

THE ECONOMIC IMPACT OF THE TAYLOR ECONOMIC DEVELOPMENT CORPORATION FROM 1995–2012

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EXECUTIVE SUMMARY

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm. This report estimates the annual and cumulative economic and fiscal impacts that resulted from projects supported by the Taylor Economic Development Corporation from 1995 through 2012.

Taylor Economic Development Corporation's mission is to promote economic growth by creating high-quality jobs, attracting new capital investment, retaining and expanding existing business, and improving the quality of life in Taylor. In order to assist expansion or relocation projects, the Taylor EDC provides an opportunity for companies to obtain facility assistances and investment incentives. In addition, the EDC supports local community assets to improve the quality of life in the city.

Economic Impact Summary from 1995 through 2012

The Taylor Economic Development Corporation supported 54 projects from 1995 through 2012. These projects result in a significant on-going economic impact on the area. The table below shows the cumulative increase in revenues for area businesses, or economic output, over the period. By 2012, the firms supported by the EDC over the last 18 years generated direct, indirect and induced revenues for area businesses of nearly \$8.3 billion.

Estimated Cumulative Increase in Economic Output by New Firms			
Year	Direct Economic Output	Indirect & Induced Economic Output	Total Economic Output
1995	\$32,496,154	\$13,042,389	\$45,538,542
1996	\$63,974,485	\$27,635,147	\$91,609,632
1997	\$69,160,740	\$29,931,439	\$99,092,179
1998	\$123,421,390	\$50,757,216	\$174,178,606
1999	\$130,536,831	\$53,794,643	\$184,331,474
2000	\$131,289,433	\$54,083,213	\$185,372,646
2001	\$202,363,214	\$90,460,195	\$292,823,410
2002	\$324,009,373	\$136,762,731	\$460,772,104
2003	\$295,329,571	\$122,494,615	\$417,824,186
2004	\$389,329,408	\$147,945,653	\$537,275,061
2005	\$450,152,274	\$169,118,615	\$619,270,890
2006	\$515,030,555	\$197,729,639	\$712,760,194
2007	\$513,803,646	\$197,554,018	\$711,357,664
2008	\$485,832,199	\$189,803,468	\$675,635,667
2009	\$524,279,540	\$203,734,690	\$728,014,229
2010	\$539,699,387	\$209,814,253	\$749,513,641
2011	\$566,180,106	\$222,445,961	\$788,626,067
2012	\$610,928,026	\$240,197,788	\$851,125,814
Total	\$5,967,816,331	\$2,357,305,673	\$8,325,122,004

A total of 1,878 direct jobs were created by these businesses. In total, 3,142 direct, indirect and induced jobs were created by these businesses in the Taylor area as shown in the table below. Over the 18-year period, it is estimated that these employees were paid approximately \$1.48 billion in workers' earnings.

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Total Impact on Employment & Workers' Earnings 1995–2012			
	Direct	Indirect & Induced	Total
Jobs Created from 1995 to 2012	1,878	1,264	3,142
Cumulative Workers' Earnings (millions)	\$1,003.8	\$479.5	\$1,483.3

Taxable Spending

The projects supported by the EDC created additional taxable spending in the city. The construction activity associated with these new capital investments results in taxable sales from the purchase of materials as well as spending by temporary construction workers. Permanent direct, indirect and induced workers also generated local taxable sales in the community. The table below summarizes the total local taxable sales resulting from the 54 development projects under review.

Total Local Taxable Sales During Construction and from New Workers			
Year	Local Taxable Spending from Construction	Local Taxable Spending by New Workers	Total Taxable Spending
1995	\$171	\$395,493	\$395,664
1996	\$0	\$817,011	\$817,011
1997	\$6,720	\$876,249	\$882,969
1998	\$22,485	\$1,570,806	\$1,593,291
1999	\$47,600	\$1,662,732	\$1,710,332
2000	\$952	\$1,675,469	\$1,676,421
2001	\$186,536	\$2,414,011	\$2,600,547
2002	\$91,000	\$3,509,583	\$3,600,583
2003	\$0	\$3,234,604	\$3,234,604
2004	\$1,288,000	\$4,129,184	\$5,417,184
2005	\$76,804	\$4,733,130	\$4,809,934
2006	\$39,123	\$5,469,132	\$5,508,255
2007	\$11,172	\$5,428,450	\$5,439,622
2008	\$49,042	\$5,271,890	\$5,320,932
2009	\$60,200	\$5,622,593	\$5,682,793
2010	\$35,700	\$5,798,204	\$5,833,904
2011	\$225,680	\$6,133,972	\$6,359,652
2012	\$228,592	\$6,613,461	\$6,842,053

The businesses added industrial and commercial property to the tax rolls during the period as well. In addition, a portion of new workers were projected to have built new homes in the city, adding residential property to the local tax rolls.

Value of Taxable Property Added to Tax Rolls by 2012			
	Industrial / Commercial Property	Residential Property	Total
Value of New Taxable Property in 2012	\$99,602,811	\$4,073,075	\$103,675,886

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Fiscal Impact Summary from 1995 through 2012

The economic impacts described above translate into fiscal impacts for the City of Taylor, Williamson County and other local taxing districts. The Taylor Economic Development Corporation's 54 projects generated more than \$31.46 million in additional tax revenue for these local taxing districts. The additional revenue is summarized in the table below.

Total Additional Revenue for Local Taxing Districts Generated by Supported Projects from 1995–2012			
	Sales Tax Collections	Property Tax Collections	Total
City of Taylor	\$1,354,515	\$8,386,935	\$9,741,450
Williamson County	\$0	\$5,329,833	\$5,329,833
Taylor ISD	\$0	\$16,386,784	\$16,386,784
Total	\$1,354,515	\$30,103,551	\$31,458,066

Taylor EDC Use of Funds and Community Projects

From 1995 through 2012, the Taylor EDC received approximately \$11.5 million in sales tax revenue to conduct its operations. The EDC used these funds to promote Taylor through marketing and trade show appearances, to make community investments and offer economic development incentives. A summary of some of the community investments made by the TEDC are listed below.

Community Projects Thru 2005	
	Expenditure
Airport	\$232,760
Com. Network (CNET)	\$63,166
Infrastructure	\$311,377
Job Fair	\$30,587
Library	\$46,911
Main Street	\$196,817
Mustang Creek Industrial Park (MCIP)	\$1,753,119
Other	\$55,578
Studies	\$93,721
Temple College	\$144,144
Total	\$2,928,180

A list of some other activities conducted by TEDC are highlighted below:

1. TEDC helped the TCAT Foundation purchase the old HEB building by acquiring the property for \$200,000 from HEB and selling the building to TCAT after the Foundation received their Meadows Grant. TEDC also assisted in writing the Meadows Grant for \$200,000.
2. TEDC wrote the application to the State to have Taylor become a “Main Street” City.

