

Estimating the Impact of the SC Aquatic Center

REMI Webinar
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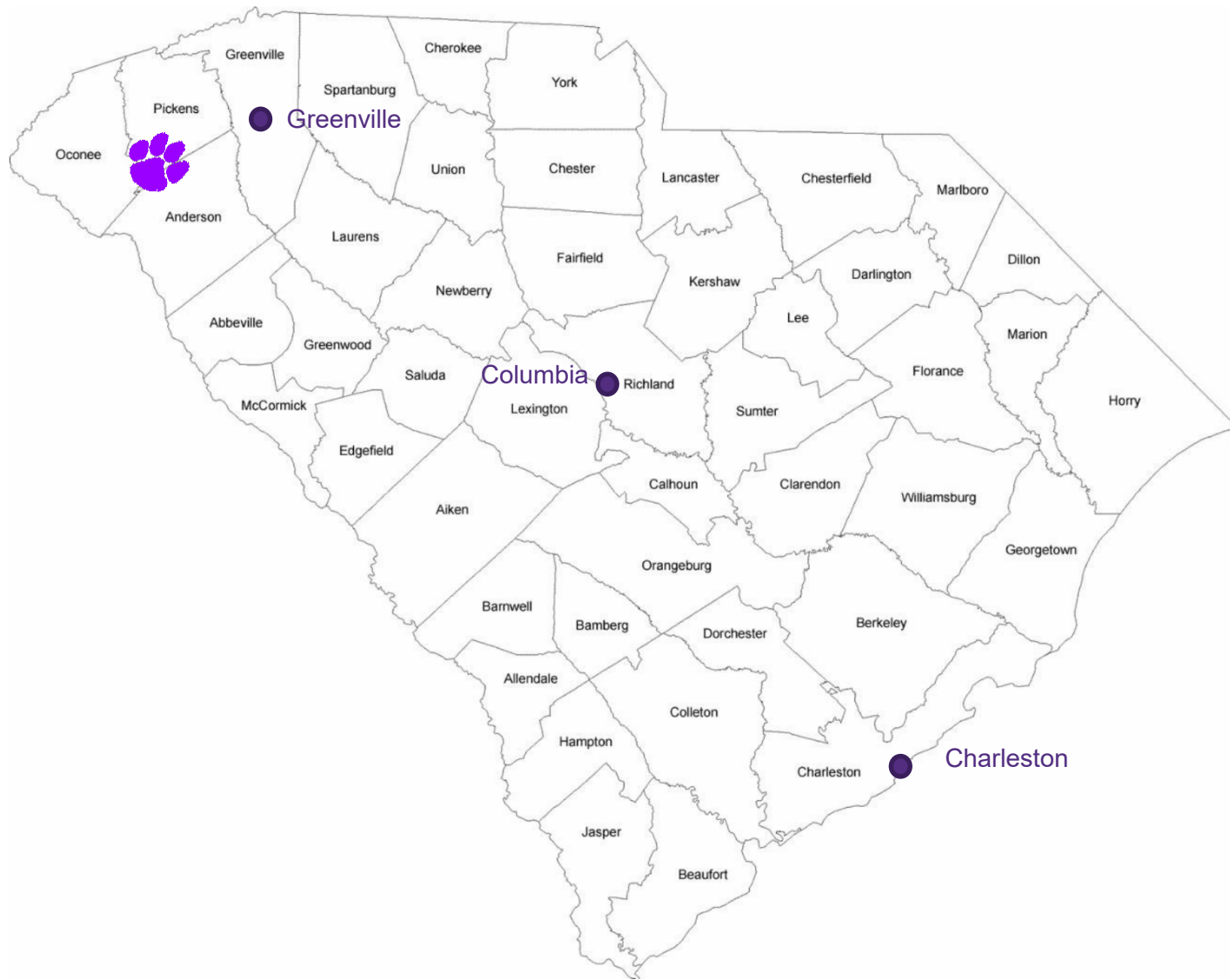


