

January 24, 2017

## Seabrook Island Residents

Last fall, the Town of Seabrook Island engaged five MBA students from the Citadel Graduate School to conduct an economic impact study for the town. Two professors at the Citadel oversaw the progress of the graduate team during the semester long course. The study was performed without charge as part of the course curriculum. The purpose of the project was to update an earlier study conducted in 1996 and to provide detail on the economic value that Seabrook Island provides to the city and county of Charleston. The result of that effort is attached.

While the study provides some valuable information which we can, and will use, the results must be taken subject to a number of provisos.

Firstly, the study was completed in a very short time frame. The project, originally intended to be performed over a three month period was truncated by Hurricane Matthew and its aftermath.

Secondly, the study utilizes both hard and soft numbers. The census and tax data was obtained from government sources and are reliable, as are the 2015 real estate sales and construction data. The “on island” sales and “off island” spending and contribution numbers are more subjective and imprecise. These numbers were extrapolated from survey data, and therefore are based on a number of assumptions.

Thirdly, the study is subject to a number of limitations, such as the lack of adequate survey responses from visitors. These limitations would have been qualified by a longer study.

The financial data obtained was factored by both output and employment multipliers. Output multipliers, used to estimate financial impact, show the direct and indirect reiterative effect of the dollars spent by Seabrook Island residents as that money becomes income to the individuals and firms to whom it is paid and who in turn spend a portion of the income received on goods and services and so forth as the process continues. Employment multipliers, used to estimate employment impact, are used to calculate the number of direct, indirect or induced jobs created. Direct jobs are those created on Seabrook Island, indirect jobs and those that support those jobs (e.g., suppliers, equipment vendors etc). Induced jobs are those that are a result of the direct / indirect jobs spending money in the community. Both multipliers – which we were told were industry standard - were taken from an earlier economic impact study commissioned by Kiawah Island in 2003.

The calculated 2015 economic impact (\$338,603,328.00) and total number of direct, indirect and induced jobs (4,831) are clearly significant. However, as you read through the study, recognize that these are order of magnitude number derived from the best efforts of the study team, and we will treat them as such.

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Fall  
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BADM 754  
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# Seabrook Island Economic Impact on the Charleston Area

THE CITADEL MBA PROGRAM

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# Economic Impact Study

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## Introduction

The Citadel Graduate School has a Strategic Consulting course in its MBA Program for graduate students as a capstone alternative. The course offers graduate students the opportunity to work with actual clients outside the classroom to assess the client's needs and to provide a solution for the presented situation. Five graduate students were selected to work with the mayoral teams of Kiawah and Seabrook Islands to conduct an Economic Impact Study for the islands, both separately and jointly. Two professors at The Citadel oversaw the progress of the group during the semester-long course. The MBA consulting team met with the clients, collected and compiled data, then analyzed said data to build the study. This study was performed from September to December of 2016. All data collected and analyzed was from 2015.

There were two previous studies conducted for each island in years past. The first study titled, "The Economic Impact of Kiawah Island on Charleston County," was conducted by Dr. Frank Hefner and Dr. John Crotts, both professors at the College of Charleston at the time the study was written. This study was focused solely on Kiawah Island and was conducted in 2004 using data collected from years 2001 to 2003. The second study titled, "Data Base Profile: Seabrook and Kiawah Islands, South Carolina," was conducted in November 1996 by the Seabrook Island External Affairs Commission. The two previous studies served as reference tools for the MBA consulting group and the students endeavored to provide the clients updated information from both previous studies.

Seabrook Island invited the MBA graduate students onto its island and provided an insightful tour of its many amenities, commercial centers, residential neighborhoods, and its multiple staff teams that work for the island. Seabrook has an estimated population of 1,844 as of 2015. There are approximately 917 occupied homes on the 6 square miles of land and 1 square mile of water that constitute the island. The estimated median household income on Seabrook is \$66,648 (*Census sources cited in Appendix A*).

This study was conducted by:

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## Executive Summary

While it is evident that the economic and commercial landscape of Seabrook Island is continually changing and improving, the local impact of the island on the Charleston area economy is even greater. Seabrook Island is a popular tourist destinations, popular shopping destinations, coveted real estate destinations, desirable places of employment, and consist of a generous population whose impact to charitable organizations throughout the Charleston Area by giving and serving is immeasurable.