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3. TEDC wrote the Texas Capital loan application (\$500,000 at 0% for 20 year term); to remodel the old HEB building for the first TCAT campus. Helped TCAT meet the loan requirements with respect to job creation.
4. TEDC wrote the grant application to the Federal EDA agency for a approximately \$650,000 grant to complete the second expansion of TCAT. Raised \$200,000 in matching funds to receive another Meadows grant (\$100,000) to help fund this second expansion.
5. TEDC wrote the Keep Taylor Beautiful grants to beautify the entrances to the City at the Highway 79 and also Highway 95 entrances, plus the landscaping around TCAT fronting on Highway 95 and the current City hall along Highway 79. These were valued at over \$50,000.

Return on the Community's Investment in Economic Development

As mentioned above, the Taylor EDC received approximately \$11.5 million in sales tax revenue to conduct its operations from 1995 through 2012. This investment in economic development resulted in significant economic and fiscal impacts for the Taylor-area economy measured by the impacts of the new businesses the EDC supported. The table below looks at the return on the investment made in economic development from 1995 through 2012.

Summary of Return on Investment in Economic Development 1995–2012	
Investment in the Taylor Economic Development Corporation	\$11,500,000
Total number of permanent jobs created during the period	2,652
Total increase in economic output during the period	\$8,325,122,004
Total workers' earnings during the period	\$1,483,256,160
Total additional local taxable sales during the period	\$65,355,975
Total additional sales taxes collected by local taxing districts during the period	\$1,354,515
Total additional property taxes collected by local taxing districts during the period	\$30,103,551

For every \$1 of funding, the Taylor Economic Development Corporation supported or generated:

- \$724 in economic output.
- \$129 in additional worker earnings.
- \$6 in additional local taxable sales.
- \$0.12 in additional sales taxes for the city.
- \$2.62 in additional property taxes for local taxing districts.

In addition, over this period from 1995 to 2012, a direct job was created with every \$6,124 in funding. Considering direct, indirect and induced jobs, a job was created with every \$3,660 in funding.

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Return on the Community's Incentive Investment

Taylor EDC invested \$3.81 million in 54 economic development projects from 1995 through 2012 in the form of economic development incentives. These investments in economic development directly enabled significant economic and fiscal impacts in the Taylor-area economy. The table below again summarizes the impacts generated by the community's incentive investments made in economic development from 1995 through 2012.

Summary of Return on ED Incentive Investments 1995–2012	
Investment in the Taylor Economic Development Corporation	\$3,812,203
Total number of permanent jobs created during the period	2,652
Total increase in economic output during the period	\$8,325,122,004
Total workers' earnings during the period	\$1,483,256,160
Total additional local taxable sales during the period	\$65,355,975
Total additional sales taxes collected by local taxing districts during the period	\$1,354,515
Total additional property taxes collected by local taxing districts during the period	\$30,103,551

For every \$1 of incentive investment, the Taylor Economic Development Corporation supported or generated:

- \$2,184 in economic output.
- \$389 in additional worker earnings.
- \$17 in additional local taxable sales.
- \$0.36 in additional sales taxes for the city.
- \$7.90 in additional property taxes for local taxing districts.

In addition, over this period from 1995 to 2012, a direct job was created with every \$2,030 in incentives. Considering direct, indirect and induced jobs, a job was created with every \$1,213 in incentives.

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Incentives Committed by the Taylor Economic Development Corporation and Rate of Return

The 54 projects supported by the Taylor Economic Development Corporation have and will generate significant revenues for local taxing districts. When viewing the incentives offered to businesses from 1995 through 2012 as an investment and the additional tax revenue to local taxing districts as the return on the investment, Taylor Economic Development Corporation is projected to have generated a 23.3% average annual rate of return.

Rate of Return on Incentives			
		Average Annual	
	Total Value of Incentives*	New Tax Revenue Generated	Average Annual Rate of Return on Incentives
1995 Projects	\$59,489	\$29,719	50.0%
1996 Projects	\$244,310	\$168,120	68.8%
1997 Projects	\$10,023	\$1,947	19.4%
1998 Projects	\$144,642	\$43,803	30.3%
1999 Projects	\$52,519	\$2,651	5.0%
2000 Projects	\$22,025	\$1,139	5.2%
2001 Projects	\$304,886	\$32,764	10.7%
2002 Projects	\$400,235	\$82,224	20.5%
2003 Projects	\$6,000	\$0	0.0%
2004 Projects	\$1,295,056	\$290,185	22.4%
2005 Projects	\$117,591	\$9,766	8.3%
2006 Projects	\$154,500	\$124,520	80.6%
2007 Projects	\$32,722	\$2,178	6.7%
2008 Projects	\$200,061	\$15,104	7.5%
2009 Projects	\$100,000	\$18,997	19.0%
2010 Projects	\$121,200	\$9,143	7.5%
2011 Projects	\$216,549	\$29,373	13.6%
2012 Projects	\$362,356	\$32,140	8.9%
Total	\$3,844,164	\$893,774	23.3%

* Value of incentives after approximately \$138,000 in repayments for unfulfilled incentive agreements.

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Conclusions and Perspective

Some conclusions can be drawn by Impact DataSource from this and other studies that it conducts for economic development organizations. These conclusions or observations include the following:

The creation of new taxes generated by EDC-assisted projects are examples of what a focused economic development effort can accomplish for the benefit of a community and such new taxes and other public revenues are significant.

The job growth and increased tax revenues can be accomplished with a relative inexpensive investment in economic development activities.

Impact DataSource does not suggest that the Taylor Economic Development Corporation caused all of the investments and growth presented in this report. The Taylor Economic Development Corporation provided support to these businesses, some more than others, and in some cases offered incentives.

However, Impact DataSource believes that such one-stop center for economic development services is critical to a community's economic growth and many of these investments may not have occurred without the efforts of the Taylor Economic Development Corporation.

OVERVIEW

Introduction

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Taylor Economic Development Corporation

Taylor Economic Development Corporation's mission is to promote economic growth by creating high-quality jobs, attracting new capital investment, retaining and expanding existing business, and improving the quality of life in Taylor. In order to assist expansion or relocation projects, the Taylor EDC provides an opportunity for companies to obtain facility assistances and investment incentives. In addition, the EDC supports local community assets to improve the quality of life in the city.