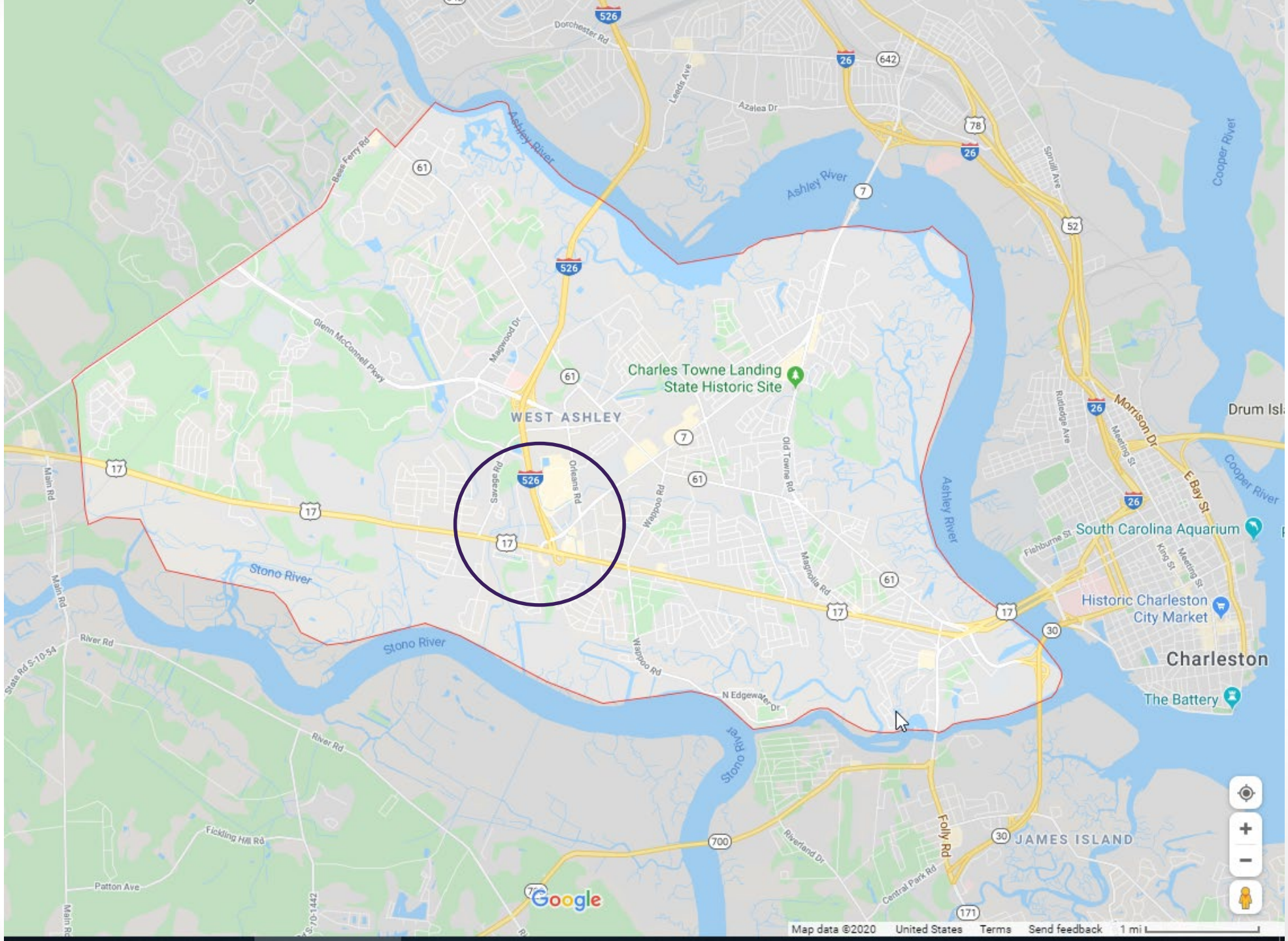
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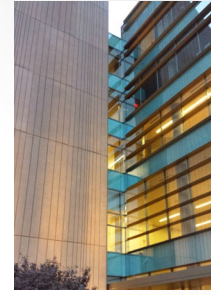




The Aquatic Center

- Expected Uses & Events Drawn:
 - Local users
 - State, Regional, National Meets
 - Olympic Training





Economic Impact Analysis

The Model (Overview)

- REMI PI⁺ modeling engine
 - Dynamic (accounting for “spillover effects” between years)
 - Input-Output (IO) & Computable General Equilibrium (CGE) model
 - New Economic Geography (NEG) model
 - REMI uses historic data & trends to create a baseline (status quo) economic projection into the future
- Analysis divided into construction & operational phases

The Model (Overview)

- Construction
 - Includes pre-construction spending (fundraising, planning & design)
 - Investment demand for professional services
 - Construction & equipment costs
 - Investment Spending (non-res. & equip.)

Model Inputs, Construction Phase (Nominal dollars*)

Category	2018	2019	2020	2021	2022	2023
Design & Construction	\$ -	\$ 475,000	\$ 2,985,000	\$ 10,423,300	\$ 22,095,900	\$ 1,972,800
Equipment	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 500,000	\$ -
Organizational Development	\$ 120,000	\$ 272,000	\$ 450,000	\$ 475,000	\$ 1,060,000	\$ 60,000
Fundraising/Donor Development	\$ 60,000	\$ 524,800	\$ 960,000	\$ 960,000	\$ 644,500	\$ -

* Assuming 2 percent annual inflation rate

The Model (Overview)

- Operational
 - Operational expenditures (including wages & salaries)

Model Inputs, Operational Phase (Nominal dollars)						
Category	2022	2023	2024	2025	2026	2027
Operational Spending	\$ 180,000	\$ 2,400,000	\$ 2,448,000	\$ 2,496,960	\$ 2,546,899	\$ 2,597,837
Equipment	\$ -	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122
	2028	2029	2030			
Operational Spending	\$ 2,649,794	\$ 2,702,790	\$ 2,756,846			
Equipment	\$ 55,204	\$ 56,308	\$ 57,434			

The Model (Overview)

Operations

Alphabetical

Name

Variables ... Edit Values Add to Inputs Calculator Spreader Scenario Info Cancel

	Category	Detail	Region	Units	2017	2018	2019	2020	2021	2022
← X	Industry Sales (Exogenous Production)	711 - Performing arts, spectator sports...	Charleston County	Nominal \$ (Units)	0	0	0	0	0	180000
← X	Nullify Investment Induced by Industry Sales	711 - Performing arts, spectator sports...	Charleston County	Nominal \$ (Units)	0	0	0	0	0	180000

The Model (Overview)

