

THE ECONOMIC IMPACTS OF THE FAIRFAX COUNTY PARK AUTHORITY

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What is Economic Impact Analysis?

Economic impact IS:

- An estimate of how spending is associated with:
 - A particular event,
 - Project, or
 - Industry flows through a regional economy.

Economic impact IS NOT:

- It is not the same as fiscal impact analysis.
- It is not usually a risk-adjusted analysis.
- It is not cost-benefit analysis.

Why do we need impact analysis?

- Help allocate resources among competing projects.
- Assess the potential for an investment policy.
- Putting “hard numbers” on political strategies to test their veracity.

Types of impacts

- **Direct effects:**

- The direct activity(s) of the project/activity in question
- Usually defined the direct effects in terms of output or employment.

- **Indirect effects:**

- Capture the impacts on firms that (directly and indirectly) supply the activity defined in the direct effect(s). (Type I multiplier)

- **Induced effects:**

- Captures impacts of spending by households receiving income based on direct and indirect effects (Type II multiplier)

Impacts are measured in terms of:

- Output – measure of transactions
- Employment – headcount
- Labor income – wages, salaries, some benefits
- Value added – GRP equivalent
 - Proprietor's income
 - Property income
 - Taxes on production and imports less subsidies
 - Gross operating surplus

Impacts by Endurance

- Temporary impacts of capital projects
 - Construction may last several months or several years (for some roads, never ending)
 - Once construction stops, impacts cease
- Recurring Impacts
 - Operations
 - Maintenance / repair

It's all about the spending and who's doing the spending?

Building

- Bridges
- Roads
- Reservoirs
- Buildings

Operations

- Personnel
- Supplies
- Services
- Visitors (non local)

Special Events

- Participants
- Media
- Visitors
- Sponsors

Un-Measurable Impacts

- Impacts that are real and have quantity, but are very difficult to assess.
 - Do these amenities have a long term impact on tourism, business attraction?
 - Do these amenities that enhance the value of nearby properties?

Intangible Impacts

- Impacts that are real, but are not practically observable or measurable.
 - Civic pride
 - Place bonding
 - Community cohesiveness
 - Other?

Assessing the Economic Significance of Local and Regional Parks

- Includes
 - Operations spending
 - Capital Spending (non-recurring)

- Does Not Include
 - Recurring Capital Spending
 - Visitor Spending
 - Impacts on Property Valuations
 - Value of Air Quality and Other Environmental Measures
 - Value of Improved Health

Economic Impact of FFX County Parks (2015)

Description	Impact
Operating Impacts*	
Spending	\$73,605,000
Economic Activity (transactions)	\$130,114,000
Labor Income (salaries, wages, benefits)	\$52,444,000
Employment (FTE jobs)	916
Capital Spending**	
Spending	\$34,428,000
Economic Activity (transactions)	\$51,059,000
Labor Income (salaries, wages, benefits)	\$24,459,000
Employment (FTE jobs)	343
Total Impacts	
Spending	\$108,033,000
Economic Activity (transactions)	\$181,173,000
Labor Income (salaries, wages, benefits)	\$76,903,000
Employment (FTE jobs)	1,260

Sources: IMPLAN (RIMS), Center for Regional Analysis

*Includes spending from 2015 salaries, benefits, general operating equipment and supplies

**Includes spending from Capital Outlay for 2015

Capital Spending Impacts of Fairfax County Parks (2013-2015)

Description	Impact
Economic Activity (transactions)	\$ 123,359,000
Labor Income (salaries, wages, benefits)	\$ 61,478,000
Employment (person years of employment)	918

Sources: IMPLAN (RIMS), Center for Regional Analysis

*Includes spending from General Construction, Park Bond Construction, and the Park Improvement Fund

Thank You Questions

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