



GREATER SACRAMENTO
ECONOMIC COUNCIL

ECONOMIC IMPACT ANALYSIS AND COST/BENEFIT OVERVIEW

Prepared for El Dorado County
July 2020

Economic Impact Model Overview

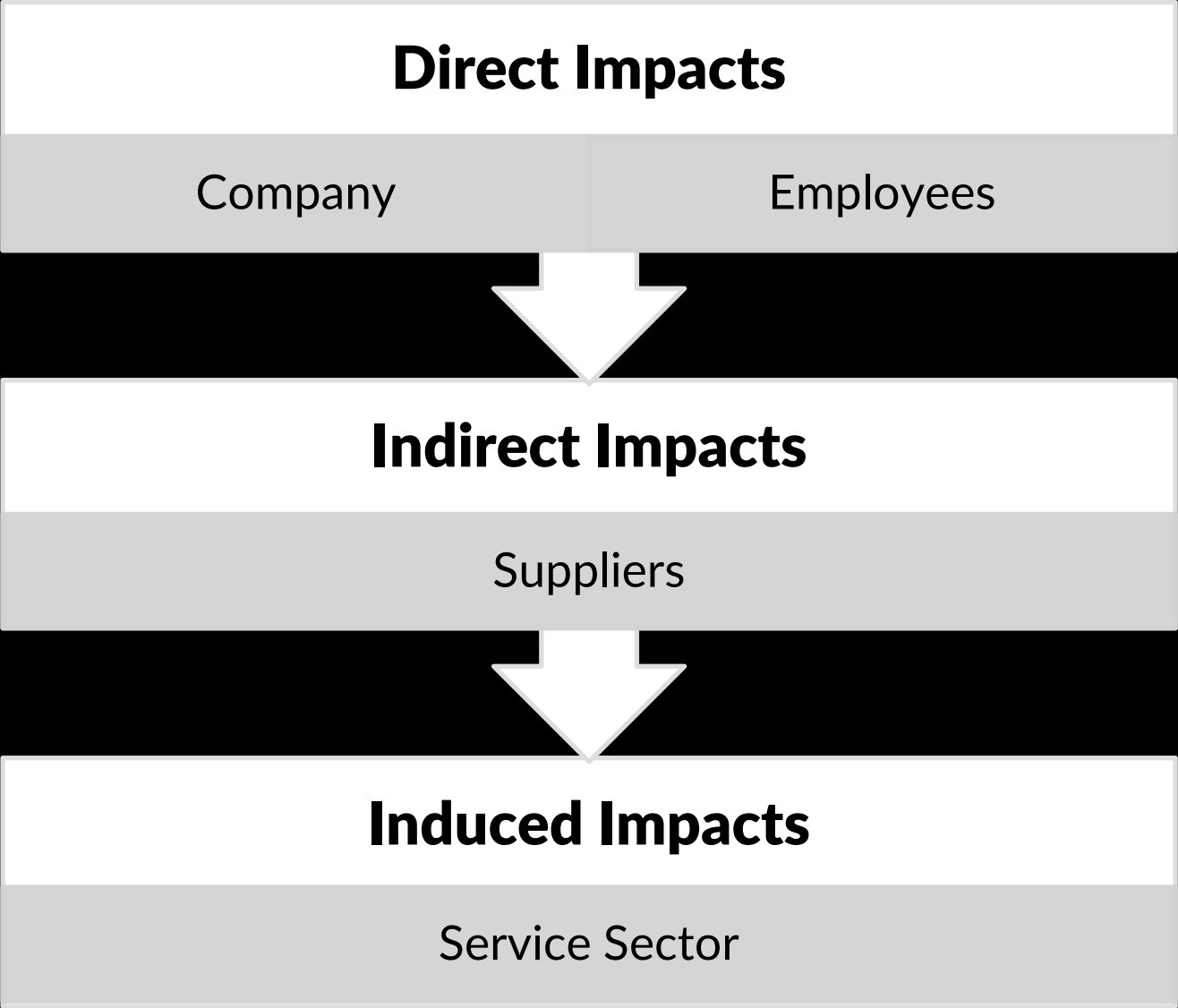


Explanation of calculation methodology and how local impacts still occur when companies locate in the region but not in your community

