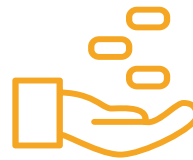




The Lafayette Economic Development Authority was requested to conduct an analysis of the economic impact of the Acadiana Mall on Lafayette Parish. This page will serve as a brief executive summary of the findings. The full report including methodology and outcomes can be found on the following pages.

Estimates conclude the following:

\$130 Million in Direct Store Sales



\$31 Million in Direct Wages & Salaries

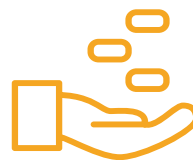
1,349 Direct Jobs Created



Total Economic Impact = \$198.3 Million

TOTAL FISCAL IMPACT = \$13.1 MILLION

\$68 Million in Indirect/Induced Expenditures



\$15 Million in Indirect/Induced Wages & Salaries

394 Indirect/Induced Jobs Created



ECONOMIC IMPACT ANALYSIS

ACADIANA MALL

MARCH 2018

**PREPARED BY
LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

INTRODUCTION

The purpose of this study is to identify and quantify the direct, indirect and induced economic impacts the Acadiana Mall has on Lafayette Parish. This report measures the economic effect of the Mall's employment, household earning, and day-to-day operations. The impact estimates direct local spending by the Mall, along with localized economic multipliers, to determine its indirect and induced effects on other industries and households in the area.

FINDINGS

In addition to the direct impact, the Acadiana Mall creates added indirect and induced economic impacts within Lafayette Parish. The total impact of the Mall can be separated into three different effects: output, earning, and employment. The economic impact of the Mall is calculated by multiplying specific industry multipliers with estimated total Mall sales revenue for 2018.

ECONOMIC IMPACT

Based on the sales volume of the Mall, it is estimated that the Acadiana Mall directly supports 1,349 employees in the stores, administration and security. It is also estimated that the Mall will create \$31 million in direct wages and salaries in 2018. The Mall's estimated total expenditures are \$130 million. Using RIMS II multipliers, the table below expresses the economic impact the Mall has on Lafayette Parish.

Estimated Output	\$130,000,000	Output/1 usd	Earnings/2 usd	Employment/3 jobs
Direct Effect		\$130,000,000	\$31,028,556	1,349
Indirect/Induced Effect		\$68,380,000	\$15,368,444	394
TOTAL EFFECT		\$198,380,000	\$46,397,000	1,743

	Dollars Spent	Deflation Figure	2015 Dollars	Total Employment Created
Note: To calculate employment impact, expenses have to be converted into 2015 dollars as not to overstate the impact	\$130,000,000	\$6,240,000	\$123,760,000	1,743

To calculate the economic impact of Acadiana Mall expenditures using the RIMS II multipliers, the total expenditures were converted into fiscal year 2015 dollars. If the conversion had not been done, the employment impact numbers would have been overstated in the final analysis.

The Consumer Price Index data indicated a 5% increase in economy-wide price levels between 2015 and 2018 YTD. This difference was used to deflate the expenditures to calculate the correct employment impact.

Based on the output multiplier, the Acadiana Mall will have a total economic impact of \$198 million in 2018. The output multiplier indicates that for every dollar spent, the Mall pumps an extra \$0.53 into Lafayette Parish.

The employment multiplier demonstrates the relationship between Mall's sales revenue and employment creation in the study area. The Mall supports a total of 1,743 jobs in Lafayette Parish, including the 1,349 staff directly supported at the Mall.

The total impact of the earnings from the Mall are estimated to be \$46.4 million. The earning multiplier indicates the level of Lafayette Parish income that is dependent on the Acadiana Mall payroll.