Projects

The Taylor Economic Development Corporation provided the following information on locations, jobs, capital investment and taxable property for projects from 1995 through 2012.

Projects Supported by Taylor EDC				
Year	Locations	Direct Jobs	Capital Investment	Taxable Value
1995	4	119	\$6,123	\$2,831,011
1996	5	201	\$0	\$21,386,394
1997	1	13	\$240,000	\$131,974
1998	6	191	\$803,024	\$4,111,289
1999	4	20	\$1,700,000	\$1,085,000
2000	2	7	\$34,000	\$125,000
2001	3	202	\$6,662,000	\$6,000,000
2002	1	349	\$3,250,000	\$7,556,000
2003	1	0	\$0	\$0
2004	1	150	\$46,000,000	\$34,000,000
2005	5	134	\$2,743,000	\$749,750
2006	4	188	\$1,397,260	\$14,179,195
2007	4	11	\$399,000	\$266,250
2008	2	27	\$1,751,503	\$1,615,000
2009	1	84	\$2,150,000	\$1,612,500
2010	2	14	\$1,275,000	\$956,250
2011	4	73	\$8,060,000	\$2,959,579
2012	4	95	\$8,164,000	\$6,032,000
Total	54	1,878	\$84,634,910	\$105,597,192

The 2003 project involved a small investment of \$6,000 to assist a hotel with some improvements at its site.

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Summary of Committed Incentives

The Taylor Economic Development Corporation supported each of the above projects in different ways. The following table summarizes incentives committed to the projects from 1995 through 2012.

Incentives Committed to Projects Supported by Taylor EDC	
Year	Committed Incentive Amount
1995	\$59,489
1996	\$224,778
1997	\$10,023
1998	\$284,703
1999	\$93,259
2000	\$22,025
2001	\$364,875
2002	\$285,000
2003	\$6,000
2004	\$1,075,000
2005	\$127,135
2006	\$187,000
2007	\$61,500
2008	\$181,311
2009	\$100,000
2010	\$151,200
2011	\$216,549
2012	\$362,356
Total	\$3,812,203

Project Success Rate

Not all businesses succeed and when analyzing projects over an 18-year period this point is particularly clear. Statistics from Small Business Administration (SBA) show that two-thirds of new employer establishments survive at least two years, and 44 percent survive at least four years. Despite the best efforts of the business owners and the Taylor EDC, some of the 54 businesses assisted are no longer in operation in Taylor. Based on information provided by the Taylor EDC and compiled by Impact DataSource, 14 of the businesses are no longer operating in Taylor. The four-year success rate is much higher among the businesses supported by the Taylor EDC than the SBA survival rate. Sixty-seven percent of companies assisted by Taylor EDC are still in operation after 4 years.

Incentives Returned

Some of the companies that were not able to fulfill their commitments returned all or some of their incentive.

Incentives Committed and Returned		
	Amount	% of Total
Total Incentives	\$3,812,203	100.0%
Incentives provided to companies that eventually failed	\$512,184	13.4%
Repayment of Incentives from failed companies	\$137,893	3.6%
Net Incentives paid to companies that eventually failed	\$374,291	9.8%

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Discussion of Economic and Fiscal Impacts

The Taylor Economic Development Corporation supported 54 projects during the 18-year period. These new businesses employed new workers in the area and made expenditures for supplies, services and other inputs. The direct economic activity generated by these firms ripples through the local economy spurring spin-off impacts. The direct activity will generate indirect and induced economic impacts as described below.

The direct economic impacts are the expenditures of the firms as well as the employment and workers' earnings paid to workers. Indirect and induced benefits or spin-off benefits will be created from the spending during the operations of the firms and the direct workers.

Indirect sales, jobs and workers' earnings will be created or supported in other businesses and organizations that supply goods and services to the direct firms supported by the EDC.

In addition, induced sales, jobs and workers' earnings will be created or supported in area businesses, such as restaurants, gas stations, banks, book stores, grocery stores, apartment complexes, convenience stores, and service companies that supply goods and services to the direct and indirect workers and their families.

This report estimates the impact of the firms using impact multipliers from the US Department of Commerce's Regional Input-Output Modeling System (RIMS II) for Williamson County and various industries in which the firm's operate. The new employment and industry of activity serve as the basis for the other economic calculations in this report.

These economic impacts translate into additional revenues or fiscal impacts for local taxing districts including the city, county and school district. Local taxing districts collect various revenues as a result of the economic activity generated by the supported projects. This study estimates the sales and property taxes generated for local taxing districts.

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Construction Impacts

Many of the locations supported by the EDC involved capital investment that supported construction activity in the Taylor area. Although detailed information on the construction activity was not available, the consultant estimates some of the economic impacts related to this construction. The following estimates assume 40% of the annual capital investments represent the cost to construct the buildings and other real property .

The tables below estimate the economic impact of the construction in the Taylor area.

Assumptions in Estimating Construction Impacts	
% of construction costs for materials	60%
% of construction materials purchased locally	10%
% of construction costs for labor	40%
% of construction worker salary on taxable items	25%
% of construction worker salary spent locally	10%

The purchase of taxable construction materials and taxable purchases made by construction workers are estimated to total nearly \$2.4 million over the period.

Construction Impacts				
Year	Construction Jobs Supported Each Year	Local Taxable Construction Material Spending	Local Taxable Construction Worker Spending	Total Local Taxable Spending from Construction
1995	0	\$147	\$24	\$171
1996	0	\$0	\$0	\$0
1997	1	\$5,760	\$960	\$6,720
1998	4	\$19,273	\$3,212	\$22,485
1999	7	\$40,800	\$6,800	\$47,600
2000	0	\$816	\$136	\$952
2001	28	\$159,888	\$26,648	\$186,536
2002	13	\$78,000	\$13,000	\$91,000
2003	0	\$0	\$0	\$0
2004	176	\$1,104,000	\$184,000	\$1,288,000
2005	10	\$65,832	\$10,972	\$76,804
2006	5	\$33,534	\$5,589	\$39,123
2007	1	\$9,576	\$1,596	\$11,172
2008	6	\$42,036	\$7,006	\$49,042
2009	7	\$51,600	\$8,600	\$60,200
2010	4	\$30,600	\$5,100	\$35,700
2011	26	\$193,440	\$32,240	\$225,680
2012	26	\$195,936	\$32,656	\$228,592
Total	315	\$2,031,238	\$338,540	\$2,369,777

The construction activity represents temporary impacts supported by the annual construction spending by businesses supported by the Taylor Economic Development Corporation.

