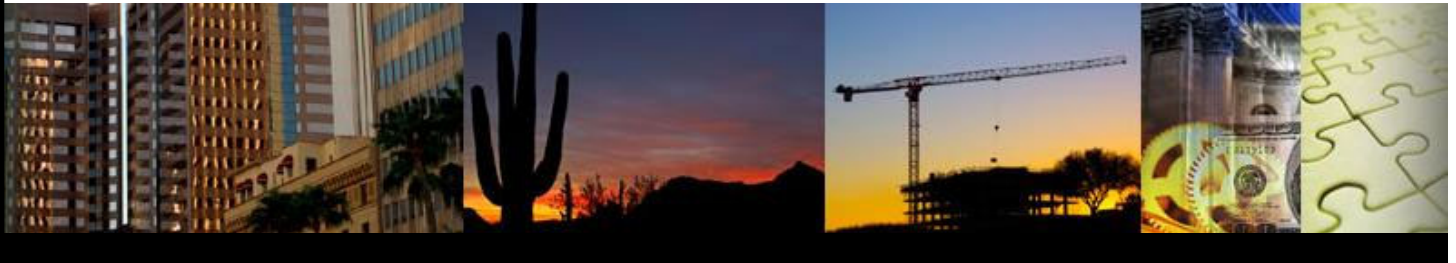


75-Acre Industrial Park Economic & Fiscal Impact Report Maricopa County, Arizona



Prepared for:
Republic Services

DRAFT AS OF OCTOBER 7, 2021

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Prepared by:



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Table of Contents

| | |
|--|-----------|
| EXECUTIVE SUMMARY | i |
| 1.0 Introduction | 1 |
| 2.0 Background, Assumptions & Methodology | 3 |
| 3.0 Economic Impacts | 9 |
| 4.0 Fiscal Impacts | 12 |



EXECUTIVE SUMMARY

Elliott D. Pollack & Company was retained to perform an economic and fiscal impact analysis of a proposed 75-acre industrial park in Maricopa County, Arizona. The subject site is located along the Loop 303 east of El Mirage Road. Republic Services is proposing a transfer station on approximately 10 acres of the site. The remaining 65 acres would be built out as various industrial uses. For this report, the potential uses are described in the following table.

| Project Site Plan Assumptions Industrial Park Maricopa County (2021 Dollars) | | | | | | |
|--|-------|-----|-------------|-------------------------|-------------------|-------------|
| Land Use | Acres | FAR | Square Feet | Cost per Unit or per SF | Construction Cost | FF&E |
| Industrial light manufacturing | 25 | 0.3 | 327,000 | \$150 | \$49,050,000 | -- |
| Industrial - warehouse/ storage | 40 | 0.3 | 523,000 | \$90 | \$47,070,000 | \$1,046,000 |
| Total | 65 | | 850,000 | | \$96,120,000 | \$1,046,000 |

Source: Elliott D. Pollack & Company; Republic Services, ULI; SIOR

Economic Impacts

Based on the assumptions of development for the site, the property would generate 1,297 person years of employment during the construction with \$81.9 million in wages and \$194.6 million in total economic output.

Once construction is completed and the new development is operating at stabilization, the site would generate an estimated 1,595 total jobs with \$79.4 million in wages. The total economic impact on the Greater Phoenix region would be \$283.1 million.

| Economic Impact of Summary Industrial Park Maricopa County (2021 Dollars) | |
|---|---------|
| <u>Construction Impact</u> | |
| Person Years of Employment | 1,297 |
| Wages (\$ mil) | \$81.9 |
| Output (\$ mil) | \$194.6 |
| <u>Operations Impact</u> | |
| Jobs | 1,595 |
| Wages (\$ mil) | \$79.4 |
| Output (\$ mil) | \$283.1 |

Source: Elliott D. Pollack & Company; IMPLAN

Fiscal Impacts

The following table provides the forecasted revenue from construction and during operations for proposed industrial park. One-time construction revenues would total an estimated \$7.7 million for the State, County and local governments. The local government impact includes only the



secondary impacts from the employees that live throughout the Greater Phoenix area. The site is on County land and would not generate primary direct taxes for any specific local government.

