



ECONOMIC IMPACT ANALYSIS – GLOBAL TRANSPARK

INTRODUCTION

This report estimates the economic impact of the North Carolina Global TransPark (GTP), a 2,500 acre, multi-modal industrial park in Kinston, North Carolina. The sole purpose of this report is to provide the estimated economic impact of the GTP’s current operations, potential future operations, and recent/planned construction and investment. Results are estimates, and are derived from inputs provided by tenants of the GTP and in some cases based on forecasts. The following analysis estimates the impact of the GTP at the regional level; tables with statewide impacts are included for reference in an appendix table.

Summary of key findings:

- Existing tenant operations at the GTP result in a total of 391 annual jobs and contribute \$27.5 million to the region’s gross domestic product each year.
- Future/Planned tenant activities at the GTP are estimated to result in a total of 2,014 annual jobs and contribute \$141.8 million to the region’s gross domestic product each year in 2014 and beyond.
- By 2014, at full employment, existing tenant operations at the GTP are estimated to result in a total of 2,405 annual jobs and contribute \$169.3 million to the region’s gross domestic product.
- Recent, current and planned construction/investment activities are estimated to result in 1,085 one-time jobs and contribute \$55.6 million to the region’s gross domestic product.

ANALYSIS ASSUMPTIONS & METHODOLOGY

The North Carolina Department of Commerce uses IMPLAN software for economic impact modeling. IMPLAN allows researchers to develop local level input-output models to estimate the economic impact of new firms moving into an area, plant closures and existing activities. This model is widely used by local, state and federal government agencies as well as private industry and universities. The following table summarizes data and assumptions used in developing the economic impact model for this project.

TABLE 1: PROJECT DETAILS AND MODEL ASSUMPTIONS

Project Location/ Economic Impact Area	NC’s Eastern Economic Development Region. Includes the following counties: Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Nash, Onslow, Pamlico, Pitt, Wayne and Wilson.
Participating Companies/Organizations (Existing Operations)	Commerce Overseas Corporation; Lenoir Community College; Longistics International, Inc; MJE Telestructures, LLC; Mountain Air Cargo; NC Division of Emergency Management; NC Forestry Service-DENR; NC Highway Patrol; NC Eastern Region; NC Global TransPark; Segrave Aviation; Spatial Integrated Systems.
Participating Company (Planned Future Operations)	Spirit AeroSystems
Participating Companies/Organizations (Current/Future Construction and M&E Investment)	Spirit AeroSystems; NC Global TransPark
Local Purchase Percent	All (100%) employment related to current and future operations and current/planned construction activity is expected to occur in the region of analysis. Per information provided by company, 2% of M&E investment is expected to be purchased from NC vendors.

Table 2 summarizes key data used to estimate the economist impacts of the GTP. Existing activities as well as planned employment and investment are included.

TABLE 2: GTP INVESTMENT AND OPERATIONS EMPLOYMENT SCHEDULE

Year	Real Property Construction	M&E Investment (Only 2% of is expected to be purchase from NC vendors/suppliers)	Employment (Existing and Planned)
2008		\$8,864,000	
2009		\$65,026,000	
2010	\$47,259,617	\$147,974,000	232 existing/ 254 planned
2011	\$26,700,000	\$95,418,000	21
2012	\$7,200,000	\$32,834,000	315
2013	\$24,600,000	\$56,955,000	267
2014		\$63,527,000	174

Source: Applications submitted by participating companies/organizations

REGIONAL ECONOMIC IMPACTS

This project consists of three analysis components: existing operations at GTP as of 2010; future/planned operations at full employment in 2014; and construction/investment impacts between 2008 and 2014.

KEY ECONOMIC IMPACT DEFINITIONS

Source: www.implan.com

Direct Impacts: The known or predicted change in the economy that is being studied. In this analysis the direct impacts are the existing and future operations at GTP as well as M&E and construction.

Indirect Impact: Secondary impact caused to industries in the supply chain of the direct impact. In this case, facility operations would require purchases from North Carolina supplier firms, thus they would be indirectly impacted by this project.

Induced Impact: Direct and indirect employment (and increases in labor income) creates additional household spending on goods and services.

Employment: The number of full-time and part-time jobs; measured by place of employment. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not.

Labor Income: All forms of employment income, including employee compensation and proprietor income.

Output: The amount of production, including all intermediate goods purchased, as well as value added (compensation and profit). Output is equal to sales in service industries and equal to sales plus the change in inventory for manufacturers.

Value Added: Value added is the difference between total output and the cost of intermediate inputs. Value added is a measure of an individual producer, industry, or sector's contribution to the State's gross domestic product.

IMPACT OF EXISTING TENANT OPERATIONS

Tenants at the GTP currently employ approximately 232 workers in a variety of industries. Existing employment levels support an additional 159 indirect and induced jobs in the region. Existing tenants at GTP are estimated to contribute \$27.5 million annually to region's gross domestic product. Total regional labor income and output supported by existing tenant operations are \$20.5 million and \$42.5 million respectively.