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Economic Impacts from Projects Supported

The Taylor Economic Development Corporation supported 54 projects during the 18-year period. These new businesses employed new workers in the area and made expenditures for supplies, services and other inputs. As discussed earlier, the direct economic impact of these businesses will support spin-off activity in the community called indirect and induced impacts. The indirect impacts occur in the local businesses that supply goods or services to the direct businesses and the induced impacts occur in local businesses that supply goods or services to direct and indirect workers.

Employment and Workers' Earnings

The table below summarizes the estimated annual additional economic impact on employment and workers' earnings in the Taylor area from 1995 through 2012. The EDC reported the estimated number of direct jobs added by each business. The spin-off jobs were estimated using industry-specific RIMS II multipliers. In addition, the direct and spin-off workers' earnings were also estimated using RIMS II industry-specific multipliers. The table summarizes the total jobs added each year and the total workers' earnings added each year. The employment estimates shown below represent permanent jobs in Williamson County.

Summary of Economic Impact on Employment & Workers' Earnings Added Each Year						
Year	Direct Employment	Indirect & Induced Employment	Total Employment	Direct Workers' Earnings	Indirect & Induced Workers' Earnings	Total Workers' Earnings
1995	119.0	79.5	198.5	\$6,389,116	\$2,586,603	\$8,975,719
1996	201.0	84.6	285.6	\$6,363,810	\$3,023,044	\$9,386,855
1997	13.0	10.2	23.2	\$632,679	\$340,887	\$973,566
1998	191.0	121.6	312.6	\$11,562,791	\$4,179,002	\$15,741,793
1999	20.0	9.8	29.8	\$968,758	\$404,507	\$1,373,265
2000	7.0	3.3	10.3	\$259,625	\$124,870	\$384,496
2001	202.0	218.4	420.4	\$9,630,559	\$7,615,851	\$17,246,410
2002	349.0	214.2	563.2	\$14,964,177	\$8,896,203	\$23,860,381
2003	0.0	0.0	0.0	\$0	\$0	\$0
2004	150.0	144.4	294.4	\$14,247,928	\$4,586,408	\$18,834,336
2005	134.0	89.2	223.2	\$8,230,741	\$3,601,594	\$11,832,335
2006	188.0	125.2	313.2	\$9,424,937	\$5,130,284	\$14,555,222
2007	11.0	5.2	16.2	\$473,644	\$244,197	\$717,841
2008	27.0	11.6	38.6	\$1,656,891	\$541,327	\$2,198,218
2009	84.0	45.5	129.5	\$4,168,971	\$2,272,089	\$6,441,060
2010	14.0	8.8	22.8	\$1,035,984	\$397,407	\$1,433,391
2011	73.0	37.7	110.7	\$3,524,130	\$1,906,789	\$5,430,920
2012	95.0	55.2	150.2	\$5,387,179	\$2,710,609	\$8,097,788
Total	1,878.0	1,264.4	3,142.4	\$98,921,921	\$48,561,674	\$147,483,595

Note: Workers' earnings include both salaries and benefits paid to workers.

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Cumulative Impact on Employment and Workers' Earnings

The previous table showed the estimated additional employment and workers' earnings created by the projects year-by-year. The following table shows the cumulative increase in employment and workers' earnings generated by firms supported by the EDC over the last 18 years. This table reflects the fact that most businesses added in early years continue to operate going forward. However, the calculations below account for businesses that were identified to have ceased operations in Taylor over time.

Summary of Economic Impact on Employment & Workers' Earnings Added Each Year						
Year	Direct Employment	Indirect & Induced Employment	Total Employment	Direct Workers' Earnings	Indirect & Induced Workers' Earnings	Total Workers' Earnings
1995	119.0	79.5	198.5	\$6,389,116	\$2,586,603	\$8,975,719
1996	320.0	164.1	484.1	\$12,880,708	\$5,661,380	\$18,542,088
1997	333.0	174.3	507.3	\$13,771,001	\$6,115,495	\$19,886,496
1998	517.0	293.4	810.4	\$25,326,798	\$10,322,707	\$35,649,505
1999	537.0	303.2	840.2	\$26,802,093	\$10,933,668	\$37,735,761
2000	528.0	299.8	827.8	\$27,014,574	\$11,010,256	\$38,024,830
2001	712.0	509.7	1,221.7	\$36,312,703	\$18,473,369	\$54,786,072
2002	1,059.0	723.3	1,782.3	\$51,938,022	\$27,712,077	\$79,650,100
2003	964.0	640.4	1,604.4	\$48,350,250	\$25,059,206	\$73,409,456
2004	1,114.0	784.8	1,898.8	\$63,565,183	\$30,146,798	\$93,711,981
2005	1,248.0	874.0	2,122.0	\$73,067,228	\$34,351,328	\$107,418,556
2006	1,436.0	999.2	2,435.2	\$83,953,509	\$40,168,639	\$124,122,149
2007	1,407.0	977.8	2,384.8	\$83,061,651	\$40,137,213	\$123,198,863
2008	1,339.0	924.7	2,263.7	\$80,993,987	\$38,651,746	\$119,645,733
2009	1,413.0	963.9	2,376.9	\$86,203,303	\$41,401,655	\$127,604,958
2010	1,427.0	972.7	2,399.7	\$88,963,353	\$42,627,095	\$131,590,448
2011	1,494.0	1,007.8	2,501.8	\$93,972,526	\$45,238,196	\$139,210,721
2012	1,589.0	1,063.0	2,652.0	\$101,239,155	\$48,853,569	\$150,092,724
Total				\$1,003,805,159	\$479,451,002	\$1,483,256,160

Note: Workers' earnings include both salaries and benefits paid to workers.

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Economic Output

The table below shows the annual incremental revenues for businesses, or economic output, added each year by new firms supported by the EDC. These values represent the inter-industry purchases from businesses within the area and the purchases by new workers in the area.