Total operating revenue for the site is estimated at \$6.1 million annually. This includes direct real property taxes and utility taxes as well as secondary revenue impacts generated by employees.

| Fiscal Impact of Operations Industrial Park Maricopa County (2021 Dollars) | |
|--|--------------------|
| <u>Construction Impacts</u> | |
| State of Arizona | |
| Primary direct taxes | \$3,148,100 |
| Secondary impacts from employees | \$2,534,300 |
| Maricopa County | |
| Primary direct taxes | \$437,400 |
| Secondary impacts from employees | \$807,400 |
| Greater Phoenix | |
| Secondary impacts from employees | \$752,400 |
| Total construction tax revenues | \$7,679,600 |
| <u>Operations Impacts</u> | |
| State of Arizona | |
| Primary direct taxes | \$134,100 |
| Secondary impacts from employees | \$2,018,000 |
| Maricopa County | |
| Primary direct taxes | \$154,400 |
| Secondary impacts from employees | \$1,160,700 |
| Greater Phoenix | |
| Secondary impacts from employees | \$1,577,900 |
| School districts | \$639,800 |
| Special districts | \$424,800 |
| Total operations tax revenues | \$6,109,700 |
| Source: Elliott D. Pollack & Co.; IMPLAN; ADOR; ATRA | |



1.0 Introduction

Elliott D. Pollack & Company was retained to perform an analysis of the economic and fiscal impacts of the construction and operations of a proposed 75-acre industrial park in Maricopa County, Arizona. The report will demonstrate the impacts to the State, County and local governments. The subject site is located along the Loop 303 east of El Mirage Road. Republic Services is proposing a transfer station on 10 acres at the corner of the site. The remaining 65 acres would be built out as various industrial uses.

Economic impact analysis examines the regional implications of an activity in terms of three basic measures: output, earnings and job creation. Fiscal impact analysis, on the other hand, evaluates the public revenues and costs created by a particular activity. In fiscal impact analysis, the primary revenue sources of a city, county or state government are analyzed to determine how the activity may financially affect them.

This study prepared by Elliott D. Pollack & Company is subject to the following considerations and limiting conditions.

- It is our understanding that this study is for the client's due diligence and other planning purposes. Neither our report, nor its contents, nor any of our work were intended to be included and, therefore, may not be referred to or quoted in whole or in part, in any registration statement, prospectus, public filing, private offering memorandum, or loan agreement without our prior written approval.
- The reported recommendation(s) represent the considered judgment of Elliott D. Pollack & Company based on the facts, analyses and methodologies described in the report.
- Except as specifically stated to the contrary, this study will not give consideration to the following matters to the extent they exist: (i) matters of a legal nature, including issues of legal title and compliance with federal, state and local laws and ordinances; and (ii) environmental and engineering issues, and the costs associated with their correction. The user of this study will be responsible for making his/her own determination about the impact, if any, of these matters.
- This study is intended to be read and used as a whole and not in parts.
- This study has not evaluated the feasibility or marketability of any site for planned uses.
- All estimates regarding future development and improvements were provided by Republic Services as estimates, with the understanding that final users may vary to meet their corporate needs. Data has been reviewed and verified to determine its reasonableness and applicability to the projects.



- The economic and fiscal impact results of this analysis could be higher or lower than estimated due to the uncertainty of the nature of the businesses that would locate to the project. The figures used in this analysis have been taken from a broad average of users and are meant to represent an example of what could happen should the averages be met.
- This economic and fiscal impact study evaluates the potential “gross impacts” of construction and operations activities. The term “gross impacts” as used in this study refers to the total revenue, jobs and economic output that would be generated by the construction and operations. The study does not consider the potential impact on other businesses in the trade area that may occur as a result of the proposed project.
- All dollar amounts are stated in current dollars and, unless indicated, do not take into account the effects of inflation.
- Our analysis is based on currently available information and estimates and assumptions about immediate as well as long-term future development trends. Such estimates and assumptions are subject to uncertainty and variation. Accordingly, we do not represent them as results that will be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary materially from the forecasted results. The assumptions disclosed in this study are those that are believed to be significant to the projections of future results.



2.0 Background, Assumptions & Methodology

2.1 Background

The 75-acre site is located along Loop 303 east of El Mirage Road in Maricopa County, Arizona. The following proposed site plan is an example of a transfer station that could be built on 10 acres. While not finalized, this report will provide the impact of surrounding industrial uses on the remaining 65 acres.