- Operational
 - Spending by visitors
 - Includes only non-local users
 - Different visitor assumptions for different types of events
 - Based on typical visitor profiles for similar facilities
 - Spending amounts based on SCPRT estimates

Estimated Daily Spending per Visitor *	
Category	Estimate
Estimates based on 3 persons per party:	
Lodging	\$ 42.58
Food	\$ 53.22
Entertainment/Recreation	\$ 12.36
Retail	\$ 15.97
Public Transportation	\$ 15.62
Auto Transportation	\$ 32.10
Estimates based on 4 persons per party:	
Lodging	\$ 31.93
Food	\$ 39.91
Entertainment/Recreation	\$ 9.27
Retail	\$ 11.97
Public Transportation	\$ 11.72
Auto Transportation	\$ 24.08

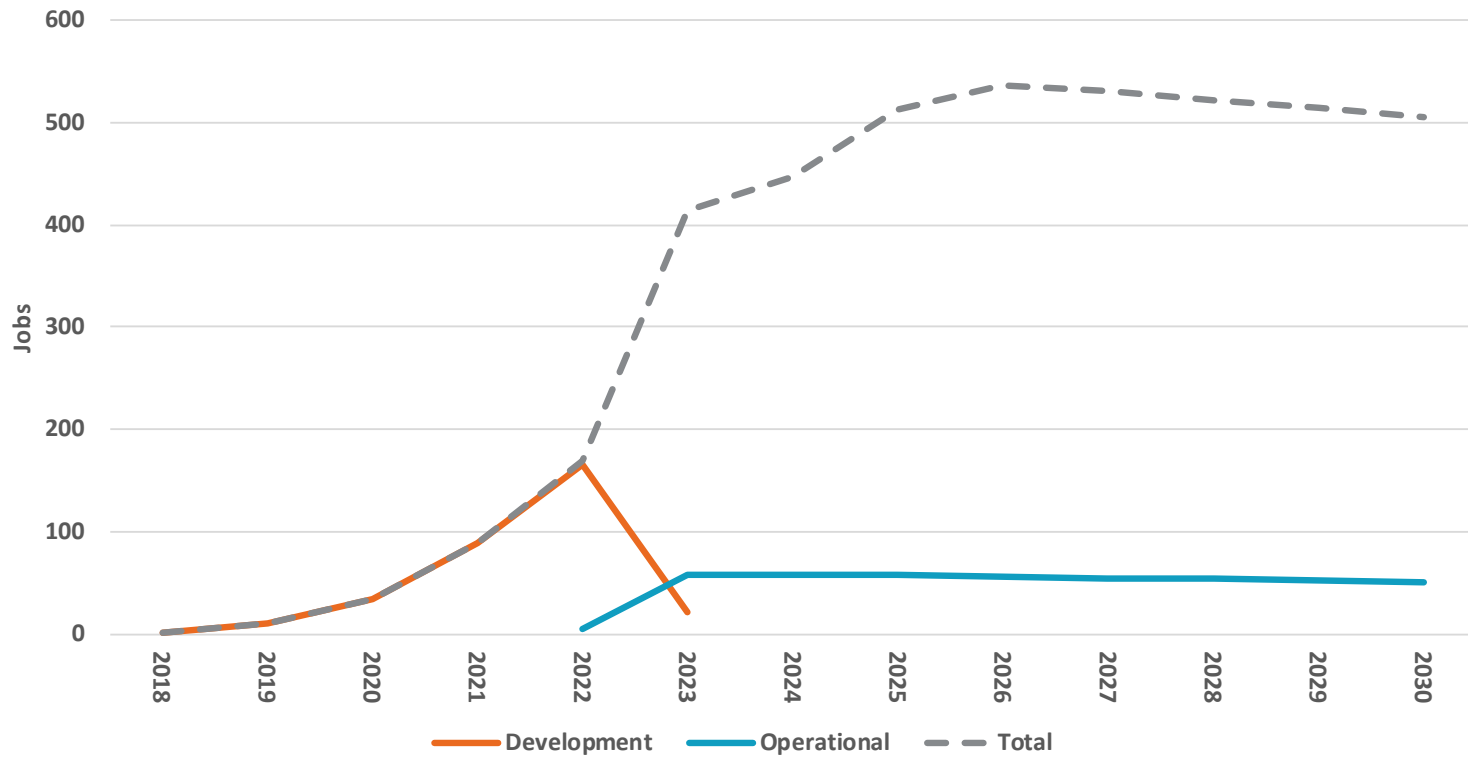
*Based upon SCPRT TEIM 2016 estimates

<https://www.scprt.com/research>

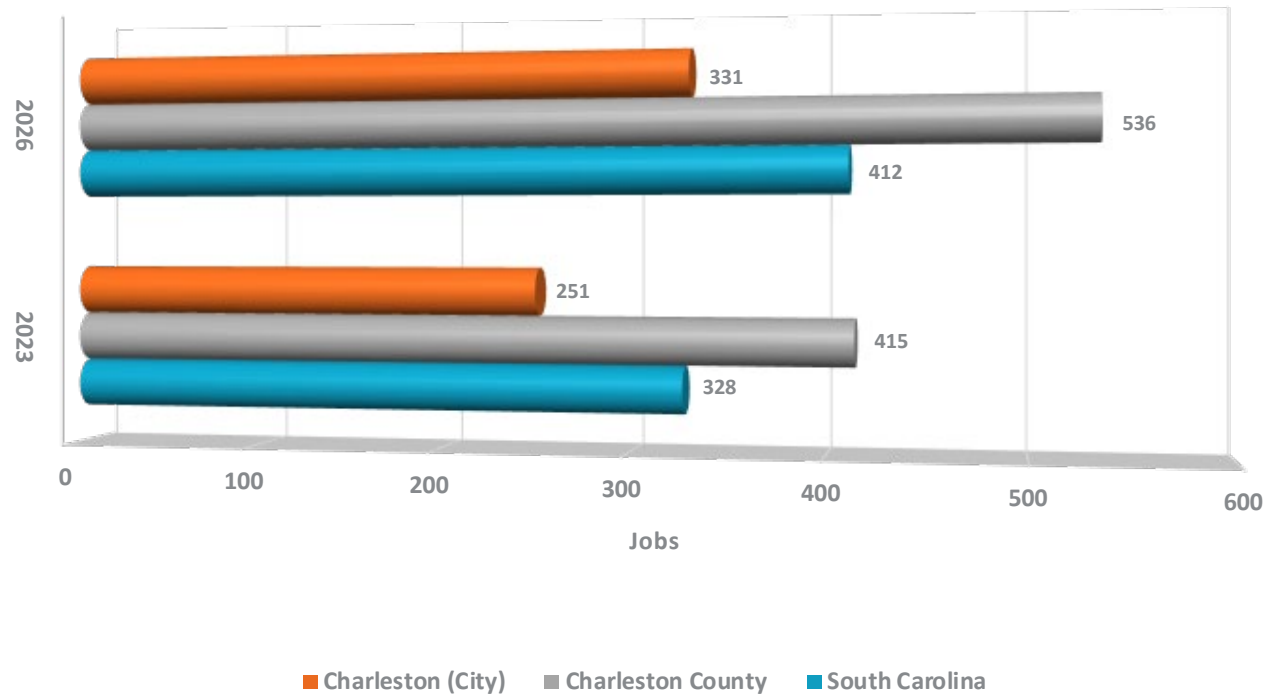
The Model (Overview)

