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North Campus Development at California Lutheran University

A Sound Investment in Improving the Quality of Life in Ventura County

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The necessity of a systematic study based on facts and figures in determining the economic impacts of our university, has been expressed frequently during the last decade by Dean of the School of Business and Co-director of Center for Leadership and Values Dr. Charles Maxey. The desire of conducting a study measuring the economic impact of North Campus was initiated by Mr. Ritch Eich, Vice President of Marketing and Communications early last summer (summer of 2004). This study is the result of the joint support of California Lutheran University's Marketing and Communications and the Center for Leadership and Values in the School of Business. We are grateful for the support of our Vice President for Marketing and Communications and Dean of the Business School for their ideas, patience, and support throughout this research.

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On behalf of the Center for Leadership and Values
Jamshid Damooei, Ph.D.
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1) Introduction

California Lutheran University is a major contributor to the social and economic progress of Ventura County. This report summarizes the methods and the findings of a study made possible by the joint support of California Lutheran University's Marketing and Communications Department and the Center for Leadership and Values in the School of Business. The focus of this study is on measuring the regional economic impact of the university's North Campus development. The report presents a vivid picture of how the interest of the university and the well-being of our city and region intertwine throughout the phases of North Campus construction and subsequent operation; at present time and for many more years to come.

The report presents a vivid picture of how the interest of the university and the well-being of our city and region intertwine throughout the phases of North Campus construction and subsequent operation- at present time and for many more years to come.

The present and the near future economic impacts measure what the economic benefits to our city and county are in terms of increased employment, local expenditures, gross regional product, and tax revenues. The social and long term economic impacts of North Campus go far beyond the mere immediate economic impacts, including a broad spectrum of various impacts such as:

- ❖ Enhancing the university's contribution to the quality of life in our region brought out by the advancement of science, culture, recreational activities, and arts.
- ❖ The positive impact on human capital development.
- ❖ The qualitative dimensions through its positive social and personal effects on people of our city and region.

1.1) Limitations of Study

It is important to understand the limitations of this and many other similar studies. A cursory glance at the above list would suggest that a significant portion of the positive impacts of this advancement can not be measured in economic terms shown by their respective added monetary values. The real reason for the inability to measure such impacts is that many positive developments in a society do not have a market and thus it is hard, if not impossible, to measure their outcomes in terms of their market values. One can not easily find a market for such outcomes as enhancing cultural appreciation of a community, or creation of a stronger community bond through promotion of local sports. Therefore it is very difficult to assign a financial and monetary value for the outcome of such progress.

"...a significant portion of the positive impacts of this advancement can not be measured in economic terms shown by their respective added monetary values."

Similarly, there is not any estimate of the economic value of a university's contribution to a host community, public agencies or to governments at any level through the voluntary expertise contributed by faculty and staff. We have not calculated the economic value (examples: tax revenues, employment, operating expenditures and capital investment in the regional economy) of corporate enterprises created and/or managed by university graduates. In each of the omitted areas, there simply is neither sufficient data nor rules of

thumb for even order-of-magnitude estimates of economic impact. As a result, we believe it is reasonable to consider the economic impacts measured in this report as a mere conservative *underestimation* of the real overall consolidated economic impacts of the North Campus project.

Furthermore, an economic impact assessment examines how a proposed development will change the lives of current and future residents of a community. The indicators used to measure the potential economic impacts of a development include the following:

- ❖ Demand for services/goods offered
- ❖ Changes in income, employment, and tax revenue levels
- ❖ Changes in the aesthetic and environmental quality of the community

Quantitative measurement of such factors is an important component of an economic impact assessment. At the same time, the perception of community members about how a proposed development will affect their lives is a critical part of the assessment. In fact, gaining an understanding of community values and concerns is an important first step in conducting a thorough economic impact assessment.

1.2) Scope of Assessment

Considering the limitations and insufficiencies highlighted above, the primary objective of this study is to concentrate on the economic impact of North Campus *construction* and measure it in quantitative terms. The study also makes every effort to identify other social and cultural impacts that the project will bring about in the future.

An economic impact analysis traces spending within an economy brought about by an economic activity. It measures the cumulative effects of the spending brought about by that activity within a specific region. This analysis, like any other with similar activity, will aim to measure the following impacts:

- ❖ Direct effects—Construction cost and how such expenditures create jobs and add to the production capacity of our region, impact of the issuant payroll when facilities begin operations, operating expenses made locally, and local purchases made by students and people attending university-related functions in relation to the operation of the North Campus.
- ❖ Indirect effects—The economic activity generated among the region’s businesses to meet the university's demand for the construction and beyond.
- ❖ Induced effects—The effects of expenditures made in the city/county by CLU employees and students.



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“...The economic impacts of a development project on a community begin the day the project is proposed.”

2) A Brief History of CLU’s Capital Campaign for North Campus Construction

The economic impacts of a development project on a community begin the day the project is proposed. The real, measurable and often significant effects on the human environment will begin to take place as soon as there are changes in the economic conditions.

California Lutheran University’s 20 year Campus Master Plan was approved February 9, 1999, by the Thousand Oaks City Council. Most of the facilities are to be built over the next 20 years in two phases:

- ❖ The first phase between 1996 and 2004
- ❖ The second phase between 2005 and 2014

*“In dreams
begin responsibilities...”*
—Delmore Schwarz, American Writer

The plan is based on an anticipated expanded student body of 2,200 traditional students with 1,500 residing on campus. By comparison, as of fall 2004, those numbers are 1,713 and 1,120 respectively, continuing approximately the same ratio of residential students. The enrollment is estimated to reach between 3,500 and 4,000 overall, including night and graduate students by 2018.