Table 3: Annual Economic Impact of Existing GTP Operations

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	232	\$15,400,000	\$18,600,000	\$27,000,000
Indirect Effect	75	\$2,600,000	\$4,000,000	\$7,200,000
Induced Effect	84	\$2,500,000	\$4,900,000	\$8,300,000
Total Effect	391	\$20,500,000	\$27,500,000	\$42,500,000

Source: MIG IMPLAN 3.0, Model Created June 2010.

Note: All monetary figures are reported in 2010 dollars; Dollar values are rounded to nearest \$100,000.

IMPACT OF FUTURE/PLANNED TENANT OPERATIONS

Between 2010 and 2014, Spirit AeroSystems is forecasted to hire approximately 1,031 workers. At full employment in 2014, these 1,031 workers are expected to support an additional 983 indirect and induced jobs in the region annually. At full employment in 2014, activities supported by Spirit AeroSystems are estimated to contribute \$141.8 million annually to region's gross domestic product, with a value of production nearing \$466 million.

Table 4: Annual Economic Impact of Future GTP Operations at Full Employment in 2014

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1031	\$66,000,000	\$78,800,000	\$353,700,000
Indirect Effect	562	\$25,000,000	\$38,600,000	\$70,900,000
Induced Effect	421	\$12,400,000	\$24,400,000	\$41,300,000
Total Effect	2014	\$103,400,000	\$141,800,000	\$465,900,000

Source: MIG IMPLAN 3.0, Model Created June 2010.

Note: All monetary figures are reported in 2010 dollars; Dollar values are rounded to nearest \$100,000.

IMPACT OF RECENT, CURRENT AND PLANNED CONSTRUCTION AND M&E INVESTMENT

Between 2008 and 2014 significant construction and M&E investment has or is anticipated to occur at the GTP. The vast majority of the construction and M&E investments are the result of plant construction related to Spirit AeroSystems manufacturing facility.¹ Approximately 1,085 one-time jobs will result from recent, current and future construction and investment activity at the GTP, of which more than 760 are direct jobs.² Construction and investment activity will positively impact the region's gross domestic product by \$55.6 million and increase regional output by more than \$146.3 million between 2008 and 2014. Economic impacts related to construction and M&E investments are one-time only and will cease to exist once construction is complete and investment purchases finalized.

Table 5: One-Time Economic Impacts from Construction and Investment

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	763	\$29,800,000	\$36,000,000	\$110,900,000
Indirect Effect	149	\$6,000,000	\$9,600,000	\$18,500,000
Induced Effect	173	\$5,100,000	\$10,000,000	\$16,900,000
Total Effect	1085	\$40,900,000	\$55,600,000	\$146,300,000

Source: MIG IMPLAN 3.0, Model Created June 2010.

Note: All monetary figures are reported in 2010 dollars; Dollar values are rounded to nearest \$100,000.

Disclaimer: *Economic modeling can provide general impact estimates for economic development projects. However, future results will be affected by political, social, and economic conditions. Economic modeling is most informative when used in conjunction with other forms of analysis, such as cost-benefit analysis and fiscal impact analysis, to estimate the overall impact of a project. The completion of this analysis by the North Carolina Department of Commerce is neither an endorsement for or against activities occurring at the North Carolina Global TransPark.*

¹ Based on data provide to the N.C. Dept. of Commerce it is expected that only 2% of the M&E investment will be purchase from NC vendors/suppliers.

² Jobs are measured in job-years. For operations, it is reasonable to expect jobs to occur for successive years once stabilized employment is reached. However, construction and initial investment jobs are one-time occurrences. When the construction project is completed the jobs associated with the project will cease.

APPENDIX TABLES: STATEWIDE IMPACTS

Annual Economic Impact of Existing GTP Operations

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	232	\$15,400,000	\$18,600,000	\$27,000,000
Indirect Effect	82	\$3,600,000	\$5,800,000	\$10,100,000
Induced Effect	136	\$5,000,000	\$9,200,000	\$15,800,000
Total Effect	450	\$24,000,000	\$33,600,000	\$52,900,000

Source: MIG IMPLAN 3.0, Model Created June 2010.

Note: All monetary figures are reported in 2010 dollars; Dollar values are rounded to nearest \$100,000.

Annual Economic Impact of Future GTP Operations at Full Employment in 2014

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1031	\$66,000,000	\$78,800,000	\$353,700,000
Indirect Effect	896	\$48,400,000	\$73,600,000	\$135,600,000
Induced Effect	816	\$29,800,000	\$55,100,000	\$94,600,000
Total Effect	2743	\$144,200,000	\$207,500,000	\$583,900,000

Source: MIG IMPLAN 3.0, Model Created June 2010.

Note: All monetary figures are reported in 2010 dollars; Dollar values are rounded to nearest \$100,000.

One-Time Economic Impacts from Construction and Investment

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	763	\$29,800,000	\$36,100,000	\$110,900,000
Indirect Effect	225	\$11,100,000	\$17,300,000	\$32,300,000
Induced Effect	296	\$10,800,000	\$19,900,000	\$34,200,000
Total Effect	1283	\$51,700,000	\$73,300,000	\$177,400,000

Source: MIG IMPLAN 3.0, Model Created June 2010.

Note: All monetary figures are reported in 2010 dollars; Dollar values are rounded to nearest \$100,000.

Note: Statewide impacts account for economic activity at the regional level. Statewide analysis and regional analysis are mutually exclusive and should not be combined.