This economic impact study was performed to document and further detail the value that Seabrook Island bring to the Charleston Area. As detailed below, the economic impact of Seabrook Island, and their permanent and seasonal residents, is immeasurable and has increased significantly since the previous study was performed in 1996, with a combined economic impact of almost \$344 million supporting over 4,800 jobs.

The total economic impact generated by Seabrook Island is staggering for the Charleston area and is summarized in the table below and further detailed in the sections that follow.

<b>Description</b>	<b>Volume</b>	<b>Total Impact</b>	<b>Jobs - (FTE)</b>
<b>On Island Sales 2015 (Residents &amp; Visitors)</b>	\$29,244,315	\$43,281,586	871
<b>Off Island Sales 2015 (Residents)</b>	\$66,677,577	\$100,683,141	1,806
<b>Off Island Sales 2015 (Visitors)</b>	\$5,831,693	\$8,630,906	174
<b>Construction 2015</b>	\$32,342,494	\$48,513,742	443
<b>Real Estate Sales 2015</b>	\$67,500,000	\$91,125,000	712
<b>Charitable Contributions 2015</b>	\$10,175,000	\$10,175,000	276
<b>Utilities &amp; Charleston County Taxes</b>	\$24,790,378	\$36,193,953	550
<b>Total:</b>	<b>\$236,561,458</b>	<b>\$338,603,328</b>	<b>4,831</b>

## **Methodology**

### **Pre Data Collection**

Before collecting data the Citadel Consulting group familiarized themselves with the business functions on and off of the Island. This was facilitated through a guided tour and series of meetings on the island. The group gained a better understanding of the business entities that create jobs, provide income, and generate revenues.

### **Data Collection**

Financial data was collected as key inputs to the economic impact study analysis. This data was collected from the following primary sources:

- Public records
- Town hall
  - Accounting Department
  - Permitting Department
- Questionnaire Survey
- Management/staff of island businesses
- On island publications
- Local real estate publications
- Charleston County Auditor's Office
- Local utilities
- Local charity management

### **Multipliers**

Economic impact multipliers were used to approximate the direct and indirect impact the demand created by Kiawah Island had on the greater Charleston area in 2015. Output multipliers were used to estimate financial impact, while employment multipliers were used to estimate employment impact. The multipliers used throughout this study were gathered from the Economic Impact Study of Kiawah Island conducted by Frank Hefner and John C. Crotts in 2003.

## Limitations

This study provides a reasonably accurate representation of the economic impact of Seabrook Island. The study is not comprehensive, however. The collection of data pertaining to the economic impact of the island was subject to several limitations.

First, it is important to understand that many of the values collected for this study were obtained from imprecise sources like business owners and survey responses. While the study is engineered to accurately represent the economic impact of Seabrook Island on the Charleston area, the source data is inherently uncertain. Additionally, in order to approximate the overarching economic impact of the island, multipliers were used to demonstrate the full value of the money spent on and off the island by residents and visitors. The economic impact represented in this study is accurate to the best of the study team's knowledge, and considerations have been given to the limitations of the study.

One such limitation was the lack of survey responses from visitors to the island. Residents responded in sufficient numbers to provide a significant sample, however, only 3 visitors returned the survey. While the data gleaned from those responses is valuable, it cannot be considered to represent the average population of visitors on the island. This shortfall can be attributed to the timing of the survey, as the survey was conducted during the "off-season" on the island.

To overcome this challenge, visitor off-island purchase data was extrapolated from responses to a similar survey conducted in 2004. The data from that study was adjusted for inflation, which contributes a significant level of uncertainty to the visitor purchase data. For the purposes of this study, it should be noted that over the past 12 years the volume of visitors to the island has likely increased. This means that though there is some inherent uncertainty in the calculated value of the visitors' spending, it is likely under-representing the economic impact of these island visitors on Charleston County.

## Data Results

Data collection comprised a significant portion of the total time spent on this economic impact study. The commercial landscape of Seabrook Island has changed significantly since the previous studies were performed and, therefore, many new businesses had to be contacted and accounted for in the study.

Initial on-island data collection efforts consisted of collecting business license data from town administration. This data gave the team a glimpse of the commercial activity taking place on the island. While this data was useful, it was also necessary to contact each business on the island to confirm their actual gross receipts throughout 2015. The primary focus for verification were the commercial centers of Bohicket Marina, The Seabrook Island Club, and Camp St. Christopher.

