

**THE ECONOMIC IMPACT OF THE PROPOSED  
CROSSINGS BUSINESS PARK DEVELOPMENT**

To

**VILLAGE OF SUGAR GROVE**

From

**GRUEN GRUEN + ASSOCIATES**

*Urban Economists, Market Strategists & Land Use/Public Policy Analysts*

February 2019

C1519



**THE ECONOMIC IMPACT OF THE PROPOSED  
CROSSINGS BUSINESS PARK DEVELOPMENT**

To

**VILLAGE OF SUGAR GROVE**

From

**GRUEN GRUEN + ASSOCIATES**

*Urban Economists, Market Strategists & Land Use/Public Policy Analysts*

February 2019

C1519

**TABLE OF CONTENTS**

<u>Chapter</u>		<u>Page</u>
I	INTRODUCTION AND EXECUTIVE SUMMARY .....	1
	INTRODUCTION.....	1
	PROPOSED DEVELOPMENT PROGRAM .....	1
	ECONOMIC IMPACTS ON THE LOCAL (SUGAR GROVE) ECONOMY.....	2
	ECONOMIC IMPACTS ON THE KANE COUNTY ECONOMY .....	4
II	ECONOMIC IMPACT METHODOLOGY AND SOURCES OF DIRECT IMPACT....	6
	INTRODUCTION.....	6
	TYPES OF ECONOMIC IMPACTS ESTIMATED .....	6
	SOURCES OF DIRECT IMPACT .....	7
	SOURCES OF INDIRECT IMPACTS AND STUDY AREA.....	9
III	ECONOMIC IMPACTS ON VILLAGE OF SUGAR GROVE ECONOMY.....	10
	ONE-TIME CONSTRUCTION IMPACTS.....	11
	ON-GOING IMPACTS OF OCCUPANCY.....	12
IV	ECONOMIC IMPACTS ON KANE COUNTY ECONOMY .....	12
	ONE-TIME CONSTRUCTION IMPACTS.....	13
	ON-GOING IMPACTS OF OCCUPANCY.....	14

## LIST OF TABLES AND FIGURES

	<u>Page</u>
TABLE I-1: Annual One-Time and On-Going Economic Impacts of Business Park Development on the Sugar Grove Economy .....	2
FIGURE I-1: Total On-Going Employment Effects on Sugar Grove by Industry Sector .....	3
TABLE I-2: Annual One-Time and On-Going Economic Impacts of Business Park Development on the Kane County Economy .....	4
FIGURE I-2: Total On-Going Employment Effects on Kane County by Industry Sector .....	5
TABLE II-1: Estimate of Direct Hard Construction Expenditures .....	8
TABLE II-2: Direct Employment Estimates for Planned Industrial Uses .....	8
TABLE III-1: Average Annual Economic Impact of One-Time Construction on Sugar Grove Economy .....	11
TABLE III-2: Annual On-Going Economic Impact of Industrial Space Occupancy on Sugar Grove Economy .....	12
TABLE IV-1: Average Annual Economic Impact of One-Time Construction on Kane County Economy .....	13
TABLE IV-2: Annual On-Going Economic Impact of Industrial Space Occupancy on Kane County Economy .....	14

**CHAPTER I**

**INTRODUCTION AND EXECUTIVE SUMMARY**

**INTRODUCTION**

The Village of Sugar Grove engaged Gruen Gruen + Associates (“GG+A”) to estimate the economic impacts that may result from the development and occupancy of the proposed Crossings Business Park in Sugar Grove, Illinois. This report quantifies the economic impacts of the proposed project on the economies of two geographic areas: the Village of Sugar Grove (zip code 60554); and Kane County. Impacts are quantified from two sources including the “one-time” construction expenditures to develop the planned building space and the subsequent “on-going” operations after the building space is absorbed and occupied. Income and output impacts are presented in 2018 dollars.

