



Regional Economic Models, Inc.

**Economic Impact of
Shopping Center Development**

Final Report

Prepared for
International Council of Shopping Centers

By
REMI Consulting, Inc.

Using
REMI Policy Insight®
Three-Region EDFS-23 Model

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1. Executive Summary

1-1 Introduction

The International Council of Shopping Centers (ICSC) retained Regional Economic Models, Inc. (REMI) to perform an economic assessment of shopping center developments in three regional economies within the United States. A shopping center, as defined by ICSC, is ‘a group of retail and other commercial establishments that is planned, developed, owned and managed as a single property, with on-site parking provided. The center’s size and orientation are generally determined by the market characteristics of the trade area served by the center. The three main physical configurations of shopping centers are malls, open-air centers, and hybrid centers.’¹ The focus of the study is on analyzing the economic benefits of new shopping center development. ICSC supplied REMI with specific details for three economic regions (Metropolitan Statistical Area (MSA), City Area, Suburb Area)², and 4 types of shopping centers (Regional Mall, Power Center, Lifestyle Center, and Community Center). Expenditures on construction and equipment during the construction phase, and employment during the operational phase, differed by economic region and type of shopping center³.

ICSC asked REMI to model the total economic impact associated with various levels of site investment and operational employment. To quantify the net economic impact (direct + indirect + induced) of such developments, REMI modeled the following direct effects:

- Sales increases to in-region construction firms.
- Sales increases to in-region equipment manufacturing firms.
- Operational employment increases for in-region retail, management, and administrative services.

REMI examined the above scenarios using a 23-industry sector, three-region model. While using this model, REMI developed an underlying baseline forecast and twenty-four (24) alternative forecasts. Alternative forecasts modeled by REMI capture the total net effects of shopping center construction, equipment procurement, and operational employment. Alternative forecasts were prepared independent of one another.

Since demands for goods do vary across regional economies, and the supply chain from end consumer back through intermediary suppliers may be looser or tighter in one market and/or region,

¹ Source: ICSC. ICSC Shopping Center Definitions. Basic Configurations and Types for the United States.

² For this study a “MSA” would be a major city like San Francisco, St. Louis, Chicago, Philadelphia, etc. Examples of a “city” area would be Tucson, Fresno, Wichita, Austin, etc. Examples of a “suburban area” would be Lowell, MA, Novi, MI, Santa Cruz, CA, Daytona Beach, FL, etc.

³ The Median Center Size was taken from a sample of centers from the Directory of Major Mall Database. We sampled 90 centers from each category with 30 from each geographic region. For example, we took 30 power centers in different MSAs, 30 power centers from different city areas, and 30 power centers from suburban areas. This median center sizes were used consistently for all total employment and sales calculations.

it is the purpose of this study to provide a range of outcomes in a variety of economic regions and market places given an expansion of shopping centers. By analyzing these developments with different underlying assumptions for the regional marketplace, REMI established a realistic range of potential outcomes. When reading this report one should keep in mind that the data contained within should not replace project specific analysis results, as our efforts focused on providing a benchmark range, and additional efforts are needed to provide specific results.

For this analysis, ICSC provided REMI with projections of total shopping-center-site development costs and employment.

1–2 Background

Shopping centers play a crucial role in a regional economy as they provide high visibility for commercial exchanges and sustain a number of jobs directly and indirectly in regional economies. In facilitating the transaction between consumer demands and industry production, the shopping center is a cornerstone of the modern service and goods-focused United States economy. In this study we have fleshed out several scenario developments focusing on the ensuing economic impacts associated with four (4) types of shopping centers. Definitions for the four types of shopping centers are contained below, with details supplied in the appendix.⁴

Regional Mall: This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attraction is the combination of anchors, which may be traditional, mass merchant, discount, or fashion department stores, with numerous fashion oriented specialty stores. A typical regional center is usually enclosed with an inward orientation of the stores connected by a common walkway. Parking surrounds the outside perimeter.

Power Center: A center dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or "category killers," i.e., stores that offer a vast selection in related merchandise categories at very competitive retail prices. The center typically consists of several anchors, some of which may be freestanding (unconnected) and only a minimum amount of small specialty tenants.

Lifestyle Center: Most often located near affluent residential neighborhoods, this center type caters to the retail needs and "lifestyle" pursuits of consumers in its trading area. It has an open-air configuration and typically includes at least 50,000 square feet of retail space occupied by upscale national chain specialty stores. Other elements differentiate the lifestyle center in its role as a multi-purpose leisure-time destination, including restaurants, entertainment, and design ambience and amenities such as fountains and street furniture that are conducive to casual browsing. These centers may be anchored by one or more conventional or fashion specialty department stores.

Community Center: A community center typically offers a wider range of apparel and other soft goods than the neighborhood center. Among the more common anchors are supermarkets, super drugstores, and discount department stores. Community center tenants sometimes contain value-

oriented big-box category-dominant retailers selling such items as apparel, home improvement/ furnishings, toys, electronics or sporting goods. The center is usually configured in a straight line as a strip, or may be laid out in an L or U shape, depending on the site and design. Of the eight center types, community centers encompass the widest range of formats. For example, certain centers that are anchored by a large discount department store often have a discount focus. Others with a high percentage of square footage allocated to off-price retailers can be termed off price centers.

1–3 Approach

Our analysis approaches the development of shopping centers and their operations in a systematic manner. The first phase of impact is seen in the construction and equipping of a new shopping center. The second phase is the operational employment at the center. Both phases are modeled as direct positive stimulants that help grow and develop the regional economy. The total net impact of the operational employment is modeled under two different assumptions.

For one set of scenario runs, the new shopping center's operational employment is assumed to partially displace ongoing operations (e.g. sales) of existing retail establishments. This effect is an outcome witnessed by both experts and the commonplace observer and is a reminder of market saturation. In a typical closed-border competitive marketplace, there are a limited number of suppliers and a limited number of buyers. This environment ensures 100% displacement, which is a very extreme assumption. It is our intention not to make a perfect 1:1 substitution case, but to allow the market place environment of the regional economy to determine how much substitution occurs for a given shopping center expansion.

What distinguishes the REMI model scenario run setting from an extreme closed border zero-sum marketplace setting are regional trade flows. Within our regional models, trade is not absolutely confined to a certain regional economy, enabling buyers to freely move and consume goods from the local market and from out-of-region markets. Given this background, the scenarios ran under this market setting are representative of highly competitive and open environments. Of the 24 scenarios that we ran, half (12) are modeled using equations that allow for a partial displacement of current shopping center activity in light of new development.

For the remaining 12 scenarios a second analysis approach was taken for a complimentary group of scenario runs wherein new shopping center development is seen as non-displacing and a net new generator of revenue. Often this is true when a center develops a set of stores that attract new business to the region (increasing exports), substitute for local shopping trips which once used to occur outside of the region (what is known as 'recapturing lost market shares' or, as defined by economists, to be a type of import substitution), or, since we now live in an era of digital shopping, when a store 'recaptures' Internet sales (another form of import substitution).

This setting provides for optimistically high scenario results in a crowded marketplace. Then again, if you are developing in a fast growing or underexposed area or if you are bringing in new store types that generate new patronage to your shopping center this setting is very reasonable. As you can see there are a lot of variables at play and the results contained in the following sections are

meant to reinforce the idea that net results can vary given different marketplace environments. Table 1 provides a recap of scenario settings used and their defining aspects.

In all scenario runs, construction and equipment procurement for the various types of shopping centers are assumed to occur without market displacement.

Table 1. Shopping Center Operations–Scenario Settings Description (Extreme Cases)

Scenario Setting Type – Full Displacement	Scenario Setting Type- No Displacement
<i>Characteristics</i>	<i>Characteristics</i>
<ul style="list-style-type: none"> • Primary effect on the local market 	<ul style="list-style-type: none"> • Attracts out-of -region patrons
<ul style="list-style-type: none"> • Goods are sold to meet local demands first 	<ul style="list-style-type: none"> • Goods and services are treated as non competitive exports
<ul style="list-style-type: none"> • Fully replaces existing retail activity 	<ul style="list-style-type: none"> • Fully supplements regional demand
	<ul style="list-style-type: none"> • Captures market shares

By providing a range of outcomes, the analysis is more sound and informative.