Off-island spending data was collected by surveying island residents on their spending habits to estimate off island spending. Details of the survey are provided in later sections and an appendix, however, it should be noted that residents provided valuable responses, while the visitor survey sample was not large enough to use in the data analysis. Overview with discussion of gaps in data in each individual sections.

## On Island Sales

On island sales data captured consisted of the 2015 gross revenue of all businesses located within the limits of Seabrook Island. These businesses have a significant impact on the local job market as well as spending that occurs on and off the island.

As mentioned above, the primary focus for on island sales were key commercial areas including Bohicket Marina and The Seabrook Island Club. Revenue data for these businesses was captured directly from the businesses management and input into our study data. Other small business data was gleamed from business license data provided by each island.

A summary of the combined volume of on island sales and its associated impact is provided in the table below:

<b>Description</b>	<b>Volume</b>	<b>Total Impact</b>	<b>Jobs - (FTE)</b>
<b>Seabrook On Island Sales 2015 (Residents &amp; Visitors)</b>	\$29,244,315	\$43,281,586	871

## Off Island Sales - Residents

The volume of sales generated by island residents spending off of the islands was estimated using the survey results generated from the teams survey of island residents, detailed in the survey section below. The average spending value drawn from the survey was calculated to determine the total volume of revenue generated by island residents. Examples of this type of spending include island residents having a meal or shopping in Downtown Charleston, and or possibly playing a round of golf in Mount Pleasant.

A summary of the volume of off island sales generated by island residents, and its associated impact on the Charleston Area, is provided in the table below:

<b>Description</b>	<b>Volume</b>	<b>Total Impact</b>	<b>Jobs - (FTE)</b>
<b>Seabrook Off Island Sales 2015 (Residents)</b>	\$66,677,577	\$100,683,141	1,806

## Off Island Sales – Visitors

Off island sales generated by visitors represents the impact the tourism industry, i.e. island tourists, spending habits have on the Charleston Area. As the visitor survey sample size was not large enough to provide an accurate data set, this data was calculated referencing previous study data and adjusting for inflation to 2015 dollars. It is assumed that while the volume of tourists have certainly increased, their spending habits are relatively similar, and the attractions that draw tourists off island are still similar in nature.

A summary of the combined volume of revenue generated by the off island spending of tourists, and its associated economic impacts is provided in the table below:

<b>Description</b>	<b>Volume</b>	<b>Total Impact</b>	<b>Jobs - (FTE)</b>
<b>Seabrook Off Island Sales 2015 (Visitors)</b>	\$5,831,693	\$8,630,906	174

## Construction

The Town Hall Permitting Office provided the construction data for Seabrook Island. To determine the overall economic impact of the construction that took place on the island we analyzed the project cost of all construction permits pulled from January 1, 2015 to December 31, 2015. A summary of the data collected is provided in the following Table:

<b>Seabrook Island Construction Data</b>	
<b>Type</b>	<b>Cost</b>
<b>Repairs</b>	\$3,909,051
<b>Remodels</b>	\$10,920,252
<b>New Construction</b>	\$17,513,189
<b>Total</b>	<b>\$32,342,492</b>

A total of 857 permits were pulled with an aggregated project cost of \$32,342,492. This amount of financial activity created by construction supported 443 jobs. To find the ripple effect of all financial activity attributed to the construction on Seabrook Island an output multiplier of 1.5 was used. With this multiplier it was determined that Seabrook Island's construction activity had a total economic impact of \$48,513,742. The entire breakdown of total impact and job creation is shown below:

<b>Type</b>	<b>Cost</b>	<b>Total Impact</b>	<b>Jobs- (FTE)</b>
<b>Repairs</b>	\$3,909,051	\$5,863,577	54
<b>Remodels</b>	\$10,920,252	\$16,380,378	149
<b>New Construction</b>	\$17,513,189	\$26,269,784	240
<b>Total</b>	<b>\$32,342,492</b>	<b>\$48,513,742</b>	<b>443</b>

## Real Estate Sales

Seabrook Island is known for an established and thriving real estate market. Seabrook Island's real estate data was provided by the management at the Seabrook Island Club and confirmed by referencing *The Seabrooker, Volume 19, dated August 2016* which showed that Seabrook Island has seen a 37% increase in sales volume from the years of 2014 to 2015. The total volume of real estate sales on Seabrook Island in 2015 was \$67,500,000. Applying a real estate sales multiplier of 1.35 and a job creation factor of 10.55 per million dollars in sales yielded a total economic impact of \$490,781,919 and 3,835 jobs.