- Results at state, county, & municipal levels
- REMI model returns results for county & state levels
- Municipal done by scaling impacts proportional employment in city vs. county
 - Using Census ACS total employment data (2016)

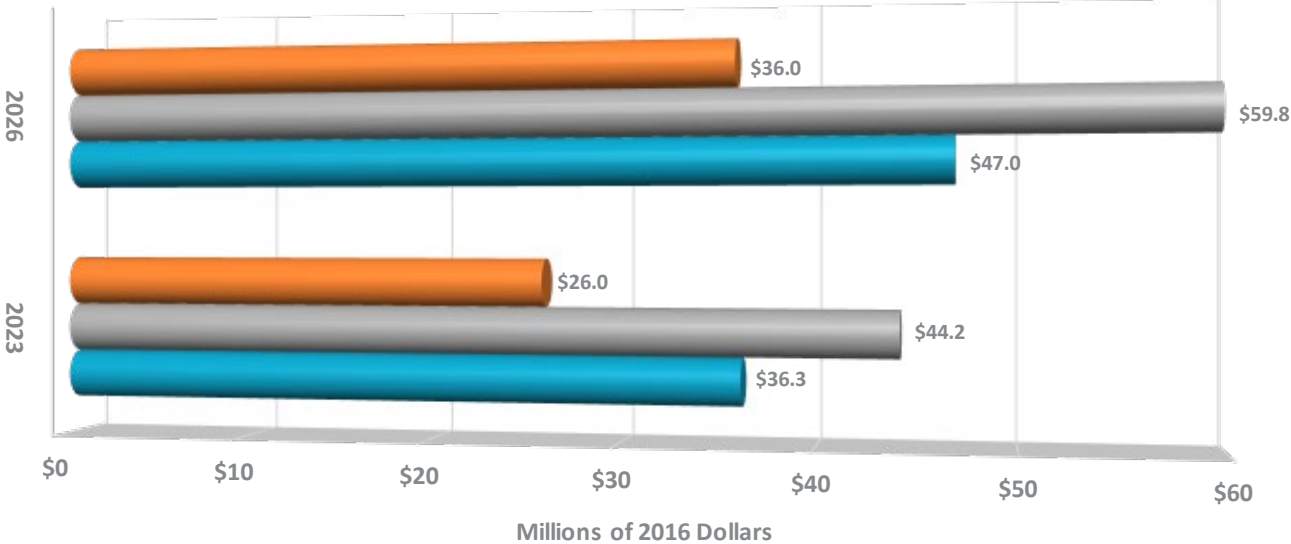
Estimated Employment Impact Charleston County, SC



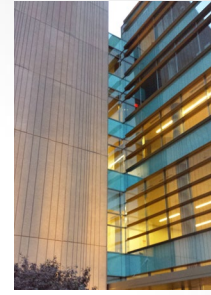
Estimated Employment Impact



Estimated Impact on Output



■ Charleston (City) ■ Charleston County ■ South Carolina



Local Impact from Increased Business to West Ashley

West Ashley

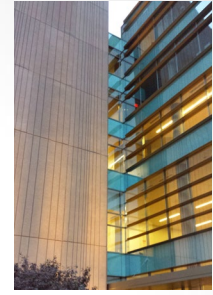
- Expectation: Local users will increase spending in West Ashley area
 - (Not part of larger model)
- Effectively a shift in business from other parts of county
 - E.g., resident of Mount Pleasant who drops kids off for swimming lessons does shopping or gets lunch while waiting

