**Center for Economic Development and Business Research**

School of Business and Industry

Jacksonville State University

**Economic Impact of the**

**2019 Noble Street Festival and**

**Alabama Cycling Classic
Anniston, Alabama**

**Prepared for:**

**City of Anniston, Alabama**

**1128 Gurnee Avenue**

**Anniston, AL 36201**



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**2019 Noble Street Festival and**

**Alabama Cycling Classic**

**Anniston, Alabama**

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***Prepared for:***

The City of Anniston, Alabama

1128 Gurnee Avenue

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***Through:***

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| 1. ***Executive Summary***
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The city of Anniston requested JSU’s Center for Economic Development and Business Research (CED) to perform an economic impact analysis on the 2019 Noble Street Festival and Alabama Cycling Classic which includes the Sunny King Criterium and Piedmont Road Race and was held on April 13, 2019 in downtown Anniston, AL. The Economic Impacts represented in this report are the estimated economic impacts on Calhoun County, Alabama only.

It is estimated that there were around 4,000 attendees from local, state, national and international locations. An intercept survey was performed and approximately 245 completed survey responses were collected. Based on the survey results, it is estimated that a total economic impact of $1.5 million was generated in the local Calhoun County economy

Our analysis utilizes IMPLAN statistical software, an input-output model for identifying appropriate variables for analysis and measuring the economic impact associated with those variables. IMPLAN is an acronym for Impact Analysis for Planning and is widely used in all areas of academia and industry in conducting such analysis.

The input-output model produces outputs through multiplier analysis of given inputs (direct spending estimates). This model measures how the effect of spending as a result of the Noble Street Festival and Alabama Cycling Classic is not limited to just an initial level of spending but multiplies throughout the economy. The model measures these effects according to direct, indirect and induced in calculating the level of total economic impact.

Direct expenditures such as lodging, meals, gasoline/fuel and retail spending were captured from the survey and entered in the input-output model, generating the total economic output of $1.5 million. This impact was incurred during one weekend in the local Calhoun County economy which displays the importance of such events, not only on the local quality-of-life to local citizens but by creating opportunities for visitors to come in and spend disposable income in our local economy which adds to our local revenue base.

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| 1. ***Total Impact Summary***
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**~ Total Impact Summary ~**

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| --- | --- | --- | --- | --- |
| **Impact Type** | **Employment** | **Labor Income ($)** | **Value Added ($)** | **Output ($)** |
| Direct Effect | 13 |  $ 222,754  |  $ 500,760  |  $ 1,106,669  |
| Indirect Effect | 2 |  $ 72,035  |  $ 120,824 |  $ 273,576 |
| Induced Effect | 1 |  $ 36,375  |  $ 68,378  |  $ 126,318 |
| **Total Effect** | **16** |  **$ 331,164**  |  **$ 689,962**  |  **$ 1,505,563**  |

**~ Top Ten Industries Effected by Impacts ~**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Impact Industry** | **Direct Output ($)** | **Indirect Output ($)** | **Induced Output ($)** | **Output ($)** |
| Hotels and motels | $496,400.00 | $170.73 | $42.93 | $496,613.65 |
| Limited Service Restaurants | $372,300.00 | $3,649.39 | $5,700.25 | $381,649.65 |
| Petroleum Refineries | $186,150.00 | $6,785.44 | $1,274.17 | $194,209.62 |
| Retail – General Merchandise Stores | $50,818.95 | $1,664.67 | $3,462.92 | $55,946.54 |
| Extraction of natural gas and crude petroleum | $0.00 | $30,945.51 | $273.65 | $31,219.16 |
| Electrical power transmission and distribution | $0.00 | $26,838.69 | $2,838.08 | $29,676.77 |
| Wholesale Trade | $0.00 | $19,783.93 | $6,780.39 | $26,564.32 |
| Real estate | $0.00 | $19,714.32 | $4,917.36 | $24,631.69 |
| Owner-occupied dwellings | $0.00 | $0.00 | $20,432.42 | $20,432.42 |
| Maintenance and repair construction of non-residential structures | $0.00 | $10,367.71 | $559.80 | $10,927.51 |

**~ Estimated State and Local Taxes ~**

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| --- | --- |
| **Description** | **Total Value** |
| TOPI: Sales Tax | $83,442.40 |
| TOPI: Property Tax | $22,562.14 |
| TOPI: Motor Vehicle License | $779.62 |
| TOPI: Severance Tax | $444.55 |
| TOPI: Other Taxes | $7,237.74 |
| TOPI: Special Assessments | $121.61 |
| Corporate Profits Tax | $1,672.68 |
| Personal Tax: Income Tax | $5,112.62 |
| Personal Transfers | $733.94 |
| Personal Tax: Motor Vehicle License | $178.74 |
| Personal Tax: Property Tax | $48.51 |
| Personal Tax: Other Tax | $52.99 |
| **Total** | **$122,387.52** |

A total of $122,388 dollars in state and local tax.

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| 1. ***Economic Terminology Glossary***
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**Direct Effect -** The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.

**Indirect Effect -** The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.

**Induced Effect -** The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.

**Economic Impact Modeling -** Economic Impact Modeling is a software, data or even a technique that allows an analyst to trace spending through an economy and measure the cumulative effects of that spending. The need for an EIA is normally triggered by an economic event, catastrophe, change in government policy, justification for funding, or as needed for planning (schools, streets, sewers, public utilities).

**Labor Income** - All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income.

**Output -** Output represents the value of industry production. In IMPLAN these are annual production estimates for the year of the data set and are in producer prices. For manufacturers this would be sales plus/minus change in inventory. For service sectors production = sales. For Retail and wholesale trade, output = gross margin and not gross sales.

**Value Added** - The difference between an industry's or an establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). Value added consists of compensation of employees, taxes on production and imports less subsidies (formerly indirect business taxes and nontax payments), and gross operating surplus (formerly other value added). (BEA) Gross value added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account. (SNA)

**TOPI** – Taxes on Production and Imports