<b>Seabrook Island Real Estate Sales Summary</b>			
<b>Type</b>	<b>Volume</b>	<b>Total Impact</b>	<b>Jobs - (FTE)</b>
<b>Sales</b>	\$67,500,000	\$91,125,000	712

## Charitable Giving

Entity	Yearly Donations
Seabrook Island	\$10,170,000

As the above table shows, the economic effect that comes from volunteer donations is substantial at over \$10 million. Seabrook Island takes pride in the volunteer hours and donations put forth by their permanent residents as well as those who come from around the lowcountry to attend non-profit events. It should be noted that along with money given to organizations in the greater Charleston area, SIPOA is able to get residence efforts directed to the upkeep of the island internally. The methodology used to gain the above figure comes directly from survey data collected on the island, which was a representative sample (over 350 responses), that was then multiplied by the population of permanent residents on Seabrook Island. However in this portion there was no multiplier used because the donations are so direct to the receiving organization.

Key Organizations: Seabrook Island Exchange Club, Backpack Buddies, Sea Island Habitat for Humanity (to name a few).

## Tax Assessment

<b>Seabrook Island Property Taxes</b>				
<b>2015</b>				
<b>Property type</b>	<b>Taxes</b>	<b>Penalty</b>	<b>Total Fire Dept. Tax</b>	
<b>Business Personal Property</b>	\$ 11,253.98	\$ 19.35	\$	1,452.96
<b>County (Service)</b>				
<b>Rental residential</b>	\$ 55,782.17	\$ 1,040.63	\$	7,307.64
<b>Watercraft</b>	\$ 92,336.42	\$ 2,897.93	\$	12,400.25
<b>Business Personal DOR (Retail)</b>	\$ 68,409.83	\$ 1,462.41	\$	9,000.69
<b>Aircraft</b>	\$ 6,450.99	\$ -	\$	831.61
<b>Real</b>	\$ 11,607,238.36	\$ 54,855.72	\$	1,789,568.76
<b>Utilities</b>	\$ 158,286.54	\$ -	\$	20,405.14
<b>Vehicles</b>	\$ 392,398.14	\$ -	\$	53,347.14
<b>2015 Personal Property Tax</b>	<b>\$ 12,392,156.43</b>	<b>\$ 60,276.04</b>	<b>\$</b>	<b>1,894,314.19</b>
<b>Accommodations Tax</b>	<b>\$ 174,985.55</b>			
<b>2015 Seabrook Island Property Taxes</b>	<b>\$ 12,627,418.02</b>			

### Seabrook Island -St. Johns Fire Department Tax Revenue Contributed

<b>Location</b>	<b>Total</b>
<b>Seabrook Island</b>	\$1,894,314.19
<b>Proportion of SJFD Total Revenue</b>	16.2%

### Seabrook Island -Proportion of Charleston County Accommodations Tax Revenue Contributed

<b>Location</b>	<b>Total</b>	<b>Accommodations Tax Revenue Contributed</b>
<b>Seabrook Island</b>	\$ 174,985.55	<b>1.18%</b>
<b>Charleston County</b>	\$ 14,874,360.92	

### Seabrook Island - Proportion of Charleston County Tax Revenue Contributed

<b>Location</b>	<b>Total</b>	<b>Proportion of Tax Revenue Contributed</b>
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<b>Seabrook Island</b>	\$ 12,392,156.43	<b>1.90%</b>
<b>Charleston County</b>	\$ 651,624,633.08	

**Seabrook Island - Proportion of Charleston County Population 2015**

<b>Seabrook Population</b>	1,850	<b>0.53%</b>
<b>Charleston County Population</b>	350,209	

In 2015, Seabrook Island paid a total of \$12,392,156.43 in property taxes, and \$174,985.55 in accommodations taxes to Charleston County. The property tax contribution of the island represents 1.90% of the total tax revenue collected by Charleston County in 2015. The accommodations tax contribution of the island represents 1.18% of the total accommodations taxes collected by the county in the same year. In comparison, the island’s population represents a total of 0.53% of the Charleston County Population, approximately 1850 residents. This means that the residents on the islands are paying roughly 4 times the average tax rate of Charleston County residents. Each Seabrook Island resident paid an average of \$6,698.46 in property taxes, and \$94.59 in accommodations taxes.

