Appendix L

Kīhei High School
Economic and Fiscal Impacts

Plasch Econ Pacific LLC – July 2011

KĪHEI HIGH SCHOOL:
ECONOMIC AND FISCAL IMPACTS

Plasch Econ Pacific LLC

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ECONOMIC AND FISCAL IMPACTS

PREPARED FOR:
State of Hawai‘i, Department of Education

PREPARED BY:
Plasch Econ Pacific LLC

July 2011

CONTENTS

EXECUTIVE SUMMARY

1. PROPOSED SCHOOL

Kīhei High School ("the School") will be located on a 77.33-acre site in Kīhei, Maui. The School is initially being planned for 800 students in grades 9-12 (Phase I), with the potential to expand by an additional 850 students (Phase II), resulting in a potential total of 1,650 students.

The estimated construction period for Phase I of the School is about 2.25 years and about 2 years for Phase II. Phase II construction would be completed about 10 years after the completion of Phase I construction. Construction could require more or less time, depending on the need for additional school capacity and the availability of State funding for the School.

2. MAJOR ECONOMIC IMPACTS

a. Employment

Construction and Related Employment

Phase I construction of the School will provide an average of about 340 construction jobs over the 2.25-year construction period, about 320 indirect jobs on Maui, and about 160 indirect jobs on O'ahu. Thus, total direct-plus-indirect employment associated with Phase I construction activity will average about 820 jobs, of which about 660 jobs will be on Maui.

Phase II construction of the School will provide an average of about 80 construction jobs during the 2-year construction period, about 80 indirect jobs on Maui, and about 40 indirect jobs on O'ahu. Thus, total direct-plus-indirect employment associated with Phase II construction activity will average about 200 jobs, of which about 160 jobs will be on Maui.

School and Related Employment

At the completion of Phase I construction (Phase I operations), School operations will provide about 120 jobs at the School, about 47 indirect jobs on Maui, and about 23 indirect jobs on O'ahu. Thus, total direct-plus-indirect employment associated with Phase I operations will reach about 190 jobs, of which nearly 170 jobs will be on Maui.

Phase II operations will increase these figures to about 206 jobs at the School, about 81 indirect jobs on Maui, and about 40 indirect jobs on O'ahu. Thus, total direct-plus-indirect employment associated with Phase II operations will reach nearly 330 jobs, of which nearly 290 jobs will be on Maui.

b. Tax Revenues

Tax Revenues Generated by Construction Activity

Phase I construction activity will generate about $12.9 million in tax revenues for the State, and Phase II construction will bring total tax revenues up to about $15.7 million. These tax revenues will offset about 9% of the cost of constructing the School.

Tax Revenues Generated by School Operations

At the completion of Phase I construction, families and businesses supported directly and indirectly by School operations will pay about $590,000 per year in tax revenues to the State, and about $68,000 per year to Maui County. Phase II operations will increase the tax revenues to about $1.0 million per year for the State and about $115,000 per year to the County. These revenues will offset the cost of providing State and County services to these families and businesses.

KĪHEI HIGH SCHOOL:
ECONOMIC AND FISCAL IMPACTS

1. INTRODUCTION

a. Content and Purpose

This report addresses the economic and fiscal benefits and impacts of Kīhei High School ("the School"), which is planned for a site in Kīhei, Maui. The purpose of the report is to provide State and County officials with information relevant to their decisions about the School.

The economic impacts cover expenditures and sales, profits, employment, and payroll related to (1) construction and related activities, and (2) School operations and related activities. Fiscal impacts address the impact of the School on State and County revenues and expenditures.

b. Methodology

Multipliers

The proposed development is translated into economic and fiscal impacts based on a number of multipliers (e.g, indirect sales generated per $1 million in construction expenditures, construction jobs per $1 million in construction expenditures, indirect jobs per direct job, average salary per job, tax rates, etc.). These multipliers reflect the professional judgment of the consultant, and are based on information from the following sources: other high schools similar in size to the School; *The 2002 Input-Output Study for Hawai'i; The Hawai'i Inter-County Input-Output Study: 2002 Benchmark Report;* U.S. Census data; the *State of Hawai'i Data Book;* employment and labor rates from the State Department of Labor and Industrial Relations (DLIR); County and State tax rates; and revenue and expenditure data from the State and County.

2010 Dollars

Throughout the report, dollar amounts are expressed in terms of mid-year 2010 purchasing power and market conditions. Values, prices, costs and dollar amounts for prior years are adjusted for inflation to 2010 dollars based on the Honolulu Consumer Price Index (CPI) for

Urban Consumers. Dollar amounts after 2010 are not increased to account for inflation, appreciation in property values, changes in labor rates, changes in building costs, or other changes in market conditions.