In 2000, a capital campaign was launched to raise \$80 million by 2004. The focus of the campaign has been not only providing value-based learning with a modern education, but to ensure today’s competitive students become tomorrow’s outstanding leaders.

CLU Accolades:

- ❖ Templeton Foundation’s Honor Roll of Character Building Colleges
- ❖ Lilly Foundation’s Models of Christian Education
- ❖ Ranked 10 consecutive years in top tier of Western Regional Colleges and Universities by *U.S. News & World Report*
- ❖ Ranked 9 consecutive years as a top school in the nation for Hispanic students by the Hispanic Outlook in Higher Education

The physical development has not kept pace with the growth in enrollment or increasing expectations of students, potential students, and faculty. Both the academic curriculum and university facilities need to keep up with the ever-changing and advancing world around us. Students and faculty thrive in an inviting teaching and learning environment.

The following three areas were identified as essential to the university:

- ❖ **Endowment Fund (\$6 million)** – Financial foundation for scholarships and professorships
- ❖ **Annual Support (\$5 million)** – Enhance academic programs, quality of campus life, and to keep the university affordable
- ❖ **Capital Expansion (\$29 million)** – Facility growth and development

“...Both the academic curriculum and university facilities need to keep up with the ever-changing and advancing world around us.”

North Campus Athletics Complex:

Aquatics and fitness/events center will appeal to enrolling students as well as provide more intercollegiate and intramural sports activities for existing students. The potential for community use and participation, as well as event-hosting will draw visitors from all-over. In addition, the academic program will be enhanced with classrooms for the study of sports medicine, sports management, and kinesiology. This will increase the capacity of the university in general to accept a greater number of students, not only for such specific fields of studies but for a number of other majors. This will in turn allow the university to hire more professors, administrators and staff. The general budgetary provision of the university will increase in order to support the enhanced capacity. This development will have significant positive spillover effects on the financial situation of the university and our city and region.

3) Components of the Project, Methodology, and Data

North Campus consists of the following 9 structures:

North Campus Development- Phase 1:

- ❖ Sports and Fitness Center (including gymnasium, dance studio, weight and cardio room, conference center, and classrooms)
- ❖ Baseball Field
- ❖ Aquatics Center
- ❖ Replacement Track and Field area
- ❖ Soccer stadium



Photo Courtesy, California Lutheran University

North Campus Development- Phase 2:

- ❖ Football Stadium
- ❖ Softball Stadium
- ❖ Tennis complex
- ❖ Practice fields

As previously stated, construction of North Campus will result in an increase in our number of students within the next 15 years. The projected increase should bring enrollment figures to 2,200, with 1,500 living on-campus by the year 2020. The increase in number of students among many other enhancing impacts will create an urgent need for construction of a dormitory where the increased students will be housed. This is added to our study as a consequence of North Campus development, and therefore the economic impact of its construction is included in the list of overall constructions resulting from North Campus expansions.

“...The projected increase should bring enrollment figures to 2,200, with 1,500 living on-campus by the year 2020.”

3.1) Description of Various Economic Impacts

This study looks at the impact of the following expenditures on the economy of Ventura County:

- ❖ Impact of various construction expenditures
- ❖ Impact of the yearly additional expenditure for operating the new facilities
- ❖ Impact of having additional students:
 - The impact on the university as a whole (proportionate to the projected increase in the number of students)
 - The impact of the additional spending of students on the regional economy
 - The impact of the students’ visitors spending on the regional economy
- ❖ Impact of additional sporting events brought about by the construction of the new facilities in the North Campus
- ❖ Impact of other non-sports spending brought about by the construction of North Campus facilities

3.2) Methodology

We used an input-output analysis to calculate the economic impacts of various components of North Campus development in our county. The principal purpose of using an input-output framework is to analyze the interdependence of industries in an economy through market-based transactions. Input-output analysis can provide important and timely information on the interrelationships in a regional economy and the impacts of changes on that economy.

After a careful assessment of the available models, we chose IMPLAN (Impact Analyses for Planning) to identify and measure the economic impact of the project¹. IMPLAN

¹ IMPLAN is a computer software package that consists of procedures for estimating local input-output models and associated databases. The acronym is for *Impact Analyses and Planning*. IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior’s Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc. (Stillwater, Minnesota) which licenses and distributes the software to users. Currently there are hundreds of licensed users in the United States including universities, government agencies, and private companies. Center for Leadership and Values is a licensed user of IMPLAN software.

employs a regional social accounting system and can be used to generate a set of balanced economic/social accounts and multipliers. The social accounting system is an extension of input-output analysis. Input-output analysis has been expanded beyond market-based transaction accounting to include non-market financial flows by using a Social Accounting Matrix (SAM framework). The model describes the transfer of money between industries and institutions and contains both market-based and non-market financial flows, such as inter-institutional transfers.

Economic impacts of North Campus construction are presented within two distinct periods: First, the period of construction of the facilities and dorms, then the continuing yearly economic impacts of operations after the completion of construction.