Sample Transfer Station Land Use



2.2 Analysis Assumptions

The assumptions used to estimate the economic and fiscal impacts of construction and operations for the remaining 65 acres are outlined below. The primary inputs are based on both assumptions supplied by Republic Services as well as on basic economic fundamentals regarding economic impact analysis. For example, the Consumer Expenditure Survey is used to determine spending patterns of staff based on their respective wages and Census survey results are used for calculating the percentage of employees that live within the county or city in which they work. Certain industry standard assumptions were provided by the Maricopa Association of Governments, ULI and the Department of Energy. All values are expressed in 2021 dollars. Unless otherwise indicated, an inflation factor has not been included in this analysis.



The following table outlines the proposed project site plans for this analysis. An estimated 25 acres is projected to be developed as light manufacturing with the remaining 40 acres as light industrial such as warehousing and storage. Construction costs are projected to total \$96.1 million with \$1.0 million in taxable furniture, fixtures and equipment (the manufacturing industry is exempt from sales and use taxes levied on equipment).

| Project Site Plan Assumptions Industrial Park Maricopa County (2021 Dollars) | | | | | | |
|--|-------|-----|-------------|-------------------------|-------------------|-------------|
| Land Use | Acres | FAR | Square Feet | Cost per Unit or per SF | Construction Cost | FF&E |
| Industrial light manufacturing | 25 | 0.3 | 327,000 | \$150 | \$49,050,000 | -- |
| Industrial - warehouse/ storage | 40 | 0.3 | 523,000 | \$90 | \$47,070,000 | \$1,046,000 |
| Total | 65 | | 850,000 | | \$96,120,000 | \$1,046,000 |

Source: Elliott D. Pollack & Company; Republic Services, ULI; SIOR

Assumptions used in calculating the impact of operations are outlined in the following table. Square feet per employee range from 750 for light manufacturing to 1,000 for warehousing or storage industrial uses. Similarly, rents will range from \$9.60 per square foot down to \$7.20 per square foot, respectively. Monthly utilities are projected at \$4.00 per square foot for the light manufacturing to \$2.40 for warehousing and storage uses.

| Operating Assumptions Industrial Park Maricopa County (2021 Dollars) | | | | |
|--|--------------------------|-----------|----------------------|------------------|
| Land Use | Square Feet per employee | Rent / SF | Stabilized Occupancy | Utilities per SF |
| Industrial light manufacturing | 750 | \$9.60 | 90% | \$4.00 |
| Industrial - warehouse/ storage | 1000 | \$7.20 | 90% | \$2.40 |

Source: SIOR; Marshall & Swift; Republic Services

2.3 Economic Impact Methodology

Economic impact analysis examines the economic implications of an activity in terms of output, earnings, and employment. For this study, the analysis focused on the construction impacts as well as the ongoing operations including direct expenditures by the projected companies that will occupy the commercial space, on property taxes, salaries, sales and operating supplies.

The different types of economic impacts are known as direct, indirect, and induced, according to the manner in which the impacts are generated. For instance, direct employment consists of



permanent jobs held by project employees. Indirect employment is those jobs created by businesses that provide goods and services essential to the operation or construction of the project. These businesses range from manufacturers (who make goods) to wholesalers (who deliver goods) to janitorial firms (who clean the buildings). Finally, the spending of the wages and salaries of direct and indirect employees on items such as food, housing, transportation and medical services creates induced employment in all sectors of the economy, throughout the region. These secondary effects are captured in the analysis conducted in this study.

Multipliers have been developed to estimate the indirect and induced impacts of various direct economic activities. The IMPLAN Group developed the multipliers used in this study and were selected based on the land use type.

The economic impact is categorized into three types of impacts:

- (1) **Employment Impact** – the total wage and salary and self employed jobs in a region. Jobs include both part time and full time workers.
- (2) **Earnings Impact** – the personal income, earnings or wages, of the direct, indirect and induced employees. Earnings include total wage and salary payments as well as benefits of health and life insurance, retirement payments and any other non-cash compensation.
- (3) **Economic Output** – also referred to economic activity, relates to the gross receipts for goods or services generated by the company's operations.

Economic impacts are by their nature regional in character. Such impacts are best illustrated when not assigned to a specific locality, although clearly the primary impact of job creation would be on county where the project is located. However, many other communities in the surrounding region would also benefit from the operations of the proposed development.

