



MEMORANDUM

Date: February 24, 2023

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshner 
County Administrator

Re: **World View Economic Impact Analysis**

On January 10, 2023, the Pima County Board of Supervisors considered and approved a new lease-purchase agreement with World View Enterprises. This new agreement facilitates the retention and possible expansion of World View's operations related to remote sensing and space tourism, including employment of highly skilled and highly paid employees in Pima County.

As part of the new agreement, World View is required to meet certain employment thresholds meant to demonstrate a direct Economic Development benefit to Pima County. Those requirements are as follows:

- Employ a minimum of 90 FTE Employees for the first year (2023)
- Employ a minimum of 125 FTE Employees for the remaining Term of the Lease after 2023
- The average salary of FTE Employees working full time at the Leased Property or Adjacent Parcel, if purchased by Tenant, must be at least \$80,000.00 (U.S.) per year
- All such FTE Employees must be residents of Pima County, Arizona

As requested during the Board meeting, Pima County Economic Development engaged with Sun Corridor Inc. to produce a 5-year economic impact analysis (EIA) (Attachment), to demonstrate the economic impact of World View. Highlights are as follows:

- Direct jobs in year 1 indicate a \$26,517,058 economic impact
- Direct jobs over 5 years indicate a \$258,192,411 economic impact
- Combination of direct and indirect jobs in year 1 indicate a \$43,875,170 economic impact
- Combination of direct and indirect jobs over 5 years indicate a \$427,205,598 economic impact

If you have any questions, please feel free to contact my office directly.

JKL/dym

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Heath S. Vescovi-Chiordi, Director of Pima County Economic Development
Patrick Cavanaugh, Deputy Director of Pima County Economic Development

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General Description for Worldview

The following table summarizes the information used to estimate the economic impact of this specific project, Worldview. This report includes:

- Start Year - the year the project is expected to begin
- Region - the geographic area used to define the impact area.
- Industry Type - the industry classification that most closely describes Worldview

Because the economic multipliers used in analyzing Worldview are specific to the industry as well as the geography, the Region and Industry Type are very significant variables.

Other data attributed to Worldview are listed for each year through the end of the specified analysis period. This section includes:

- Number of jobs
- Annual payroll
- Construction Cost and Land Cost, if applicable
- Building Purchase Cost or Annual Lease Cost, if applicable
- Local (in the region) and Non-Local (outside the immediate region) Equipment Purchases

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Regional Project Assessment System - Project Description

Worldview in Tucson

Project Name:	Worldview	Start Year:	2023	Last Update:	2/15/2023
Region:	Tucson	Industry Type:	Scientific research and development servi		
		Percent Living In City:	50.7 %	Lease Back:	<input type="checkbox"/>

Annual Project Data

Year	Employment Payroll	TaxableSales	Real Estate Costs		Building SqFt	Equipment Purchases		PILOT
			Const. Cost Land Cost	Purchase Annual Lease		Taxable	Non-Taxable	
1	95 \$9,975,000	\$0	\$0 \$0	\$0 \$1,035,180	142,000	\$0	\$2,370,143	\$0
2	140 \$14,700,000	\$0	\$0 \$0	\$0 \$1,060,740	142,000	\$0	\$1,900,000	\$0
3	185 \$19,425,000	\$0	\$0 \$0	\$0 \$1,087,578	142,000	\$0	\$1,900,000	\$0
4	230 \$24,150,000	\$0	\$0 \$0	\$0 \$1,114,416	142,000	\$0	\$1,900,000	\$0
5	275 \$28,875,000	\$0	\$0 \$0	\$0 \$1,142,532	142,000	\$0	\$1,900,000	\$0

Prepared by Applied Economics for Sun Corridor Inc.

Impact Summary of Worldview

The Impact Summary report shows for each year the estimated total Economic and Real Estate Impacts and Revenue Impacts that might result from Worldview. These impacts are shown in greater detail in the subsequent tables. This summary includes impacts from Worldview (the direct impact), as well as the estimated multiplier effects of Worldview on other businesses within Tucson (which is the supplier and consumer impact).