3.3) Information and Data

The study made use of all the available data and information which could be provided through various departments within CLU. The North Campus project is estimated to cost \$45 million, over 2 phases:

- ❖ The first phase the biggest, at \$27 million: the sports and fitness center will include a gymnasium, dance studio, weight and cardio room, conference center, and classrooms. There will also be an aquatics facility, soccer stadium, track and field arena, and a baseball stadium. The infrastructure (plumbing, water, lighting, roadways) for the facilities will also be built during this phase.
- ❖ The future additions include a football stadium, softball stadium, tennis complex, and practice fields.

	Estimated Start Date	Completion Date
Grading- New Track & Field Area	July 2004	September 2004
Grading- South of Riparian Corridor	October 2004	February 2005
Phase 1a Replacement Track & Soccer Field	September 2004	December 2004
Sports and Fitness Center	October 2004	March 2006
Baseball Field	October 2004	April 2005
Aquatics Center	April 2005	March 2006

(Provided by Facilities Department, September 2004)

The following table shows the projected timeline for phase one of the development of the Master Plan. It lists the facilities and the expected time of their completion. The tasks listed below have been accomplished albeit with occasional diversion from the initial planned timeframe.

PROJECTED TIMELINE FOR DEVELOPMENT OF THE MASTER PLAN

PHASE ONE

Facility Needs	Completion
Student Union Pavilion	1996
Music Hall (Practice)	1997
Humanities Center	1998
School of Education	1999
Physical Education/Events Center	2001
Swimming Pool/Fields/Tennis Courts	2002
Creative and Performing Arts Center	2003
Student Union/Student Services	2004
Student Housing	2004

PHASE TWO

Facility Needs	Completion
Additional Science Facility	2005
Facilities Complex/Corporation Yard	2005
Replacement Classroom/Offices E, F, G	2006
Replacement Classroom/Offices Peters	2006
Replacement Classroom/Offices Nygreen	2008
Meeting/Dining Facility	2008
Administration Building	2010
Library Addition	2012
Faculty Housing	2010
Student Housing	2014

Both Charts were provided by the "Now is the Time" Press Kit (1999)

3.3.1) Data Collection

The biggest challenge in collecting information was in the area of future activities of our athletic department. A full picture of what may transpire in the future seemed difficult to envision at present time. We tried to use our past performance and make plausible assumptions about the near future developments. We tried to make such predictions on the basis of the opinion and approval of CLU athletic management. Since we did not succeed in receiving any official estimate for the flow of such economic activities, with great regret we left this segment of the economic impact blank hoping that such estimates become available within the next year or two. This is another strong reason to consider our present figures as an underestimation of the real impacts of the North Campus development. We intend to modify our current calculations when such data becomes available.

The other equally difficult area for finding relevant information was students', their relatives' and their other visitors' expenditures outside the university. We needed pertinent information for calculating the induced effects of these groups' spending in the county. To overcome this problem, we designed a questionnaire and had it completed by a randomly selected group of CLU students. We had a good response rate and the size of our sample assured us that the findings of our survey can be accepted with a high level of statistical significance as the accurate estimator of the expenditure behavior of our entire undergraduate population.

4) Measuring the Impacts

The value added of construction on the North Campus at CLU should not be limited to its explicit economic impacts through increased regional income, jobs, and tax payments. The cultural, intellectual, and social impacts of such an investment in our county are not any less important than the monetary impacts. In addition to calculating the direct, indirect, and induced impacts of North Campus, its economic impact may take other forms. This might include collaboration with other institutions and companies in the area, building the needed skills in the local and regional economy, and serving as an important source of a stable economic vitality by providing stable and good paying jobs. Many of such effects can not be measured by our model or any other models. Nonetheless, they have significant influences on the quality of life in Ventura County and the city of Thousand Oaks.

“...The cultural, intellectual, and social impacts of such an investment in our county are not any less important than the monetary impacts.”

In order to be able to present the overall impacts of the project, the economic impacts of North Campus have been divided into the following three broad categories:

- ❖ The regional economic impacts of various construction projects
- ❖ The economic impact of the development through its effects on increasing student enrollment
- ❖ The economic impacts of running the new entities (sports facilities and other cultural and recreational programs) on the regional economy



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4.1) Economic Impacts of Various Construction Projects

A broader definition of what is expected to result from the North Campus project should include all the amenities that will come about through projected increase in the student enrollment. We have therefore included the economic impacts of investment to build a new dormitory as a result of North Campus development. It is hard to establish a definite timeline for what will result from the project in the next few years, but there is no mystery or argument for establishing a positive impact on enrollment due to the construction of North Campus. We therefore set-out to measure the direct, indirect and induced economic impacts of the following six construction projects from the view point of regional output, employment and tax revenue:

- ❖ Sports and Fitness Facility
- ❖ Soccer Field and Track
- ❖ Baseball Stadium
- ❖ Aquatics Center
- ❖ Resident Hall
- ❖ Infrastructure

We constructed the appropriate IMPLAN model and ran it for the investment in each of the listed projects. The following charts present a summary of our findings.

Sports & Fitness Facility						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	18,000,000	6,642,456	7,208,388	31,850,838		
Indirect Business Taxes Impact (\$)	174,151	333,735	479,756	987,642		
Employment Impact	197.2	75.1	76.1	348.4		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	1,138,177	139,626	2,299,057	72,535	987,642	4,637,037

The above finding shows an overall multiplier of 1.77 times for the output impact. This project creates nearly 348 jobs within the county. It will generate around one million dollars as indirect business tax, and its overall tax contribution will exceed \$4.6 million.