Estimated Increase in Economic Output Each Year by New Firms			
Year	Direct Economic Output	Indirect & Induced Economic Output	Total Economic Output
1995	\$32,496,154	\$13,042,389	\$45,538,542
1996	\$30,828,408	\$14,331,911	\$45,160,319
1997	\$3,906,765	\$1,743,589	\$5,650,354
1998	\$53,941,033	\$20,714,488	\$74,655,521
1999	\$4,647,013	\$2,022,283	\$6,669,296
2000	\$1,475,533	\$610,039	\$2,085,572
2001	\$72,656,829	\$37,162,704	\$109,819,533
2002	\$117,887,257	\$44,620,327	\$162,507,584
2003	\$0	\$0	\$0
2004	\$88,093,245	\$23,001,146	\$111,094,391
2005	\$53,036,279	\$18,214,049	\$71,250,327
2006	\$55,875,235	\$25,228,651	\$81,103,886
2007	\$2,570,153	\$1,198,707	\$3,768,860
2008	\$6,413,755	\$2,661,746	\$9,075,501
2009	\$31,744,998	\$11,609,146	\$43,354,144
2010	\$4,934,257	\$2,004,870	\$6,939,126
2011	\$17,408,345	\$9,179,161	\$26,587,506
2012	\$33,424,318	\$13,302,907	\$46,727,226
Total Annual Additions	\$611,339,578	\$240,648,113	\$851,987,691

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Cumulative Impact on Economic Output

The previous table showed the estimated additional economic output generated by the projects year-by-year. The following table shows the cumulative increase in economic output generated by firms supported by the EDC over the last 18 years. This table reflects the fact that most businesses added in early years continue to operate going forward. The calculations account for businesses that were identified to have ceased operations in Taylor over time.

Estimated Cumulative Increase in Economic Output by New Firms			
Year	Direct Economic Output	Indirect & Induced Economic Output	Total Economic Output
1995	\$32,496,154	\$13,042,389	\$45,538,542
1996	\$63,974,485	\$27,635,147	\$91,609,632
1997	\$69,160,740	\$29,931,439	\$99,092,179
1998	\$123,421,390	\$50,757,216	\$174,178,606
1999	\$130,536,831	\$53,794,643	\$184,331,474
2000	\$131,289,433	\$54,083,213	\$185,372,646
2001	\$202,363,214	\$90,460,195	\$292,823,410
2002	\$324,009,373	\$136,762,731	\$460,772,104
2003	\$295,329,571	\$122,494,615	\$417,824,186
2004	\$389,329,408	\$147,945,653	\$537,275,061
2005	\$450,152,274	\$169,118,615	\$619,270,890
2006	\$515,030,555	\$197,729,639	\$712,760,194
2007	\$513,803,646	\$197,554,018	\$711,357,664
2008	\$485,832,199	\$189,803,468	\$675,635,667
2009	\$524,279,540	\$203,734,690	\$728,014,229
2010	\$539,699,387	\$209,814,253	\$749,513,641
2011	\$566,180,106	\$222,445,961	\$788,626,067
2012	\$610,928,026	\$240,197,788	\$851,125,814
Total	\$5,967,816,331	\$2,357,305,673	\$8,325,122,004

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Taxable Sales: New Worker Spending

In addition, to the employment and income impacts, the area benefited from sales and spending impacts as well as taxable property on local tax rolls. The table below estimates sales and spending generated by the workers employed by these 54 economic development projects.

Assumptions in Estimating Taxable Sales	
% of workers' salaries spent on taxable items	25%
% of taxable shopping done locally	25%

Local Taxable Spending by New Workers by Year				
Year	<i>Direct Annual Salaries</i>	<i>Indirect & Induced Annual Salaries</i>	<i>Total Annual Salaries</i>	<i>Local Taxable Spending</i>
1995	\$4,504,327	\$1,823,555	\$6,327,882	\$395,493
1996	\$9,080,899	\$3,991,273	\$13,072,172	\$817,011
1997	\$9,708,556	\$4,311,424	\$14,019,980	\$876,249
1998	\$17,855,393	\$7,277,508	\$25,132,901	\$1,570,806
1999	\$18,895,475	\$7,708,236	\$26,603,711	\$1,662,732
2000	\$19,045,274	\$7,762,231	\$26,807,505	\$1,675,469
2001	\$25,600,455	\$13,023,725	\$38,624,181	\$2,414,011
2002	\$36,616,306	\$19,537,015	\$56,153,320	\$3,509,583
2003	\$34,086,926	\$17,666,741	\$51,753,667	\$3,234,604
2004	\$44,813,454	\$21,253,493	\$66,066,947	\$4,129,184
2005	\$51,512,395	\$24,217,686	\$75,730,082	\$4,733,130
2006	\$59,187,224	\$28,318,891	\$87,506,115	\$5,469,132
2007	\$58,558,464	\$28,296,735	\$86,855,199	\$5,428,450
2008	\$57,100,761	\$27,249,481	\$84,350,242	\$5,271,890
2009	\$60,773,328	\$29,188,167	\$89,961,495	\$5,622,593
2010	\$62,719,164	\$30,052,102	\$92,771,266	\$5,798,204
2011	\$66,250,631	\$31,892,928	\$98,143,559	\$6,133,972
2012	\$71,373,604	\$34,441,766	\$105,815,370	\$6,613,461

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Total Local Taxable Sales

Combining the new business activity taxable sales, worker taxable spending and the construction taxable spending, the table below summarizes estimated total local taxable spending in Taylor due to these 54 projects.

Total Local Taxable Sales During Construction and from New Workers			
Year	Local Taxable Spending from Construction	Local Taxable Spending by New Workers	Total Taxable Spending
1995	\$171	\$395,493	\$395,664
1996	\$0	\$817,011	\$817,011
1997	\$6,720	\$876,249	\$882,969
1998	\$22,485	\$1,570,806	\$1,593,291
1999	\$47,600	\$1,662,732	\$1,710,332
2000	\$952	\$1,675,469	\$1,676,421
2001	\$186,536	\$2,414,011	\$2,600,547
2002	\$91,000	\$3,509,583	\$3,600,583
2003	\$0	\$3,234,604	\$3,234,604
2004	\$1,288,000	\$4,129,184	\$5,417,184
2005	\$76,804	\$4,733,130	\$4,809,934
2006	\$39,123	\$5,469,132	\$5,508,255
2007	\$11,172	\$5,428,450	\$5,439,622
2008	\$49,042	\$5,271,890	\$5,320,932
2009	\$60,200	\$5,622,593	\$5,682,793
2010	\$35,700	\$5,798,204	\$5,833,904
2011	\$225,680	\$6,133,972	\$6,359,652
2012	\$228,592	\$6,613,461	\$6,842,053

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Property on Local Tax Rolls

The businesses supported by the Taylor Economic Development Corporation made capital investments during the 18-year period from 1995 through 2012. The table below shows the cumulative value of taxable property each year. The values have not been adjusted to account for depreciation of equipment or appreciation of real property but the taxable values are reduced over time to account for businesses that were identified to have ceased operations in Taylor.