The Economic Impact includes:

- Employment - those working for Worldview plus the number of jobs created at its suppliers and companies/organizations that make the goods and services used by the workers at Worldview and its suppliers
- Payroll Impact - payroll for that group of workers
- Economic Impact - defined in terms of output, a measure of the increased value of production or demand generated by the project
- Population - an estimate of the number of individuals that share a direct benefit from the labor income figures
- Households - estimated number of households directly or indirectly supported by Worldview

The Real Estate Impact shows the amount of Non-Residential Square Footage that is supported locally by the company and its suppliers.

Lastly, Revenue Impacts summarize the estimated amount of state and local tax revenues generated annually by Worldview (direct impact), its employees and other supported local businesses (supplier and consumer impact).

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Project Assessment System - Project Summary

For the Years: 2023-2027

Jobs and Payroll

New direct jobs created	275
New direct payroll	\$28,875,000
Average payroll per employee	\$105,000

Capital Investment

Value of new construction	\$0
Value of building purchase	\$0
Value of new equipment purchases	\$9,970,143

Economic Impact*

Total value economic impact	\$427,205,598
Total new jobs supported	606
Total new payroll supported	\$145,558,066
Household spending supported	\$106,249,426

Construction Impact

Total value construction impact	\$0
Total new jobs supported	0
Total new payroll supported	\$0

Annual New Tax Revenue***Local Taxes**

Property	\$4,114,248
Sales	\$988,671
State Shared Revenues	\$1,223,157
HURF's	\$441,351

State Taxes

Sales	\$2,526,888
Personal Income	\$3,637,419

*** Includes jobs, payroll, output and tax revenues of companies assisted by Sun Corridor Inc. as well as secondary impacts at other local businesses. Report includes only impacts created in 2023-2027. Additional impacts will be generated in future years.**

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Regional Project Assessment System - Impact Summary
Operation of Worldview on Tucson

Year	Economic and Real Estate Impacts							Revenue Impacts	
	Employment	Labor Income	Output	Non-Residential Square Footage	Population	Enrollment	Households	Local Tax Revenues	State Tax Revenues
2023	210	\$14,949,207	\$43,875,170	193,451	231	35	92	\$782,039	\$632,265
2024	308	\$22,030,410	\$64,658,145	217,822	341	52	135	\$1,067,024	\$933,518
2025	408	\$29,111,613	\$85,441,120	242,193	451	68	178	\$1,353,454	\$1,232,384
2026	506	\$36,192,816	\$106,224,095	266,565	560	85	222	\$1,638,671	\$1,533,637
2027	606	\$43,274,020	\$127,007,070	295,832	670	102	265	\$1,926,238	\$1,832,503
Total:		\$145,558,066	\$427,205,598					\$6,767,427	\$6,164,307

Prepared by Applied Economics for Sun Corridor Inc.

Economic Impact by Type

The Economic Impact by Type report shows for each year the direct impacts for the Worldview; the supplier impacts which estimate business-to-business purchases that might occur locally as a result of the project; and consumer impacts that estimate purchases which might be made by employees of Worldview and their families, as well as employees and families of supported supplier businesses.

For each year of the project outline, economic impacts can be described in terms of the following variables:

- Employment - direct employment represents the number of jobs at the company or the project. Supplier and consumer employment represent jobs that might be created at other local companies due to increased demand for products and services from the Worldview project.
- Labor Income - the payroll directly generated by Worldview. Supplier and consumer income includes the increase in payroll at other supported local businesses, which is assumed to be related to the estimated increased employment at those businesses because of Worldview.
- Output - the estimated increase in value of production or demand directly generated by Worldview, as well as at other local businesses as a result of Worldview.