Soccer Field and Track						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	800,000	243,493	389,160	1,432,653		
Indirect Business Taxes Impact (\$)	5,286	9,887	25,949	41,121		
Employment Impact	11.9	2.6	4.2	18.7		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	62,282	7,927	126,922	2,661	41,121	240,913

A similar high overall output multiplier of 1.79 shows the significance of this project in our region. The project supports about 19 jobs in the region, and its indirect tax contribution will exceed \$41,000 with an overall tax impact of more than \$240,000.

Baseball Stadium						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	1,000,000	369,014	399,853	1,768,867		
Indirect Business Taxes Impact (\$)	9,675	18,601	26,662	54,938		
Employment Impact	11.2	4.3	4.3	19.8		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	64,556	7,979	130,400	4,114	54,938	261,987

Baseball stadium shows a 1.77 times as its output multiplier for the region. It creates 20 jobs during its production phase on an annual basis. It creates nearly \$55,000 in terms of indirect business tax for the region and its overall tax impact exceeds \$260,000.

Aquatics Center						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	2,000,000	738,051	800,932	3,538,982		
Indirect Business Taxes Impact (\$)	19,350	37,082	53,306	109,738		
Employment Impact	21.9	8.3	8.5	38.7		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	126,464	15,514	255,451	8,059	109,738	515,226

Aquatics Center will add more than \$3.5 million to the regional output and creates around 39 jobs. It will generate over \$515,000 in tax income and its contribution to regional indirect business tax will amount to nearly \$110,000.

Infrastructure						
	Direct	Indirect	Induced	Total		
Output Impact (\$)	5,500,000	2,008,738	1,889,806	9,398,544		
Indirect Business Taxes Impact (\$)	55,732	88,824	126,012	270,568		
Employment Impact	51.3	20.1	20.4	91.8		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	304,665	37,605	616,304	24,609	270,568	1,253,751

The infrastructure project will create around 92 jobs and contributes to more than \$million 9.3 to our regional production. It has a multiplier of 1.71. This project will generate more than \$270,000 in indirect business taxes and their overall tax impact exceeds \$1,250,000.

Residence Hall						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	10,500,000	3,547,184	3,957,063	18,004,248		
Indirect Business Taxes Impact (\$)	45,412	204,205	263,856	513,473		
Employment Impact	110.6	42.4	42.7	195.8		
Tax Impact (\$)	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	635,957	79,540	1,290,522	49,357	513,473	2,568,849

Construction of the Residence Hall will generate more than 195 jobs during its construction. The impact on our regional production is slightly over 18 million dollars. Its contribution to increasing our regional indirect business taxes will be around \$513,000 and it will create more than \$2,500,000 at overall tax impact.

Building / Infrastructure Summary Table						
	Direct	Indirect	Induced	Total		
Output Impact (\$)	37,800,000	13,548,936	14,645,202	65,994,138		
Indirect Business Taxes Impact (\$)	309,606	692,334	975,541	1,977,481		
Employment Impact	404.1	152.8	156.2	713.1		
Tax Impact (\$)	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	2,332,101	288,191	4,718,656	161,335	1,977,480	9,477,763

Finally the above table shows that construction of North Campus and the new dormitory will create more than 713 jobs in Ventura County. These structures collectively bring nearly \$2,000,000 in indirect business taxes. The overall production of the region will increase by nearly \$66,000,000, showing an overall production multiplier of 1.75 times. The overall tax impact of the project will be around \$9.5 million.

“...construction of North Campus will create 713 jobs in Ventura County.”

“...The overall production of the region will increase by nearly \$66 million.”

“...The overall tax impact will be around \$9.5 million.”

4.2) Economic Impact of Enrolling Additional Students

Based on the university's prediction the North Campus facility will, in time, add nearly 200 students to its annual enrollment. Because this is an incremental increase, we used the target of 200 as a planning figure to estimate the economic impact of an increase in our enrollment brought about by North Campus development.

	Student Spending					
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	1,102,721	279,499	364,323	1,746,543		
Indirect Business Taxes Impact (\$)	83,709	14,459	24,204	122,372		
Employment Impact	15	3	3.8	21.8		
Tax Impact (\$)	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	Total
	60,392	5,259	113,634	9,512	122,372	311,169

As the above table indicates, the additional student spending will generate an overall annual production impact of more than \$1.7 million. This has a multiplier impact of 1.58 times. Such spending will create 22 jobs. Its indirect business tax impact will exceed \$122,000, and its overall tax contribution will be more than \$311,000 a year.

In addition to the student spending, visitors who come to CLU stay in our hotels and dine and shop locally. Their spending will contribute to the economic vitality of our city and region. Our student survey showed that they receive a significant number of guests, and on average, quite frequently during the year. The following table shows the economic impact of our students' guests in relation to the projected number of additional students that will be added to our students' population during the next few years.

	Students' Visitor Spending					
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	507,342	126,728	143,877	777,946		
Indirect Business Taxes Impact (\$)	29,747	7,061	9,559	46,367		
Employment Impact	8.4	1.3	1.5	11.2		
Tax Impact (\$)	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	21,459	3,036	44,912	8,114	46,367	123,888

The impact of the visitors' production impact is estimated to reach over \$770,000 per annum. The overall impact on creating jobs will exceed 11. Over \$46,000 in indirect business tax will be generated, and the overall tax impact will be close to \$124,000.