The three economic regions that ICSC designated as the areas of study are regionally distinct, essentially making them one of a kind. Listed below are factors that make the areas distinct from each other as well as from other areas in the United States and abroad.

- Regional Purchase Coefficient (ratio of local demand that is self supplied in region), by industry type
- Trade shares, measured by imports and exports, to contiguous and non-contiguous areas
- Absolute Size
- Industry Composition
- Wage Rates
- Labor Productivity
- Participation Rates
- Relative Employment Opportunities

Economies of different size and composition experience various levels of growth throughout the period of analysis, due to these region-distinct characteristics. Strong growth in employment, largely in the construction, manufacturing, and service sectors, results from site investment and direct employment at the various shopping centers. Job seekers that find work in these industries are compensated at the regional average wage rates and are the largest contributors to the increase in Real Disposable Income (the increase in Real Disposable Income directly affects the increase in consumption). Please see section 2 for a detailed description of the results.

2. Methods & Assumptions

2-1 Assumptions

For this project, REMI examined the economic effects of shopping-center-site development and operations. We used a set of assumptions in our modeling efforts. The details about the developments in the MSA Area, City Area, and Suburb Area are averages taken from a sample, as described in the executive summary. The assumptions we applied are working assumptions and the ensuing results should be taken as a representative range of likely outcomes. We recommend using all available data when assessing project-specific development. Factors such as cost- and employment-per-square-foot estimates will result in different outcomes.

REMI-modeled simulations using several combinations of the following assumptions:

1. The capital investments begin and end in a single year (Year 1)
2. 100% of construction demand will be supplied from the local region without market displacement effects.
3. Construction Costs are \$75/sq ft in the MSA Area, and 10% less in City and Suburb Areas
4. 50% of equipment demand will be supplied from the local region without market displacement effects.
5. Developer Equipment Costs are \$18/sq ft
6. Retailer Equipment Costs are \$30/sq ft
7. Operational employment demand will remain constant throughout the simulation horizon.
8. Wage rates are regional averages.
9. In twelve (12) simulations, REMI assumed that operational employment will *not* have in-region displacement.
10. In twelve (12) other simulations, REMI assumed that operational employment will have in-region displacement.

2-2 Simulation Inputs

The 24 scenarios that REMI modeled can be split into two distinct sets of twelve.

- The second set assessed the economic impact of shopping-center operations *without* in-region market displacement.
- The third set assessed the economic impact of shopping-center operations *with* in-region market displacement.

All scenarios were modeled as separate cases. Combined runs were not performed.

In all datasets that REMI analyzed the construction and equipment procurement cost associated with developing a Regional Mall, a Power Center, a Lifestyle Center, and a Community Center in the three economic regions are based on a square footage estimate supplied to REMI by ICSC. The

Industry Sales variable contained within REMI Policy Insight was applied to simulate increases in Construction and Manufacturing output. For Simulation Inputs, please see Table 2.1.

For all 24 sets of data that REMI analyzed pertaining to shopping-center operation-employment needs are also based on a square-footage estimate supplied to REMI by ICSC. The employees of these shopping centers typically fall into four categories; Retail, Management, Security, and Maintenance. ICSC provided employee-specific inputs by region and shopping-center type, translated into REMI Policy Insight inputs by REMI, as documented in the Appendix. For Simulation Inputs please see Table 2-2.

Industry Sales/Employment

REMI modeled significant increases in sales and employment in the construction, manufacturing, and retail-trade sectors through the industry-sales and employment variables, respectively. Constructing and equipping the various shopping centers is modeled as a completed process in a single year. Operational employment is modeled as a constant change above control forecast for a 24-year period. The combination of the two provides a 25-year forecast horizon.

REMI Policy Insight is a complex economic forecasting tool that allows the user to enter situation-specific variable changes. The application of the Industry Sales and Industry Employment variables allows for changes in production of goods and services without local cannibalistic displacement effects. The decision to model without local competition for labor and market shares in the three regions was made based upon the assumption stated above, with a belief that latent demand for shopping opportunities exist, and the developments are satisfying market gaps.

Firm Employment

To provide a point of comparison, REMI modeled the same inputs for shopping-center operational employment by region and type using the firm employment variable. As in the Industry Employment scenarios, the change was entered as a constant change above baseline for a 24-year period. The application of the Firm Employment variable allows for changes in the production of goods and services with in-region cannibalistic displacement effects. The policy variable for firm employment is often used as an alternative to introducing additional dollars of output. The model contains regional labor productivity that converts between output increases and need for labor to produce such output. The decision to model with local competition for labor and market shares in the three regions was made based upon the need to provide a range of potential outcomes for the various operational estimates and regions, since no two economies are the same.

Table 2-1: Construction and Equipment

Regional Mall

	Median Center Size	Construction Per sq ft (\$)	Developer Equip Per sq ft (\$)	Retailer Equip Per sq ft	Total Construction	Developer Equip. Total	Retailer Equip Total	Total Equipment
MSA	920,000	\$75.00	\$18.00	\$30.00	\$69,000,000	\$16,560,000	\$27,600,000	\$44,160,000
City	945,000	\$67.50	\$18.00	\$30.00	\$63,787,500	\$17,010,000	\$28,350,000	\$45,360,000
Suburb	751,000	\$67.50	\$18.00	\$30.00	\$50,692,500	\$13,518,000	\$22,530,000	\$36,048,000

Power Center

	Median Center Size	Construction Per sq ft (\$)	Developer Equip Per sq ft (\$)	Retailer Equip Per sq ft	Total Construction	Developer Equip. Total	Retailer Equip Total	Total Equipment
MSA	410,000	\$75.00	\$18.00	\$30.00	\$30,750,000	\$7,380,000	\$12,300,000	\$19,680,000
City	355,000	\$67.50	\$18.00	\$30.00	\$23,962,500	\$6,390,000	\$10,650,000	\$17,040,000
Suburb	410,000	\$67.50	\$18.00	\$30.00	\$27,675,000	\$7,380,000	\$12,300,000	\$19,680,000

Lifestyle Center

	Median Center Size	Construction Per sq ft (\$)	Developer Equip Per sq ft (\$)	Retailer Equip Per sq ft	Total Construction	Developer Equip. Total	Retailer Equip Total	Total Equipment
MSA	275,000	\$75.00	\$18.00	\$30.00	\$20,625,000	\$4,950,000	\$8,250,000	\$13,200,000
City	380,000	\$67.50	\$18.00	\$30.00	\$25,650,000	\$6,840,000	\$11,400,000	\$18,240,000
Suburb	420,000	\$67.50	\$18.00	\$30.00	\$28,350,000	\$7,560,000	\$12,600,000	\$20,160,000

Community Center

	Median Center Size	Construction Per sq ft (\$)	Developer Equip Per sq ft (\$)	Retailer Equip Per sq ft	Total Construction	Developer Equip. Total	Retailer Equip Total	Total Equipment
MSA	285,000	\$75.00	\$18.00	\$30.00	\$21,375,000	\$5,130,000	\$8,550,000	\$13,680,000
City	330,000	\$67.50	\$18.00	\$30.00	\$22,275,000	\$5,940,000	\$9,900,000	\$15,840,000
Suburb	300,000	\$67.50	\$18.00	\$30.00	\$20,250,000	\$5,400,000	\$9,000,000	\$14,400,000

Assumptions from Construction Experts:

- Construction Costs \$75 per sq ft (MSA)
- Developer Equipment Costs \$18 per sq ft
- Retailer Equipment Costs \$30 per sq ft
- Construction Costs in Small City or Suburb are 10% cheaper than MSA
Therefore, City and Suburb Construction Costs are \$67.50 per sq ft
- About 50% of equipment purchases are made locally; about 100% of construction labor is local.
- The Median Sizes were determined from taking samples of 30+ centers from each geographic division, as described in operational data.