**PROPOSED DEVELOPMENT PROGRAM**

The 470-acre Crossings Business Park development is currently proposed to include 18 large-scale industrial sites to accommodate buildings ranging from approximately 170,000 square feet up to 1,200,000 square feet in size. Nearly 7,900,000 square feet of modern industrial building space is planned for development. This economic impact analysis anticipates that the development of the park will occur over a nine-year period. The assumption about the schedule of development only matters for the estimate of temporary, one-time construction impacts. The estimated ongoing impacts are estimated at-build-out condition. The actual construction will likely deviate from the assumed nine-year period. The tenant mix is anticipated to primarily consist of large-scale warehouse/distribution users which are most commonly in economic sectors related to regional and national wholesale distribution, e-commerce, and freight trucking/third party logistics services.<sup>1</sup>

---

<sup>1</sup> Note the impact estimates summarized in this report may be somewhat conservative in that they assume no manufacturing activities will occupy buildings, which all else being equal, tend to pay higher wages and have greater indirect supply-chain effects on an economy.



**ECONOMIC IMPACTS ON THE LOCAL (SUGAR GROVE) ECONOMY**

Table I-1 summarizes the total economic impacts expected to result from the construction and occupancy of the planned business park on the local Sugar Grove economy.

<b>TABLE I-1: Annual One-Time and On-Going Economic Impacts of Business Park Development on the Sugar Grove Economy</b>		
		Annual Impact to Sugar Grove <sup>1</sup>
<i>One-Time Impacts of Construction</i>	Jobs	334
	Labor Income	\$23,013,000
	Output	\$48,687,000
<i>On-Going Impacts at Full Build-Out</i>	Jobs	7,851
	Labor Income	\$434,626,000
	Output	\$1,378,572,000
<sup>1</sup> Zip code area 60554.		
Sources: IMPLAN Group LLC; Gruen Gruen + Associates.		

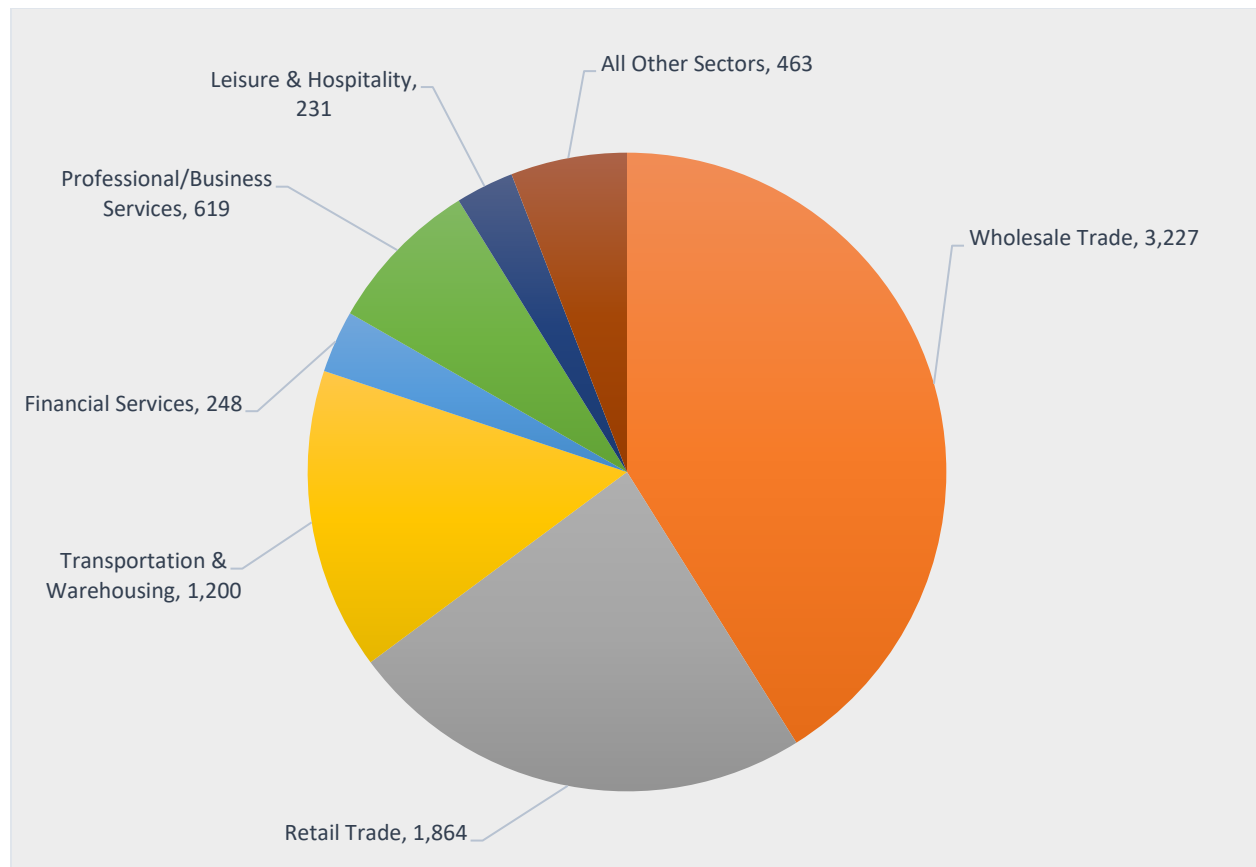
For the one-time construction impacts of the business park development, the total (direct and indirect) annual employment impact on the Sugar Grove economy is estimated at 334 jobs. This is full- and part-time jobs, not “full time equivalent” estimates. The total (direct and indirect) income impact on the Village is estimated at approximately \$23 million, or approximately \$69,000 per job. The total output impact – or the total volume of economic activity supported – is estimated at \$48.7 million.