Finally, we aggregated and related the student and visitor spending impacts together to assess the combined contribution private spending to the regional economy. The results can be seen in the following table.

Summary Table of Total Students and Visitors Spending						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	1,610,063	406,227	508,200	2,524,489		
Indirect Business Taxes Impact (\$)	113,456	21,520	33,763	168,739		
Employment Impact	23.4	4.3	5.3	33		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	81,851	8,295	158,546	17,626	168,739	435,057

This table shows that as an overall impact, expenditure of additional students and their visitors generate 33 jobs in the area, add to the overall regional production by \$2.5 million, and bring more than \$168,000 in terms of indirect business taxes, causing the overall tax impact to exceed \$435,000.

Acceptance of more students due to greater capacity through North Campus construction will entail additional expenditures in terms of new recruitment of professors, administrators, and staff. A projected increase in these “other” budgetary expenditures to support the added capacity is detailed below, and is based on the presumption of increased enrollment.

University Expenses						
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	3,446,550	951,210	1,175,938	5,573,698		
Indirect Business Taxes Impact (\$)	55,637	47,356	78,123	181,116		
Employment Impact	58	12.1	12.1	82.2		
Tax Impact (\$)						
	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	211,206	10,449	366,531	34,482	181,117	803,785

“Other” university expenditure adds more than \$5,500,000 to our regional production. It supports 82 jobs and its contribution to local government finance is more than \$180,000 through indirect business taxes. The overall tax impact of such budgetary expenditure is over \$800,000 per annum.

4.3) Economic Impact of Annual Expenditure for Running the New Facility

The following chart projects the economic impact of our expenditure to run the newly established facility. As the chart shows, the overall production impact of such expenditure will exceed \$885,000 a year based on a production multiplier of 1.7 times. Such expenditure will support 35 jobs in our region. It will contribute more than \$45,000 in new indirect business taxes per year, and its overall annual tax impact will exceed \$200,000.

	Sports Center Expenditure					
	Direct	Indirect	Induced	TOTAL		
Output Impact (\$)	529,265	37,762	318,302	885,329		
Indirect Business Taxes Impact (\$)	21,927	2,451	21,185	45,562		
Employment Impact	31	0.4	3.4	35.2		
Tax Impact (\$)	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	47,035	7,458	101,571	997	45,562	202,623

4.4) Economic Impact of Hosting Sports and Other Local or regional Events

As noted previously, we were unable to obtain sufficient information that would help with estimates to predict the overall economic impact of hosting future sports or other events in the new facility. We believe that such impacts are significant, and aside from the non-monetary impact, they will generate a substantial amount of revenue for the university which will create additional jobs and contribute significantly to the increase in our regional gross products, business tax and other direct and indirect taxes. We are hopeful that in a year or two, with the efforts of our colleagues in the Athletics and events departments, we will be able to revise our estimates and include their contributions in our overall estimate of the North Campus economic impacts.



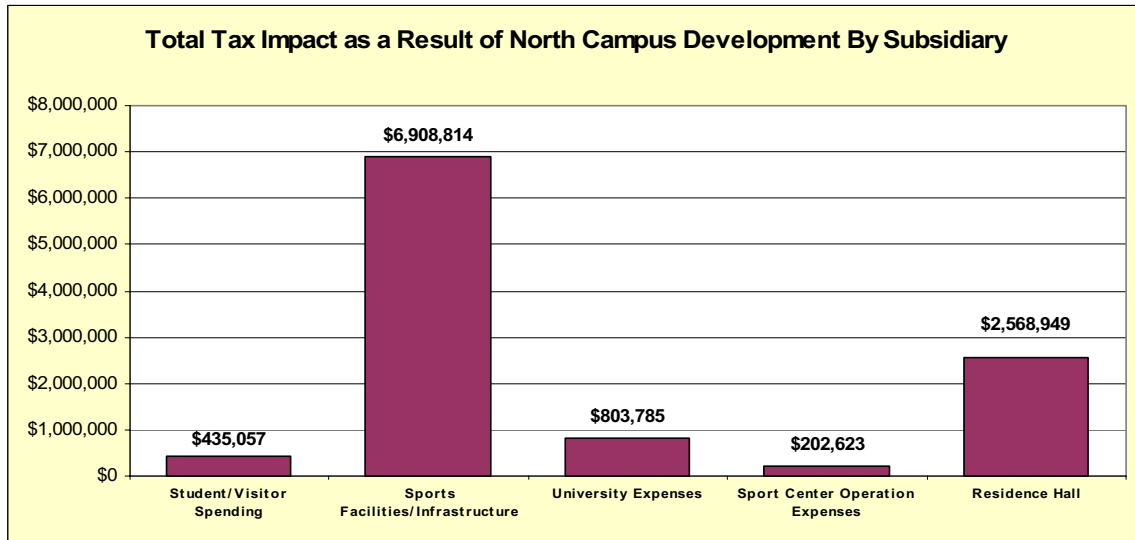
Photo Courtesy, California Lutheran University

Hosting events will have a significant impact on the university and region.