Table 2-2: Operations Employment

Regional Mall																											
MSA		YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	YR 11	YR 12	YR 13	YR 14	YR 15	YR 16	YR 17	YR 18	YR 19	YR 20	YR 21	YR 22	YR 23	YR 24	YR 25	
Retail Trade	Units	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Mngmt of Co, Enter	Units	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Admin, Waste																											
Services	Units	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
City Area																											
Retail Trade	Units	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908	1908
Mngmt of Co, Enter	Units	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Admin, Waste																											
Services	Units	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
Suburb Area																											
Retail Trade	Units	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873	873
Mngmt of Co, Enter	Units	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Admin, Waste																											
Services	Units	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28
Power Center																											
MSA		YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	YR 11	YR 12	YR 13	YR 14	YR 15	YR 16	YR 17	YR 18	YR 19	YR 20	YR 21	YR 22	YR 23	YR 24	YR 25	
Retail Trade	Units	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263
Mngmt of Co, Enter	Units	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Admin, Waste																											
Services	Units	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
City Area																											
Retail Trade	Units	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230
Mngmt of Co, Enter	Units	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Admin, Waste																											
Services	Units	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Suburb Area																											
Retail Trade	Units	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265
Mngmt of Co, Enter	Units	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Admin, Waste																											
Services	Units	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5

3. Results

3-1 Economic Results Definitions

As shown in the following Results tables, a range of results occur across the various shopping center types associated with the levels of investment, operational employment, region of focus, and market type scenario. All sectors of the economy will experience strong growth during the 25-year forecast horizon. The regions experience strong growth in employment, largely in the retail trade, services, construction, and manufacturing sectors, resulting from the direct capital investments and employment increases by developers and operators. The direct employment stimulus leads to additional job creation through induced and indirect effects.

Induced impacts: As more jobs are created (some at a high wage rate), personal income levels within the area will increase. This leads to an increase in consumption within the area, resulting in a rise in demand for sectors related to household expenditures.

Indirect effects: The regular operations of the shopping centers will require goods and services provided by local businesses. This increase in demand has an iterative effect on the local economy – as local firms enjoy higher revenues, they in turn demand more from their intermediary suppliers. These indirect effects are captured in our model using an input-output methodology with adjustments for local purchase preferences.

Output

The Output of an economy is the amount of production in dollars, including all intermediate goods purchased as well as value-added (labor, capital, and fuel investments and profit). We can also think of output as sales for both final goods and intermediate goods. Output is dependent upon consumption in the area, state government spending, investment, and exports of the industries in the region.

Gross Regional Product

Gross Regional Product (GRP) as a value added concept is analogous to the national concept of Gross Domestic Product. It is equal to Output, excluding intermediate inputs. The value-added concept is equal to compensation and profits.

Employment

The Employment variable in REMI Policy Insight uses historical data from the Bureau of Economic Analysis (BEA) and is based upon place of work, including part-time and full-time employees. The employment figures projected below are the difference from baseline and should not be cumulated.

Population

Population is a key variable in REMI Policy Insight that affects the potential labor force, government spending, consumption, and housing prices. Changes in population are due to migration changes into

and out of the region. All changes in population are cumulative. Each year's population is expressed as the difference from the baseline, but includes the previous year.

Real Disposable Personal Income

Real Disposable Personal Income (RDPI) is the inflation-adjusted income that is available for consumers to spend. It is personal income minus taxes and social contributions plus dividends, rents, and transfer payments. The numbers of employees in the area, their wage rate, and the consumer prices all affect RDPI. An increase in employment or wages or a decrease in consumer prices increases a region's RDPI. Consequently, the opposite decreases RDPI. The increase in RDPI is an indirect effect from the new jobs in the regions. The summation of new wages, minus taxes, earned by workers equals the increase in RDPI.

Capital Stock

Demand for capital is driven by the optimal capital stock equation for industries and for housing. Capital stock is a running tally of investments made over a time series. Essentially it is an accounting measure similar to a savings account in which deposits are made over time and the total value is tallied in a cumulative form.

The optimal level of capital is determined for non-residential structures and equipment for each industry. The regional optimal capital stock is based on the industry size measured in capital-weighted employment terms, the cost of capital relative to labor, and a measure of the optimal capital stock on the national level. The national optimal capital stock is based on the investment in the nation, the actual capital stock, the speed of adjustment and the depreciation rate.

The optimal level of capital for residential housing is determined by the real disposable income in the region relative to the nation, the optimal residential capital stock for the nation, and the price of housing.

3-2 Tax Collection Type Definitions

Sales Tax

Sales tax collections are calculated by multiplying the net total output value (difference from baseline post-simulation) of the region by the national average rate of collections. In our calculations we used a national average rate of collections for local and state sales tax established at 5.97%⁵. Of course this rate is different in various regions throughout the United States and the values stated in the following tables should be considered purely representative of the scenario described. It should also be noted that exemptions of certain industries (e.g. non-profits, religious organizations) have not been considered in this calculation. Specific analysis should be performed to refine the values stated below.

⁵ When factoring in states without any taxes at all as well as using the state tax for states without a local tax (ie: using 5% as the local tax for Mass) the average we got was: 5.9657% Source: The Sales Tax Clearinghouse: www.thestc.com/STrates.stm

Property Tax

Property tax collections are calculated by multiplying the change in residential and non-residential capital stock by a predicted rate obtained from the U.S. Census Bureau Census of Government survey data. The Census of Government information tends to be slightly dated and it is suggested that the values below should be taken as a representative range leaving additional analysis needed to reflect the most recent tax rates and collections. In addition, property taxes are very much a local tax issue with numerous caveats in collection methods across municipal and state borders.

3-3 Tables 1-24

Tables 1-24 list the economic and fiscal impacts of the various shopping centers discussed thus far. The tables are arranged by geographic area (Metropolitan Statistical Area, City Area, and Suburb Area), creating three sets of eight. Each table contains a set of case characteristic and nine impact result types (listed A thru I). The set of case characteristics functions like a map key by providing information on such things as project expenditure, market condition, geography, type of development, and simulation period. Contained below are definitions that will help the reader understand result types A thru I.

A. TOTAL LOCAL IMPACT— Provides a cumulative and annual statement of net job growth due to the direct local impact and indirect and induced local impact (Results B and C). The cumulative statement tallies the 24 years of direct local operations, plus the single year of direct local construction, plus the indirect and induced local impact.

B. Direct Local Impact (Total)—Taken from the datasets ICSC provided us. The REMI model performed a calculation that translates sales into number of employees through a labor productivity rate (equivocal to output per employee). Result Type B provides direct numbers of employees for the construction phase and the operations.

C. Indirect and Induced Local Impact—The REMI model calculates these figures. Please see 3-1 Economic Results Definitions and REMI Policy Insight section in the Appendix for details.

D. “Out-of-Region Leakage Percentage”—Each region of the model (there are 3) has a unique pattern of trade from itself to all other economies in the Rest of the US and the Rest of World. In the model demand for goods and services are met by some source of supply, be it local or from outside the region. The REMI model provides a baseline forecast of trade flows and with this background information a source of supply for X demand is identified by both industry sector and region. What is supplied locally is called self supply (SS). When you divide the self supply value by demand for each sector you have identified a value called the Regional Purchase Coefficient ($RPC=SS/D$). A composite of private sector RPCs provide an aggregate RPC for the study area. $1-RPC$ is the percentage of demand to be satisfied by out of region sources. This rate is the Out-of-Region Leakage Percentage used in our calculations. This is a regionally specific rate. For more information please refer to the Appendix.

E. OUT-OF-REGION ESTIMATED TOTAL IMPACT—This is the amount of economic activity stimulated by the shopping center development, but occurring outside of the region of study.