ECONOMIC IMPACT MODELING

- Estimates the economic and fiscal impact on an economy/community
- Considers interaction of people and industry sectors using **local data** such as demographics, wages, commute patterns, **tax rates**
- **Direct benefits** come from the business operation itself – **employee payroll**, taxes collected, rent paid
- **Indirect benefits** include the impact to the economy as a result of the business' presence, like **goods sold to them from suppliers**
- **Induced benefits** are things like employee **spending at retail** stores, property taxes paid, healthcare spending

HOW MONEY MOVES THROUGH THE ECONOMY



The Multiplier Effect

| JOB TYPES | ADDITIONAL JOBS FOR EVERY 1 JOB CREATED |
|----------------------------|---|
| Professional and technical | 4.1 |
| Durable manufacturing | 7.4 |
| Information | 5.7 |
| Government | 0.2 |
| Restaurants | 0.2 |

Source: Economic Policy Institute

For every job created by a company other jobs are created by indirect and induced activities. The number created varies by the industry of the primary job created.

WHERE RESIDENTS WORK VS LIVE: ECONOMIES ARE REGIONAL

| Where Workers from El Dorado County are Employed (by County) | Count | Share |
|--|---------------|--------------|
| El Dorado County | 27,825 | 35.8% |
| Sacramento County | 20,286 | 26.1% |
| Placer County | 5,479 | 7.0% |
| Douglas County | 2,512 | 3.2% |
| Santa Clara County | 2,300 | 3.0% |
| (others) | 19,338 | 24.9% |
| TOTAL | 77,740 | 100% |

IMPACT SCENARIO EXAMPLE: SACRAMENTO COUNTY LOCATE, TECH COMPANY ZENNIFY

Project Details

15 jobs scaled to 100
Technology SaaS firm
\$70,000 average wage
Multiplier effect: 270 jobs supported
10,000 sq. ft. lease

Impact to 'Home' Community

Direct: \$67 million
Indirect: \$13.5 million
Induced: \$9.5 million
Total: \$90 million

Impact to El Dorado County

Direct: \$0
Indirect: \$1.8 million
Induced: \$1.8 million
Total: \$3.6 million
10 jobs supported in El Dorado County

The 100 direct jobs created in turn trigger the creation of an additional 95 indirect and 125 induced jobs (220 in total) in the Greater Sacramento and another 50 jobs outside the region (23% of workers come from outside our region).

Economic Impact Results



Delivering economic impact and programs, services and resources at a fraction of independent cost due to economies of scale

TOTAL IMPACT DELIVERY SINCE GSEC'S INCEPTION

The following statistics are the total economic impact to the region and California since 2015:



Total jobs:
14,787



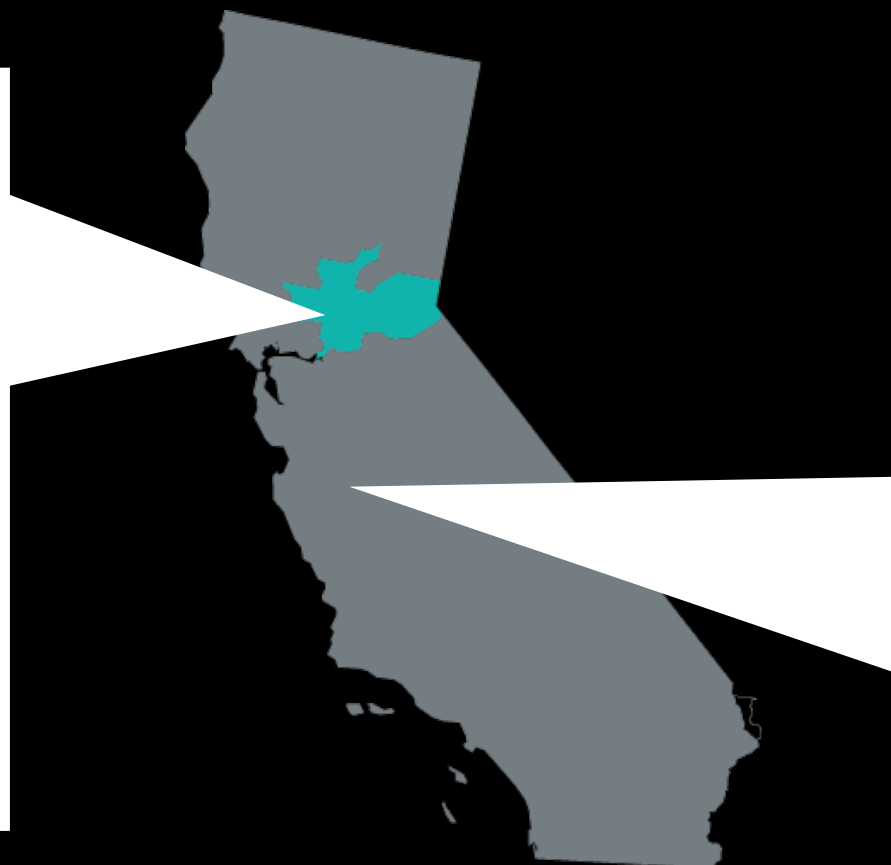
Direct economic impact:
\$3.58 billion



Average wage:
\$61,762



Total local tax revenue:
\$76.5 million



Total economic impact to
California:
\$7.05 billion


Total jobs added to
California:
15,637

Total tax revenue to
California:
\$129 million

5-YEAR IMPACTS TO EL DORADO COUNTY

Since GSEC's inception in 2015, it has delivered the following impacts to El Dorado County:

\$242,907
Total investment over 5 years



\$6,326,725
5-year local tax revenue

DIRECT & INDIRECT
JOBS

437

PAYROLL
GENERATED

\$51 M

TOTAL ECONOMIC
OUTPUT

\$166 M

\$26:1 Return on Investment on Direct Local Tax Revenue

\$685:1 Return on Investment on Economic Output

FY 19/20 ADDITIONAL SERVICE DELIVERY TO EL DORADO COUNTY

27 DIRECT PROJECT OPPORTUNITIES (RFI's) ISSUED

6 TRADE SHOW AND MARKET VISIT OPPORTUNITIES

85 NEW QUALIFIED PROSPECTS

380 million REGIONAL MARKETING IMPRESSIONS

COVID-19 WEBINAR SERIES

GSEC Board Leadership Experts Answer Critical Small Business Questions

Small businesses across the Greater Sacramento region and communities in the area are not only dealing with pivoting to try and keep businesses afloat, but are also working to determine the best course of action to protect their business or to close it with the least losses possible, while working to protect their employees. GSEC Board representatives are some of the most knowledgeable individuals in the banking and human resources fields who can help connect the dots between the COVID-19 disaster relief program information being circulated and practical applications for business.

WEDNESDAY, APRIL 15, 2020
1 - 2 P.M.

[CLICK HERE TO REGISTER FOR ZOOM WEBINAR](#)

Or enter [bit.ly/GSECsmallbiz](#) into your browser

Technical issues or questions? Contact us at events@selectsacramento.com.



FEATURED SPEAKERS

Jeffrey Adamski
*EVP and Senior Loan Officer
 First Northern Bank*



Cindy Arndt
*Small Business Segment Leader
 Wells Fargo Bank*



Riley Gardner
*Senior Credit Analyst
 River City Bank*



Cassandra Ferrannini
*Partner
 Downey Brand*



Also featuring opening and closing remarks from John Hildahl, District 1 Supervisor for El Dorado County; Don Ashton, CAO for El Dorado County; and Barry Broome, President/CEO of GSEC.