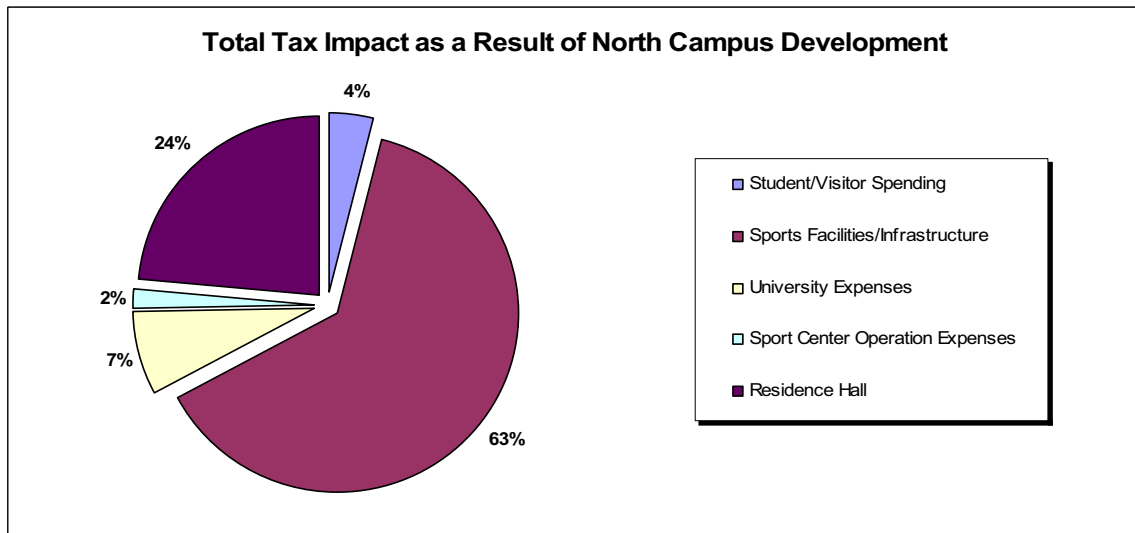
5) A Summary of the Overall Impacts

There is a distinct difference between the one-time and transitory period of increasing regional production, jobs and tax revenue and the economic impact that will continue to last for an unforeseeable future. This is the difference between the economic impacts of North Campus construction activities, and that of the university's increased capacity to accept more students and develop additional academic programs to serve the needs of the students and its surrounding communities. However, the aggregated picture presents a meaningful depiction of the overall regional economic impacts of the entire development program in the next few years.

The following exhibits present the overall picture and its building blocks for each of the areas of regional production, employment and tax revenue.

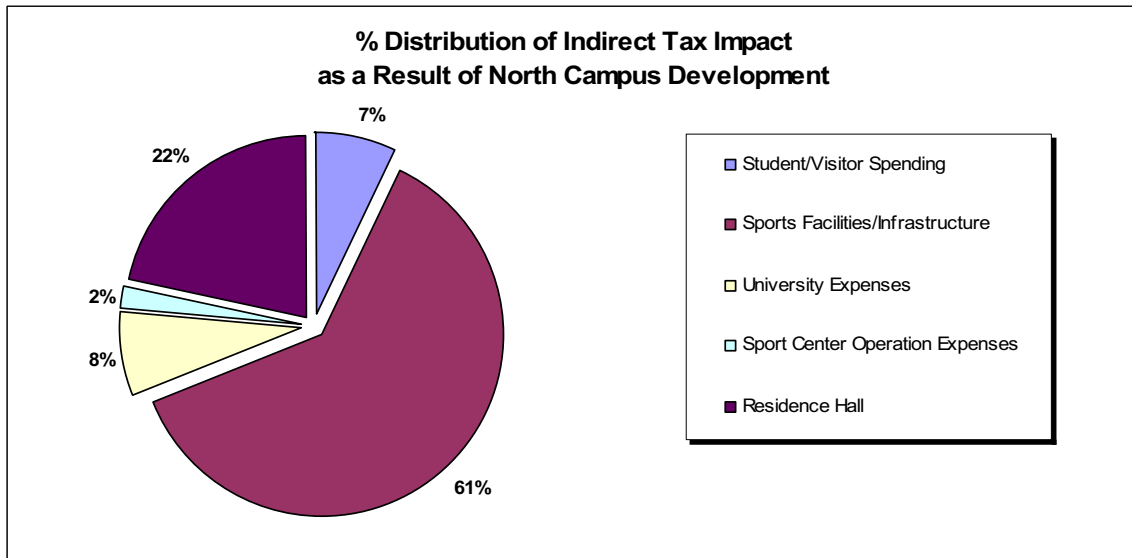
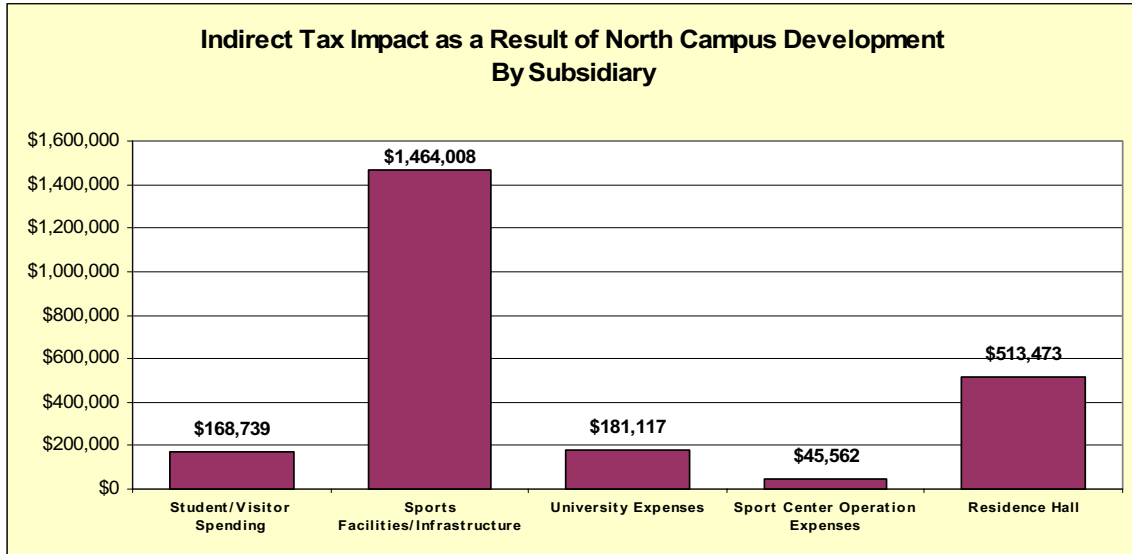