2.4 Fiscal Impact Methodology

Fiscal impact analysis studies the public revenues associated with a particular economic activity. The primary revenue sources of local, county, and state governments (i.e., taxes) are analyzed to determine how an activity may affect the various jurisdictions. This section will evaluate the impact of the project on State of Arizona, Maricopa County and local government revenues (from employees that live throughout the Greater Phoenix area). The fiscal impact figures cited in this report have been generated from information provided by a variety of sources including the U.S. Bureau of the Census; the U.S. Department of Labor; the Internal Revenue Service; the State of Arizona; the Arizona Tax Research Association; and the U.S. Consumer Expenditure Survey. Elliott D. Pollack & Company has relied upon the estimates of operating revenues outlined in this study. Unless otherwise stated, all dollar values are expressed in 2021 dollars.



Fiscal impacts are categorized by type in this study, similar to economic impact analysis. The major sources of revenue generation for governmental entities are calculated based on ongoing operations. Employees will spend part of their salaries on local goods and services and pay taxes on the homes they occupy. This spending will contribute to revenues collected by the State that are ultimately shared with local governments.

Some revenues are more direct and definitive than others. Revenues have been defined in this analysis as either primary or secondary, depending on their source and how the dollars flow through the economy into government tax accounts. For instance, some revenues, such as construction sales tax or retail sales taxes are definable, straightforward calculations based on the value of construction or direct sales. These revenues are described in this study as primary revenues. Secondary revenues, on the other hand, flow from the wages of those direct, indirect and induced employees who are supported by the project. Revenue projections are based on typical wages of the employees working in the project, their spending patterns, projections of where they might live, and other assumptions outlined earlier in this report. The following is a description of the applicable revenue sources that will be considered for this analysis.

- Construction Sales Tax

The State, counties, and local governments levy a sales tax on materials used in the construction of buildings or development of land improvements. That tax is calculated by State law under the assumption that 65% of the construction cost of the facility and its land improvements are related to construction materials with the remaining 35% devoted to labor. The sales tax rate is then applied to the 65% materials figure. The sales tax on construction materials is a one-time collection by the governmental entity. The State currently levies a temporary 5.6% sales tax on construction activity (a portion of which is shared with local governments) while Maricopa County levies a rate of 0.7%.

- Sales Tax on Retail, Restaurants, Commercial Lease & Utilities

The State, counties, and local cities in Arizona charge sales tax on retail goods, and utility usage. Cities also levy the tax on commercial leases. The sales tax rate for the State is 5.6%. Portions of this tax are redistributed through revenue sharing to counties and cities throughout Arizona based on population. The County's sales tax rate is 0.7%. These tax rates are applied to taxable sales, taxable supplies, commercial lease direct utility usage, as well as to the spending of direct, indirect and induced employees.

- Property Taxes

The development will be subject to direct property taxes. Residential properties are levied at a 10% assessment ratio while commercial properties are levied at an 18% assessment ratio. Employees supported by operations of the businesses will pay property taxes on the homes they occupy. In order to estimate these secondary property taxes, the assessed full cash value along with the projected value of a typical housing unit has been calculated.



| Property Tax Rates | |
|-----------------------------------|----------------|
| | Rate |
| State Equalization Fund | 0.4263 |
| County General Fund | 1.3459 |
| Peoria School Districts | |
| Peoria Unified School District | 6.1634 |
| Special Districts | |
| North County Fire Medical | 2.8644 |
| Maricopa Special Health District | 0.1167 |
| Community College District | 1.1112 |
| Central Arizona GRD | 1.0000 |
| TOTAL | 13.0279 |
| Source: Maricopa County Treasurer | |

- State Shared Revenues

Each city in Arizona receives a portion of State revenues from four different sources - State sales tax (see description above), State income tax, vehicle license tax and highway user tax. The formulas for allocating these revenues are primarily based on population. Counties also share in the revenue sources of the State, with the exception of income tax.

State Income Tax

The State of Arizona collects taxes on personal income. The tax rate used in the analysis averages about 1.6% for earnings. These percentages are based on the most recently available income tax data from the State and the projected wage levels of jobs created by the construction and operations impact. This tax is applied to the wages and earnings of direct and indirect employment. Portions of this tax are redistributed through revenue sharing to cities throughout Arizona based on population.