West Ashley

- Modeled as firm sales in retail & food services
 - Local displacement
 - Assumed once/week spending on food & retail (using PRT estimates)
 - Multiplied by projected number of participants & membership

The image shows a horizontal strip of an ornate interior, likely a grand hall or cathedral. The ceiling and walls are decorated with intricate gold and blue patterns, possibly a repeating geometric or floral motif. The architecture features high, vaulted ceilings with gold-colored ribs and decorative elements. The lighting is warm, highlighting the textures and colors of the interior. The text "what does REMI say?" is overlaid on the right side of this strip, with "REMI" in red and "say?" in white.

what does **REMI** say?sm



Site Analysis

Economic Impact Assumptions – SCAWC

Economic Impact of Regional and National Events

The ability to host National and Regional Meets is critical to meeting the Economic Impact

The two criteria will make us ineligible for National and Regional Meets

1. Facility Capacity (Seating) (2,500 nat'l , 1,500 regional)
2. Parking Capacity (590 nat'l , 397 regional)**

National Events (only)

- Non-Local Visitors – 24,000 visitors per year
 - Annual City Economic Impact - \$20.44 M
 - Annual County Economic Impact - \$33.4 M
 - Annual City Net Revenue - \$205,000
 - Annual County Net Revenue - \$385,000
- * losing this capacity causes over 50% drop in economic impact from \$60 economic impact to \$26.6 M annually.

Regional and National Events (only)

- Non-Local Visitors – 46,500 visitors per year
 - Annual City Economic Impact - \$31.69 M
 - Annual County Economic Impact - \$44.65 M
 - Annual City Net Revenue - \$ 354,000
 - Annual County Net Revenue - \$525,000
- * losing this capacity causes over 75% drop in economic impact from \$60 M economic impact to \$15.35 M annually.

** Based on information from Seamon Whiteside and Bihl Engineering

Economic Impact Assumption– West Ashley TIF District

Accelerating the TIF Production for West Ashley

West Ashley TIF District

Length: 20 years (reduced from 25)
Approval: December 2016
Expires: December 2036

City of Charleston areas of investment
Area 1 – Citadel Mall
Area 2 – Northbridge Gateway

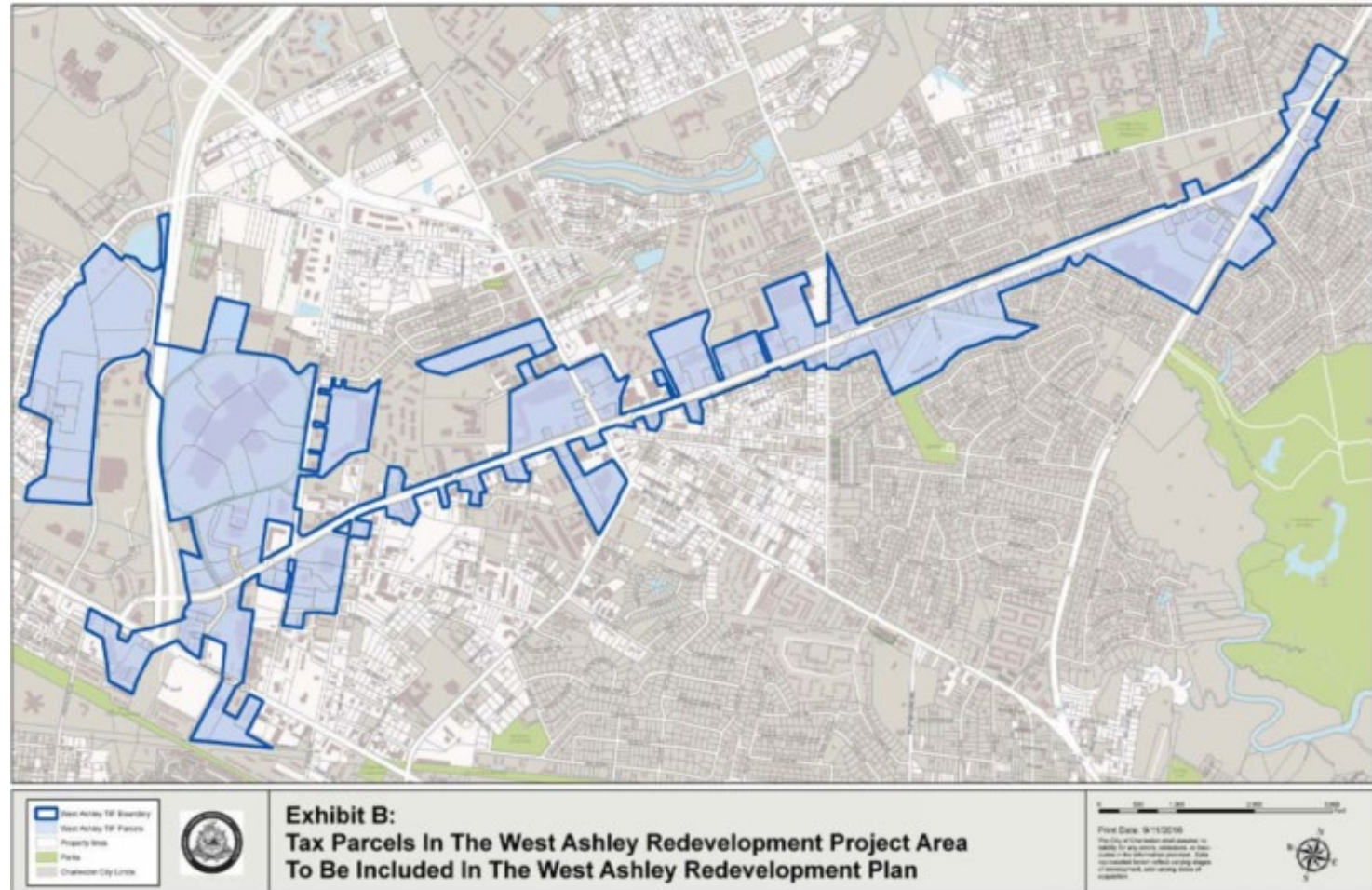
10% of the TIF has passed with no commitment from Citadel Mall PUD or Northbridge Gateway Development.