As indicated above, the development, coupled by the subsequent increase in student enrollment, will generate a total sum of nearly \$11 million of tax revenue for the regional economy, as well as for the state and federal governments. About 63% of this revenue is attributed to the construction of the sports facilities and infrastructure (\$6.9 million).



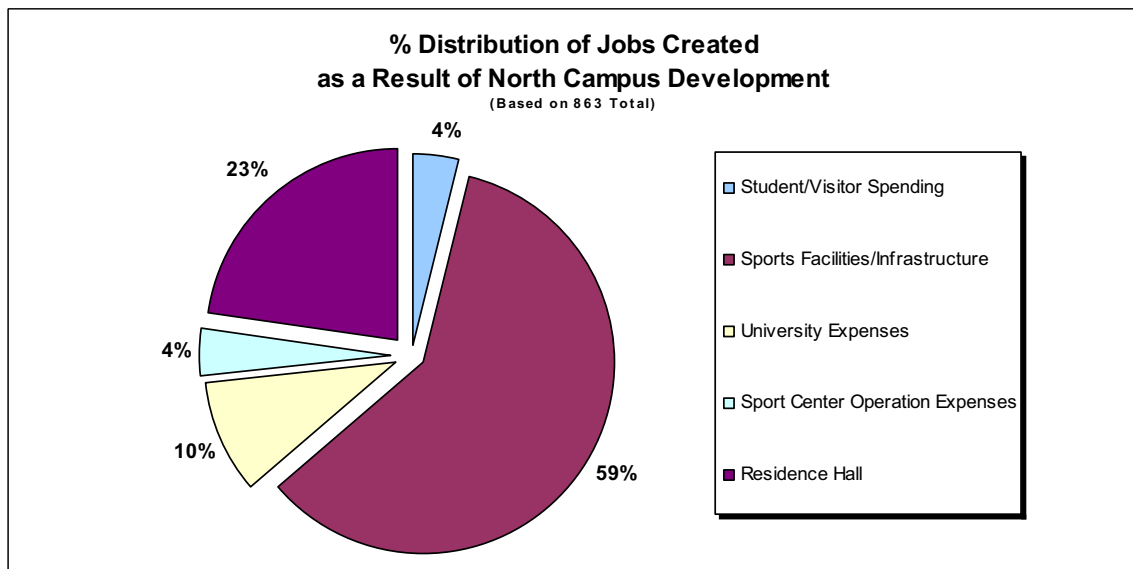
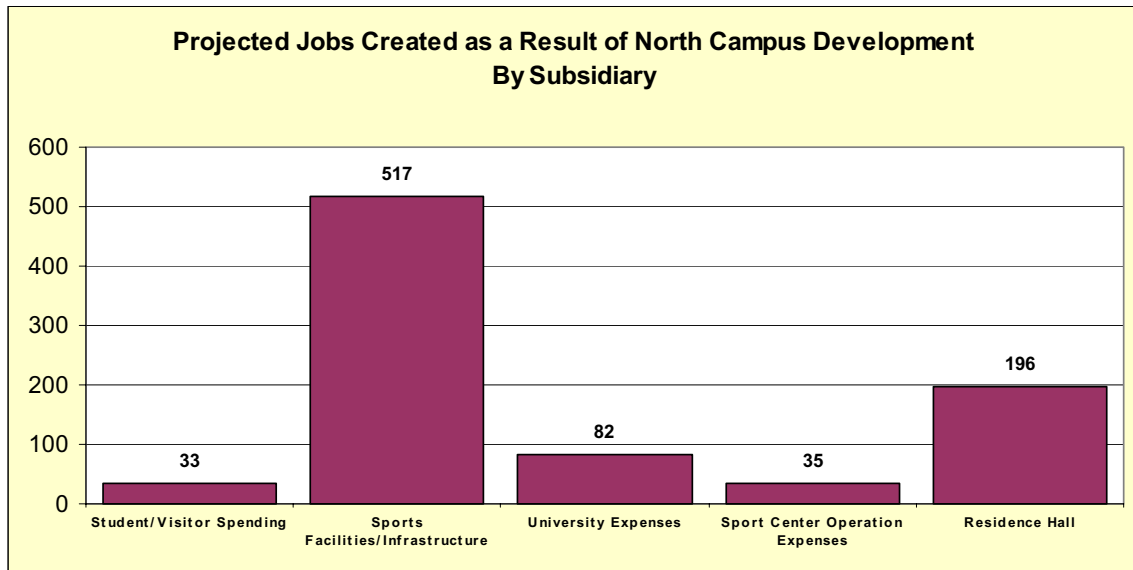
Indirect Tax Impact

Indirect taxes from all different components of the development and its subsequent impacts on student enrollment will reach nearly \$2.4 million. The share of the sports facilities will be around 61% of this sum (about \$1.5 million).