$E = (B+C)*D$.

F. TOTAL (IN AND OUT-OF-REGION IMPACT)—Sum of A and E

Metropolitan Statistical Area (MSA) Economic Impacts

Result Tables 1-8

Table 1: Regional Mall Impact With Competition for MSAs

Case Characteristics

Project Expenditure:	\$91.08 Million Investment
Market Condition:	With Competition/Displacement
Geography:	MSA
Type of Development:	Regional Mall (920,000 SF)
Simulation Period:	25-Year Horizon

A.	TOTAL LOCAL IMPACT:	54,145 or 2,166 Jobs/Yr
	Short-Term Impact of 6,694 Jobs in first 3 years or 2,231 Jobs/Yr (Construction to completion and first 2 years of operations)	
B.	Direct Local Impact (Total)	
	1. Construction Phase:	659 Jobs
	2. Operational Phase:	2,088 Jobs
C.	Indirect & Induced Local Impact:	3,374 Jobs or 135 Jobs/Yr
	[Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy]	
D.	“Out-of-Region Leakage” Percentage (Simulated): 44%	
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT:	2,693 Jobs or 108 Jobs/Yr
F.	TOTAL (IN AND OUT-OF-REGION IMPACT):	56,838 Jobs or 2,274 Jobs/Yr
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)	
	SALES TAX at 5.97% (National Average):	\$117.0 Million or \$4.7 Million/Yr
	PROPERTY TAX at 1.97%:	\$12.4 Million or \$0.5 Million/Yr
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)	
		\$56.9 Million or \$2.3 Million/Yr
I.	ESTIMATED TOTAL TAX REVENUE	\$186.3 Million or \$7.5 Million/Yr

Table 2: Regional Mall Impact With No Competition for MSAs

Case Characteristics

Project Expenditure:	\$91.08 Million Investment
Market Condition:	Without Competition/Displacement
Geography:	MSA
Type of Development:	Regional Mall (920,000 SF)
Simulation Period:	25-Year Horizon

A.	TOTAL LOCAL IMPACT: 60,753 Jobs or 2,430 Jobs/Yr
	1. Short Term Impact 10,173 Jobs in first 3 years or 3,391 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total)
	1. Construction Phase: 659 Jobs
	2. Operational Phase: 2,088 Jobs
C.	Indirect & Induced Local Impact 9,982 Jobs or 399 Jobs/Yr (Capturing Direct Change & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 44%
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 5,601 Jobs or 224 Jobs/Yr
F.	TOTAL (IN AND OUT-OF-REGION IMPACT): 66,354 Jobs or 2,654 Jobs/Yr
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)
	SALES TAX at 5.97% (National Average): \$369 Million or \$14.8 Million/Yr
	PROPERTY TAX at 1.97%: \$37.7 Million or \$1.5 Million/Yr
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$179 Million or \$7.2 Million/Yr
I.	ESTIMATED TOTAL TAX REVENUE: \$586 Million or \$23.5 Million/Yr

Table 3: Power Center Impact With Competition for MSAs

Case Characteristics

Project Expenditure:	\$40.59 Million Investment
Market Condition:	With Competition/Displacement
Geography:	MSA
Type of Development:	Power Center (410,000 SF)
Simulation Period:	25-Year Horizon

- A. **TOTAL LOCAL IMPACT: 7,359 Jobs or 294 Jobs/Yr**
 1. Short Term Impact of 1,180 Jobs in first 3 years or
 393 Jobs/Yr (Construction to completion and first 2 years of operations)
- B. **Direct Local Impact** (Total)
 1. Construction Phase: 294 Jobs
 2. Operational Phase: 271 Jobs
- C. **Indirect & Induced Local Impact** 561 Jobs or 22 Jobs/Yr (
 Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
- D. **“Out-of-Region Leakage” Percentage (Simulated): 44%**
-
- E. **OUT-OF-REGION ESTIMATED TOTAL IMPACT:** 495 Jobs or 20 Jobs/Yr
-
- F. **TOTAL (IN AND OUT-OF-REGION IMPACT) :** 7,854 Jobs or 314 Jobs/Yr
-
- G. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (GENERATED IN REGION)
 SALES TAX at 5.97% (National Average): \$16 Million or \$0.6 Million/Yr
 PROPERTY TAX at 1.97%: \$1.9 Million or \$0.08 Million/Yr
-
- H. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (OUT-OF-REGION) \$7.9 Million or \$0.3 Million/Yr
-
- I. **ESTIMATED TOTAL TAX REVENUE:** \$25.8 Million or \$1 Million/Yr
-

Table 4: Power Center Impact With No Competition for MSAs

Case Characteristics

Project Expenditure:	\$40.59 Million Investment
Market Condition:	Without Competition/Displacement
Geography:	MSA
Type of Development:	Power Center (410,000 SF)
Simulation Period:	25-Year Horizon

- A. **TOTAL LOCAL IMPACT: 8,274 Jobs or 331 Jobs/Yr**
 1. Short Term Impact of 1,626 Jobs in first 3 years or
 542 Jobs/Yr (Construction to completion and first 2 years of operations)
- B. **Direct Local Impact** (Total)
 1. Construction Phase: 294 Jobs
 2. Operational Phase: 271 Jobs
- C. **Indirect & Induced Local Impact** 1,476 Jobs or 59 Jobs Per Year
 (Capturing Direct Change & Feedback impact from rest of local economy)
- D. **“Out-of-Region Leakage” Percentage (Simulated): 44%**
-
- E. **OUT-OF-REGION ESTIMATED TOTAL IMPACT:** 898 Jobs or 36 Jobs/Yr
-
- F. **TOTAL (IN AND OUT-OF-REGION IMPACT):** 9,172 Jobs or 367 Jobs/Yr
-
- G. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (GENERATED IN REGION)
 SALES TAX at 5.97% (National Average): \$48 Million or \$1.9 Million/Yr
 PROPERTY TAX at 1.97%: \$5.2 Million or \$0.2 Million/Yr
-
- H. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (OUT-OF-REGION) \$23.4 Million or \$0.9 Million/Yr
-
- I. **ESTIMATED TOTAL TAX REVENUE:** \$76.6 Million or \$3 Million/Yr
-

Table 5: Lifestyle Center Impact With Competition for MSAs

Case Characteristics

Project Expenditure: \$27.23 Million Investment
 Market Condition: With Competition/Displacement
 Geography: MSA
 Type of Development: Lifestyle Center (275,000 SF)
 Simulation Period: 25-Year Horizon

- A. **TOTAL LOCAL IMPACT: 23,966 Jobs or 959 Jobs/Yr**
 1. Short Term Impact 2,855 Jobs in first 3 years or
 951 Jobs/Yr (Construction to completion and first 2 years of operations)
- B. **Direct Local Impact** (Total)
 1. Construction Phase: 197 Jobs
 2. Operational Phase: 931 Jobs
- C. **Indirect & Induced Local Impact** 1,425 Jobs or 57 Jobs/Yr
 (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
- D. **“Out-of-Region Leakage” Percentage (Simulated): 44%**

- E. **OUT-OF-REGION ESTIMATED TOTAL IMPACT:** 1,123 Jobs or 45 Jobs/Yr

- F. **TOTAL (IN AND OUT-OF-REGION IMPACT) :** 25,089 Jobs or 1,004 Jobs/Yr

- G. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (GENERATED IN REGION)
 SALES TAX at 5.97% (National Average): \$53 Million or \$2.1 Million/Yr
 PROPERTY TAX at 1.97%: \$5.5 Million or \$0.2 Million/Yr

- H. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (OUT-OF-REGION) \$25.7 Million or \$1 Million/Yr

- I. **ESTIMATED TOTAL TAX REVENUE:** \$84.2 Million or \$3.3 Million/Yr

Table 6: Lifestyle Center Impact With No Competition for MSAs

Case Characteristics

Project Expenditure: \$27.23 Million Investment
 Market Condition: Without Competition/Displacement
 Geography: MSA
 Type of Development: Lifestyle Center (275,000 SF)
 Simulation Period: 25-Year Horizon