For the on-going impacts at full build-out of the business park development, the total (direct and indirect) annual employment impact on the Sugar Grove economy is estimated at 7,851 jobs. Again, these are total full- and part-time jobs, not full-time equivalents. The total (direct and indirect) annual income impact on the Village is estimated at \$434.6 million, or approximately \$55,000 per job. The total annual output impact – or the total volume of economic activity supported – is estimated at \$1.4 billion. Total annual output represents the total volume of revenue the occupants of the approximately eight million square feet of industrial space are estimated to collectively produce at full build-out. To put this into perspective, the Kane County economy generates approximately \$24.4 billion of output annually.



As of 2016, IMPLAN estimates the Sugar Grove zip code had 4,332 total jobs<sup>2</sup> with total labor income of \$210 million. Full build-out of the business park would result in basically tripling the size of the local employment base and payroll. As shown on Figure I-1, on-going employment impacts upon build-out in Sugar Grove will be concentrated primarily in the wholesale trade, retail trade, and transportation and warehousing sectors. The successful development and occupancy of the planned business park would substantially transform the size and make up of the local Sugar Grove economy. While much of the impact would relate directly to the business park, other economic activities – such as those related to Leisure and Hospitality (e.g., hotels, restaurants), Professional and Business Services, and Financial Services – are likely to be indirectly supported by business park tenants.

**FIGURE I-1: Total On-Going Employment Effects on Sugar Grove by Industry Sector**



<sup>2</sup> Wage and salary employment (commonly referred to jobs covered by unemployment insurance) within the Village of Sugar Grove was estimated at 2,265 in 2017, according to the Illinois Department of Employment Security. The estimate of total employment from Implan is higher for two primary reasons: (1) the 60554 zip code area is slightly larger than the Village boundaries; and (2) the estimate includes all jobs located in the zip code, not just those covered by unemployment insurance. Thus, it includes public sector jobs, self-employed workers, as well as other non-wage and salary workers.



**ECONOMIC IMPACTS ON THE KANE COUNTY ECONOMY**

Table I-2 summarizes the total economic impacts expected to result from the construction and occupancy of the planned business park on the Kane County economy. The total impact on the county includes the impacts that will occur within Sugar Grove described previously in Table I-1 (i.e., the impacts are not additive). **The majority of impacts in Kane County will occur in Sugar Grove.**<sup>3</sup>

<b>TABLE I-2: Annual One-Time and On-Going Economic Impacts of Business Park Development on the Kane County Economy</b>		
		Annual Impact to Kane County
<i>One-Time Impacts of Construction</i>	Jobs	399
	Labor Income	\$25,958,000
	Output	\$57,647,000
<i>On-Going Impacts at Full Build-Out</i>	Jobs	9,527
	Labor Income	\$512,198,000
	Output	\$1,612,515,000
Sources: IMPLAN Group LLC; Gruen Gruen + Associates.		

For the one-time construction impacts of the business park development, the total (direct and indirect) annual employment impact on the Kane County economy is estimated at 399 jobs. This is full- and part-time jobs, not “full time equivalent” estimates. The total (direct and indirect) income impact on the County is estimated at nearly \$26 million, or approximately \$65,000 per job. The total output impact – or the total volume of economic activity supported – is estimated at \$57.6 million.