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Regional Project Assessment System				
Economic Impact by Type				
Operation of Worldview in Tucson				
Impact Type	Year	Employment	Labor Income	Output
Direct	2023	95	\$9,975,000	\$26,517,058
	2024	140	\$14,700,000	\$39,077,770
	2025	185	\$19,425,000	\$51,638,482
	2026	230	\$24,150,000	\$64,199,194
	2027	275	\$28,875,000	\$76,759,906
	Total:		\$97,125,000	\$258,192,411
Supplier	2023	65	\$2,963,657	\$10,316,532
	2024	95	\$4,367,494	\$15,203,310
	2025	126	\$5,771,331	\$20,090,088
	2026	156	\$7,175,169	\$24,976,866
	2027	187	\$8,579,006	\$29,863,644
	Total:		\$28,856,657	\$100,450,439
Consumer	2023	50	\$2,010,550	\$7,041,580
	2024	73	\$2,962,916	\$10,377,065
	2025	97	\$3,915,282	\$13,712,550
	2026	120	\$4,867,648	\$17,048,035
	2027	144	\$5,820,013	\$20,383,520
	Total:		\$19,576,409	\$68,562,748

Sun Corridor Inc. Regional Project Assessment System Economic Impact by Type Operation of Worldview in Tucson				
Impact Type	Year	Employment	Labor Income	Output
Total				
	2023	210	\$14,949,207	\$43,875,170
	2024	308	\$22,030,410	\$64,658,145
	2025	408	\$29,111,613	\$85,441,120
	2026	506	\$36,192,816	\$106,224,095
	2027	606	\$43,274,020	\$127,007,070
	Total:		\$145,558,066	\$427,205,598

Demographic Impact by Type

The Demographic Impact by Type report shows the number of direct, supplier and consumer jobs created by Worldview as well as the supported population, school age population and households living in the Sun Corridor region. This includes employees and their families, as well as employees and families of supported supplier and consumer businesses.

Note that these people are not necessarily new to the region. However, they are currently being supported by the jobs and payroll created at Worldview

Supported population and household estimates account for the number of workers per household, average household size and share of employees likely to live and work in the Sun Corridor region. School age population is based on the average number of students per households in the Sun Corridor region.

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Regional Project Assessment System Demographic Impact by Type Operation of Worldview in Tucson						
Impact Type	Year	Employment	Supported Population	Grade School Population	High School Population	Supported Households
Direct	2023	95	105	11	5	42
	2024	140	155	16	8	61
	2025	185	205	21	10	81
	2026	230	254	26	13	101
	2027	275	304	31	15	120
Supplier	2023	65	71	7	4	28
	2024	95	105	11	5	42
	2025	126	139	14	7	55
	2026	156	173	17	9	69
	2027	187	207	21	10	82
Consumer	2023	50	55	6	3	22
	2024	73	81	8	4	32
	2025	97	107	11	5	42
	2026	120	133	13	7	53
	2027	144	159	16	8	63
Total	2023	210	231	23	12	92
	2024	308	341	34	17	135
	2025	408	451	46	23	178
	2026	506	560	57	28	222
	2027	606	670	68	34	265

Real Estate Impact

This particular impact is a different way to measure the economic influence that Worldview might have on a community. As the following Real Estate Impact report shows, the impact is estimated by looking at the number of jobs supported directly and indirectly in the various industries influenced by Worldview and translating that number into square footage by land use for eight different land use categories.

Keep in mind that this is simply an order-of-magnitude estimate. This square footage could be new, or it might be available vacant space, depending on current market conditions.

The Real Estate Impact report also shows the Total Housing Units that might be occupied by families of employees of Worldview, as well as employees at supported supplier and consumer businesses. Again, these homes may be new or existing in the study area.

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Regional Project Assessment System - Real Estate Impact
Operation of Worldview on Tucson

Year	Non-Residential Square Footage by Type									Total Non-Res. Square Feet	Total Housing Units
	Hotel	Retail	Office	Industrial	Hospital	Utilities	Government	Schools	Other		
2023	4,196	11,284	20,285	142,000	10,167	49	1,021	2,497	1,953	193,451	92
2024	6,183	16,629	29,894	142,000	14,983	72	1,505	3,679	2,878	217,822	135
2025	8,170	21,974	39,503	142,000	19,798	95	1,989	4,862	3,803	242,193	178
2026	10,158	27,319	49,111	142,000	24,614	117	2,473	6,045	4,728	266,565	222
2027	12,145	32,664	58,720	146,896	29,430	140	2,956	7,228	5,653	295,832	265

Prepared by Applied Economics for Sun Corridor Inc.