HURF Taxes

The State of Arizona collects specific taxes for the Highway User Revenue Fund (HURF). Both the registration fees and the motor vehicle fuel tax (gas tax) are considered in this analysis. The motor vehicle fuel tax is \$0.18 per gallon and is calculated based on a vehicle traveling 12,000 miles per year at 20 miles per gallon. Registration fees average \$66 per employee in the State of Arizona. These factors are applied to the projected direct and indirect employee count. Portions of these taxes are distributed to cities and counties throughout Arizona based on a formula that includes population and the origin of gasoline sales.

Vehicle License Tax

The vehicle license tax is a personal property tax placed on vehicles at the time of annual registration. This factor is applied to the projected direct, indirect and



induced employee count. The average tax used in this analysis is \$325 and portions of the total collections are distributed to the Highway User Revenue Fund. The remaining funds are shared between cities and counties in accordance with population-based formulas.

The above tax categories represent the largest sources of revenues that would be generated to local governments, county, and State governments. The revenue impacts do not include certain revenue sources such as corporate income taxes. All tax collections represented in this analysis are gross collections and do not take into consideration any incentives or development agreements that may occur.



3.0 Economic Impacts

The economic impact includes total economic output, job creation, and wages during construction as well as ongoing impacts from the proposed uses of the site and the operations of these industrial businesses. The results presented are based on the assumptions of land use described in Section 2.0 of this report. Though employment would primarily impact the local area, the development would likely draw employees from the entire Greater Phoenix area. Therefore, the economic impacts are expressed as a regional benefit.

3.1 Economic Impact of Construction

The impact from construction is based on the total value of the proposed structures being built. Since the impacts represent the entire construction phase, employment impacts are expressed as person years of employment. Person years of employment are the aggregate of each construction job that is recreated year after year throughout the construction period. To derive the annual average, employment, wages, and economic output can be divided by the expected number of years it may take to complete the development. Annual averages may be higher or lower depending on the timing of final buildout. Additionally, these construction impacts will disappear when the development reaches completion.

Over the course of construction, an estimated 391 direct person years of employment would be generated from the construction of the light manufacturing uses. These are the on-site construction jobs. An additional 271 indirect and induced person years of employment would be created for a total employment impact of 662 person years of employment created by the construction and other site work on the properties. In total, \$41.8 million in wages would be paid to these workers and the construction would create \$99.3 million in economic impact throughout the region.

The proposed industrial warehousing and storage land uses would generate an estimated 375 direct jobs based on the estimated total construction cost of \$47.0 million. Including the ripple effects throughout the region, a total of 635 person years of employment would be created over the course of construction. This would equate to \$40.1 million in wages and \$95.3 million in total economic output.

In total, the remaining 65 acres designated for an industrial park would generate a total of 1,297 direct, indirect and induced person years of employment based on the estimated total of \$96.1 million in direct construction cost. Total wages would be an estimated \$81.9 million with total economic output of \$194.6 million.



| Economic Impact of Construction Industrial Park Maricopa County (2021 Dollars) | | | |
|---|-----------------------------------|---------------------------------------|---------|
| | Industrial light manufacturing | Industrial - warehouse/ storage | Total |
| <u>Person Years of Employment</u> | | | |
| Direct | 391 | 375 | 766 |
| Indirect | 85 | 82 | 167 |
| Induced | 186 | 178 | 364 |
| Total | 662 | 635 | 1,297 |
| <u>Wages (\$ mil)</u> | | | |
| Direct | \$25.7 | \$24.6 | \$50.3 |
| Indirect | \$6.0 | \$5.7 | \$11.7 |
| Induced | \$10.1 | \$9.7 | \$19.8 |
| Total | \$41.8 | \$40.1 | \$81.9 |
| <u>Economic Output (\$ mil)</u> | | | |
| Direct | \$49.1 | \$47.1 | \$96.1 |
| Indirect | \$18.6 | \$17.8 | \$36.4 |
| Induced | \$31.7 | \$30.4 | \$62.1 |
| Total | \$99.3 | \$95.3 | \$194.6 |
| 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. Source: Elliott D. Pollack & Company; IMPLAN | | | |

3.2 Economic Impact of Operations

Operational impacts are considered permanent once all operations have reached stabilization. The impacts described in this section are expected to recur each year as long as the anticipated land use mix builds out as projected.

