



## **Economic Impact Statement**

### **The Estimated Economic Impact of the Projects Outlined for the Southeast Prosperity Zone in the Connect NC Bond Proposal**

At the request of the University of North Carolina Wilmington's Office of the Chancellor, the H. David and Diane Swain Center for Business and Economic Services in the Cameron School of Business estimated the economic impact of projects proposed in conjunction with the Connect NC Bond referendum. Construction of the University's proposed allied health building, with a cost of \$66 million and assumed to be constructed in 2017, is estimated to support over \$106 million in regional output, with a substantial majority of the increase being located in New Hanover County, and slightly more than 860 additional jobs, again with a sizeable proportion, more than 800, of the jobs being located in New Hanover County. These estimates should be taken as a conservative estimate as they do not include downstream benefits from university programs which improve the healthcare provision in the region. The benefits of improved healthcare, while not quantified here, are likely to be substantial. Summary figures for the proposed facility are provided in Table 1.

In addition to the University's proposed facility, the proposed projects at Brunswick Community College and Cape Fear Community College, spanning Brunswick, New Hanover, and Pender Counties, with a projected cost of \$8.8 million, are estimated to support over 137 jobs and \$15 million in economic output. Projects proposed in the remaining nine counties of the Southeast Prosperity Zone with a projected cost of \$41.5 million, are estimated to support over 580 jobs and \$58 million in economic output within the twelve county prosperity zone and an additional 35 jobs and \$7 million in economic output in the other counties within NC. Because the exact nature of all the projects is yet to be determined, the projects were modeled as non-residential renovations. The estimated impacts are unlikely to change much once the exact nature of the projects are spelled out in greater detail but are likely to be more geographically dispersed than preliminary estimates indicate. Again, these estimates may be taken as conservative because they only include the economic impact of construction and do not factor in additional benefits for the public, from future programs, or future operating efficiencies and expenditures, etc. Summary figures for the suggested projects are provided in Tables 2 and 3.

The projects to be located in the Southeast Prosperity Zone, individually, and collectively are estimated to have a sizable impact on the Brunswick, New Hanover, and Pender County region as well as the state. Collectively, the projects are estimated to support 964 jobs and \$116.1 million in output within the three county region and an additional 581 jobs and \$58.1 million in output in the other counties within the prosperity zone. Statewide, these projects have a total estimated impact of supporting 1,617 jobs, \$77.3 million in labor income, and \$187.8 million in output.

**Table 1: Allied Health Building Construction Impacts<sup>1</sup>**

Region	Employment <sup>2</sup>	Labor Income <sup>3</sup>	Output <sup>4</sup>
New Hanover County	817.2	\$43,590,000	\$99,215,000
Pender and Brunswick Counties	9.2	\$412,000	\$1,406,000
Rest of Southeast Prosperity Zone	3	\$119,000	\$455,000
Non SEPZ NC Counties	30.8	\$1,630,000	\$5,745,000
Total Statewide Impact	860.2	\$45,750,000	\$106,821,000

Source: IMPLAN® model and author's calculations.

<sup>1</sup> These impacts are based on a \$66 million investment in educational buildings and equipment assumed to be constructed in 2017. All dollar figures are in 2015 dollars.

<sup>2</sup> This is the impact on full-time employment. The IMPLAN® software provides estimates of the sum of full-time and part-time employment impacts. The full-time impacts are estimated using 2013 US Department of Labor full-time equivalent ratios.

<sup>3</sup> This is the impact on wages and salaries and self-employment income.

<sup>4</sup> This is the impact on total sales in the region

**Table2: Brunswick and Cape Fear Community College Projects Construction Impacts<sup>1</sup>**

Region	Employment <sup>2</sup>	Labor Income <sup>3</sup>	Output <sup>4</sup>
New Hanover, Brunswick and Pender Counties	132.1	\$6,038,000	\$14,371,000
Rest of Southeast Prosperity Zone	0.9	\$31,000	\$138,000
Non SEPZ NC Counties	4.4	\$238,000	\$840,000
Total Statewide Impact	137.4	\$6,307,000	\$15,350,000

Source: IMPLAN® model and author's calculations.

<sup>1</sup> These impacts are based on an \$8.8 million investment in maintenance and repair construction assumed to be undertaken in 2017. All dollar figures are in 2015 dollars.

<sup>2</sup> This is the impact on full-time employment. The IMPLAN® software provides estimates of the sum of full-time and part-time employment impacts. The full-time impacts are estimated using 2013 US Department of Labor full-time equivalent ratios.

<sup>3</sup> This is the impact on wages and salaries and self-employment income.

<sup>4</sup> This is the impact on total sales in the region

**Table 3: Other Projects in Southeast Prosperity Zone Construction Impacts<sup>1</sup>**

Region	Employment <sup>2</sup>	Labor Income <sup>3</sup>	Output <sup>4</sup>
New Hanover County	3.8	\$164,000	\$694,000
Pender and Brunswick Counties	2	\$90,000	\$386,000
Rest of Southeast Prosperity Zone	577.5	\$23,004,000	\$57,498,000
Non SEPZ NC Counties	35.9	\$1,990,000	\$7,090,000
Total Statewide Impact	619.2	\$25,247,000	\$65,669,000

Source: IMPLAN® model and author's calculations.

<sup>1</sup> These impacts are based on a \$41.5 million investment in maintenance and repair, assumed to be undertaken in 2017. All dollar figures are in 2015 dollars.

<sup>2</sup> This is the impact on full-time employment. The IMPLAN® software provides estimates of the sum of full-time and part-time employment impacts. The full-time impacts are estimated using 2013 US Department of Labor full-time equivalent ratios.

<sup>3</sup> This is the impact on wages and salaries and self-employment income.

<sup>4</sup> This is the impact on total sales in the region