Additionally, \$1,894,314 of Seabrook Island property taxes were used to fund the St. John’s Fire Department, which accounts for 16.2% of the SJFD annual operating budget for 2015. Seabrook Island residents also paid roughly 1.9% of the Charleston County School District tax receipts. According to the 2010 Census, 46 students enrolled K-12 lived on Seabrook Island. Assuming that number has not climbed significantly, that means nearly \$162,000 in taxes paid to CCSD per school-age resident on the island. Seabrook Island residents contributed 1.9% of the total taxes contributed to CCSD from Charleston County.

## Survey Results

During the month of November 2016, a survey of Seabrook Island property owners was conducted to assess the contributions those property owners offer to the economy of the greater Charleston area. A sample of data was collected and then multiplied to account for all island residents.

Some residents consider the town as their primary home. If Seabrook Island is not their primary home, it is reported an average of 12 weeks per year is spent on the island. A vast majority of households on Seabrook do not have any people in their household aged 17 years or younger. The majority of households are comprised of two people aged 18 years or older.

When asked to estimate the amount of household spending off of Seabrook Island into the greater Charleston area during a typical month, respondents on average reported \$664.46 on food and household supplies, \$440.58 at bars and restaurants, \$207.91 on entertainment and recreation, \$396.72 on transportation costs, \$697.84 on property services and \$343.36 on clothing and apparel. The average spending per month was applied to the island population as a whole then multiplied to account for the calendar year. The entire Seabrook resident population has off island household spending totals of \$5MM per month and \$30.2 MM per year.

The Seabrook Island residents on average contribute \$30,852.55 per year to the Charleston area on major purchases such as cars, appliances, and furniture in the past year. The average spending per month was applied to the number of occupied households on the island then multiplied to account for the calendar year. Seabrook residents spend \$28.2MM per year on major purchases. The residents estimate an average annual spending of \$8,849.74 per year on property insurance. This average applied to the occupied households then multiplied to account for the calendar year totals \$8.1MM in spending. The total annual spending on major purchases and property insurance by Seabrook Island residents is \$66.6 MM per year.

The economy of the greater Charleston area is the main beneficiary of the expenditures of Seabrook Island residents. The total amount of \$66.6 MM spent off the island into the local community has a ripple effect in this area. Using multipliers for the above categories, we estimate that the total economic impact of Seabrook residents in the greater Charleston area off Seabrook Island is \$100.7 MM. This spending supports a total of 1,806 jobs in the Charleston area from off-island spending by full-time residents.

## **Conclusion**

This study confirms that Seabrook Island offers a sizeable contribution to the Charleston area economy through its sustained economic impact. The primary contributors of economic activity stem from resident's spending on and off the island, visitor spending, real estate sales, construction activities, charitable giving, and utilities and property taxes.

The remainder of this report consists of appendices with data to support the team's conclusions.

## Appendix A – Census Data

Population in 2010: 1,714 (census.gov)

Population in 2013: 1,802 (google.com)

Estimated in 2015: 1,844 (google.com)

Occupied homes on island: 917 (suburbanstats.org)

Seabrook Island has 6 square miles of land and 1 square mile of water (wikipedia.com)

Estimated median household income in Seabrook Island is \$66,648 (wikipedia.com)

## Appendix B – Survey Questionnaires

Kiawah and Seabrook Island Residents were distributed the following survey questions to gather data to determine each island's economic impact with off-island spending.

1. Q: On which island to you reside or own property?

A: (a) Kiawah Island (b) Seabrook Island (c) Both

2. Q: Is this island where you spend most of your time throughout the year?

A: (a) yes (b) no

3. Q: If you answered No, how many weeks per year do you typically stay on the island?

A: Weeks: \_\_\_\_\_

4. Q: How many people in your household are 17 years old or younger?

A: (a) 0 (b) 1 (c) 2 (d) 3 (e) >3

5. Q: How many people in your household are 18 or older?

A: (a) 0 (b) 1 (c) 2 (d) 3 (e) >3

6. Q: If you have school aged children do they attend public or private schools?

A: (a) Public (b) Private (c) No school aged children

7. Q: Please estimate the dollar amount your household spends off the Islands in the greater Charleston area during a typical month in the categories listed below (not to include Freshfields, on island restaurants, etc. as this information will be collected separately).