- A. **TOTAL LOCAL IMPACT: 26,837 Jobs or 1,073 Jobs/Yr**
 1. Short Term Impact 4,392 Jobs in first 3 years or
 1,464 Jobs/Yr (Construction to completion and first 2 years of operations)
- B. **Direct Local Impact** (Total)
 1. Construction Phase: 197 Jobs
 2. Operational Phase: 931 Jobs
- C. **Indirect & Induced Local Impact** 4,296 Jobs or 171 Jobs/Yr
 (Capturing Direct Change & Feedback impact from rest of local economy)
- D. **“Out-of-Region Leakage” Percentage (Simulated): 44%**
-
- E. **OUT-OF-REGION ESTIMATED TOTAL IMPACT:** 2,387 Jobs or 95 Jobs/Yr
-
- F. **TOTAL (IN REGION AND OUT-OF-REGION IMPACT) :** 29,224 Jobs or 1,169 Jobs/Yr
-
- G. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (GENERATED IN REGION)
 SALES TAX at 5.97% (National Average): \$165 Million or \$6.6 Million/Yr
 PROPERTY TAX at 1.97% \$16.7 Million or \$0.7 Million/Yr
-
- H. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (OUT-OF-REGION) \$80 Million or \$3.2 Million/Yr
-
- I. **ESTIMATED TOTAL TAX REVENUE:** \$261.7 Million or \$10.5 Million/Yr
-

Table 7: Community Center Impact With Competition for MSAs

Case Characteristics

Project Expenditure: \$28.22 Million Investment
 Market Condition: With Competition Factor
 Geography: MSA
 Type of Development: Community Center (285,000 SF)
 Simulation Period: 25-Year Horizon

A.	<p>TOTAL LOCAL IMPACT: 9,765 Jobs or 391 Jobs/Yr</p> <p>1. Short Term Impact 1,327 Jobs in first 3 years or 442 Jobs/Yr (Construction to completion and first 2 years of operations)</p>
B.	<p>Direct Local Impact (Total)</p> <p>1. Construction Phase: 204 Jobs</p> <p>2. Operational Phase: 371 Jobs</p>
C.	<p>Indirect & Induced Local Impact 657 Jobs or 26 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)</p>
D.	<p>“Out-of-Region Leakage” Percentage (Simulated): 44%</p>
<hr/>	
E.	<p>OUT-OF-REGION ESTIMATED TOTAL IMPACT: 542 Jobs or 22 Jobs/Yr</p>
<hr/>	
F.	<p>TOTAL (IN AND OUT-OF-REGION IMPACT): 10,307 Jobs or 412 Jobs/Yr</p>
<hr/>	
G.	<p>ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)</p> <p>SALES TAX at 5.97% (National Average): \$21 Million or \$0.8 Million/Yr PROPERTY TAX at 1.97%: \$2.4 Million or \$0.1 Million/Yr</p>
<hr/>	
H.	<p>ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$10.3 Million or \$0.4 Million/Yr</p>
<hr/>	
I.	<p>ESTIMATED TOTAL TAX REVENUE: \$33.7 Million or \$1.3 Million/Yr</p>

Table 8: Community Center Impact With No Competition for MSAs

Case Characteristics

Project Expenditure: \$28.22 Million Investment

Market Condition: No Competition

Geography: MSA

Type of Development: Community Center (285,000 SF)

Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 10,977 Jobs or 439 Jobs Per Year	
	1. Short Term Impact 1,938 Jobs in first 3 years or	
	646 Jobs/Yr (Construction to completion and first 2 years of operations)	
B.	Direct Local Impact (Total)	
	1. Construction Phase: 204 Jobs	
	2. Operational Phase: 371 Jobs	
C.	Indirect & Induced Local Impact	1,869 Jobs or 75 Jobs/Yr
	(Capturing Direct Change & Feedback impact from rest of local economy)	
D.	“Out-of-Region Leakage” Percentage (Simulated): 44%	

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT:	1,075 Jobs or 43 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT):	12,052 Jobs or 482 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE	
	(GENERATED IN REGION)	
	SALES TAX at 5.97% (National Average):	\$68 Million or \$2.7 Million/Yr
	PROPERTY TAX at 1.97%:	\$6.9 Million or \$0.3 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE	
	(OUT-OF-REGION)	
		\$33 Million or \$1.3 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE:	\$107.9 Million or \$4.3 Million/Yr
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City Area Economic Impacts

Results Tables 9-16

Table 9: Regional Mall Impact with Competition for City Area

Case Characteristics

Project Expenditure: \$86.47 Million Investment
 Market Condition: With Competition Factor
 Geography: City Area
 Type of Development: Regional Mall (945,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 51,924 or 2,077 Jobs/Yr 1. Short Term Impact of 5,730 Jobs in first 3 years or 1,910 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total) 1. Construction Phase: 628 Jobs 2. Operational Phase: 1,966 Jobs
C.	Indirect & Induced Local Impact 4,112 Jobs or 164 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 2,615 Jobs or 105 Jobs/year
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT): 54,539 Jobs or 2,182 Jobs/yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION) SALES TAX at 5.97% (National Average): \$50 Million or \$2 Million/Yr PROPERTY TAX at 1.78%: \$20.2 Million or \$0.8 Million/Yr
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H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$27.4 Million or \$1.1 Million/Yr
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I.	ESTIMATED TOTAL TAX REVENUE: \$97.6 Million or \$3.9 Million/Yr
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Table 10: Regional Mall Impact With No Competition for City Area

Case Characteristics

Project Expenditure: \$86.47 Million Investment
 Market Condition: No Competition
 Geography: City Area
 Type of Development: Regional Mall (945,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 88,081 or 3,523 Jobs/Yr	
	1. Short Term Impact 11,538 in first 3 years or 3,846 Jobs/Yr (Construction to completion and first 2 years of operations)	
B.	Direct Local Impact (Total)	
	1. Construction Phase: 628 employees	
	2. Operational Phase: 1,966 Employees	
C.	Indirect & Induced Local Impact	40,269 Jobs or 1,611 Jobs/Yr (Capturing Direct Change & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%	
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 16,717 Jobs or 669 Jobs/Yr	
F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 104,798 Jobs or 4,192 Jobs/Yr	
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)	
	SALES TAX at 5.97% (National Average):	\$565 Million or \$22.6 Million/Yr
	PROPERTY TAX at 1.78%:	\$174.3 Million or \$7 Million/Yr
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)	
		\$288.3 Million or \$11.5 Million/Yr
I.	ESTIMATED TOTAL TAX REVENUE: \$1,028 Million or \$41.1 Million/Yr	

Table 11: Power Center Impact With Competition for City Area

Case Characteristics

Project Expenditure: \$32.48 Million Investment
 Market Condition: With Competition Factor
 Geography: City Area
 Type of Development: Power Center (355,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 6,587 Jobs or 264 Jobs/Yr 1. Short Term Impact 1,003 Jobs in first 3 years or 334 Jobs/Year (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total) 1. Construction Phase: 236 Jobs 2. Operational Phase: 237 Jobs
C.	Indirect & Induced Local Impact 663 Jobs or 27 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 443 Jobs or 18 Jobs/Yr
F.	TOTAL (IN AND OUT-OF-REGION IMPACT) 7,030 Jobs or 281 Jobs/Yr
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION) SALES TAX at 5.97% (National Average): \$6 Million or \$0.2 Million/Yr PROPERTY TAX at 1.78%: \$3.7 Million or \$0.1 Million/Yr
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$3.8 Million or \$0.2 Million/Yr
I.	ESTIMATED TOTAL TAX REVENUE: \$13.5 Million or \$0.5 Million/Yr