Considerations:

Higher property values = TIF production

- Traffic patterns/walkability*/access to TIF properties
- Potential value of commercial property has a greater potential to increase so it will be considered to be a more desirable location.

* Walkable ~ 800 meters



Future Regional Planning – West Ashley TIF District

Overall Projects in the Plan West Ashley District near the Citadel Mall and Northbridge Developments

Overall Plan

Option # 1 – Citadel Mall Parking Lot

Option # 2 – Charleston Baptist Lot

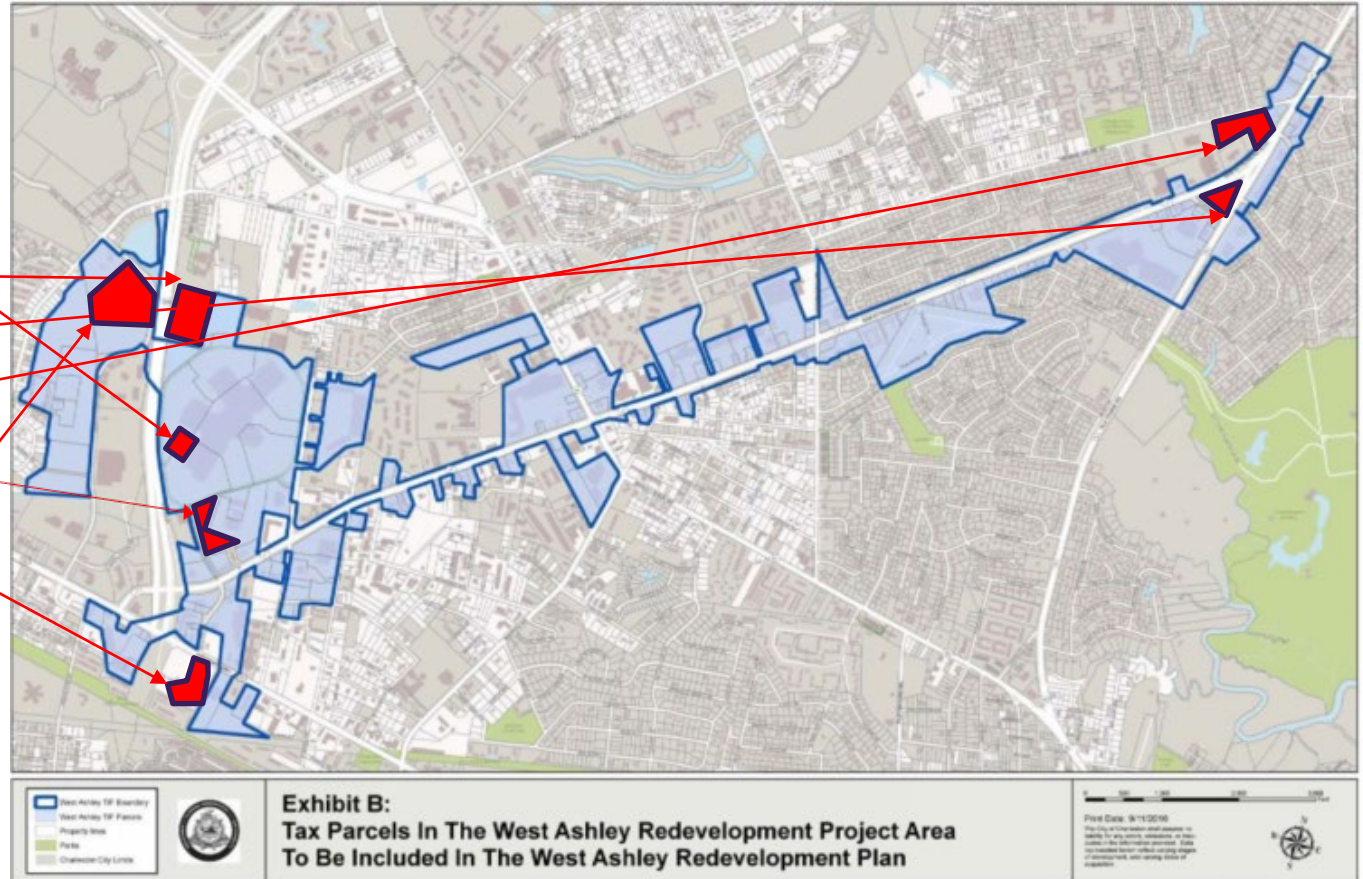
Option # 3 – Northbridge Gateway

Option # 4 – Northbridge Baptist

Option # 5 – Bennett Land near Citadel Mall

Option # 6 – Vacant Lot SE of Hwy 17 & 526

Option # 7 – Vacant Lot N of Costco



Option 2 – Charleston Baptist Site

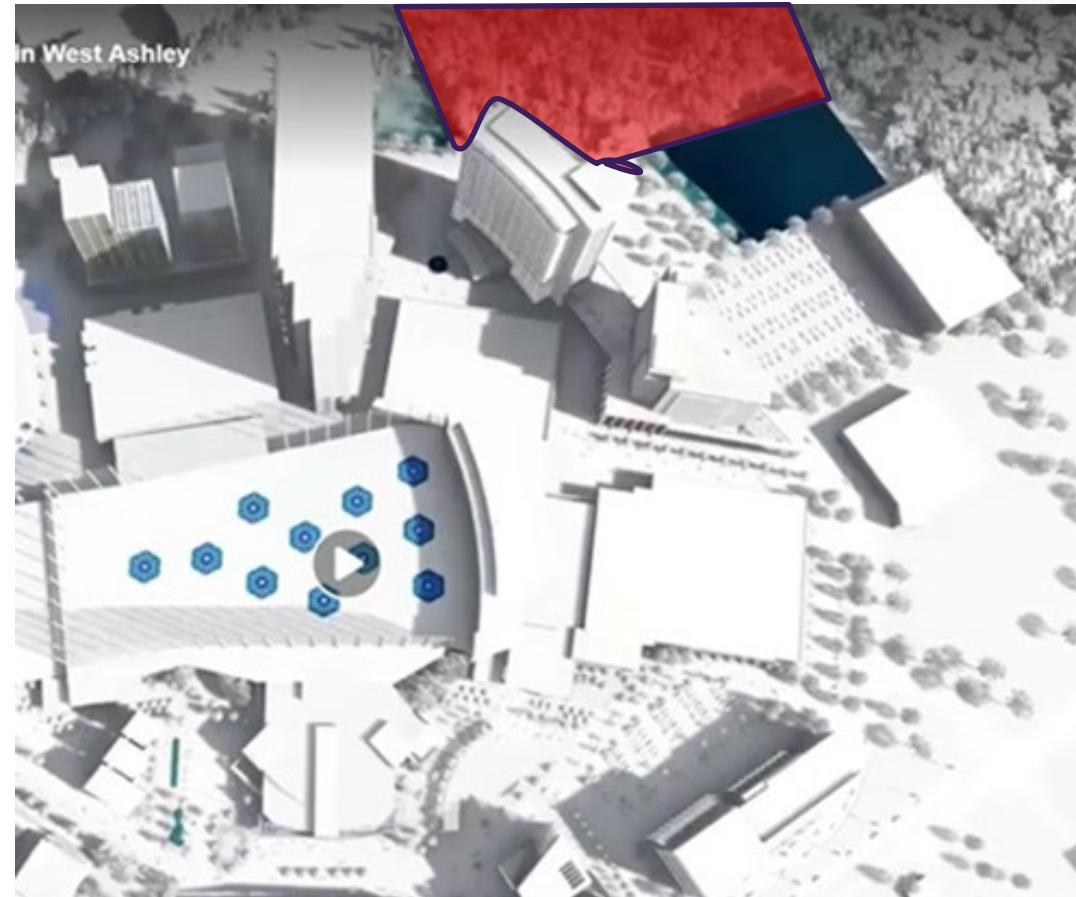
Alignment and Impact on Planned Development

Pros

- No Reduced Buildable area for Epic Center Development
- No Reduced Potential Property and Hospitality Tax revenue
- Ability to expand the wellness center
- No potential for reducing the visibility and televised marketability for naming sponsors.
- Highlights the Destination
- Potential to Improve Storm Water Handling

Cons

- Reduces Greenspace Near Epic Center Development



Option 2 – Charleston Baptist Site

Alignment with TIF District

Pros

- Central to TIF Zoned District
- No Reduction of Land area that has potential for higher property taxes
- High ability to expand the wellness center to increase sports tourism
- Location and Amenities will likely promote more tourism dollars spent in the West Ashley TIF District as opposed to Downtown or North Charleston
- Site has hospitality, retail, and entertainment amenities within walking distance.