A: (a) Food and Household Supplies: \_\_\_\_\_

(b) Bars/Restaurants: \_\_\_\_\_

(c) Entertainment and Recreation: \_\_\_\_\_

(d) Transportation (auto repair, fuel, leases, etc.): \_\_\_\_\_

(e) Property Services (landscaping, cleaning services, home maintenance, pool maintenance)

(f) Clothing and Apparel: \_\_\_\_\_

8. Q: If in the last year you made any major purchases, in the Charleston area, but not on the island, what was the cost? i.e.) car, appliances, furniture etc.

A: Amount: \_\_\_\_\_

9. Q: If your household donates time, money, or in-kind contributions to local charities, please list the types of charity to which you contribute.

A: (a) Type of charity (church, school, Habitat, arts, museums) \_\_\_\_\_

(b) Estimated value of annual contribution(s) \_\_\_\_\_

(c) Estimated hours volunteered per year \_\_\_\_\_

10. Q: What amount do you spend annually on insurance for property owned on Kiawah/Seabrook Islands (homeowners, automobile, boat, flood, wind, hail, etc)?

A: Amount: \_\_\_\_\_

## Appendix C – Charleston County Tax Data

### Seabrook

Tax Year	Prop. type	Taxes	Penalty	FD Operating Taxes	FD Operating Penalty	FD Bond Taxes	FD Bond Penalty
2014	13 - Business Personal Property County (Service)	3,417.03	41.81	402.35	4.91	47.93	0.59
2014	14 - Rental residential	75,425.62	1,985.09	8,853.79	233.07	1,055.50	27.89
2014	36 - Watercraft	130,124.47	2,024.42	15,342.98	238.57	1,828.00	28.44
2014	45 - Business Personal DOR (Retail)	66,949.27	1,606.46	7,879.94	188.63	938.93	22.45
2014	95 - Aircraft	6,708.69	416.40	790.55	49.06	94.20	5.84
2014	Real	12,613,258.59	60,686.49	1,785,021.48	8,104.22	212,682.94	965.57
2014	Utilities	138,079.05	0.00	16,271.18	0.00	1,938.70	0.00
2014	Vehicles	342,897.77	0.00	36,930.02	0.00	5,043.22	0.00
		<b>13,376,860.49</b>	<b>66,760.67</b>	<b>1,871,492.29</b>	<b>8,818.46</b>	<b>223,629.42</b>	<b>1,050.78</b>

**Seabrook**

<b>Tax Year</b>	<b>Proptype</b>	<b>Taxes</b>	<b>Penalty</b>	<b>FD Operating Taxes</b>	<b>FD Operating Penalty</b>	<b>FD Bond Taxes</b>	<b>FD Bond Penalty</b>
<b>2015</b>	13 - Business Personal Property County (Service)	11,253.98	19.35	1,296.07	2.21	154.40	0.28
<b>2015</b>	14 - Rental residential	55,782.17	1,040.63	6,409.93	119.68	763.93	14.10
<b>2015</b>	36 - Watercraft	92,336.42	2,897.93	10,746.21	333.84	1,280.42	39.78
<b>2015</b>	45 - Business Personal DOR (Retail)	68,409.83	1,462.41	7,874.56	167.83	938.31	19.99
<b>2015</b>	95 - Aircraft	6,450.99	0.00	743.08	0.00	88.53	0.00
<b>2015</b>	Real	11,607,238.36	54,855.72	1,592,023.95	7,020.68	189,687.65	836.48
<b>2015</b>	Utilities	158,286.54	0.00	18,232.73	0.00	2,172.41	0.00
<b>2015</b>	Vehicles	392,398.14	0.00	47,668.34	0.00	5,678.80	0.00
		<b>12,392,156.43</b>	<b>60,276.04</b>	<b>1,684,994.87</b>	<b>7,644.24</b>	<b>200,764.45</b>	<b>910.63</b>

## **Appendix D – Description of Multiplier Concept**

The purpose of conducting a regional economic impact study is to determine the range and effect the money spent between inter-relationships across numerous industries in the economy actually has on a community. The economic activity can be traced across each industry and its effect can be quantified using a "multiplier." The multiplier effect refers to the final income arising, or ripple effect, out into the economy generated by new spending. Economists generally use accepted and industry standard and approved multipliers to calculate economic impacts.

The MBA consulting group used an output multiplier to estimate financial impact and an employment multiplier to estimate employment impact. The multipliers used in this study were gathered from the Economic Impact Study of Kiawah Island conducted by Dr. Frank Hefner and Dr. John C. Crotts in 2004.