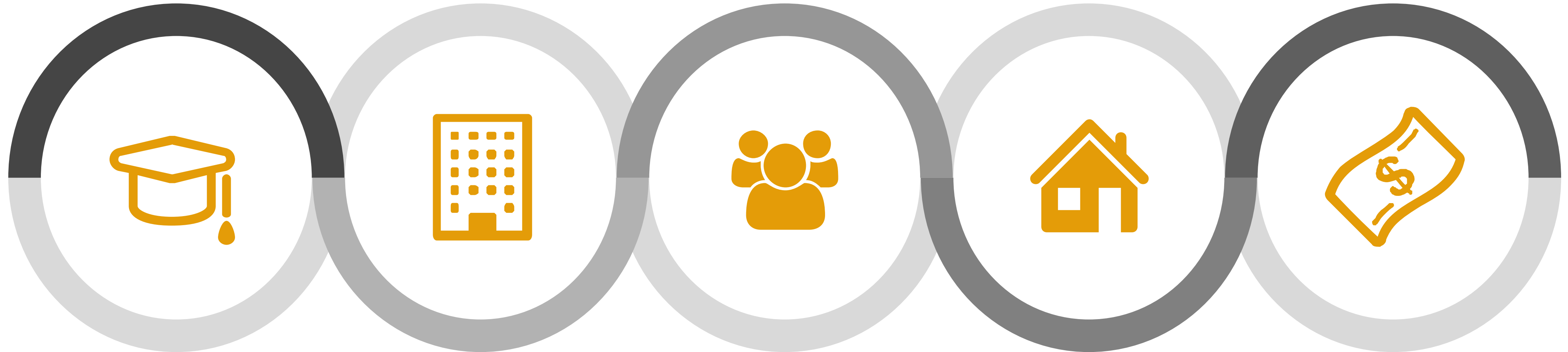


CHANDLER, ARIZONA



POTENTIAL INVESTMENTS

Communities can invest new revenues into programs that can continue to attract new companies.



**WORKFORCE
TRAINING**

INFRASTRUCTURE

**STARTUP
PROGRAMS**


PLACEMAKING

**INCENTIVE
PROGRAMS**

THANK YOU

Greater Phoenix: Where talent is bred,
community is built and business thrives.

 gpec.org

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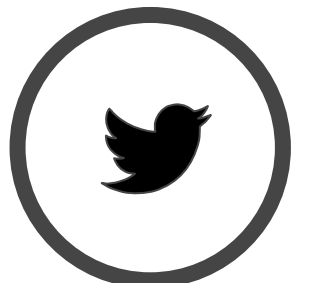
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Greater Phoenix Economic Council