Direct and Total Revenue Impacts

The following Direct and Total Revenue Impact report shows the amount of local and state tax revenue that could be generated as a result of Worldview. As with the economic impact, the revenue impact is separated into two components:

- Direct Impact - shown on the upper half of the report, includes only those taxes paid directly by the company or project
- Total Impact (direct plus indirect) - includes an estimate of additional taxes paid by employees and other supported population

State and Local taxes described in the report include:

- Real property taxes - estimate of tax revenue based on land and buildings associated with Worldview, as well as employee residences
- Personal property taxes - based on the taxes on equipment associated with Worldview
- Sales Tax - estimate of tax revenue generated by direct taxable sales, building leases, local equipment purchases, construction activity and employee spending
- State Shared Revenues and HURFS - estimate of distributions to city and county based on supported population

At the state level, the sales and property tax are generated by sources similar to those described in local taxes. State revenue also includes personal income tax from direct and indirect labor income.

Prepared by Applied Economics for Sun Corridor Inc.

Sun Corridor Inc. Regional Project Assessment System - Direct and Total Revenue Impacts

Operation of Worldview on Tucson

Year	City					County and School District					State		Total
	Property Taxes		Sales Tax	State-Shared Revenues	HURFs	Property Taxes		Sales Tax	State-Shared Revenues	HURFs	Sales Tax	Personal Income Tax	
	Real	Personal				Real	Personal						
Direct Impact													
2023	\$14,420	\$0	\$26,915	na	na	\$141,824	\$0	\$5,176	na	na	\$0	na	\$188,335
2024	\$14,776	\$0	\$27,579	na	na	\$145,326	\$0	\$5,304	na	na	\$0	na	\$192,985
2025	\$15,150	\$0	\$28,277	na	na	\$149,003	\$0	\$5,438	na	na	\$0	na	\$197,868
2026	\$15,524	\$0	\$28,975	na	na	\$152,679	\$0	\$5,572	na	na	\$0	na	\$202,751
2027	\$15,916	\$83	\$29,706	na	na	\$156,531	\$820	\$5,713	na	na	\$0	na	\$208,769
Total	\$75,787	\$83	\$141,452	na	na	\$745,363	\$820	\$27,202	na	na	\$0	na	\$990,707
Total Impact													
2023	\$34,028	\$0	\$87,961	\$60,749	\$22,835	\$460,753	\$0	\$28,347	\$64,873	\$22,493	\$259,518	\$305,743	\$1,347,300
2024	\$43,589	\$0	\$117,543	\$89,524	\$33,651	\$614,515	\$0	\$39,451	\$95,602	\$33,148	\$382,448	\$451,045	\$1,900,517
2025	\$53,280	\$0	\$147,157	\$118,300	\$44,468	\$769,554	\$0	\$50,561	\$126,332	\$43,802	\$505,378	\$595,700	\$2,454,532
2026	\$62,859	\$0	\$176,772	\$147,075	\$55,284	\$923,491	\$0	\$61,671	\$157,061	\$54,457	\$628,307	\$741,003	\$3,007,982
2027	\$72,568	\$83	\$206,420	\$175,851	\$66,101	\$1,078,705	\$820	\$72,787	\$187,790	\$65,111	\$751,237	\$885,658	\$3,563,133
Total	\$266,326	\$83	\$735,854	\$591,499	\$222,339	\$3,847,019	\$820	\$252,817	\$631,658	\$219,011	\$2,526,888	\$2,979,149	\$12,273,464

Prepared by Applied Economics for Sun Corridor Inc.

Total Household Spending Impact

The household spending report translates total labor income into local household spending by type. Total labor income is adjusted to account for the portion that is spent versus the amount that is saved or invested. This relationship between total household income and percent of income spent varies significantly by income level. Low income households actually spend more than they make due to government transfer payments.