Table 12: Power Center Impact With No Competition for City Area

Case Characteristics

Project Expenditure: \$32.48 Million Investment
 Market Condition: No Competition
 Geography: City Area
 Type of Development: Power Center (355,000 SF)
 Simulation Period: 25-Year Horizon

- A. **TOTAL LOCAL IMPACT: 11,084 Jobs or 443 Jobs/Yr**
 - 1. Short Term Impact of 1,700 Jobs in first 3 years or 567 Jobs/Yr (Construction to completion and first 2 years of operations)

 - B. **Direct Local Impact** (Total)
 - 1. Construction Phase: 236 Jobs
 - 2. Operational Phase: 237 Jobs

 - C. **Indirect & Induced Local Impact** 5,160 Jobs or 206 Jobs/Yr
 (Capturing Direct Change & Feedback impact from rest of local economy)

 - D. **“Out-of-Region Leakage” Percentage (Simulated): 39%**
-
- E. **OUT-OF-REGION ESTIMATED TOTAL IMPACT:** 2,197 Jobs or 88 Jobs/Yr
-
- F. **TOTAL (IN AND OUT-OF-REGION IMPACT) :** 13,281 Jobs or 531 Jobs/Yr
-
- G. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (GENERATED IN REGION)

SALES TAX at 5.97% (National Average):	\$68 Million or \$2.7 Million/Yr
PROPERTY TAX at 1.78%:	\$22.2 Million or \$0.9 Million/Yr
-
- H. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (OUT-OF-REGION)

	\$35.2 Million or \$1.4 Million/Yr
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-
- I. **ESTIMATED TOTAL TAX REVENUE:** \$125.4 Million or \$5 Million/Yr

Table 13: Lifestyle Center Impact With Competition for City Area

Case Characteristics

Project Expenditure: \$34.77 Million Investment
 Market Condition: With Competition factor
 Geography: City Area
 Type of Development: Lifestyle Center (380,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 18,538 Jobs or 742 Jobs/Yr 1. Short Term Impact 2,085 Jobs in first 3 years or 695 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total) 1. Construction Phase: 253 Jobs 2. Operational Phase: 699 Jobs
C.	Indirect & Induced Local Impact 1,509 Jobs or 60 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 960 Jobs or 38 Jobs/Yr
F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 19,498 Jobs or 780 Jobs/Yr
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION) SALES TAX at 5.97% (National Average): \$18 Million or \$0.7 Million/Yr PROPERTY TAX at 1.78%: \$7.8 Million or \$0.3 Million/Yr
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$10.1 Million or \$0.4 Million/Yr
I.	ESTIMATED TOTAL TAX REVENUE: \$35.9 Million or \$1.4 Million/Yr

Table 14: Lifestyle Center Impact With No Competition for City Area

Case Characteristics

Project Expenditure: \$34.77 Million Investment
 Market Condition: No Competition
 Geography: City Area
 Type of Development: Lifestyle Center (380,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 31,438 Jobs or 1,258 Jobs/Yr	
	1. Short Term Impact 4,158 Jobs in first 3 years or 1,386 Jobs/Yr (Construction to completion and first 2 years of operations)	
B.	Direct Local Impact (Total)	
	1. Construction Phase: 253 Jobs	
	2. Operational Phase: 699 Jobs	
C.	Indirect & Induced Local Impact	14,409 Jobs or 576 Jobs/Yr (Capturing Direct Change & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%	
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 5,991 Jobs or 240 Jobs/Yr	
F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 37,429 Jobs or 1,497 Jobs/Yr	
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)	
	SALES TAX at 5.97% (National Average):	\$201 Million or \$8 Million/Yr
	PROPERTY TAX at 1.78%:	\$62.3 Million or \$2.5 Million/Yr
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)	
		\$102.7 Million or \$4.1 Million/Yr
I.	ESTIMATED TOTAL TAX REVENUE: \$366 Million or \$14.6 Million/Yr	

Table 15: Community Center Impact With Competition for City Area

Case Characteristics

Project Expenditure: \$30.20 Million Investment
 Market Condition: With Competition Factor
 Geography: City Area
 Type of Development: Community Center (330,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 11,503 Jobs or 460 Jobs/Yr
	1. Short Term Impact 1,421 Jobs in first 3 years or 474 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total)
	1. Construction Phase: 219 Jobs
	2. Operational Phase: 429 Jobs
C.	Indirect & Induced Local Impact 988 Jobs or 40 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 638 Jobs or 26 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT): 12,141 Jobs or 486 Jobs/Yr
----	--

G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)
	SALES TAX at 5.97% (National Average): \$11 Million or \$0.4 Million/Yr
	PROPERTY TAX at 1.78%: \$5.3 Million or \$0.2 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)
	\$6.4 Million or \$0.3 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE: \$22.7 Million or \$0.9 Million/Yr
----	--

Table 16: Community Center Impact With No Competition for City Area

Case Characteristics

Project Expenditure: \$30.20 Million Investment
 Market Condition: No Competition
 Geography: City Area
 Type of Development: Community Center (330,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 19,441 Jobs or 778 Jobs/Yr
	1. Short Term Impact 2,678 Jobs in first 3 years or 893 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total)
	1. Construction Phase: 219 Jobs
	2. Operational Phase: 429 Jobs
C.	Indirect & Induced Local Impact 8,926 or 357 Jobs/Yr (Capturing Direct Change & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 39%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 3,733 Jobs or 149 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT): 23,174 Jobs or 927 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)
	SALES TAX at 5.97% (National Average): \$124 Million or \$5 Million/Yr
	PROPERTY TAX at 1.78%: \$38.6 Million or \$1.5 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)
	\$63.4 Million or \$2.5 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE: \$226 Million or \$9 Million/Yr
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Suburb Area Economic Impacts

Results Tables 17-24

Table 17: Regional Mall Impact With Competition for Suburb Area

Case Characteristics

Project Expenditure: \$68.72 Million Investment
 Market Condition: With Competition Factor
 Geography: Suburb Area
 Type of Development: Regional Mall (751,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 23,573 or 943 Jobs/Year 1. Short Term Impact of 2,746 Jobs in first 3 years or 915 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total) 1. Construction Phase: 303 employees 2. Operational Phase: 909 Employees
C.	Indirect & Induced Local Impact 1,454 Jobs or 58 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%
<hr/>	
E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 1,066 or 43 Jobs/Yr
<hr/>	
F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 27,305 Jobs or 1,092 Jobs/Yr
<hr/>	
G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION) SALES TAX at 5.97% (National Average): \$33 Million or \$1.3 Million/Yr PROPERTY TAX at 1.63%: \$5.5 Million or \$0.2 Million/Yr
<hr/>	
H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$15.4 Million or \$0.6 Million/Yr
<hr/>	
I.	ESTIMATED TOTAL TAX REVENUE: \$53.9 Million or \$2.1 Million/Yr
<hr/>	

Table 18: Regional Mall Impact With No Competition for Suburb Area

Case Characteristics

Project Expenditure: \$68.72 Million Investment
 Market Condition: No Competition
 Geography: Suburb Area
 Type of Development: Regional Mall (751,000 SF)
 Simulation Period: 25-Year Horizon

A.	Total Local Impact: 30,615 Jobs or 1,225 Jobs/Yr
	1. Short Term Impact 4,864 Jobs in first 3 years or 1,621 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total)
	1. Construction Phase: 303 Jobs
	2. Operational Phase: 909 Jobs
C.	Indirect & Induced Local Impact 8,496 Jobs or 340 Jobs/Yr (Capturing Direct Change & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 3,883 Jobs or 155 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 34,498 Jobs or 1,380 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)
	SALES TAX at 5.97% (National Average): \$230 Million or \$9.2 Million/Yr
	PROPERTY TAX at 1.63%: \$31.4 Million or \$1.3 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)
	\$104.6 Million or \$4.2 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE: \$366 Million or \$14.7 Million/Yr
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Table 19: Power Center Impact With Competition for Suburb Area