Accuracy of Estimates

Much of the analysis contained in this report is quantitative in nature, where numbers are used to help communicate anticipated impacts. However, these numbers should not be interpreted as precise predictions. Rather, they represent the best estimates of what is expected to occur based on available information about future development, market conditions, and tax rates. As a general rule, economic and fiscal impact estimates in this report are accurate within about 20%.

c. Organization of the Report

The material below gives the following information about the School and its economic and fiscal impacts: a description of the School, the economic impacts of construction and related activities, the economic impacts of School operations and related activities, and the impact on State and County finances.

The detailed assumptions, multipliers, and calculations are shown in five tables at the end of the report. These tables cover the following:

- Table 1: Proposed Development
- Table 2: Economic Impacts of Construction Activity
- Table 3: Economic Impacts of Operations
- Table 4: Impacts on State and County Fiancees

The quantities appearing in **bold** in the tables highlight the more significant economic and fiscal impacts.

d. Economic Consultant

The analysis was conducted by Plasch Econ Pacific LLC, a Hawai'i-based economic-consulting firm specializing in economic development, land and housing economics, feasibility studies, valuations, market analysis, public policy analysis, and the economic and fiscal impacts of projects.

2. SCHOOL DESCRIPTION

a. School Location and Area

The School will be located on a 77.33-acre site in Kīhei, Maui. As shown in Figure 1, the site is mauka of Pi‘ilani Highway across from Kūlanihāko‘i Street, and between Kūlanihāko‘i Gulch to the north and Waipu‘ilani Gulch to the south. The School will use about 70 acres (91%) of the project site.

b. School Size

The School is being planned for 800 students in grades 9-12 (Phase I), with the potential to expand by an additional 850 students (Phase II), resulting in a potential total of 1,650 students.

c. Components of the School

Initial school improvements (Phase I) will include the following: classrooms, administration and student center, library and media arts center, cafeteria and custodial service center, technology and electives center, music building, gymnasium, locker facilities, storage buildings, concessions building, JROTC (Army) classroom building, football/soccer field, track, softball field, baseball field, practice field, grassed playfield, basketball courts, tennis courts, bleachers, walkways, driveways, parking, lighting, landscaping, utilities, highway improvements, etc. (see Figure 2 and Table 1).

Depending upon need and available funding, future improvements (Phase II) will include the following: additional classrooms, auditorium, swimming pool complex, choral room, food kiosk, and additional bleachers.

3. ECONOMIC IMPACTS OF CONSTRUCTION

Construction of the School will involve the following activities: (1) grading and other work to prepare the site for development; (2) construction of infrastructure (roads and parking, a water delivery system, sewer systems, drainage systems, utilities systems, etc.); and (3) construction of buildings. Table 2 summarizes the direct and indirect economic impacts of construction activity. The material in this table gives the development period, construction expenditures, indirect sales generated by the construction activity, profits, employment and payroll, and the number of residents and homes supported by construction activity.

a. Construction Period

The estimated construction period for Phase I of the School is about 2.25 years and about 2 years for Phase II. Phase II construction would be completed about 10 years after the completion of Phase I construction. Construction could require more or less time, depending on the need for additional school capacity and the availability of State funding for the School.

b. Construction Expenditures

Total construction expenditures for the School are estimated at nearly $170 million, including about $140 million for Phase I and about $30 million for Phase II (see Section 2.b of Table 2). This translates into average construction expenditures of about $62.2 million per year during Phase I, and about $15 million per year during Phase II. In practice, construction expenditures will vary from year to year.

c. Indirect Sales Generated by Construction Activity

In addition to construction expenditures, construction activity will generate indirect sales associated with supplying goods and services to construction companies and to the families of construction workers. In turn, the companies supplying goods and services, and the families of their employees, will purchase goods and services from other companies, and so on. These indirect sales will include sales by companies that supply building materials (cement, steel, lumber, roofing materials, plumbing equipment, electrical equipment, hardware supplies, lighting, flooring, etc.); rent out construction equipment; repair equipment; provide warehousing services; provide shipping and trucking services; etc. Indirect sales also include sales by grocery stores, drugstores, restaurants, service stations, beauty salons, medical providers, accountants, attorneys, insurance agents, etc.