Next, expenditures are distributed by type (i.e., utilities, rent, transportation, various categories of retail, etc.). These expenditures generally represent expenditures that are made in the community by direct and supported employees. This information can be valuable in understanding the benefit of economic development to existing local businesses.

The range of goods and services purchased is divided into three categories:

- Local – items such as groceries and household supplies and services that are typically purchased within a three to seven mile radius from home
- Regional – larger items such as vehicles, appliances, home furnishings, apparel and entertainment that are purchased from a regional mall or a specialized provider located throughout the urban area
- Non-Site Based – expenditures like housing, utilities and insurance that may ultimately flow outside the region, or do not necessarily impact local business establishments.

Prepared by Applied Economics for Sun Corridor Inc.

Total Household Spending Impact

Worldview

Spending Type	Year:	2023	Amount	Spending Type	Year:	2024	Amount	Spending Type	Year:	2025	Amount
Local Retail & Services			\$3,099,037	Local Retail & Services			\$4,567,002	Local Retail & Services			\$6,034,967
Groceries			\$905,705	Groceries			\$1,334,723	Groceries			\$1,763,740
Restaurants & Bars			\$578,341	Restaurants & Bars			\$852,293	Restaurants & Bars			\$1,126,244
Personal Services			\$87,297	Personal Services			\$128,648	Personal Services			\$169,999
Other Household Expenses			\$130,945	Other Household Expenses			\$192,972	Other Household Expenses			\$254,999
Housekeeping Supplies			\$141,857	Housekeeping Supplies			\$209,053	Housekeeping Supplies			\$276,249
Gas & Motor Oil			\$589,254	Gas & Motor Oil			\$868,374	Gas & Motor Oil			\$1,147,494
Vehicle Repairs			\$152,769	Vehicle Repairs			\$225,134	Vehicle Repairs			\$297,498
Drugs			\$109,121	Drugs			\$160,810	Drugs			\$212,499
Medical Supplies			\$21,824	Medical Supplies			\$32,162	Medical Supplies			\$42,500
Personal Care Products			\$130,945	Personal Care Products			\$192,972	Personal Care Products			\$254,999
Tobacco Products			\$65,473	Tobacco Products			\$96,486	Tobacco Products			\$127,499
Misc Services			\$185,506	Misc Services			\$273,377	Misc Services			\$361,248
Regional Retail & Services			\$2,378,839	Regional Retail & Services			\$3,505,657	Regional Retail & Services			\$4,632,475
Home repairs & maintenance			\$250,978	Home repairs & maintenance			\$369,863	Home repairs & maintenance			\$488,747
Home furnishings & appliances			\$349,187	Home furnishings & appliances			\$514,592	Home furnishings & appliances			\$679,996
Apparel & shoes			\$392,836	Apparel & shoes			\$578,916	Apparel & shoes			\$764,996
New cars and trucks			\$283,715	New cars and trucks			\$418,106	New cars and trucks			\$552,497
Used cars and trucks			\$283,715	Used cars and trucks			\$418,106	Used cars and trucks			\$552,497
Other vehicles			\$32,736	Other vehicles			\$48,243	Other vehicles			\$63,750
Medical services			\$152,769	Medical services			\$225,134	Medical services			\$297,498
Entertainment fees & admission			\$229,154	Entertainment fees & admission			\$337,701	Entertainment fees & admission			\$446,248
Audio visual equipment			\$229,154	Audio visual equipment			\$337,701	Audio visual equipment			\$446,248
Pets, toys, hobbies			\$174,594	Pets, toys, hobbies			\$257,296	Pets, toys, hobbies			\$339,998
Non-Site Based Expenditures			\$5,434,227	Non-Site Based Expenditures			\$8,008,335	Non-Site Based Expenditures			\$10,582,443
Mortgage expenses			\$829,320	Mortgage expenses			\$1,222,156	Mortgage expenses			\$1,614,991
Property taxes			\$381,924	Property taxes			\$562,835	Property taxes			\$743,746
Housing rent			\$742,023	Housing rent			\$1,093,508	Housing rent			\$1,444,992
Utilities			\$796,584	Utilities			\$1,173,913	Utilities			\$1,551,242
Vehicle finance charges			\$65,473	Vehicle finance charges			\$96,486	Vehicle finance charges			\$127,499
Vehicle insurance			\$240,066	Vehicle insurance			\$353,782	Vehicle insurance			\$467,497
Vehicle licenses			\$98,209	Vehicle licenses			\$144,729	Vehicle licenses			\$191,249
Public transportation			\$109,121	Public transportation			\$160,810	Public transportation			\$212,499
Health insurance			\$360,099	Health insurance			\$530,673	Health insurance			\$701,246
Life insurance			\$65,473	Life insurance			\$96,486	Life insurance			\$127,499
Education			\$229,154	Education			\$337,701	Education			\$446,248
Cash contributions			\$371,012	Cash contributions			\$546,754	Cash contributions			\$722,496
Pensions			\$1,145,771	Pensions			\$1,688,504	Pensions			\$2,231,238
TOTAL:			\$10,912,103	TOTAL:			\$16,080,994	TOTAL:			\$21,249,885