Option 2 – Charleston Baptist Site

Construction Considerations

Pros

- Considerable Laydown area and Open Site
- Access to Major Transportation Artery
- Not dependent on Epic Center Development
- Ability to Comprehensively address Storm Water
- Ability for revenue for Event Parking
- Owned Property in Full Control of Utilities
- Multiple Potential Access Points for Site

Cons

- Large Fill Requirements to make site Buildable
- Considerable reduction of Trees and Greenspace



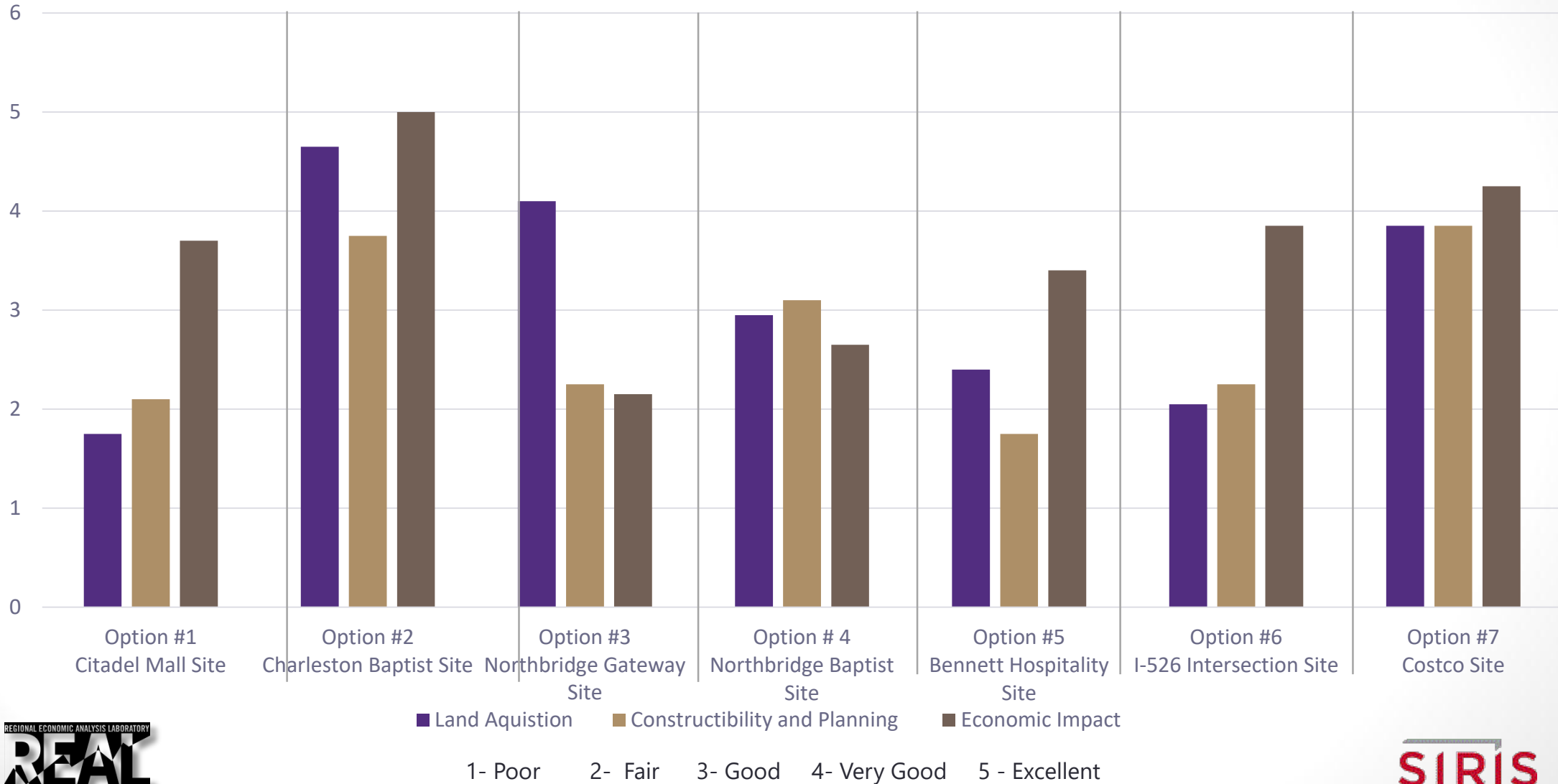
Economic Impact / TIF Alignment – Matrix

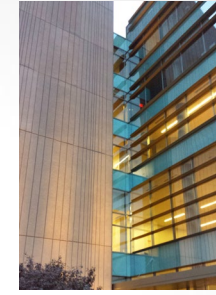
Ability to attract Large Competitions, Corporate Sponsors, Tourism, and Increase Property Taxes,

Site Option	Weight	Option #1 Citadel Mall	Option #2 Charleston Baptist	Option #3 Northbridg e Gateway	Option #4 Northbridg e Baptist	Option #5 Bennett Hospitality	Option #6 I-526 Interchang e	Option #7 Costco Site
Centrality to TIF Properties	20%	5	5	3	2	5	4	4
Opportunity Cost Land Use	10%	1	5	3	5	2	4	3
Tourism Spending In WA	20%	5	5	2	2	5	5	4
Operational Sustainability	15%	2	5	1	3	1	3	5
Corporate Sponsor Attraction	15%	4	5	2	2	3	4	4
Community Accessibility	10%	5	5	3	3	5	4	5
Expandability	10%	2	5	1	3	1	2	5
Rating	100%	3.7	5.0	2.15	2.65	3.4	3.85	4.25

1- Poor 2- Fair 3- Good 4- Very Good 5 - Excellent

Site Analysis Summary





The Clemson University Regional Economic Analysis Laboratory (CU-REAL) conducts public policy and economic and fiscal impact analysis for public, private, and non-profit sector clients. CU-REAL is a unit of the Department of Political Science, College of Behavioral, Social & Health Sciences.

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