Case Characteristics

Project Expenditure: \$37.52 Million Investment
 Market Condition: With Competition Factor
 Geography: Suburb Area
 Type of Development: Power Center (410,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 7,232 Jobs or 289 Jobs/Yr 1. Short Term Impact 964 Jobs in first 3 years or 321 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total) 1. Construction Phase: 165 Jobs 2. Operational Phase: 273 Jobs
C.	Indirect & Induced Local Impact 515 Jobs or 21 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 381 Jobs or 15 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 7,631 Jobs or 305 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION) SALES TAX at 5.97% (National Average): \$11 Million or \$0.4 Million/Yr PROPERTY TAX at 1.63%: \$1.9 Million or \$0.1 Million/Yr
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H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION) \$5.2 Million or \$0.2 Million/Yr
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I.	ESTIMATED TOTAL TAX REVENUE: \$18.1 Million or \$0.7 Million/Yr
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Table 20: Power Center Impact With No Competition for Suburb Area

Case Characteristics

Project Expenditure: \$37.52 Million Investment
 Market Condition: No Competition
 Geography: Suburb Area
 Type of Development: Power Center (410,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 9,421 Jobs or 377 Jobs/Yr
	1. Short Term Impact of 1,603 Jobs in first 3 years or 534 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total)
	1. Construction Phase: 165 Jobs
	2. Operational Phase: 273 Jobs
C.	Indirect & Induced Local Impact 2,704 Jobs or 108 Jobs/Yr (Capturing Direct Change & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 1,257 Jobs or 50 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT) : 10,678 Jobs or 427 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)
	SALES TAX at 5.97% (National Average): \$70 Million or \$2.8 Million/Yr
	PROPERTY TAX at 1.63%: \$9.7 Million or \$0.4 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)
	\$31.9 Million or \$1.3 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE: \$111.6 Million or \$4.5 Million/Yr
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Table 21: Lifestyle Center Impact With Competition for Suburb Area

Case Characteristics

Project Expenditure: \$38.43 Million Investment
 Market Condition: With Competition Factor
 Geography: Suburb Area
 Type of Development: Lifestyle Center (420,000 SF)
 Simulation Period: 25-Year Horizon

- A. **TOTAL LOCAL IMPACT: 18,828 Jobs or 753 Jobs/Yr**
 - 1. Short Term Impact 2,063 Jobs in first 3 years or 688 Jobs/Yr (Construction to completion and first 2 years of operations)

- B. **Direct Local Impact** (Total)
 - 1. Construction Phase: 169 Jobs
 - 2. Operational Phase: 732 Jobs

- C. **Indirect & Induced Local Impact** 1,091 Jobs or 44 Jobs/Yr
 (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)

- D. **“Out-of-Region Leakage” Percentage (Simulated): 40%**

- E. **OUT-OF-REGION ESTIMATED TOTAL IMPACT:** 797 Jobs or 32 Jobs/Yr

- F. **TOTAL (IN AND OUT-OF-REGION IMPACT) :** 19,625 Jobs or 785 Jobs/Yr

- G. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (GENERATED IN REGION)

SALES TAX at 5.97% (National Average):	\$26 Million or \$1 Million/Yr
PROPERTY TAX at 1.63%:	\$4.1 Million or \$0.2 Million/Yr

- H. **ESTIMATED SALES AND PROPERTY TAX REVENUE**
 (OUT-OF-REGION)

	\$12 Million or \$0.5 Million/Yr
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- I. **ESTIMATED TOTAL TAX REVENUE:** \$42.1 Million or \$1.7 Million/Yr

Table 22: Lifestyle Center Impact With No Competition for Suburb Area

Case Characteristics

Project Expenditure: \$38.43 Million Investment
 Market Condition: No Competition
 Geography: Suburb Area
 Type of Development: Lifestyle Center (420,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 24,414 Job or 977 Jobs/Yr	
	1. Short Term Impact 3,774 Jobs in first 3 years or	
	1,258 Jobs/Yr (Construction to completion and first 2 years of operations)	
B.	Direct Local Impact (Total)	
	1. Construction Phase: 169 Jobs	
	2. Operational Phase: 732 Jobs	
C.	Indirect & Induced Local Impact	6,677 Jobs or 267 Jobs/Yr
	(Capturing Direct Change & Feedback impact from rest of local economy)	
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%	

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT:	3,031 Jobs or 121 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT):	27,445 Jobs or 1,098 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE	
	(GENERATED IN REGION)	
	SALES TAX at 5.97% (National Average):	\$185 Million or \$7.4 Million/Yr
	PROPERTY TAX at 1.63%:	\$25 Million or \$1 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE	
	(OUT-OF-REGION)	
		\$84 Million or \$3.4 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE:	\$294 Million or \$11.8 Million/Yr
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Table 23: Community Center Impact With Competition for Suburb Area

Case Characteristics

Project Expenditure: \$27.45 Million Investment
 Market Condition: With Competition Factor
 Geography: Suburb Area
 Type of Development: Community Center (300,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 10,205 Jobs or 408 Jobs/Yr
	1. Short Term Impact 1,175 Jobs in first 3 years or 392 Jobs/Yr (Construction to completion and first 2 years of operations)
B.	Direct Local Impact (Total)
	1. Construction Phase: 121 Jobs
	2. Operational Phase: 394 Jobs
C.	Indirect & Induced Local Impact 628 Jobs or 25 Jobs/Yr (Capturing Direct Change, Market Displacement & Feedback impact from rest of local economy)
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT: 457 Jobs or 18 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT): 10,662 Jobs or 426 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE (GENERATED IN REGION)
	SALES TAX at 5.97% (National Average): \$14 Million or \$0.6 Million/yr
	PROPERTY TAX at 1.63%: \$2.5 Million or \$0.1 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE (OUT-OF-REGION)
	\$6.6 Million or \$0.3 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE: \$23.1 Million or \$1 Million/Yr
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Table 24: Community Center Impact With No Competition for Suburb Area

Case Characteristics

Project Expenditure: \$27.45 Million Investment
 Market Condition: No Competition
 Geography: Suburb Area
 Type of Development: Community Center (300,000 SF)
 Simulation Period: 25-Year Horizon

A.	TOTAL LOCAL IMPACT: 13,301 Jobs or 532 Jobs/Yr	
	1. Short Term Impact 2,095 Jobs in first 3 years or	
	698 Jobs/Yr (Construction to completion and first 2 years of operations)	
B.	Direct Local Impact (Total)	
	1. Construction Phase: 121 Jobs	
	2. Operational Phase: 394 Jobs	
C.	Indirect & Induced Local Impact	3,724 Jobs or 149 Jobs/Yr
	(Capturing Direct Change & Feedback impact from rest of local economy)	
D.	“Out-of-Region Leakage” Percentage (Simulated): 40%	

E.	OUT-OF-REGION ESTIMATED TOTAL IMPACT:	1,696 Jobs or 68 Jobs/Yr
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F.	TOTAL (IN AND OUT-OF-REGION IMPACT):	14,997 Jobs or 600 Jobs/Yr
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G.	ESTIMATED SALES AND PROPERTY TAX REVENUE	
	(GENERATED IN REGION)	
	SALES TAX at 5.97% (National Average):	\$103 Million or \$4.1 Million/Yr
	PROPERTY TAX at 1.63%:	\$13.7 Million or \$0.5 Million/Yr

H.	ESTIMATED SALES AND PROPERTY TAX REVENUE	
	(OUT-OF-REGION)	
		\$46.7 Million or \$1.9 Million/Yr

I.	ESTIMATED TOTAL TAX REVENUE:	\$163.4 Million or \$6.5 Million/Yr
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About REMI

Regional Economic Models, Inc. (REMI) is the nation's leading provider of economic forecasting and policy analysis software. The REMI Policy Insight model is used by over half of state governments, and numerous consulting firms, cities, and universities. Established in 1980, REMI has published model developments in the *American Economic Review*, the *Review of Economics and Statistics*, and other highly regarded publications.