Based on State economic multipliers, these indirect sales are expected to average about $61 million per year during Phase I, of which about $41 million per year will be on Maui and about $20 million on O‘ahu (see Section 2.c of Table 2.). Corresponding annual figures during Phase II are about $9.8 million on Maui and about $4.9 million for O‘ahu, for a total of about $14.7 million for the state.

d. Summary of Construction Expenditures and Related Sales

Section 2.d of Table 2 summarizes anticipated expenditures and sales related to construction activity. As indicated, construction expenditures plus indirect sales related to construction are expected to average about $123 million per year during Phase I. About $85 million

per year will be subject to the State 4% excise tax on final sales, while about $38 million will be subject to the 0.5% excise tax on intermediate sales. Corresponding annual figures for Phase II are about $20.5 million for final sales and about $9.2 million for intermediate sales, for a total of nearly $30 million. In some years, construction expenditures plus indirect sales may be significantly higher or lower than the average.

e. Profits Related to Construction Activity

Profits on construction and indirect sales are estimated to average about $15.4 million per year for Phase I, and about $3.7 million per year for Phase II (see Section 2.e of Table 2).

f. Construction Employment and Related Jobs

Construction employment is expected to average about 340 jobs over the 2.25-year construction period for Phase I, and about 82 jobs during the 2-year construction period for Phase II (see Section 2.f of Table 2). Construction jobs will include supervisors, heavy-equipment operators (grading, roads and parking areas, water lines, sewer lines, etc.), cement workers to lay foundations, metal workers, carpenters, plumbers, electricians, roofers, glass and window installers, cabinet makers, carpet and tile layers, painters, equipment installers, interior decorators, landscapers, etc. Other jobs related to construction will include architects, civil engineers, draftsmen, government inspectors, etc. These jobs will range over a variety of skill levels, including entry-level, semiskilled, skilled, management, and professional positions.

As with indirect sales, construction activity will generate indirect jobs associated with supplying goods and services to construction companies and to the families of construction workers. In turn, the companies supplying goods and services, and the families of their employees, will purchase goods and services from other companies, and so on. Indirect jobs will include those at companies supplying building materials (cement, steel, lumber, roofing materials, plumbing equipment, electrical equipment, hardware supplies, lighting, flooring, etc.); rent construction equipment; repair equipment; provide warehousing services; provide shipping and trucking services; etc. Other indirect jobs will include those involved with supplying goods and services to employees and their families: grocery workers, store clerks, restaurant workers, service-station workers, beauty technicians, barbers, bankers, pharmacists, veterinarians, computer technicians, medical workers, accountants attorneys, etc. The jobs will range over a variety of skill levels, including entry-level, semi-skilled, skilled, and management positions.

Based on State employment multipliers, indirect employment related to Phase I construction is expected to average about 320 jobs on Maui and 160 jobs on O‘ahu. For Phase II, indirect employment is expected to average about 80 jobs on Maui and about 40 jobs on O‘ahu.

Thus, total direct-plus-indirect employment associated with Phase I construction activity will average about 820 jobs, of which about 660 jobs will be on Maui (see Figure 3). For Phase II, employment associated with construction activity will average about 200 jobs, of which about 160 jobs will be on Maui.

g. Payroll Related to Construction Activity

Phase I construction activity is expected to generate a total payroll of about $41.7 million per year, of which about $22.4 million will be for construction workers, about $12.5 million for indirect employment on Maui, and about $6.8 million for indirect employment on O‘ahu (see Section 2.g of Table 2). Corresponding annual figures for Phase II are $5.4 million for construction workers, about $3 million for indirect employment on Maui, about $1.7 million for indirect employment on O‘ahu, for a total of about $10.1 million. These estimates are based on the average number of direct and indirect jobs multiplied by average wages as reported to the DLIR.

Annual wages will range from about $25,000 to over $100,000 per year, and are expected to average about $65,900 for construction jobs, about $38,600 for indirect jobs on Maui, and about $43,000 for indirect jobs on O‘ahu.

h. Population and Housing Supported by Construction Activity

During the Phase I construction period, direct and indirect jobs provided by construction activity will support about 1,680 residents housed in about 570 homes (see Sections 2.h and 2.i of Table 2). Construction jobs will support about 690 residents and about 230 homes, while the remainder will be supported by indirect jobs. Most of the residents supported by the direct-plus-indirect jobs are expected to live on Maui: about 1,350 residents housed in about 460 homes. Phase II construction activity will support about 400 residents and about 140 homes, of which about 320 residents and 110 homes will be on Maui.

i. Sources of Construction Workers

As noted above, construction employment is expected to average about 340 jobs during the Phase I construction period. This figure is small compared to the number of available

construction workers. For Maui County, construction employment peaked at about 4,900 jobs in 2007, then declined to about 2,700 jobs in 2010, for a loss of about 2,200 jobs (45%). The 340 Phase I construction jobs comprise about 15.5% of the 2,200-job decline.

In view of the available construction workers, it is expected that the construction jobs for the School will be filled mostly by workers who are already living on Maui. As other construction projects are completed on the island, Maui construction workers will be hired to work on the various components of the School, then move on to other projects. Thus, the School will help keep Maui's existing construction workers employed.

Special programs to increase the number of construction workers on Maui appear to be unwarranted since sufficient workers are already available.