Total Household Spending Impact

Worldview

Spending Type	Year:	2026	Amount	Spending Type	Year:	2027	Amount
Local Retail & Services			\$7,502,932	Local Retail & Services			\$8,970,898
Groceries			\$2,192,758	Groceries			\$2,621,776
Restaurants & Bars			\$1,400,195	Restaurants & Bars			\$1,674,146
Personal Services			\$211,350	Personal Services			\$252,701
Other Household Expenses			\$317,025	Other Household Expenses			\$379,052
Housekeeping Supplies			\$343,444	Housekeeping Supplies			\$410,640
Gas & Motor Oil			\$1,426,614	Gas & Motor Oil			\$1,705,734
Vehicle Repairs			\$369,863	Vehicle Repairs			\$442,227
Drugs			\$264,188	Drugs			\$315,877
Medical Supplies			\$52,838	Medical Supplies			\$63,175
Personal Care Products			\$317,025	Personal Care Products			\$379,052
Tobacco Products			\$158,513	Tobacco Products			\$189,526
Misc Services			\$449,119	Misc Services			\$536,990
Regional Retail & Services			\$5,759,293	Regional Retail & Services			\$6,886,111
Home repairs & maintenance			\$607,632	Home repairs & maintenance			\$726,516
Home furnishings & appliances			\$845,401	Home furnishings & appliances			\$1,010,805
Apparel & shoes			\$951,076	Apparel & shoes			\$1,137,156
New cars and trucks			\$686,888	New cars and trucks			\$821,279
Used cars and trucks			\$686,888	Used cars and trucks			\$821,279
Other vehicles			\$79,256	Other vehicles			\$94,763
Medical services			\$369,863	Medical services			\$442,227
Entertainment fees & admission			\$554,794	Entertainment fees & admission			\$663,341
Audio visual equipment			\$554,794	Audio visual equipment			\$663,341
Pets, toys, hobbies			\$422,700	Pets, toys, hobbies			\$505,403
Non-Site Based Expenditures			\$13,156,551	Non-Site Based Expenditures			\$15,730,658
Mortgage expenses			\$2,007,827	Mortgage expenses			\$2,400,663
Property taxes			\$924,657	Property taxes			\$1,105,568
Housing rent			\$1,796,477	Housing rent			\$2,147,961
Utilities			\$1,928,571	Utilities			\$2,305,900
Vehicle finance charges			\$158,513	Vehicle finance charges			\$189,526
Vehicle insurance			\$581,213	Vehicle insurance			\$694,929
Vehicle licenses			\$237,769	Vehicle licenses			\$284,289
Public transportation			\$264,188	Public transportation			\$315,877
Health insurance			\$871,820	Health insurance			\$1,042,393
Life insurance			\$158,513	Life insurance			\$189,526
Education			\$554,794	Education			\$663,341
Cash contributions			\$898,238	Cash contributions			\$1,073,981
Pensions			\$2,773,972	Pensions			\$3,316,705
TOTAL:			\$26,418,776	TOTAL:			\$31,587,667