For the on-going impacts at full build-out of the business park development, the total (direct and indirect) annual employment impact on the Kane County economy is estimated at 9,527 full- and part-time jobs. The total (direct and indirect) annual income impact on the County is estimated at \$512.2 million, or approximately \$54,000 per job. The total annual output impact – or the total volume of economic activity supported – is estimated at \$1.6 billion.

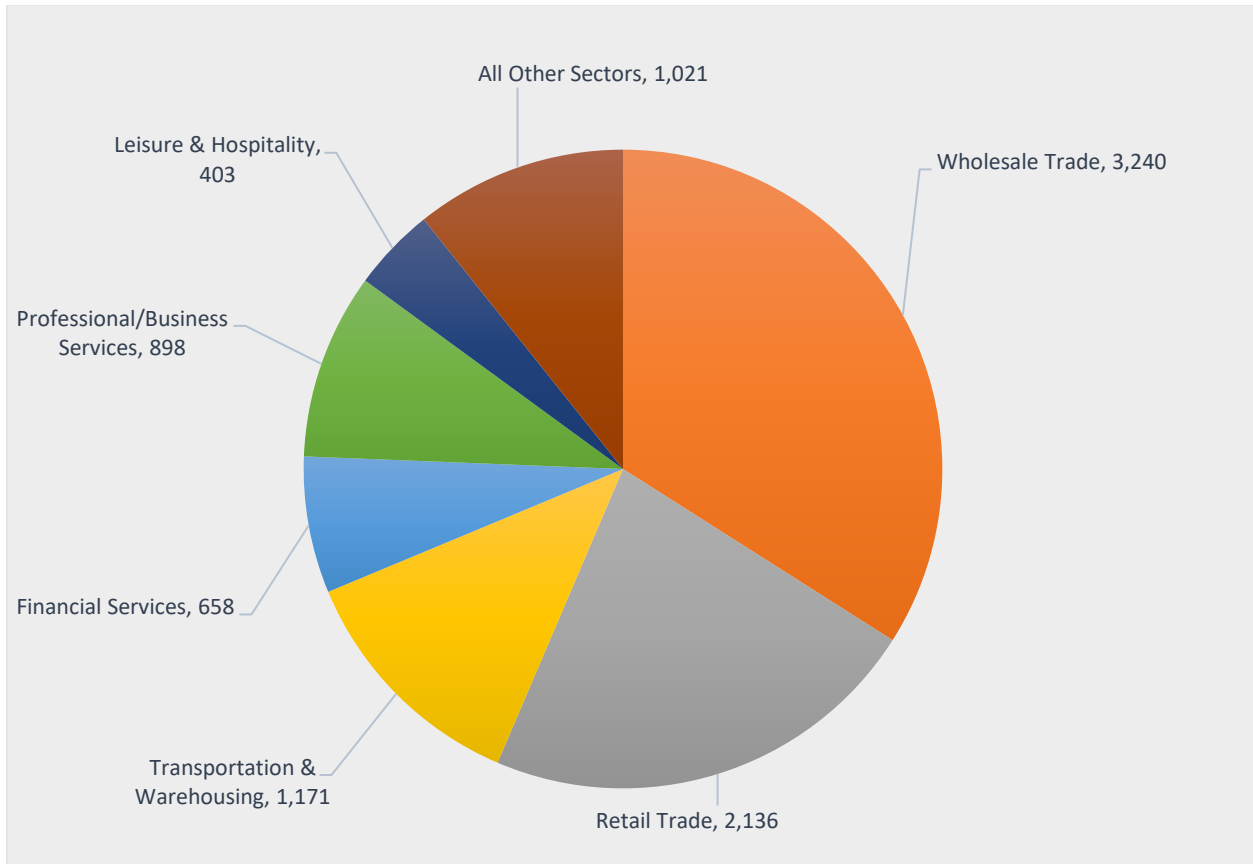
<sup>3</sup> For the on-going impacts at full build-out of the business park, Sugar Grove will capture 100 percent of the direct employment and approximately 56 percent of the indirect employment generated in Kane County. Overall, Sugar Grove will capture over 80 percent of the total job and income impacts in Kane County at full build-out of the business park.





As shown on Figure I-2, similar to the effects on Sugar Grove, the total on-going employment impact will occur primarily in wholesale trade, retail trade, and transportation and warehousing sectors.