4. ECONOMIC IMPACTS OF OPERATIONS

Table 3 summarizes the economic and related impacts of School operations, including the on-site population of students and employees, the number of jobs provided by type, salaries and payroll, consumption expenditures, related profits, and the population and number of homes that will be supported by the School jobs. In the material which follows, Phase I operations refers to when the school first opens. Phase II operations refers to when the school is functioning at its design capacity, which is expected to be a few years after Phase II construction is completed.

a. School Population

When the School first opens, it will accommodate about 920 students and employees (see Section 3.a of Table 3). Phase II will increase the on-site population to over 1,850 students and employees.

b. Operating Employment and Related Jobs

High School Jobs

The School's Phase I operating employment is expected to total about 120 jobs, including teachers, librarians, counselors, administrators, and support staff (see Section 3.b of Table 3). Support staff includes: assistants (education and administrative); clerks (accounting, library, attendance, office, and typists); health aides; cafeteria personel (managers, cooks, bakers, workers, etc.); custodians; groundskeepers; maintenance workers; security attendants; etc. Phase II will increase on-site employment to about 206 jobs.

Indirect Jobs

Additional economic activity will be generated by the purchase of goods and services by the School and by the families of the School employees. School purchases will include food for the cafeteria, classroom supplies, bathroom supplies, repairs, etc. Family purchases will include groceries, restaurant meals, drug-store items, personal services (hair, nails, etc.), medical services, etc.

Based on State economic multipliers, these purchases are expected to generate about 47 indirect jobs on Maui under Phase I, about 23 indirect jobs on O'ahu, for a total of about 70 indirect jobs (see Section 3.b of Table 3). Phase II will increase indirect employment to about 81 indirect jobs on Maui and about 40 indirect jobs on O'ahu, for a total of about 120 indirect jobs.

Total Direct and Indirect Jobs

Under Phase I, the School will generate about 190 direct and indirect jobs, of which about 167 jobs will be on Maui and 23 jobs on O'ahu (see Figure 3 and Section 3.b of Table 3). Under Phase II, employment will increase to nearly 290 direct and indirect jobs on Maui and 40 indirect jobs on O'ahu, for a total of nearly 330 jobs.

c. Payroll Related to Operations

Payroll of High School Jobs

Annual salaries at the School will range from less than $25,000 to over $100,000. Total payroll for Phase I jobs at the School is estimated at about $5.6 million per year (see Section 3.c of Table 3). Phase II will increase total payroll to about $9.8 million per year.

Payroll of Indirect Jobs

Total payroll for Phase I indirect jobs is estimated at about $2.8 million per year, of which about $1.8 million will be on Maui and about $1 million on O'ahu (see Section 3.c of Table 3). Phase II will increase total payroll of indirect jobs to over $3.1 million per year for Maui and over $1.7 million for O'ahu, for a total of nearly $4.9 million.

Payroll of Total Direct and Indirect Jobs

Total annual payroll for Phase I direct and indirect jobs is estimated at about $8.4 million, of which about $7.4 million will be on Maui and about $1 million on O'ahu (see

Section 3.c of Table 3). Phase II will increase total annual payroll of indirect jobs to about $13 million for Maui and about $1.7 million for O'ahu, for a total of about $14.7 million.

d. Consumption Expenditures Related to Operations

As mentioned above, families of School employees and those who hold indirect jobs generated by School operations will purchase goods and services. For Phase I, these consumption expenditures are estimated at about $4.1 million annually on Maui and over $500,000 on O'ahu, for a total of about $4.6 million (see Section 3.d of Table 3). Phase II will bring consumption up to about $7.1 million annually on Maui and over $900,000 on O'ahu, for a total of nearly $8.1 million.

e. Profits Related to Operations

For Phase I, profits on annual consumption sales are estimated at about $410,000 on Maui and over $50,000 on O'ahu, for a total of about $460,000 (see Section 3.e of Table 3). Phase II will bring annual profits up to over $710,000 on Maui and over $90,000 on O'ahu, for a total of nearly $810,000.

f. Population Supported by Operations

For Phase I, direct and indirect jobs provided by operations will support about 240 residents on Maui and about 50 residents on O'ahu, for a total of about 290 residents (see Section 3.f of Table 3). Phase II will bring the supported population to over 410 residents on Maui and over 80 residents on O'ahu, for a total of nearly 500 residents.

g. Housing for Supported Population

Housing for the residents supported by the Phase I direct and indirect jobs will total about 100 homes, of which about 80 will be on Maui and nearly 20 on O'ahu (see Section 3.g of Table 3). Phase II will bring these figures up to about 140 homes on Maui and about 30 homes on O'ahu, for a total of about 170 homes.