Value of Commercial/Industrial Property on Tax Rolls	
Year	Cumulative Taxable Value
1995	\$2,831,011
1996	\$24,217,405
1997	\$24,349,379
1998	\$28,353,314
1999	\$29,438,314
2000	\$29,242,482
2001	\$34,242,482
2002	\$41,778,482
2003	\$37,778,482
2004	\$71,778,482
2005	\$72,528,232
2006	\$86,707,427
2007	\$86,723,677
2008	\$88,254,482
2009	\$89,846,982
2010	\$90,803,232
2011	\$93,570,811
2012	\$99,602,811

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Some of the new jobs created in Taylor may have been filled by workers moving to the area. A portion of these new workers moving to the area may build new homes in the area. The tables below estimate the value of cumulative residential property added to local tax rolls as a result of the economic development projects.

Assumptions in Estimating Residential Property	
% of new workers who move to area	10%
% of relocating workers who build a home	10%
Average taxable value of new home (2005)	\$133,705
Annual residential appreciation	2.0%

Cumulative Residential Property on Tax Rolls Each Year				
Year	Cumulative Total Jobs	New Workers Moving to the Area	New Homes Built for New Workers	Value of Residential Property
1995	198.5	20	2	\$217,724
1996	484.1	48	5	\$541,603
1997	507.3	51	5	\$578,910
1998	810.4	81	8	\$943,291
1999	840.2	84	8	\$997,538
2000	827.8	83	8	\$1,002,472
2001	1,221.7	122	12	\$1,509,077
2002	1,782.3	178	18	\$2,245,577
2003	1,604.4	160	16	\$2,061,864
2004	1,898.8	190	19	\$2,489,010
2005	2,122.0	212	21	\$2,837,220
2006	2,435.2	244	24	\$3,321,104
2007	2,384.8	238	24	\$3,317,416
2008	2,263.7	226	23	\$3,211,937
2009	2,376.9	238	24	\$3,440,006
2010	2,399.7	240	24	\$3,542,464
2011	2,501.8	250	25	\$3,767,049
2012	2,652.0	265	27	\$4,073,075

ANALYSIS OF ECONOMIC IMPACT FROM 1995 THROUGH 2012

Total property added to local tax rolls, including commercial/industrial and residential property, is summarized in the table below.

Total Cumulative Property on Tax Rolls Each Year			
Year	Value Commercial/ Industrial Property	Value of Residential Property	Total Value of Property
1995	\$2,831,011	\$217,724	\$3,048,735
1996	\$24,217,405	\$541,603	\$24,759,008
1997	\$24,349,379	\$578,910	\$24,928,289
1998	\$28,353,314	\$943,291	\$29,296,605
1999	\$29,438,314	\$997,538	\$30,435,852
2000	\$29,242,482	\$1,002,472	\$30,244,954
2001	\$34,242,482	\$1,509,077	\$35,751,559
2002	\$41,778,482	\$2,245,577	\$44,024,059
2003	\$37,778,482	\$2,061,864	\$39,840,346
2004	\$71,778,482	\$2,489,010	\$74,267,492
2005	\$72,528,232	\$2,837,220	\$75,365,452
2006	\$86,707,427	\$3,321,104	\$90,028,531
2007	\$86,723,677	\$3,317,416	\$90,041,093
2008	\$88,254,482	\$3,211,937	\$91,466,419
2009	\$89,846,982	\$3,440,006	\$93,286,988
2010	\$90,803,232	\$3,542,464	\$94,345,696
2011	\$93,570,811	\$3,767,049	\$97,337,860
2012	\$99,602,811	\$4,073,075	\$103,675,886

The next section translates the above economic impacts into additional revenues for local taxing districts.

ANALYSIS OF FISCAL IMPACT FROM 1995 THROUGH 2012

Tax Rates

Sales taxes are estimated for the City of Taylor. The taxable sales estimated in this analysis are intended to represent the sales subject to Taylor's sales tax although these projects will create additional economic activity in surrounding cities.

Sales Tax Rates	
City of Taylor	2.00%

The capital investments associated with these 54 projects were located in the City of Taylor. The fiscal impact analysis estimates property taxes resulting from these projects using the City of Taylor, Williamson County, and Taylor ISD property tax rates. The property tax rates used are listed below.

Property Tax Rates				
Year	City of Taylor	Williamson County (incl. FM/RD)		Total
			Taylor ISD	
1995	0.743820	0.512217	1.610000	2.8660
1996	0.743820	0.512217	1.610000	2.8660
1997	0.743820	0.512217	1.610000	2.8660
1998	0.743820	0.512217	1.610000	2.8660
1999	0.743820	0.512217	1.610000	2.8660
2000	0.743820	0.512217	1.610000	2.8660
2001	0.743820	0.512217	1.610000	2.8660
2002	0.743820	0.512217	1.610000	2.8660
2003	0.743820	0.512217	1.610000	2.8660
2004	0.743820	0.512217	1.650000	2.9060
2005	0.786500	0.512217	1.670000	2.9687
2006	0.795000	0.499657	1.670000	2.9647
2007	0.789997	0.489100	1.540000	2.8191
2008	0.790000	0.468324	1.200000	2.4583
2009	0.790000	0.489999	1.490000	2.7700
2010	0.813893	0.489999	1.470000	2.7739
2011	0.813893	0.487687	1.450000	2.7516
2012	0.813893	0.489029	1.450000	2.7529

Tax rate history is accurate to 2005. The tax rate in prior years is based on the oldest data available for the given taxing district.

ANALYSIS OF FISCAL IMPACT FROM 1995 THROUGH 2012

Sales Tax Collections

The City of Taylor receives sales tax as a result of the economic development projects. Taxable purchases made during construction as well as direct and spin-off worker taxable spending in the area serve as the basis for these sales tax collection calculations. The table summarizes the estimated sales taxes supported by the supported projects over 18 years.

Sales Tax Collections by Year	
Year	City of Taylor
1995	\$7,913
1996	\$16,340
1997	\$17,659
1998	\$31,866
1999	\$34,207
2000	\$33,528
2001	\$52,011
2002	\$72,012
2003	\$64,692
2004	\$108,344
2005	\$96,199
2006	\$110,165
2007	\$108,792
2008	\$106,419
2009	\$113,656
2010	\$116,678
2011	\$127,193
2012	\$136,841
Total	\$1,354,515

ANALYSIS OF FISCAL IMPACT FROM 1995 THROUGH 2012

Property Tax Collections

Property taxing districts in Taylor receive benefits from the property supported by these development projects assisted by the EDC. Listed below are estimated property tax revenue to the city, county, school district and other local property taxing districts.

