

Economic and Fiscal Impacts of Whole Foods & Associated Development on Interstate Parcel

The purpose of this report is to estimate the direct economic and fiscal impacts of the proposed Whole Foods and associated development on the Interstate Parcel and to highlight the importance of this development to the Town and its businesses and residents. This report is limited to the impacts specific to the Town of Frisco but it is assumed that the surrounding region is also positively impacted by the development of this property because some business purchases will be made outside Frisco and some customers are from outside Frisco.

Prior to discussing economic and fiscal impacts, it is important to recognize the intangible benefits of this project, which are critical to the long-term success or failure of the development of this parcel. Some of those benefits are:

- Development of the Interstate Parcel will help to rebrand Frisco's image of a vibrant mountain town – it serves as a gateway entrance into Frisco and will communicate the image of the community.
- Whole Foods and its values complement our community's character and sense of place. Whole Foods will be the anchor tenant and overall development will have similar quality retail.
- In these uncertain economic times, a Whole Foods Market and associated retail on the Interstate Parcel will be a catalyst for redevelopment and strengthen Frisco's local economy- draw other businesses to Town, i.e. Christmas tree lot, Frisco Station.
- Opportunity for Frisco's future.
- Capture spending for organic foods.

It is also important to keep in mind the market potential of this development; Whole Foods intends to target this market both for their provisioning needs and to provide a convenient rest stop, regardless of the traveller's final destination:

- I-70 has approximately 15 million vehicles passing this site each year;
- Within this 15 million, Whole Foods will be targeting 4.7 million annual skier days, 1 million winter visitors and 1 million summer visitors;
- Within this 15 million will be second homeowners and short term renters;
- There are 66,400 permanent year round residents in the market area (Summit County and Eagle County west to Edwards) with average household incomes of \$88,600 in Summit county and \$83,700 in Eagle County.

Economic and Fiscal Impacts

Both economic and fiscal impacts are reported within three segments: 1) during construction activities; 2) during business operations after the stores on the site have opened and 3) impacts of Town of Frisco residents employed at stores on the site.

Economic impacts measure spending transacted within the Town of Frisco as a result of the development of this property.

Fiscal impacts are narrower and measure the effect of this spending on the local government's budget.

1) **During construction activities:** (one-time impacts)

Direct economic impacts

- Construction materials - \$42,000
- Soft costs-planning, design, engr. - \$21,000
- Payroll – 2 employees living in Frisco - \$92,352

Direct fiscal impacts

- Sales tax from supplies purchased locally - \$1,680
- Permit fees (planning fees, building fees, impact fees) - \$114,364
- Infrastructure fees – water - \$75,000
- Should not increase need for Town services (police, public works, etc.)

Total impacts during construction activities: \$346,396

2) **During business operations:** (annual impacts)

Direct economic impacts

- Business Spending – furniture, fixtures, computers, supplies - \$12,540
- Payroll – 7 employees live in Frisco - \$175,000

Direct fiscal impacts

- Sales tax collected on business spending - \$502
- Sales tax collected from retail activity - \$950,000
- Utilities water, sewer - \$21,600
- May increase need for Town services (police calls, rec programs, streets, etc.)- (\$90,000)

Total impacts during business operations: \$1,069,642

3) **New Resident Impacts:** (annual impacts)

Direct economic impacts

- 100 Whole Foods employees: 70 local positions; 30 management positions brought in from other Whole Foods stores; 20 employees other retail – 7 employees live in Frisco – Frisco resident spending - \$45,938

Direct fiscal impacts

- Sales tax collected from resident spending and other fees - \$5,338
- Services to residents (\$2,500/resident X 7 employees) – (\$17,500)

Total new resident impacts: \$33,776

Total annual economic impacts: \$ 255,078 (not including construction impacts)

Total annual fiscal impacts: \$ 848,339 (not including construction impacts)

Total annual impact: \$1,103,417 (not including construction impacts)