For Phase I, the Maui homes will have an estimated value of about $28.6 million, and the O'ahu homes will have an estimated value of about $7.1 million (see Section 3.h of Table 3). Phase II will bring these values up to about $49 million for the Maui homes and $12.1 million for the O'ahu homes.

h. Sources of School Professionals

Once the School becomes operational, experienced faculty, administrators, and professional staff will be recruited from other public and private schools in Hawai'i and, to a lesser extent, from mainland schools. Teachers and professional staff who are new to their fields will be recruited from the University of Hawai'i (UH) and other institutions.

Programs to increase the supply of teachers and professional staff will be the responsibility of UH and other organizations. UH coordinates with the Hawai'i Department of Education regarding future needs.

5. IMPACTS ON STATE AND COUNTY FINANCES

Table 4 shows the impact of the School on State and County tax revenues, including the change in the tax bases, tax revenues generated by construction activity, and tax revenues generated by operations.

a. Impacts of Construction Activity on State and County Finances

State

Phase I construction is expected to generate about $12.9 million in revenues for the State (see Section 4.b of Table 4). Revenues will be derived from excise taxes, and corporate and personal income taxes. Phase II construction will bring total tax revenues up to about $15.7 million. These tax revenues will offset about 9% of the cost of constructing the School.

The School will provide education services to accommodate population growth in the area, but will not contribute to population growth. Consequently, the School is not expected to require major additional support improvements from the State.

Also, State services for construction workers and their families are, for the most part, already provided since most of the needed construction workers are current residents of Maui.

Maui County

Unlike the State, Maui County derives negligible tax revenues from construction activity. However, the School is not expected to require major additional support improvements from the County since the School will not add significantly to Maui's population growth.

As with the State, County services for construction workers and their families are already provided since most of the needed construction workers are current residents of Maui. Also, the County will not incur costs for on-site security, sanitation, etc., since these services will be provided by the construction companies.

b. Impacts of Operations on State and County Finances

State

At the completion of Phase I construction, School operations will generate about $590,000 per year in tax revenues to the State (see Section 4.c of Table 4). Phase II will increase the tax revenues to the State to about $1 million per year. State revenues will include excise taxes, and corporate and personal income taxes paid by families and businesses that are directly and indirectly supported by School operations. These revenues will offset the cost of providing State services to these families and businesses.

Maui County

Phase I School operations will generate about $67,000 per year in tax revenues to the County (see Section 4.c of Table 4). Phase II will increase the tax revenues to the County to about $116,000 per year. County tax revenues will include property taxes paid by families supported directly and indirectly by School operations. These revenues will offset the cost of providing County services to these families.

County expenditures to support the School will include water and sewer service, solid waste disposal, public safety (police and fire), etc. The School will pay service charges to pay its fair share of water and sewer services, and solid waste disposal. Police and fire services are financed from the County general fund. Since the surrounding community already receives police and fire protection, only a fraction of a job may be required to cover police and fire protection for the School. This would include periodic inspection of safety equipment and fire hazards by the Fire Department during non-emergency periods.

6. REFERENCES

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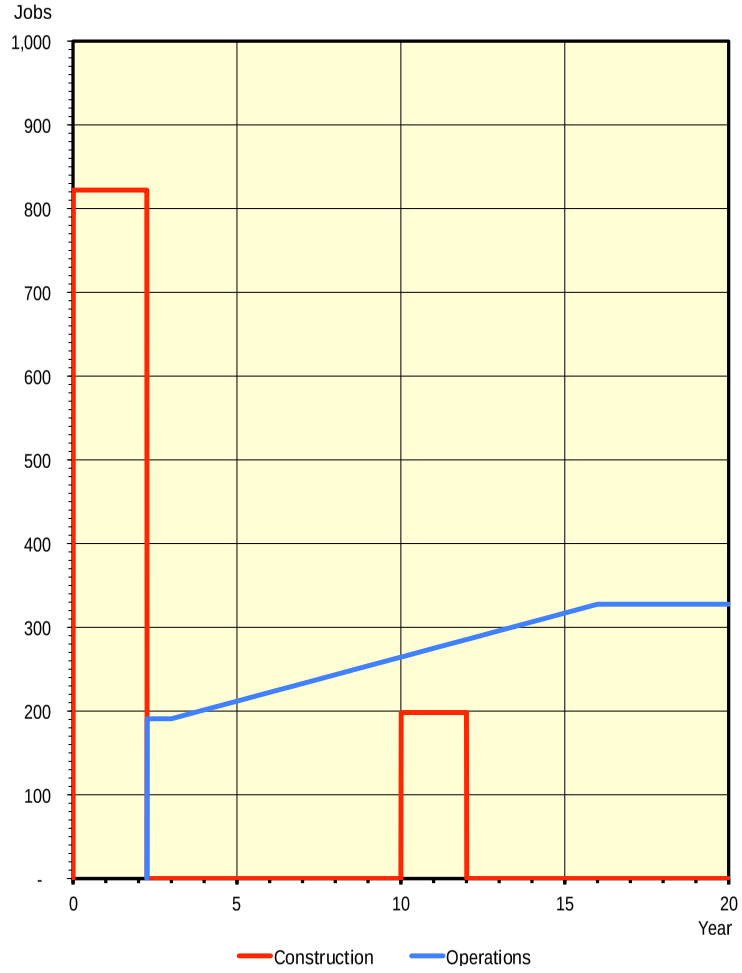
FIGURES