Property Tax Collections by Year				
Year	Williamson County (incl. FM/RD)			Total
	City of Taylor		Taylor ISD	
1995	\$22,677	\$15,616	\$49,085	\$87,378
1996	\$184,162	\$126,820	\$398,620	\$709,602
1997	\$185,422	\$127,687	\$401,345	\$714,454
1998	\$217,914	\$150,062	\$471,675	\$839,652
1999	\$226,388	\$155,898	\$490,017	\$872,303
2000	\$224,968	\$154,920	\$486,944	\$866,832
2001	\$265,927	\$183,126	\$575,600	\$1,024,653
2002	\$327,460	\$225,499	\$708,787	\$1,261,746
2003	\$296,340	\$204,069	\$641,430	\$1,141,839
2004	\$552,416	\$380,411	\$1,225,414	\$2,158,241
2005	\$592,749	\$386,035	\$1,258,603	\$2,237,387
2006	\$715,727	\$449,834	\$1,503,476	\$2,669,037
2007	\$711,322	\$440,391	\$1,386,633	\$2,538,346
2008	\$722,585	\$428,359	\$1,097,597	\$2,248,541
2009	\$736,967	\$457,105	\$1,389,976	\$2,584,049
2010	\$767,873	\$462,293	\$1,386,882	\$2,617,048
2011	\$792,226	\$474,704	\$1,411,399	\$2,678,329
2012	\$843,811	\$507,005	\$1,503,300	\$2,854,116
Total	\$8,386,935	\$5,329,833	\$16,386,784	\$30,103,551

ANALYSIS OF FISCAL IMPACT FROM 1995 THROUGH 2012

Total Fiscal Impact for Local Taxing Districts

In total, it is estimated that the 54 projects supported by the Taylor Economic Development Corporation generated \$31.46 million in additional sales and property tax collections over the 18-year period from 1995 through 2012 for local taxing districts. Specifically, the City of Taylor is estimated to have collected \$9.74 million in sales and property taxes as a result of projects supported by the EDC. The table below summarizes the total additional revenue for local taxing districts that result from the 54 economic development projects supported by the Taylor Economic Development Corporation.

Total Additional Revenue for Local Taxing Districts Generated by Supported Projects from 1995–2012			
	Sales Tax Collections	Property Tax Collections	Total
City of Taylor	\$1,354,515	\$8,386,935	\$9,741,450
Williamson County	\$0	\$5,329,833	\$5,329,833
Taylor ISD	\$0	\$16,386,784	\$16,386,784
Total	\$1,354,515	\$30,103,551	\$31,458,066

CONCLUSIONS

Taylor EDC Use of Funds and Community Projects

From 1995 through 2012, the Taylor EDC received approximately \$11.5 million in sales tax revenue to conduct its operations. The EDC used these funds to promote Taylor through marketing and trade show appearances, to make community investments and offer economic development incentives. A summary of some of the community investments made by the TEDC are listed below.

Community Projects Thru 2005	
	Expenditure
Airport	\$232,760
Com. Network (CNET)	\$63,166
Infrastructure	\$311,377
Job Fair	\$30,587
Library	\$46,911
Main Street	\$196,817
Mustang Creek Industrial Park (MCIP)	\$1,753,119
Other	\$55,578
Studies	\$93,721
Temple College	\$144,144
Total	\$2,928,180

A list of some other activities conducted by TEDC are highlighted below:

1. TEDC helped the TCAT Foundation purchase the old HEB building by acquiring the property for \$200,000 from HEB and selling the building to TCAT after the Foundation received their Meadows Grant. TEDC also assisted in writing the Meadows Grant for \$200,000.
2. TEDC wrote the application to the State to have Taylor become a "Main Street" City.
3. TEDC wrote the Texas Capital loan application (\$500,000 at 0% for 20 year term); to remodel the old HEB building for the first TCAT campus. Helped TCAT meet the loan requirements with respect to job creation.
4. TEDC wrote the grant application to the Federal EDA agency for a approximately \$650,000 grant to complete the second expansion of TCAT. Raised \$200,000 in matching funds to receive another Meadows grant (\$100,000) to help fund this second expansion.
5. TEDC wrote the Keep Taylor Beautiful grants to beautify the entrances to the City at the Highway 79 and also Highway 95 entrances, plus the landscaping around TCAT fronting on Highway 95 and the current City hall along Highway 79. These were valued at over \$50,000.
6. Coordinated a trade in TEDC owned Airport Land valued at \$425,000 + \$15,000 cash for City owned property (Walnut Creek Industrial Park 87+ acres) valued at \$440,000. City hall along Highway 79. These were valued at over \$50,000.
7. Provided a \$900,000 loan taken out to help locate ERCOT to Taylor. Loan was paid off in 8 years vs. 15 years.

CONCLUSIONS

Return on the Community's Investment in Economic Development

As mentioned above, the Taylor EDC received approximately \$11.5 million in sales tax revenue to conduct its operations from 1995 through 2012. This investment in economic development resulted in significant economic and fiscal impacts for the Taylor-area economy measured by the impacts of the new businesses the EDC supported. The table below looks at the return on the investment made in economic development from 1995 through 2012.

Summary of Return on Investment in Economic Development 1995–2012	
Investment in the Taylor Economic Development Corporation	\$11,500,000
Total number of permanent jobs created during the period	2,652
Total increase in economic output during the period	\$8,325,122,004
Total workers' earnings during the period	\$1,483,256,160
Total additional local taxable sales during the period	\$65,355,975
Total additional sales taxes collected by local taxing districts during the period	\$1,354,515
Total additional property taxes collected by local taxing districts during the period	\$30,103,551

For every \$1 of funding, the Taylor Economic Development Corporation supported or generated:

- \$724 in economic output.
- \$129 in additional worker earnings.
- \$6 in additional local taxable sales.
- \$0.12 in additional sales taxes for the city.
- \$2.62 in additional property taxes for local taxing districts.

In addition, over this period from 1995 to 2012, a direct job was created with every \$6,124 in funding. Considering direct, indirect and induced jobs, a job was created with every \$3,660 in funding.

CONCLUSIONS

Return on the Community's Incentive Investment

Taylor EDC invested \$3.81 million in 54 economic development projects from 1995 through 2012 in the form of economic development incentives. These investments in economic development directly enabled significant economic and fiscal impacts in the Taylor-area economy. The table below again summarizes the impacts generated by the community's incentive investments made in economic development from 1995 through 2012.

