



Summary of Projected Economic Impact  
of Granbury ISD's  
Proposed \$84,975,000 Bond Election  
on November 5, 2013

Prepared by Terry L. Clower, Ph.D.

and

Provided by  **BOSC, Inc.**

# Projected Economic and Fiscal Impacts of Granbury ISD's Proposed \$84,975,000 Bond Election<sup>1</sup>

September 2013

## Introduction

The following presents the findings of our analysis of the potential future capital spending to be generated as a result of Granbury Independent School District's (the "District") proposed \$84,975,000 bond election scheduled for November 5, 2013. Our analysis relies on the IMPLAN economic input-output model developed by MIG, Inc., which is widely used in academic and professional research. The model tracks how spending flows through the economy and is categorized as direct, indirect, and induced impacts:

- ❑ Direct Impacts: Related to expenditure of bond proceeds, such as hiring contractors;
- ❑ Indirect Impacts: Associated with upstream spending such as contractors purchasing materials for construction projects or hiring firms to provide supporting services, etc.; and
- ❑ Induced Impacts: Impact of additional employment created to support the associated "Direct and Indirect Impacts" spending a portion of their earnings in the local economy for goods and services.

The IMPLAN model provides estimates of economic activity, labor income, employment, and indirect taxes as a result of the District's proposed bond program.

- ❑ Output is a measure of the value of transactions (spending).
- ❑ Labor income includes salaries, wages, and benefits paid to employees plus proprietors' income.
- ❑ Employment is number of headcount jobs created, expressed as person years of employment, as the spending will likely occur over a multi-year time period. A person-year of employment is one job lasting for one year.
- ❑ Tax revenues are indirect property taxes; sales taxes; fees, licenses, and permits; and other sources of government revenues associated with the additional indirect and induced spending due to the bond program. Bond program spending is assumed to be tax-exempt.

## Analysis and Findings

- ❑ Granbury ISD serves portions of Hood, Parker, Johnson, and Somervell counties, which combined serve as the study area for this analysis.
- ❑ The proposed bond program includes two propositions totaling almost \$85 million.
  - ❖ Proposition 1 (\$81,972,000) proposed spending includes:
    - ◆ Major renovations and expansion of Granbury High School including addition of 9th grade classes
    - ◆ Build new career and technology-focused classrooms
    - ◆ Renovate and expand existing fine arts space
    - ◆ Safety and security upgrades
    - ◆ Construct attached gyms at two elementary campuses to replace freestanding gyms
  - ❖ Proposition 2 (\$3,003,000) includes the refunding of existing debt for energy efficiency projects.
    - ◆ Given the refunding of existing debt will have little direct local economic impact, we do not include the spending in this proposition within our analysis.

Economic and Fiscal Impacts of Granbury ISD's Proposed \$84,975,000 Bond Election	
Description	Impact
<b>Total Spending</b>	\$ 81,972,000
<b>Economic Activity</b>	\$ 99,121,000
<b>Labor Income (salaries, wages, benefits)</b>	\$ 34,869,000
<b>Employment (person years of employment)*</b>	1,070
<b>Total State and Local Tax (includes fees)</b>	\$ 3,260,000

\* A person year of employment is one job lasting for one year.

<sup>1</sup> Prepared by: Terry L. Clower, Ph.D., T. Clower & Associates

## Terry L. Clower, Ph.D.



Terry L. Clower has been with Weinstein, Clower and Associates since 1993. Prior to joining WCA, Dr. Clower was employed in private industry in logistics and transportation management positions. He is also director for the Center for Economic Development and Research at the University of North Texas. The Center provides economic and public policy consulting services primarily to clients in the non-profit and public sectors.

Dr. Clower has served as project manager, staff researcher and statistical analyst on numerous projects reflecting experience in economic and community development, economic and fiscal impact analysis, survey research design, housing market issues, land use planning, labor market analysis, transportation, and forecasting.

Dr. Clower has authored or co-authored over 100 articles, book chapters, and research reports. His scholarly articles have appeared in *Economic Development Quarterly*, *Urban Studies*, *Economic Development Review*, the *Australasian Journal of Regional Studies*, *Sustaining Regions*, and *Applied Research in Economic Development*. He is a regional (Americas) editor for the journal *Regional Science Policy and Practice*. Dr. Clower is a certified trainer in economic development for the National Association of Workforce Boards and is an instructor for certification courses sanctioned by the International Economic Development Council and the Council for Community and Economic Research.

Dr. Clower received a B.S. in Marine Transportation from Texas A&M University in 1982, a M.S. in Applied Economics from the University of North Texas in 1992 and a Ph.D. in Information Sciences from the University of North Texas in 1997.

Contact: T. Clower & Associates  
P.O. Box 795001  
Dallas, Texas 75379  
(214) 202-4692  
tclower@aol.com