FIGURE 1. LOCATION, KĪHEI HIGH SCHOOL

FIGURE 2. SITE PLAN, KĪHEI HIGH SCHOOL

Figure 3. Direct and Indirect Jobs



TABLES

Table 1. Proposed Development
(Values in 2010 dollars)

Item	Source or Multiplier	Phase I	Phase II	Total	Units
1.a. LAND AREA					
Site	Group 70			77.33	acres
Campus	"			70.00	"
1.b. SCHOOL SIZE					
Students, Grades 9 to 12	DOE	800	850	1,650	Students
1.c. COMPONENTS					
Classroom Houses 1 & 2	DOE	x			
Administration & Student Center	"	x			
Library & Media Arts Center	"	x			
Cafeteria & Custodial Service Center	"	x			
Technology & Electives Center	"	x			
Music Building	"	x			
PE Locker Facilities	"	x			
Gymnasium & Locker Facilities	"	x			
Athletics Locker Facilities	"	x			
Athletics Storage Building	"	x			
Concession & Restroom Buildings	"	x			
JROTC (Army) Classroom Building	"	x			
Basketball Storage Building	"	x			
Football/Soccer Field	"	x			
Bleachers, Center Sections	"	x			
Synthetic Track	"	x			
Softball Field & Bleachers	"	x			
Baseball Field & Bleachers	"	x			
Basketball Courts	"	x			
Tennis Courts	"	x			
Practice Field	"	x			
Grassed Play Field	"	x			
Kulanihakoi Street Extension	"	x			
Piilani Highway Traffic Signal & Improvements	"	x			
Driveways, Fire Lanes, Parking, & Walkways	"	x			
Grading & Drainage	"	x			
Retaining walls	"	x			
Drainage	"	x			
Utilities (sewer, water, electrical, communications)	"	x			
Lighting	"	x			
Landscaping & Irrigation System	"	x			
Shade structures, Furnishings, Fencing, Gates, Etc.	"	x			
Classroom Houses 3 & 4	"		x		
Portable Classrooms	"		x		
Auditorium	"		x		
Swimming Pool Complex	"		x		
Specialty Classrooms, Technology & Electives Center	"		x		
Choral Room/Music Building	"		x		
Food Kiosk	"		x		
Bleachers, End Sections	"		x		

Table 2. Economic Impacts of Construction
(Values in 2010 dollars)

Item	Source or Multiplier	Phase I	Phase II	Total	Units
2.a. DURATION OF CONSTRUCTION	DOE	2.25	2.00		years
2.b. CONSTRUCTION EXPENDITURES					
Total Construction Expenditures	DOE and PEP	$ 140,000,000	$ 30,000,000	$ 170,000,000	
Per Student		$ 175,000	$ 35,294	$ 103,030	
Annual Construction Expenditures (average)		$ 62,222,222	$ 15,000,000		per year
2.c. INDIRECT SALES					
Indirect Sales Generated by Construction	98% of const. exp.	$ 60,977,778	$ 14,700,000		per year
Maui	67%	$ 40,855,111	$ 9,849,000		"
Oahu	33%	$ 20,122,667	$ 4,851,000		"
2.d. SUMMARY OF EXPENDITURES & SALES					
Final Sales (taxed at 4%)					
Construction Expenditures	Section 2.b	$ 62,222,222	$ 15,000,000		per year
Consumption	55% of payroll Section 2.g	$ 22,940,701	$ 5,530,348		"
Total Sales at 4%		$ 85,162,923	$ 20,530,348		per year
Intermediate Sales (taxed at 0.5%)					
Indirect Sales Related to Construction	Section 2.c	$ 60,977,778	$ 14,700,000		"
Less Consumption	above	$ (22,940,701)	$ (5,530,348)		"
Total Sales at 0.5%		$ 38,037,077	$ 9,169,652		per year
Total Sales		$ 123,200,000	$ 29,700,000		per year
2.e. PROFITS					
Profits on Total Expenditures & Sales	10.0%	$ 12,320,000	$ 2,970,000		per year
Risk Premium for Construction	5.0%	$ 3,111,111	$ 750,000		"
Total Profit from Construction & Related Activity		$ 15,431,111	$ 3,720,000		per year
2.f. EMPLOYMENT (on-site & off-site)					
Maui					
Construction Jobs	5.46 x sales/$1 mil	340	82		jobs
Indirect Jobs Generated by Construction	1.42 x direct jobs x 67%	323	78		"
Total Maui Employment		663	160		jobs
Oahu, Indirect Jobs Generated by Construction	1.42 x direct jobs x 33%	159	38		"
Total Employment		822	198		jobs
2g. PAYROLL					
Maui					
Construction Payroll	$ 65,900 per job	$ 22,388,427	$ 5,397,210		per year
Payroll for Indirect Employment	$ 38,600 "	$ 12,476,381	$ 3,007,699		"
Total Maui Payroll		$ 34,864,807	$ 8,404,909		per year
Oahu, Payroll for Indirect Employment	$ 43,000 per job	$ 6,845,559	$ 1,650,269		"
Total Payroll		$ 41,710,366	$ 10,055,177		per year
2h. POPULATION SUPPORTED BY DEVELOPMENT ACTIVITIES					
Maui					
Supported by Construction Jobs	2.03 per job	690	166		residents
Supported by Indirect Jobs	2.03 "	656	158		"
Total Residents, Maui		1,346	324		residents
Oahu Residents Supported by Indirect Jobs	2.08 per job	331	80		"
Total Residents Supported		1,677	404		residents