**FIGURE I-2: Total On-Going Employment Effects on Kane County by Industry Sector**



## **CHAPTER II**

### **ECONOMIC IMPACT METHODOLOGY AND SOURCES OF DIRECT IMPACT**

#### **INTRODUCTION**

Economic impacts quantified in this report will result from two primary sources including:

- Expenditures for construction of the 7,900,000 square feet of industrial building space; and
- The on-going operations of industrial (warehouse/distribution) firms occupying the building space following construction.

The construction impact will last for the duration of the build-out process and may be considered as a “one-time” or limited duration impact. Development of the business park is assumed to occur over a nine-year period. The day-to-day or recurring operations of occupants of industrial building space within the park, following construction, will produce “on-going” economic impacts on the local Kane County economy.

#### **TYPES OF ECONOMIC IMPACTS ESTIMATED**

The construction of the business park and the occupancy of planned industrial building space will cause an economic impact beyond the direct expenditures and on-site operations. Secondary or “multiplier” effects result from increased production in the industries directly affected by construction expenditures and on-going operations. The direct and indirect economic impacts are presented in terms of:

1. employment added in terms of full- and part-time jobs;
2. labor income (employee compensation and proprietors’ income) associated with the added jobs; and
3. economic output (the value of all goods and services produced).

#### **Direct Economic Impacts**

Direct economic impacts are the number of jobs, income, and output produced in the directly affected industries by the construction activity and the day-to-day operations of businesses occupying industrial space within the business park. For the one-time construction, the direct impact is measured by the expenditures made locally on the construction process. The direct impact of on-going operations of future businesses is measured by the number of on-site (direct) jobs and the associated income and output. For example, sectors directly linked to the occupancy and operations of warehouse/distribution facilities are likely to be wholesale trade, transportation and warehousing, and e-commerce.



### **Indirect Economic Impacts**

Indirect impacts refer to the changes in the number of jobs, income, and output produced, based on the interdependencies among economic sectors. Businesses buy products and services from each other, creating indirect impacts on other businesses. In other words, a change in one industry or business “ripples” through other industries or businesses. In addition to these indirect or spillover effects, indirect impacts also include what is sometimes referred to as induced impacts, or the impacts of increased personal consumption that result from the creation of additional jobs and income.

The one-time construction expenditures and the on-going operations of future tenants will each generate different indirect impacts because of the specific interdependencies among industries within the differing economic sectors. For example, some of dollars spent to construct the industrial buildings (direct expenditures) may be utilized to purchase construction materials from a supplier, leading to an increase in economic activity of this supplier (indirect effect). A portion of the wages paid to the on-site construction workers (direct employment) and a portion of the wages paid to the suppliers (indirect employment) will be spent locally to purchase other goods and services (induced effect) in the local economy. Similarly, for example, a wholesale distributor will use some of its sales to pay wages to employees, who in turn will spend some of their wages in Sugar Grove and Kane County for the purchase of other goods and services. The process of re-circulation continues until the impacts diminish to zero.

### **SOURCES OF DIRECT IMPACT**

#### **Sources of Direct One-Time Construction Impacts**

The estimated direct impact attributable to the construction of the business park is drawn from hard construction cost data provided by Crown Community Development and its brokerage representatives. Estimates provided by the developer for a prototypical building are consistent with cost data GG+A has recently obtained for other large-scale warehouse/distribution facility developments in suburban Chicagoland. Table II-1 summarizes a hard construction cost estimate (in current dollars) presented by size of building for the planned industrial building space. Potential “soft” cost expenditures are not included as many of these costs (e.g., legal fees, design fees) are unlikely to occur directly within Sugar Grove or Kane County.



**TABLE II-1: Estimate of Direct Hard Construction Expenditures**

Building Size	Less than 400,000 Square Feet	400,000 to 600,000 Square Feet	Greater than 600,000 Square Feet	<b>Total</b>
Number of Planned Buildings	8	6	4	<b>18</b>
Total Planned Industrial Building Space in Square Feet	1,675,125	2,863,300	3,342,700	<b>7,881,125</b>
Average Hard Construction Cost Per Square Foot <sup>1</sup>	\$55.00	\$45.00	\$40.00	<b>\$45.00</b>
Total Hard Construction Cost Expenditure	\$92,131,875	\$128,848,500	\$133,708,000	<b>\$354,688,375</b>
<sup>1</sup> Includes sitework and office space tenant improvement costs.				
Sources: Crown Community Development; Newmark Knight Frank; Gruen Gruen + Associates.				