Summary of Return on ED Incentive Investments 1995–2012	
Investment in the Taylor Economic Development Corporation	\$3,812,203
Total number of permanent jobs created during the period	2,652
Total increase in economic output during the period	\$8,325,122,004
Total workers' earnings during the period	\$1,483,256,160
Total additional local taxable sales during the period	\$65,355,975
Total additional sales taxes collected by local taxing districts during the period	\$1,354,515
Total additional property taxes collected by local taxing districts during the period	\$30,103,551

For every \$1 of incentive investment, the Taylor Economic Development Corporation supported or generated:

- \$2,184 in economic output.
- \$389 in additional worker earnings.
- \$17 in additional local taxable sales.
- \$0.36 in additional sales taxes for the city.
- \$7.90 in additional property taxes for local taxing districts.

In addition, over this period from 1995 to 2012, a direct job was created with every \$2,030 in incentives. Considering direct, indirect and induced jobs, a job was created with every \$1,213 in incentives.

CONCLUSIONS

Incentives Committed by the Taylor Economic Development Corporation and Rate of Return

These projects have and will generate significant revenues for the City and other local taxing districts. An average annual rate of return was calculated based on the incentives and the average annual projected additional tax revenues from sales and property taxes paid to the City of Taylor.

Rate of Return on Incentives			
		Average Annual	
	Total Value of Incentives*	New Tax Revenue Generated	Average Annual Rate of Return on Incentives
1995 Projects	\$59,489	\$29,719	50.0%
1996 Projects	\$244,310	\$168,120	68.8%
1997 Projects	\$10,023	\$1,947	19.4%
1998 Projects	\$144,642	\$43,803	30.3%
1999 Projects	\$52,519	\$2,651	5.0%
2000 Projects	\$22,025	\$1,139	5.2%
2001 Projects	\$304,886	\$32,764	10.7%
2002 Projects	\$400,235	\$82,224	20.5%
2003 Projects	\$6,000	\$0	0.0%
2004 Projects	\$1,295,056	\$290,185	22.4%
2005 Projects	\$117,591	\$9,766	8.3%
2006 Projects	\$154,500	\$124,520	80.6%
2007 Projects	\$32,722	\$2,178	6.7%
2008 Projects	\$200,061	\$15,104	7.5%
2009 Projects	\$100,000	\$18,997	19.0%
2010 Projects	\$121,200	\$9,143	7.5%
2011 Projects	\$216,549	\$29,373	13.6%
2012 Projects	\$362,356	\$32,140	8.9%
Total	\$3,844,164	\$893,774	23.3%

* Value of incentives after approximately \$138,000 in repayments for unfulfilled incentive agreements.

Overall, when viewing the incentives offered to businesses from 1995 through 2012 as an investment and the additional tax revenue to local taxing districts as the return on the investment, Taylor EDC is estimated to generate a 23.3% average annual rate of return on its investment.

CONCLUSIONS

Conclusions and Perspective

Some conclusions can be drawn by Impact DataSource from this and other studies that it conducts for economic development organizations. These conclusions or observations include the following:

The creation of new taxes generated by EDC-assisted projects are examples of what a focused economic development effort can accomplish for the benefit of a community and such new taxes and other public revenues are significant.

The job growth and increased tax revenues can be accomplished with a relative inexpensive investment in economic development activities.

Impact DataSource does not suggest that the Taylor Economic Development Corporation caused all of the investments and growth presented in this report. The Taylor Economic Development Corporation provided support to these businesses, some more than others, and in some cases offered incentives.

However, Impact DataSource believes that such one-stop center for economic development services is critical to a community's economic growth and many of these investments may not have occurred without the efforts of the Taylor Economic Development Corporation.

METHODOLOGY

Conduct of the Analysis

This analysis was conducted by Impact DataSource and completed using firm data, rates and information gathered by the Taylor Economic Development Corporation. In addition, the model uses certain estimates and assumptions. Using this information, Impact DataSource estimated the annual economic impact from the economic development projects supported by the Taylor Economic Development Corporation.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are defined as those that result directly from a project. These impacts are the direct expenditures by the firm. Second, this economic impact analysis calculates the indirect and induced impacts that result from the project. Indirect jobs and salaries are supported in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services to the firm. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families.

To estimate the indirect and induced economic impact of these projects and the employees on the area, regional economic multipliers were used. Regional economic multipliers are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: earnings multipliers, employment multipliers and output multipliers. Employment multipliers were used to estimate the number of indirect and induced jobs supported in the area for each project. Earnings multipliers were used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. These multipliers show the estimated number of indirect and induced jobs supported for every one direct job at the firm and the amount of salaries paid to these workers for every dollar paid to a direct worker at the firm. Output multipliers were used to estimate the increase in revenue or economic output generated by each of these businesses based on the increase in workers. For projects that included capital investment only and did not include the hiring of additional workers, a conservative assets-to-sales ratio was used to estimate the increase in output due to the addition of new capital. The multipliers used in the analysis were specific to each firm and industry, and each firm and industry.

About Impact DataSource

Impact DataSource is a 20 year-old Austin economic consulting, research and analysis firm. The firm has conducted over 2,500 economic impact analyses of numerous projects across the country. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

Paul Scheuren performed this economic impact analysis. He is an economist and has a Master of Arts degree in Economics from Clemson University and a Bachelor of Business Administration from Temple University.

Data used in the analysis, along with schedules of the results of calculations, are on the following pages.

Appendix A

Data & Rates

Appendix A

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APPENDIX A

Sales Tax Rates

City of Taylor	2.0%
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Construction Assumptions

Percent of construction costs for labor	40%
Percent of construction costs for materials	60%
Estimated percent of construction materials that were purchased in the area	10%
Estimated construction workers annual salaries (2010)	\$48,363
Estimated percent of a typical construction worker's salary spent locally	10%
Estimated percent of a typical construction worker's salary spent on taxable goods and services	25%

Local Spending Assumptions

Estimated percent of a typical worker's salary spent on taxable goods and services	25%
Estimated percent of a typical worker's salary spent locally	25%
Salaries as a percentage of workers' earnings Workers' earnings include both salaries and benefits	70.5%

Residential Property Assumptions

Estimated percent of new workers moving to the area from somewhere else	10.0%
Estimated percent of these new workers who built a new home or required that new rental property be built for them	10.0%
Estimated 2005 taxable value of new residences to be built for some new workers who move to the area	\$133,705
Annual residential property appreciation	2.0%