The projected light industrial uses would generate an estimated 769 total jobs annually with \$38.1 million in wages and \$174.1 million in total economic output.

The industrial warehousing and storage uses would support 471 direct commercial jobs. Taking into account the ripple effects throughout the economy, a total of 826 jobs would be created from the proposed development with \$41.3 million in wages and \$108.4 million in economic output.

In total, the remaining 65 acres would generate an estimated of 1,595 jobs annually, \$79.4 million in wages and \$283.1 million in economic output would be created.



| Economic Impact of Operations Industrial Park Maricopa County (2021 Dollars) | | | |
|---|---|--|----------------|
| | Industrial light manufacturing | Industrial - warehouse/ storage | Total |
| <u>Jobs</u> | | | |
| Direct | 392 | 471 | 863 |
| Indirect | 207 | 171 | 379 |
| Induced | 170 | 184 | 353 |
| Total | 769 | 826 | 1,595 |
| <u>Wages (\$ mil)</u> | | | |
| Direct | \$15.6 | \$22.1 | \$37.7 |
| Indirect | \$13.3 | \$9.2 | \$22.5 |
| Induced | \$9.2 | \$10.0 | \$19.3 |
| Total | \$38.1 | \$41.3 | \$79.4 |
| <u>Economic Output (\$ mil)</u> | | | |
| Direct | \$102.1 | \$46.2 | \$148.3 |
| Indirect | \$43.7 | \$30.9 | \$74.6 |
| Induced | \$28.9 | \$31.3 | \$60.3 |
| Total | \$174.7 | \$108.4 | \$283.1 |
| 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. Source: Elliott D. Pollack & Company; IMPLAN | | | |



4.0 Fiscal Impacts

The tables included in this section summarize revenues that would ultimately flow to the State of Arizona, Maricopa County and the local governments during construction and then on-going annually once construction is complete. Both the primary (direct) and secondary (generated by spending of employees) are included. Revenue projections are based on assumptions outlined earlier in this report.

4.1 Fiscal Impact of Construction

The fiscal impact of construction includes the tax revenues generated from construction sales taxes, use tax and secondary impacts from the spending of employees. Development and permit fees would also be collected but are not included in this analysis.

The State of Arizona would collect an estimated \$2.9 million from the light manufacturing and \$2.8 million from the proposed warehousing and storage uses for a total of \$5.7 million. This includes both the direct primary taxes collected from construction sales and use tax as well as the revenue generated by the spending of the employees.

Maricopa County would receive a projected \$635,200 from the light manufacturing development uses and \$609,600 from the industrial uses proposed for the site. Similarly, the local governments would receive a projected \$383,900 and \$368,500, respectively. The impacts on the local governments are generated by secondary sources, as the site itself is not located within a specific municipality.

Overall, the State, County, and local governments would receive an estimated \$7.7 million during the construction of the site given the proposed land uses.



| Fiscal Impact of Construction Industrial Park Maricopa County (2021 Dollars) | | | |
|--|-----------------------------------|---------------------------------------|--------------------|
| | Industrial light manufacturing | Industrial - warehouse/ storage | Total |
| <u>State of Arizona</u> | | | |
| Construction sales | \$1,576,600 | \$1,512,900 | \$3,089,500 |
| Use Tax | N/A | \$58,600 | \$58,600 |
| Secondary impacts from employees | | | |
| Spending sales tax | \$360,300 | \$345,800 | \$706,100 |
| Income tax | \$660,200 | \$633,500 | \$1,293,700 |
| Unemployment tax | \$125,100 | \$120,100 | \$245,200 |
| Vehicle license tax | \$96,800 | \$92,900 | \$189,700 |
| Gas tax | \$50,800 | \$48,800 | \$99,600 |
| Total for the State of Arizona | \$2,869,800 | \$2,812,600 | \$5,682,400 |
| <u>Maricopa County</u> | | | |
| Construction sales | \$223,200 | \$214,200 | \$437,400 |
| Secondary impacts from employees | | | |
| Spending sales tax | \$63,400 | \$60,900 | \$124,300 |
| Property tax | \$153,000 | \$146,800 | \$299,800 |
| State shared revenues | \$195,600 | \$187,700 | \$383,300 |
| Total for Maricopa County | \$635,200 | \$609,600 | \$1,244,800 |
| <u>Local Governments</u> | | | |
| Secondary impacts from employees | | | |
| Spending sales tax | \$166,600 | \$159,900 | \$326,500 |
| Property tax | \$166,600 | \$159,900 | \$326,500 |
| State shared revenues | \$50,700 | \$48,700 | \$99,400 |
| Total for Local Governments | \$383,900 | \$368,500 | \$752,400 |
| Total tax revenues | \$3,888,900 | \$3,790,700 | \$7,679,600 |
| Source: Elliott D. Pollack & Co.; IMPLAN; AZ Dept. of Revenue; AZ Tax Research Association | | | |