Total hard construction cost expenditure is estimated to total \$354.7 million. The average annual hard cost expenditure over nine-year build-out equates to \$39,410,000.

**Sources of Direct On-Going Impacts**

Table II-2 summarizes the estimate of direct on-site employment of the proposed business park development at full build-out.

**TABLE II-2: Direct Employment Estimates for Planned Industrial Uses**

	Transportation/ Logistics	Wholesale Distributors	E-Commerce	Total
Percent of Occupied Building Space at Full Build-Out	33.3%	33.3%	33.3%	100%
Total Occupied Building Space in Square Feet	2,627,042	2,627,042	2,627,042	7,881,125
Average Employment Density in Square Feet Per Worker	3,000	2,000	750	1,384
<b>Estimate of Direct Employment at Full Build-Out</b>	<b>876</b>	<b>1,314</b>	<b>3,503</b>	<b>5,693</b>
Source: Gruen Gruen + Associates				

At full build-out of the business park development, direct employment is estimated at nearly 5,700 jobs. While many of the buildings will be designed with similar features to accommodate industrial tenants/users focused on warehousing and distribution operations, the estimate of direct on-site employment assumes that tenants of the park are evenly distributed across three distinct industry sectors: (1) transportation/logistics (e.g. freight trucking companies); (2) wholesale distributors; and (3) e-commerce distribution operations (e.g. fulfillment centers). The average employment densities,



ranging from a high of 3,000 square feet per worker to a low of 750 square feet per worker, are drawn from our review of tenanting patterns for similar buildings in suburban Chicagoland as well as input provided by Crown Community Development's brokerage firm.

E-commerce users tend to employ larger numbers of workers than traditional distribution or logistics operations do. Based on information obtained from the Village of Romeoville, the 750,000-square-foot Amazon fulfillment center in Romeoville, for example, employs 1,622 workers, or about 460 square feet for each worker. Based on information obtained from the Village of Bolingbrook, the online consignment retailer Swap.com operates a 360,000-square-foot distribution facility in Bolingbrook that employs 270 workers, or about 1,300 square feet of space per worker.

In contrast, several large third-party logistics and freight trucking companies located in the South I-55 Corridor such as Mondelez/Ryder, NFI Industries, and ALG Direct (respectively located in Minooka, Channahon, and Romeoville) collectively occupy more than 2,000,000 square feet of industrial space but employ a total of only 507 workers (according to information from the respective villages). This equates to about 3,900 square feet of building space per worker.

Regional and national distributors of wholesale goods tend to require more labor than a logistics/freight trucking user, but less than an e-commerce fulfillment center. Several examples according to information from the communities in which the businesses are located of large-scale distributors operating in the southern/western suburbs with employment densities between 1,500 and 2,500 square feet of building space per worker include W.W. Grainger (Minooka), LTD Commodities (Aurora), KeHE Foods (Romeoville), Animal Supply Company (Bartlett), and Electrolux (Minooka).

### **SOURCES OF INDIRECT IMPACTS AND STUDY AREA**

Indirect impacts are often referred to as “multiplier effects.” To estimate the indirect or multiplier impacts, we used IMPLAN Professional® (“IMPLAN”), a widely used input-output modeling software for impact analysis. Input-output model analysis is used to quantify interactions between or trace the linkages of inter-industry purchases and sales within a given geographic area such as a county or region. In this study, we use IMPLAN to quantify the indirect impacts due to the changes in local economic activity that will occur from initial development and subsequent occupancy of the planned industrial space. Two regions of study are used, including Sugar Grove (zip code 60554) and Kane County.

It is important to note that the “multiplier” effects quantified and presented in this report represent spin-off activity generated by two distinct events:

1. As local industries purchase goods and services from other local industries (“indirect effects”); and
2. As additional income paid to the employees of the directly and indirectly affected industries is spent on personal consumption, or re-circulated, within the local economy (“induced effects”).

The magnitude of the multiplier effects, accordingly, depend upon the level of inter-dependency between industries of the local economy and the extent to which income generated through the



increased levels of economic activity leaks out of the local economy. More diverse and geographically large economic regions – all else being equal – will typically experience greater multipliers.