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FY19/20 ESTIMATED DIRECT VALUE OF FEATURED SERVICES UTILIZED

| Service | Summary | Value Received / Cost to Duplicate Locally |
|--|---|--|
| Marketing, social media and earned media placements | \$6.9 million total ad value to region | \$200,000 |
| Custom data and research services | Custom research report provided per staff request – staff time plus data set portion of cost | \$5,000 |
| Webinar produced to assist small businesses | Equivalent cost of sponsoring a program for similar results | \$5,000 |
| Online tools supporting small business and lead generation | SizeUp online tool and sites database and County web page on GSEC site with live infographic data | \$43,000 |
| Extension of team experience and training | Team of 15 offering various services, three of whom have collective 60+ years experience; average rate of \$150 / hour and 80 total hours of direct support | \$12,000 |
| Database Licenses | Tools utilized specifically on County’s behalf for regional responses – CoStar, labor analytics, retail leakage reports, etc. | \$30,000 |
| Site Selection Consultant Familiarization Tour | Marketing, design work, travel, lodging, meals, expert speakers for successful in person tour, PLUS additional virtual tour – exposure to 10 consultants | \$15,000 |
| Lead generation services for project opportunities | Comparison is the minimum cost to retain a consultant firm individually for basic lead gen with results produced | \$25,000 |
| VALUE OF DIRECT SERVICES RECEIVED / UTILIZED | | \$335,000 |

Future Continued Service Delivery Value



FY 20/21 Key Efforts

DUPLICATION COST OF DATA SOURCES AND SERVICES AVAILABLE TO EL DORADO COUNTY VIA GSEC

MARKETING & WEB PRESENCE, VIDEO PRODUCTION AND PAID AND EARNED SOCIAL MEDIA

Website hosting and maintenance cost to provide a trackable, regional promotional tool with integrated data sets and sources, along with social media management and tools.

GIS BASED BUSINESS DATA TOOLS, STORY MAPS AND COMMERCIAL REAL ESTATE LISTINGS

ESRI Business Analytics and Big Data available through GreaterSacramentoSites.com along with property listing tools and custom community demographics, business data and infographics. GSEC also holds licenses to CoStar, allowing access to all marketed listings and analytics.

GRANULAR LABOR DATA ANALYSIS AND CUSTOM LOCAL DEMOGRAPHICS

Using EMSI, GSEC can analyze labor, job posting, demographic, industry and occupational trends to the 6-digit NAICS code level. Cost of living C2ER database provides cost comparisons to articulate value proposition to prospects. The recently launched SizeUp small business tool supports local small business and is free to all.

LEAD GENERATION AND PROSPECTING TOOLS FOR NEW OPPORTUNITIES

GSEC, on behalf of the region, subscribes to Pitchbook and other data sets such as external market lists, Hoovers D&B, Fortune 500 and Inc. 5000 for lead generation purposes for the region.

ECONOMIC IMPACT ANALYSIS AND METRO COMPARISON MODEL

Hosting and maintaining an economic impact model, tourism impact model and a metro comparison model allows GSEC to produce impact reports for all projects and analyze return on investment for local incentives.

FY2021 RESOURCES AND SERVICES VALUE POTENTIAL: PLANNED EFFORTS

| Service | Summary | Value Received / Cost to Duplicate Locally |
|---|---|--|
| Marketing, social media and earned media placements | \$6.9 million total ad value to region | \$200,000 |
| Custom data and research services | EDA Broadband research support; economic impact analyses for Target, Costco and others | \$30,000 |
| Talent attraction initiative with Jobs Board for businesses | Online jobs board for region free to all local businesses and marketed externally | \$5,000 |
| Online tools supporting small business, and retention/expansion | SizeUp online tool and sites database, BRE database online, and County web page on GSEC site with live infographic data | \$60,000 |
| Extension of team experience and training | Team of 15 offering various services, three of whom have collective 60+ years experience; average rate of \$150 / hour and 80 total support | \$12,000 |
| Database Licenses | Tools utilized specifically on County's behalf for regional responses - CoStar, labor analytics, retail leakage reports, etc. | \$30,000 |
| Site Selection Consultant Familiarization Tour | Marketing, design work, travel, lodging, meals, expert speakers | \$25,000 |
| Lead generation services for project opportunities | Comparison is the cost to retain a consultant firm for basic lead gen | \$25,000 |

ESTIMATE OF EXAMPLE SERVICES AND RESOURCES ONLY

\$387,000



GREATER SACRAMENTO
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THANK YOU.

Barry Broome, President & CEO
Greater Sacramento Economic Council
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