- **Output Multiplier:** The output multiplier estimates the total change in local sales resulting from a \$1 increase in sales in the study area (final demand). In essence, the output multiplier is used to assess the interdependence of sectors in the local economy. For example, if the multiplier for retail trade is 2, then every \$1 spent to operate the Mall would create \$2 in economic activity in the local community. This trail of money down the supply chain is measured by the output multiplier and shows the liquidity of the retail industry. Multiplying the total revenue of the Acadiana Mall by the output multiplier provides an estimate of the total increase in output in Lafayette Parish.
- **Earnings Multiplier:** The income multiplier measures the income the Mall generates, through payroll and the multiplier effect, for households employed by all industries within Lafayette Parish. Consequently, the earning multiplier represents the amount of dollars that aggregate households in Lafayette Parish will gain in income based on the dollars put into the community by the Mall through sales revenue.
- **Employment Multiplier:** Communities often wish to know the number of jobs that are supported as a result of an existing business. The employment multiplier produces an estimate of the total number of new jobs that Lafayette Parish can support in all industries due to the dollars the Mall injects into the economy. The “snowballing” of dollars expended by the Mall, in essence, stimulates job growth. The jobs multiplier is expressed in terms of jobs per million dollars of spending.

Furthermore, each of the economic multipliers takes into account three impacts, defined below:

- **Direct Impact** - comprises the operating budget of the Mall on resources such as labor, goods and services
- **Indirect Impact** - encompasses purchases of local resources made by local businesses in order to produce the goods and services purchased by the Mall, along with consequent purchases by other businesses that supply the first group of businesses

- **Induced Impact** - includes the local household spending of the earnings of employees of the Mall and its suppliers

	Direct Impact	Indirect Impact	Induced Impact
Output Multiplier	Mall expenditures	Mall supplier expenditures	Local retail and service expenditures attributed to the added income from the Mall
Earnings Multiplier	Mall employee income	Mall supplier employee income	Local retail and service income attributed to the Mall
Employment Multiplier	Mall jobs	Mall supplier jobs	Local retail and service jobs attributed to the Mall

METHODOLOGY

Acadiana Mall and LEDA supplemented data with RIMS II multipliers to calculate the total economic impact on the area. RIMS II is based on an accounting framework called an Input-Output (I-O) table. For each industry, an I-O table shows the distribution of the inputs purchased and the outputs sold. Data sources used to derive these tables come from the Bureau of Economic Analysis: their national I-O table, which shows the input and output structure of nearly 500 U.S. industries, and their regional economic accounts, which are used to adjust the national I-O table in order to reflect a specific region's industrial structure and trading patterns.

In order to use RIMS II, a study area must be defined. The Bureau of Economic Analysis supplies multipliers for a wide range of geographies. For the purpose of this study, Lafayette Parish multipliers are used for the area of geographic measure.

Figures are converted into fiscal year 2015 dollars in order to be compatible with RIMS II multipliers data. The conversion was done using the Consumer Price Index for all urban consumers from the Bureau of Labor Statistics. The only figure remaining in 2015 terms is the jobs impact because jobs are not expressed in monetary terms and cannot be projected forward using the Consumer Price Index. The job impact would be overstated if the inflation conversion was not done. For this report, algebraic conversions are used to manipulate the RIMS II multipliers to fit the “known” retail sales revenue provided by Acadiana Mall.

FISCAL IMPACT

It is also the purpose of this report to explore the fiscal impacts the Acadiana Mall has on State and local government's tax rolls. Being a major retail hub of Acadiana and a large employer, the Mall has a significant effect on the tax revenues of State, Parish, and City. The table below shows the overall fiscal impact the Mall has on tax revenues:

Estimated 2018 Tax Revenues

	Louisiana	Lafayette Parish	Lafayette (city)
Retail Sales Tax	\$5,905,234	\$2,767,029	\$2,748,470
Property Tax		\$640,324	\$135,478
Income Tax	\$990,576		
TOTAL	\$6,895,810	\$3,407,353	\$2,883,948
	\$13,187,112		

**Note: Corporate Income Tax revenues could not be estimated due to the lack of data for the individual stores.

The Acadiana Mall will be responsible for adding over an estimated \$13.1 million to State and local tax rolls in 2018. The largest contributor of the tax revenues will be retail sales taxes. More than \$11 million of the tax revenues can be attributed to retail sales that will either occur at the Mall or retail sales that occur based on income generated by the Mall and spent on taxable goods.

The second largest contributor of tax revenues will come from income taxes, nearly \$1 million in 2018. Overall, the Acadiana Mall will generate an estimated \$13.1 million in tax revenues for the State of Louisiana in 2018, of which \$3.4 million and \$2.8 million will go directly to Lafayette Parish and the City of Lafayette respectively.