CHAPTER III

ECONOMIC IMPACTS ON VILLAGE OF SUGAR GROVE ECONOMY

ONE-TIME CONSTRUCTION IMPACTS

Table III-1 shows the estimated average annual economic impacts attributable to the construction of the proposed business park on the local Sugar Grove economy in terms of: (1) employment; (2) income; and (3) economic output. The income and output impacts are presented in 2018 dollars.

<b>TABLE III-1: Average Annual Economic Impact of One-Time Construction on Sugar Grove Economy</b>			
	Employment <sup>1</sup>	Income <sup>2</sup>	Output <sup>3</sup>
Direct Effects	276.9	\$20,240,216	\$39,409,823
Indirect Effects	22.2	\$1,467,032	\$4,200,404
Induced Effects	34.6	\$1,306,088	\$5,076,761
Total Effects	333.6	\$23,013,337	\$48,686,988
<i>Multiplier</i>	<i>1.20</i>	<i>1.14</i>	<i>1.24</i>
<sup>1</sup> Total additional full- and part-time jobs created.			
<sup>2</sup> Total labor income associated with additional jobs.			
<sup>3</sup> Total volume of added economic activity.			
Sources: IMPLAN Group LLC; Gruen Gruen + Associates.			

Over nine years the employment impacts imply a total of 3,002 job-years (one job for a period of one year) will be supported by the construction activity.

The total direct and indirect employment impact of construction of the proposed business park on the Sugar Grove economy is estimated at 334 jobs. The total direct and indirect income impact on the Village is estimated at \$23 million, or approximately \$69,000 per job. The total output impact – or the total volume of economic activity supported – is estimated at \$48.7 million.

Annual average construction expenditures directly support 277 jobs within Sugar Grove. These expenditures directly generate \$20.2 million of additional annual income within the Village, or approximately \$73,000 of income per job. Total annual direct output associated with the construction activity is estimated at \$39.4 million.

Indirectly, construction spending supports an additional 57 jobs within Sugar Grove and \$2.8 million of income. The employment and income multipliers are 1.20 and 1.14 respectively, indicating that for every 10 directly-supported jobs, an additional 2.0 jobs are supported indirectly within Sugar Grove; and for every \$10 in direct income, an additional \$1.40 is created indirectly.



**ON-GOING IMPACTS OF OCCUPANCY**

Table III-2 shows the estimated annual on-going direct and indirect economic impacts attributable to the full occupancy of 7.9 million square feet of industrial space on the local Sugar Grove economy.

<b>TABLE III-2: Annual On-Going Economic Impact of Industrial Space Occupancy on Sugar Grove Economy</b>			
	Employment <sup>1</sup>	Income <sup>2</sup>	Output <sup>3</sup>
Direct Effects	5,693.0	\$333,520,784	\$1,081,286,399
Indirect Effects	1,505.3	\$76,422,781	\$201,321,563
Induced Effects	653.2	\$24,682,357	\$95,963,690
Total Effects	7,851.4	\$434,625,921	\$1,378,571,653
<i>Multiplier</i>	<i>1.38</i>	<i>1.30</i>	<i>1.27</i>
<sup>1</sup> Total additional full- and part-time jobs created.			
<sup>2</sup> Total labor income associated with additional jobs.			
<sup>3</sup> Total volume of added economic activity.			
Sources: IMPLAN Group LLC; Gruen Gruen + Associates.			

The total direct and indirect employment impact of full occupancy at build-out of the proposed business park on the Sugar Grove economy is estimated at 7,851 jobs. The total direct and indirect income impact on the Village is estimated at \$434.6 million, or approximately \$55,000 per job. The total output impact – or the total volume of economic activity supported – is estimated at nearly \$1.4 billion.

Occupancy at full build-out directly support 5,693 jobs within Sugar Grove. The direct employment generates \$333.5 million of additional annual income within the Village, or approximately \$58,000 of income per job. Total annual direct output associated with the construction activity is estimated at \$1.1 billion.

Indirectly, occupancy at full build-out supports an additional 2,159 jobs within Sugar Grove and \$101.1 million of income. The employment and income multipliers are 1.38 and 1.30 respectively, indicating that for every 10 directly-supported jobs, an additional 3.8 jobs are supported indirectly within Sugar Grove; and for every \$10 in direct income, an additional \$3.00 is created indirectly.





