

# A PRELIMINARY ECONOMIC IMPACT OF THE KINGS MUTUAL CENTURY CENTER



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Dr. Brian VanBlarcom, Acadia University

# Study Goals

- The goal of the study is to estimate the economic impact associated with the Kings Mutual Century Center.
- Economic impact analysis involves identifying economic activity which would not occur in the absence of this facility - incremental economic activity.
- The economic impacts are divided into:
  - Facility Construction
  - Visitors from outside Kings County who attend events held at the facility.

# The Economic Impact Process



Money is injected directly into a local economy due to construction expenditures and facility events that generate spending by visitors



Multiplier effect stimulates further spending and employment (indirect and induced impacts)



Local economic activity is increased

# The Economic Stimulus



- To assess the economic impact, all (non-local source) spending associated with facility construction and visitation occurring in the local area (Kings County) is considered.
- In addition multiplied effects of these expenditures are examined via a Kings County Input-Output model.

# Facility Construction

- Total (all phase) construction expenditures are estimated at \$17 million.
- Non-local sources of funding are provincial and federal governments which will each contribute \$4 million. So non-local sources represent an injection of \$8 million.
- The resulting impact analysis assumes construction and related work will be completed by a local company, equipment purchases made through local suppliers, etc.

# Facility Construction

- These expenditures circulate through the local economy creating income and more re-spending but also more leakages (non-local taxes, non-local spending, etc).
- The input-output model captures such re-spending, as well as additional leakages.

# Facility Construction

- The total (direct/indirect/induced) impacts on the Kings County economy generated by facility construction are shown in Table 1.
- The construction impacts will take place over approximately a two year time frame.

# Total Construction Impacts

<b>Table 1 Construction Total Incremental Impacts</b>	<b>\$2008</b>
Division A - Agricultural and related service industries	\$83,497
Division B - Fishing and trapping industries	\$946
Division C - Logging and forestry industries	\$72,046
Division D - Mining (including milling), quarrying and oil wells	\$32,771
Division E- Aggregate Manufacturing	\$74,804
Division F – Construction industries	\$8,045,371
Division G - Transportation and storage industries	\$109,412
Division H - Communication and other utility industries	\$167,606
Division I - Wholesale trade industries	\$385,329
Division J - Retail trade industries	\$396,766
Division KL - Finance, Insurance, Real Estate	\$622,431
Division M - Business service industries	\$225,332
Division O - Educational service industries	\$1,399
Division P - Health and social service industries	\$61,550
Division Q - Accommodation, food/beverage service industries	\$124,253
Division R - Other Services	\$157,175
Industry Sum	\$10,560,687
Household Income (wages/salaries/profits)	\$4,084,497

# Key Construction Spending Impacts

- \$8 million in local construction industry.
- About \$600,000 in finance/real estate/insurance.
- Approximately \$400,000 in wholesale & retail trade.
- \$225,000 in business services.
- \$4.1 million in wages/salaries/profits.

# Facility Events Attract Visitors

- The other key element of the economic impact of the facility relates to hosting events that will attract visitors to the area.
- These visitors spend money in the accommodations, food & beverage, retail sector.
- These impacts accrue on an annual basis through operation of the facility.

# Facility Events Attract Visitors

- The key elements in estimating the visitor spending impacts relate to the degree to which the facility will host events that would not otherwise occur.
- Also to what extent will the new facility increase the frequency/size of events that currently take place at existing facilities.

# Facility Events Attract Visitors

- The facility event visitor impacts will be estimated by:
  - ▣ Looking at what events are likely to be hosted at the new facility.
  - ▣ Using previous information related the impacts of such events.
  - ▣ Summing up the impacts across the different events to generate an annual estimate.

# Ringette

- Ringette--Three tournaments, 450 players, 360 from out of town. Assumed one half of the visitors require accommodations. Average party size is 4.0, comprised of two participants and two accompanying visitors.
- Estimated visitor spending \$70,000.

# Two Major Minor Hockey Tournaments

- Two tournaments, 360 players, 270 from out of town. Assumed one half of the visitors require accommodations. Average party size is 4.0, comprised of two participants and two accompanying visitors.
- Estimated visitor spending \$51,000.

# Other Smaller Minor Hockey Tournament



- Smaller tournaments (using 2006 study of Middleton Tournament) would generate visitor spending of approximately \$15,000 per event.
- Assuming four such events were held, total visitor spending would be \$60,000.

# Swimming

- A 2007 study of the Nova Scotia provincial championships indicated visitor spending of \$220,000.
- A smaller annual event could be expected to generate spending of \$100,000.

# Curling

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- An expanded curling facility would allow hosting of provincial events.
- A provincial curling tournament is estimated to generate approximately \$20,000.

# Other Events

- The economic impact of other events held at the new facility would obviously depend upon the nature and frequency of these events and the degree to which these events draw visitors.
- Events such as concerts, a junior hockey team, etc., are possibilities but the reality is that most people attending such events would be county residents and hence there would be little incremental economic impacts.

# Total Visitor Impacts

- Summing up the estimated visitor spending from the events identified gives a total of \$300,000 per year.
- Table 2 shows the direct and multiplied impacts of this spending (the direct spending is allocated based on the proportions shown in the recent Middleton Minor Hockey study).

## Table 2 Total Multiplied Visitor Expenditure Impacts

	<b>\$2007</b>
Division A - Agricultural and related service industries	\$1,846
Division B - Fishing and trapping industries	\$70
Division C - Logging and forestry industries	\$479
Division D - Mining (including milling), quarrying and oil wells	\$147
Division E- Aggregate Manufacturing	\$6,264
Division F – Construction industries	\$1,683
Division G - Transportation and storage industries	\$3,283
Division H - Communication and other utility industries	\$6,863
Division I - Wholesale trade industries	\$29,554
Division J - Retail trade industries	\$51,967
Division KL - Finance, Insurance, Real Estate	\$19,210
Division M - Business service industries	\$3,618
Division O - Educational service industries	\$34
Division P - Health and social service industries	\$1,505
Division Q - Accommodation, food/beverage service industries	\$101,871
Division R - Other Services	\$3,780
Industry Sum	<b>\$232,174</b>
Household Income	<b>\$99,645</b>

# Total Multiplied Visitor Expenditure Impacts

- Total expenditures generated via visitors will be in excess of total \$200,000 per year.
- Income creation in the range of \$100,000.
- Accommodation, food and beverage industry spending will total approx \$100,000.
- Retail sales spending will total about \$50,000.
- (Keep in mind the figures above assume revenue from the GST and non-locally produced goods sold at the retail flow out of the county).