4.2 Fiscal Impact of Operations

At build-out, the residential and commercial properties would begin to generate significant tax revenue for the State, County, local governments and special districts every year. Primary revenues would be collected from property taxes, retail sales taxes, commercial lease taxes, utility consumption, and state shared revenues. Secondary revenue, which is generated by employee spending, includes sales tax, property tax, and State-shared revenues such as income tax, vehicle license tax, and gasoline tax. The figures are exclusive of corporate income tax and do not include property tax levied on personal property.

Years prior to build out and stabilized occupancy would experience a relative portion of this total annual impact. Once the project is built out and operating at stabilized levels, the effects of the operations outlined in the following tables will be realized on an annual basis.



The State of Arizona is projected to collect \$1.1 million each year at buildout from primary and secondary sources generated by proposed light manufacturing uses and another \$1.1 million from warehousing and storage industrial uses for a total of \$2.2 million in annual ongoing impact for the State.

Maricopa County would receive \$665,800 from the light manufacturing developments and \$649,300 from light industrial uses, while the local governments would collect an estimated \$799,500 and \$778,700, respectively. School and Special districts would also benefit from the improvements and higher net assessed values of industrial uses for a total of \$1.1 million combined.

Overall, the annual operations of the proposed industrial park would generate an estimated \$6.1 million more each year if build out with the proposed land uses.



| Fiscal Impact of Operations Industrial Park Maricopa County (2021 Dollars) | | | |
|--|-----------------------------------|---------------------------------------|--------------------|
| | Industrial light manufacturing | Industrial - warehouse/ storage | Total |
| <u>State of Arizona</u> | | | |
| Property tax | \$22,600 | \$21,700 | \$44,300 |
| Utility tax | \$56,100 | \$33,700 | \$89,800 |
| Secondary impacts from employees | | | |
| Spending sales tax | \$649,100 | \$630,600 | \$1,279,700 |
| Income tax | \$38,900 | \$42,100 | \$81,000 |
| Unemployment tax | \$145,400 | \$156,100 | \$301,500 |
| Vehicle license tax | \$112,500 | \$120,800 | \$233,300 |
| Gas tax | \$59,100 | \$63,400 | \$122,500 |
| Total for the State of Arizona | \$1,083,700 | \$1,068,400 | \$2,152,100 |
| <u>Maricopa County</u> | | | |
| Property Tax | \$71,300 | \$68,400 | \$139,700 |
| Utility Tax | \$9,200 | \$5,500 | \$14,700 |
| Secondary impacts from employees | | | |
| Spending sales tax | \$115,500 | \$112,100 | \$227,600 |
| Property tax | \$311,400 | \$301,300 | \$612,700 |
| State shared revenues | \$158,400 | \$162,000 | \$320,400 |
| Total for Maricopa County | \$665,800 | \$649,300 | \$1,315,100 |
| <u>Local Governments</u> | | | |
| Secondary impacts from employees | | | |
| Spending sales tax | \$303,300 | \$294,600 | \$597,900 |
| Property tax | \$452,100 | \$437,500 | \$889,600 |
| State shared revenues | \$44,100 | \$46,300 | \$90,400 |
| Total for Local Governments | \$799,500 | \$778,400 | \$1,577,900 |
| <u>Other Districts</u> | | | |
| School districts | \$326,500 | \$313,300 | \$639,800 |
| Special districts | \$216,800 | \$208,000 | \$424,800 |
| Total for Other Districts | \$543,300 | \$521,300 | \$1,064,600 |
| | | | |
| Total tax revenues | \$3,092,300 | \$3,017,400 | \$6,109,700 |
| Source: Elliott D. Pollack & Co.; IMPLAN; AZ Dept. of Revenue; AZ Tax Research Association | | | |