Table 2. Economic Impacts of Construction
(Values in 2010 dollars)
(continued)

Item	Source or Multiplier	Phase I	Phase II	Total	Units
2.i. HOUSING FOR SUPPORTED POPULATION					
Maui					
Supported by Construction Jobs	0.34 per resident	234	57		homes
Supported by Indirect Jobs	0.34 "	223	54		"
Total Homes, Maui		458	110		homes
Oahu Homes Supported by Indirect Jobs	0.33 per resident	109	26		"
Total Homes Supported		567	137		homes

Table 3. Economic Impacts of Operations
(Values in 2010 dollars)

Item	Source or Multiplier	Phase I	Phase II	Total	Units
3.a. ON-SITE POPULATION					
Students	Table 1, Section 1.b	800	850	1,650	
Employees	Table 3, Section 3.b	120	86	206	
Total On-site Population		920	936	1,856	
3.b. EMPLOYMENT					
High School Employment					
Teachers	DOE	70	68	138	jobs
Librarians	PEP	1	1	2	"
Counselors	"	4	4	8	"
Administrators	"	5	3	8	"
Support Staff	"	40	10	50	"
Total School Employment	DOE	120	86	206	jobs
Indirect Employment					
Maui	67% of total	47	34	81	jobs
Oahu	33% of total	23	17	40	"
Total Indirect Jobs	0.59 of High Sch Jobs	71	51	122	jobs
Direct and Indirect Employment					
Maui		167	120	287	jobs
Oahu		23	17	40	"
Total Jobs		191	137	328	jobs
3.c. PAYROLL					
High School Payroll					
Teachers	$ 49,100 per job	$ 3,437,000	$ 3,338,800	$ 6,775,800	per year
Librarians	$ 60,100 "	$ 60,100	$ 60,100	$ 120,200	"
Counselors	$ 50,000 "	$ 200,000	$ 200,000	$ 400,000	"
Administrators	$ 87,600 "	$ 438,000	$ 262,800	$ 700,800	"
Support Staff	$ 36,000 "	$ 1,440,000	$ 360,000	$ 1,800,000	"
Total Payroll, High School		$ 5,575,100	$ 4,221,700	$ 9,796,800	per year
Payroll, Indirect Employment					
Maui	$ 38,600 per job	$ 1,831,030	$ 1,312,238	$ 3,143,267	per year
Oahu	$ 43,000 "	$ 1,004,652	$ 720,001	$ 1,724,653	"
Total Payroll, Indirect Jobs		$ 2,835,682	$ 2,032,238	$ 4,867,920	per year
Payroll, Direct and Indirect Employment					
Maui		$ 7,406,130	$ 5,533,938	$ 12,940,067	per year
Oahu		$ 1,004,652	$ 720,001	$ 1,724,653	"
Total Payroll		$ 8,410,782	$ 6,253,938	$ 14,664,720	per year
3.d. CONSUMPTION EXPENDITURES					
Maui	55% of payroll	$ 4,073,371	$ 3,043,666	$ 7,117,037	per year
Oahu	55% "	$ 552,559	$ 396,000	$ 948,559	"
Total Consumption		$ 4,625,930	$ 3,439,666	$ 8,065,596	per year
3.e. PROFITS					
Maui	10% of consumption	$ 407,337	$ 304,367	$ 711,704	per year
Oahu	10% "	$ 55,256	$ 39,600	$ 94,856	"
Total Profits		$ 462,593	$ 343,967	$ 806,560	per year
3.f. POPULATION SUPPORTED BY OPERATIONS					
Maui					
Supported by School Jobs	2.03 per job	144	103	247	residents
Supported by Indirect Jobs	2.03 "	96	69	165	"
Total Residents, Maui		240	172	412	residents
Oahu Residents Supported by Indirect Jobs	2.08 per job	49	35	83	"
Total Residents Supported		289	207	495	residents