CHAPTER IV

ECONOMIC IMPACTS ON KANE COUNTY ECONOMY

ONE-TIME CONSTRUCTION IMPACTS

Table IV-1 shows the estimated average annual economic impacts attributable to the construction of the proposed business park on the Kane County economy in terms of: (1) employment; (2) income; and (3) economic output. The income and output impacts are presented in 2018 dollars.

<b>TABLE IV-1: Average Annual Economic Impact of One-Time Construction on Kane County Economy</b>			
	Employment <sup>1</sup>	Income <sup>2</sup>	Output <sup>3</sup>
Direct Effects	276.9	\$20,240,215	\$39,409,821
Indirect Effects	24.0	\$1,534,162	\$4,551,294
Induced Effects	98.2	\$4,183,563	\$13,685,675
Total Effects	399.1	\$25,957,941	\$57,646,790
<i>Multiplier</i>	<i>1.44</i>	<i>1.28</i>	<i>1.46</i>
<sup>1</sup> Total additional full- and part-time jobs created.			
<sup>2</sup> Total labor income associated with additional jobs.			
<sup>3</sup> Total volume of added economic activity.			
Sources: IMPLAN Group LLC; Gruen Gruen + Associates.			

Over the assumed nine year construction period the employment impacts imply a total of 3,592 job-years (one job for a period of one year) will be supported by the construction activity.

The total direct and indirect employment impact of construction of the proposed business park on the Kane County economy is estimated at 399 jobs. The total direct and indirect income impact on the County is estimated at \$26 million, or approximately \$65,000 per job. The total output impact – or the total volume of economic activity supported – is estimated at \$57.6 million.

Annual average construction expenditures directly support 277 jobs within Kane County. These expenditures directly generate \$20.2 million of additional annual income within the County, or approximately \$73,000 of income per job. Total annual direct output associated with the construction activity is estimated at \$39.4 million.

Indirectly, construction spending supports an additional 122 jobs within Kane County and \$5.7 million of income. The employment and income multipliers are 1.44 and 1.28 respectively, indicating that for every 10 directly-supported jobs, an additional 4.4 jobs are supported indirectly within the County; and for every \$10 in direct income, an additional \$2.80 is created indirectly.



**ON-GOING IMPACTS OF OCCUPANCY**

Table IV-2 shows the estimated annual on-going direct and indirect economic impacts attributable to the full occupancy of the planned industrial space on the Kane County economy.

<b>TABLE IV-2: Annual On-Going Economic Impact of Industrial Space Occupancy on Kane County Economy</b>			
	Employment <sup>1</sup>	Income <sup>2</sup>	Output <sup>3</sup>
Direct Effects	5,693.0	\$333,520,784	\$1,081,286,415
Indirect Effects	1,899.0	\$96,276,556	\$271,645,094
Induced Effects	1,934.9	\$82,401,033	\$269,583,663
Total Effects	9,526.9	\$512,198,374	\$1,622,515,172
<i>Multiplier</i>	<i>1.67</i>	<i>1.54</i>	<i>1.50</i>
<sup>1</sup> Total additional full- and part-time jobs created.			
<sup>2</sup> Total labor income associated with additional jobs.			
<sup>3</sup> Total volume of added economic activity.			
Sources: IMPLAN Group LLC; Gruen Gruen + Associates.			

The total direct and indirect employment impact of full occupancy at build-out of the proposed business park on the Kane County economy is estimated at 9,527 jobs. The total direct and indirect income impact on the County is estimated at \$512.2 million, or approximately \$54,000 per job. The total output impact – or the total volume of economic activity supported – is estimated at nearly \$1.6 billion.

Occupancy at full build-out directly support 5,693 jobs within Kane County. The direct employment generates \$333.5 million of additional annual income within the County, or approximately \$58,000 of income per job. Total annual direct output associated with the construction activity is estimated at \$1.1 billion.

Indirectly, occupancy at full build-out supports an additional 3,834 jobs within Kane County and \$178.7 million of income. The employment and income multipliers are 1.67 and 1.54 respectively, indicating that for every 10 directly-supported jobs, an additional 6.7 jobs are supported indirectly within Kane County; and for every \$10 in direct income, an additional \$5.40 is created indirectly.



Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

San Francisco:  
(415) 433-7598

Denver:  
(720) 583-2056

Deerfield:  
(847) 317-0634

[www.ggassoc.com](http://www.ggassoc.com)

APPLYING KNOWLEDGE, CREATING RESULTS, ADDING VALUE