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Appendix

REMI Policy Insight

REMI Policy Insight® is the leading regional economic forecasting and policy analysis model. For this study, REMI developed Policy Insight for ICSC. REMI built this model using the REMI model building system, which consists of hundreds of programs developed over the last two decades. The system assembled the three-region EDFS-23 model using data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Department of Energy, the Bureau of Census, and other public sources.

REMI Policy Insight is a structural model, meaning that it clearly includes cause-and-effect relationships. The model is based on two key underlying assumptions from mainstream economic theory: households maximize utility and producers maximize profits. Since these assumptions make sense to most people and the structure is transparent, lay people as well as trained economists can understand the model.

In the model, businesses produce goods to sell to other firms, consumers, investors, governments and purchasers within and outside economic regions. The output is produced using labor, capital, fuel, and intermediate inputs. The demand for labor, capital, and fuel per unit of output depends on their relative costs, since an increase in the price of any one of these inputs leads to substitution away from that input to other inputs. The supply of labor in the model depends on the number of people in the population and the proportion of those people who participate in the labor force. Economic migration affects the population size. People will move into an area if the real after-tax wage rates or the likelihood of being employed increases in a region.

Supply and demand for labor in the model determines the wage rates. These wage rates, along with other prices and productivity, determine the cost and opportunity of doing business for every industry in the model. An increase in costs would decrease the markets supplied by firms. This market share combined with the demand described above determines the amount of local output. The model has many other feedbacks. For example, changes in wages and employment impact income and consumption, while economic expansion changes investment, and population growth impacts government spending.

Figure 2-1 is a pictorial representation of REMI Policy Insight. The Output block shows a business that sells to all the sectors of final demand as well as to other industries. The Labor and Capital Demand block shows how labor and capital requirements depend both on output and their relative costs. The demographic block includes population and labor supply, contributing to demand and wage determination. Economic migrants in turn respond to wages and other labor market conditions. Supply and demand interact in the Wage, Price, and Profit block. Relative production costs determine market shares. Output depends on market shares and the components of demand.

REMI Model Linkages (Excluding Economic Geography Linkages)

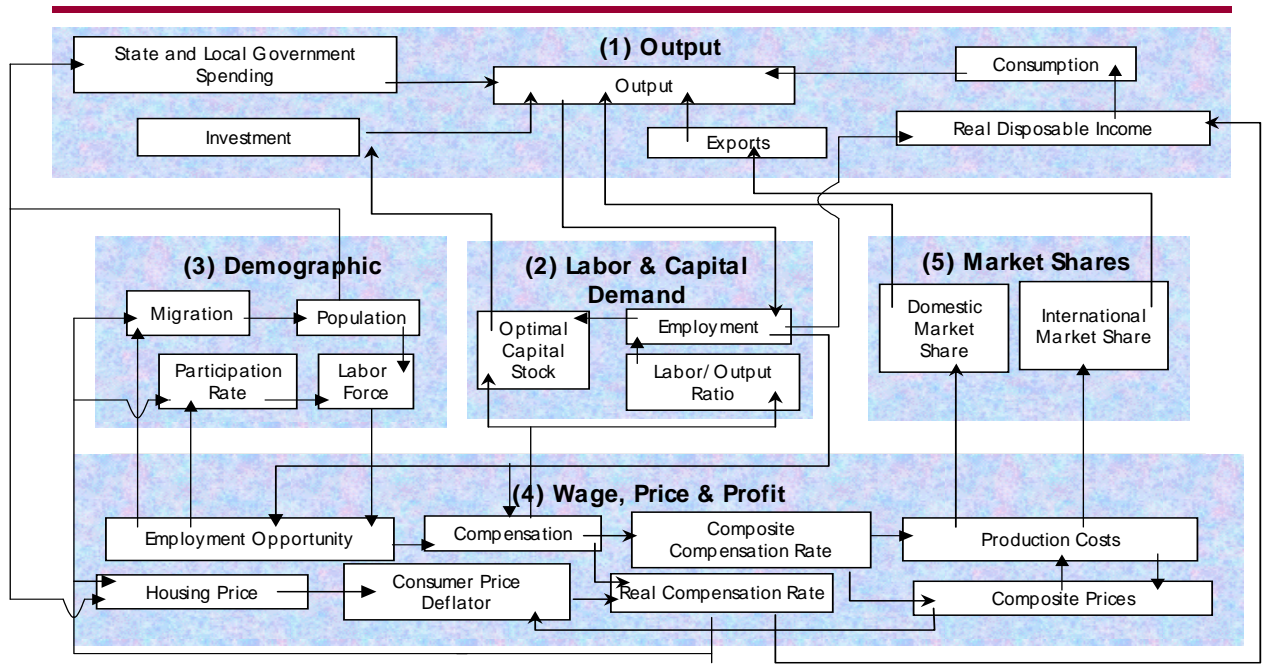


Figure 2-1 REMI Policy Insight overview

The REMI model brings together all of the above elements to determine the value of each of the variables in the model for each year in the baseline forecast, as well as for simulation purposes. The model includes all the inter-industry interactions that are included in input-output models in the Output block, but goes well beyond an input-output model by including the linkages among all of the other blocks shown in Figure 2-1.

In order to broaden the model in this way, it is necessary to estimate key relationships. This is accomplished by using extensive data sets covering all areas in the country. These large data sets and two decades of research efforts enable REMI to simultaneously maintain a theoretically sound model structure and build a model based on all the relevant data available.

The model has strong dynamic properties, which means that it forecasts not only what *will* happen but also *when* it will happen. This results in long-term predictions that have year-by-year changes. This means that the long-term properties of general equilibrium models are preserved while maintaining accurate annual predictions, using estimates of key equations from primary data sources.

Figure 2-2 shows the policy simulation process for a scenario called Policy X. The effects of a scenario are determined by comparing the baseline REMI forecast with an alternative forecast that incorporates the assumptions for the scenario. The baseline REMI forecast uses recent data and thousands of equations to generate projected economic activity for a particular region. The policy variables in the model are set equal to their baseline value (typically zero for additive variables and one for multiplicative variables) when solving for the baseline forecast. To show the effects of a

given scenario, these policy variables are given values that represent the direct effects of the scenario. The alternative forecast is generated using these policy variable inputs. Figure 2-2 shows how this process would work for a policy change called Policy X.

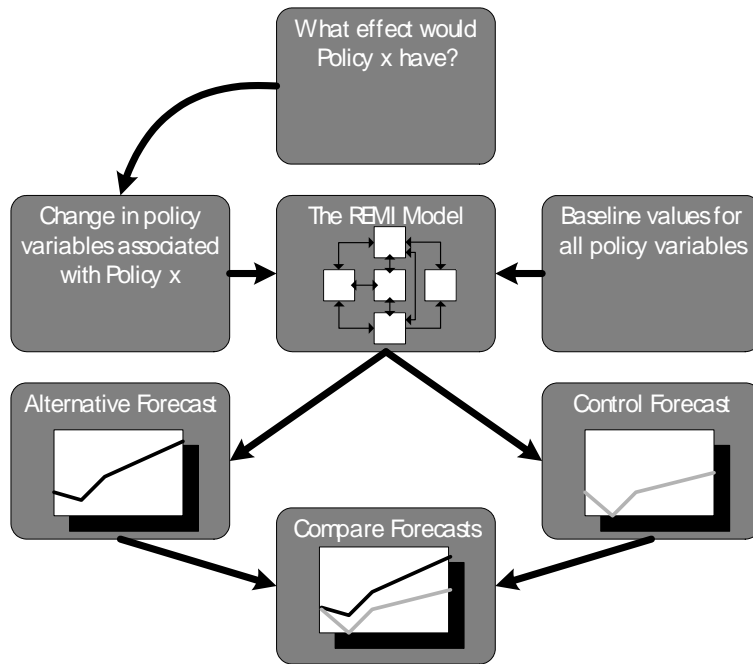


Figure 2-2 Policy X scenario