Table 3. Economic Impacts of Operations
(Values in 2010 dollars)

Item	Source or Multiplier	Phase I	Phase II	Total	Units
3.g. HOUSING FOR SUPPORTED POPULATION					
Maui					
Supported by Construction Jobs	0.34 per resident	49	35	84	homes
Supported by Indirect Jobs	0.34 "	33	23	56	"
Total Homes, Maui		82	58	140	homes
Oahu Homes Supported by Indirect Jobs	0.33 per resident	16	11	28	"
Total Homes Supported		98	70	168	homes
3.h. VALUE OF SUPPORTED HOUSING					
Maui					
Value of Homes Supported by School Jobs	$ 350,000 per home	$ 17,103,156	$ 12,257,262	$ 29,360,418	homes
Value of Homes Supported by Indirect Jobs	$ 350,000 "	$ 11,459,115	$ 8,212,365	$ 19,671,480	"
Total Homes, Maui		$ 28,562,271	$ 20,469,627	$ 49,031,898	homes
Oahu, Value of Homes Supported by Indirect Jobs	$ 440,000 per home	$ 7,056,302	$ 5,057,016	$ 12,113,318	"
Total Value of Homes		$ 35,618,572	$ 25,526,644	$ 61,145,216	homes

Table 4. Impacts on State and County Finances
(Values in 2010 dollars)

Item	Source or Multiplier	Phase I	Phase II	Total	Units
4.a. TAX & EXPENDITURE BASE					
Construction Activity					
Duration	Table 2, Section 2.a	2.25	2.00		years
Final Sales					
Annual Average	Table 2, Section 2.d	$ 85,162,923	$ 20,530,348		per year
Cumulative		$ 191,616,578	$ 41,060,695	$ 232,677,273	
Intermediate Sales					
Annual Average	Table 2, Section 2.d	$ 38,037,077	$ 9,169,652		per year
Cumulative		$ 85,583,422	$ 18,339,305	$ 103,922,727	
Profits					
Annual Average	Table 2, Section 2.e	$ 15,431,111	$ 3,720,000		per year
Cumulative		$ 34,720,000	$ 7,440,000	$ 42,160,000	
Payroll					
Annual Average	Table 2, Section 2.g	$ 41,710,366	$ 10,055,177		per year
Cumulative		$ 93,848,323	$ 20,110,355	$ 113,958,678	
Operations at Full Development					
Payroll	Table 3, Section 3.c	$ 8,410,782	$ 6,253,938	$ 14,664,720	per year
Sales Revenues (Consumption)	Table 3, Section 3.d	$ 4,625,930	$ 3,439,666	$ 8,065,596	"
Profits (on-site activities)	Table 3, Section 3.e	$ 462,593	$ 343,967	$ 806,560	"
Owner-occupied Homes, Maui	60% of homes	49	35	84	homes
Property Value, Maui					
Total Value	Table 3, Section 3.h	$ 28,562,271	$ 20,469,627	$ 49,031,898	
Less Home Owner Exemption	$ 300,000 per home	$ (14,689,168)	$ (10,527,237)	$ (25,216,405)	
Taxable Value		$ 13,873,103	$ 9,942,390	$ 23,815,493	
4.b. DEVELOPMENT ACTIVITIES					
State Revenues, Cumulative					
Excise Tax					
Final Sales	4.0% of sales	$ 7,664,663	$ 1,642,428	$ 9,307,091	
Intermediate Sales	0.5% "	$ 427,917	$ 91,697	$ 519,614	
Total Excise Tax		$ 8,092,580	$ 1,734,124	$ 9,826,705	
Corporate Income Taxes	1.0% of profits	$ 347,200	$ 74,400	$ 421,600	
Personal Income Taxes	4.8% of income	$ 4,504,720	$ 965,297	$ 5,470,017	
Total State Tax Revenues		$ 12,944,500	$ 2,773,821	$ 15,718,321	
Offset of Construction Costs		9%	9%	9%	
Maui County Revenues, Cumulative		$ -	$ -	$ -	
4.c. OPERATIONS AT FULL DEVELOPMENT					
State Revenues, Annual					
Excise Tax	4.0% of sales	$ 185,037	$ 137,587	$ 322,624	per year
Corporate Income Tax	1.0% of profit	$ 4,626	$ 3,440	$ 8,066	"
Personal Income Tax	4.8% income	$ 403,718	$ 300,189	$ 703,907	"
Total State Tax Revenues		$ 593,381	$ 441,215	$ 1,034,596	per year
Maui County Revenues, Annual	$ 4.85 per $1,000	$ 67,285	$ 48,221	$ 115,505	per year