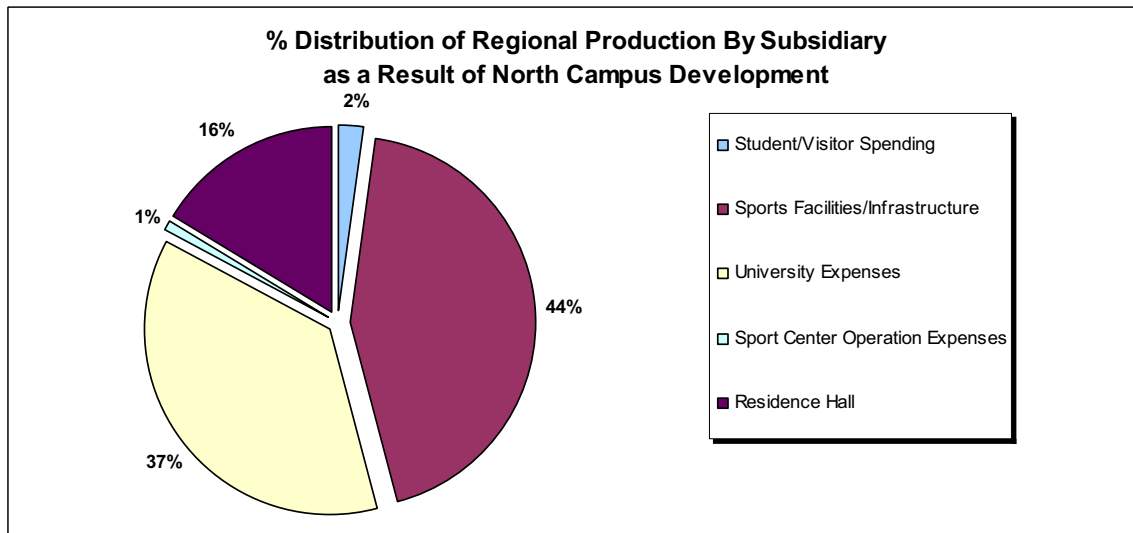
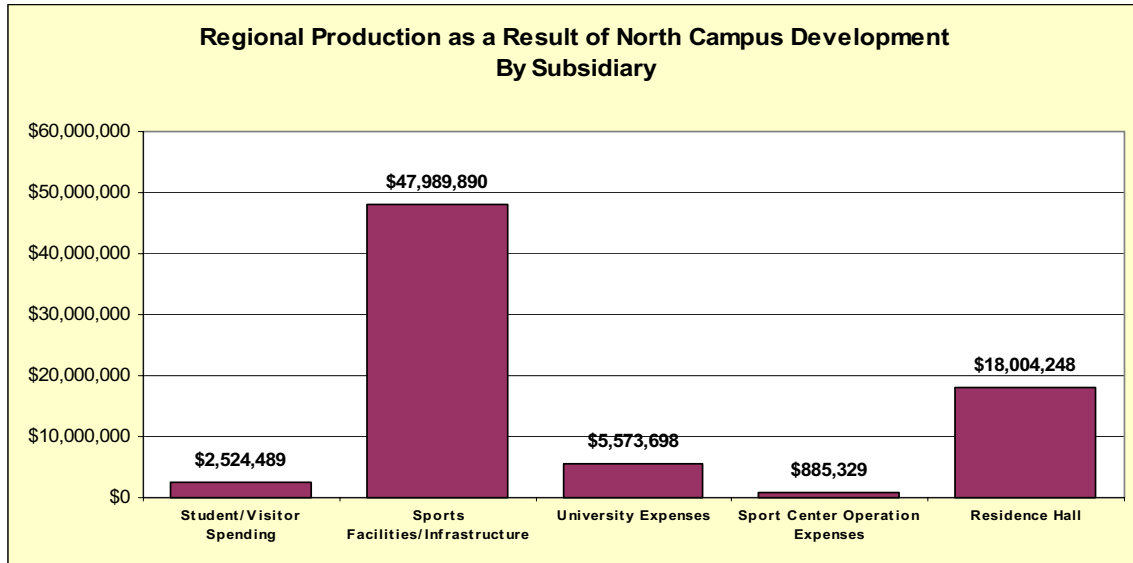
Employment Impact

With regards to job creation, the program as a whole will create some 863 jobs in our region, out of which 517 jobs are the direct result of the construction of Sports Facilities/Infrastructure. This represents 59% of the entire jobs that will be created in the near future.



Regional Production Impact

Finally, the following two charts show the impact of the project and its subsequent economic impacts on the regional production.



Ventura County regional production will increase by nearly \$75 million as a result of North Campus construction and its subsequent impacts in the near future. Some 65% of this increase will come from construction of sports facilities and infrastructure.

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