

ECONOMIC IMPACT OF THE LANDINGS IN CHATHAM COUNTY

Executive Summary

The Landings is a private, gated residential community of approximately 8,500 residents in 4,000 homes situated on 4,600 acres in close proximity to the city of Savannah, Georgia. The economic activity associated with the operation and care of the community's assets is substantial. This report presents the estimated annual economic impact of The Landings community on the economy of Chatham County, Georgia. The economic impact is reported in three components: (1) Business Operations and Activity, (2) Capital Expenditure, and (3) Household Expenditures. This economic activity also generates streams of tax revenue accruing to municipal governments in Chatham County. Lastly, the impact of The Landings extends beyond economic facets into the arena of community-minded philanthropic endeavors. Key findings are noted below:

Economic Impact in Chatham County

- Annual economic impact of business operations/activity and capital investment is:
 - 1,738 employees
 - \$65 million in labor income (including benefits)
 - \$183 million in business revenue
- Annual economic impact of household expenditures by residents in The Landings is:
 - 3,001 employees
 - \$117 million in labor income (including benefits)
 - \$360 million in business revenue

Fiscal Impact on Chatham County

- \$20.7 million in tax revenue paid to Chatham County each year. Includes:
 - \$13 million in residential real estate taxes
 - \$4.4 million in other personal property taxes
 - \$2.7 million in vehicle sales tax and retail sales tax, combined
- \$4.3 million annually in avoided expenditures on infrastructure and community amenities.

Community and Civic Engagement

- Approximately 61% of households have a volunteer with an organization in The Landings or in the greater Savannah area; about 5 hours per week are volunteered.
- 989 leadership positions (board or directors, executive committee, etc.) held.
- Volunteerism outside the gates is more focused on youth-oriented organizations, with relatively equal shares (17%) of participation with youth oriented, philanthropic and religious groups.
- Volunteerism inside the gates is more concentrated in groups that tend to reflect the participatory interests of residents: private clubs (20%), religious groups (15%), social and athletic groups (15%), conservation (10%), and community governance (8%).
- 73% of households provided financial support to organizations serving people in the Savannah Area, while 36% provided in-kind support.

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ECONOMIC IMPACT OF THE LANDINGS IN CHATHAM COUNTY

1. Introduction

1.1 Background

The Landings is a private, gated residential community of approximately 8,500 residents in 4,000 homes situated on 4,600 acres in close proximity to the city of Savannah, Georgia. The community offers world-class resort-like amenities including two deep-water marinas, six championship golf courses, 34 tennis courts, five pools, four dining clubhouses, and a 48,000 square foot fitness/wellness center. Other amenities include two athletic fields, playgrounds, dog-park, community garden, and 40 miles of walking and biking trails, 22 of which are paved.

1.2 Objectives of the Project

The economic activity associated with the operation and care of the community's assets is substantial. This report presents the estimated annual economic impact of The Landings community on the economy of Chatham County, Georgia. The impact includes activity directly attributable to the maintenance and care of the community as well as residential development and investment in infrastructure. Additionally, the community's residents host an estimated 32,800 visitors annually staying 3.5 nights each, thus further stimulating the economy of Savannah and Chatham County. Further, numerous residents operate small businesses unobtrusively out of residences, thereby contributing to the economic well-being of the community and Chatham County. Lastly, the economic impact associated with the consumer expenditures of The Landings residents is estimated. The direct and indirect economic impacts include an estimation of employment, labor income, and business revenue (sales) generated because of the business activity and capital investment attributable to The Landings.

A second component of the project is to estimate the fiscal impact on Chatham County government from the above-described economic impact. This includes an estimate of real estate and personal property tax revenue, sales tax revenue, hotel and motel sales tax revenue, and other business taxes paid or generated.

Lastly, the project reports the findings of the survey of residents of The Landings who are engaged in the civic life of the community and the greater Savannah area. Information about donation of time, financial resources, and/or in-kind resources to local organizations is provided.

2. Methodology

The economic impact estimates are based on a comprehensive economic model of the county economy secured from IMPLAN Group LLC (www.IMPLAN.com). The vendor provided state-of-

the-art software (IMPLAN) that estimates economic impacts. IMPLAN is based on an input-output model that tracks the flow of expenditures through 536 sectors of the economy and provides a conventionally accepted method of assessing the economic effects of an event, business, or industry.

Business activity in The Landings creates waves of economic ripple effects in Chatham County. Initially, there is a direct impact on firms with which entities in The Landings do business. As Landings entities and the firms with which they do business conduct their operations, they purchase inputs from vendors in their supply chains. These supply chain firms also ramp up activity to meet demand originating in The Landings.

Some leakage of economic activity out of the Chatham County economy occurs as firms in the supply chain purchase inputs from businesses not located in the county. However, many supplier firms purchase a portion of their inputs from other businesses located in the county. This induces cycles of new rounds of economic activity referred to as secondary (indirect) effects.¹ Further, the employees of the suppliers spend a portion of their income purchasing goods and services from other county businesses, triggering additional rounds of economic activity.

Each subsequent round of spending results in a smaller impact compared to the previous round because a portion of the spending “leaks out” of the county economy through the purchase of goods and services from businesses located outside of the Chatham County. An input-output model tracks each of these waves of spending and yields the total economic impact which is a multiple of the number of jobs or business revenue directly resulting from economic activity in The Landings.

2.1 Data Sources

Expenditure data for the analysis was provided by The Landings Association, The Landings Club, and The Landings Company. In general, expenditure by The Landings Association was based on the Long Range Financial Plan information for four years, 2015 to 2018.

Another primary source of information was obtained from the Gelfond Group that conducted a community-wide survey of Landings households in the spring of 2015. Responses were obtained from 1,686 households of the approximately 4,000 occupied households in the community. The data collected in the survey effort was declared to be a representative sample of residents in The Landings by the Managing Director of the Gelfond Group, Ed Pinelli.²

Other data required for the analysis was obtained from Chatham County, the Savannah Area Chamber of Commerce *Economic Trends*, VisitSavannah, the Savannah Area Geographic Information System (SAGIS), Georgia Department of Revenue, City of Savannah, U.S. Census

¹From a technical standpoint, “secondary” effects include what are known as “indirect” and “induced” impacts. Indirect impacts generally derive from supply chain impacts while induced impacts primarily are associated with the re-spending of worker income in the local area economy.

²Phone communication with Michael Toma, June 2015.

Bureau, the Federal Home Loan Finance Agency, the National Association of Home Builders, and IMPLAN Group LLC.

2.2 Key Assumptions

This section describes key assumptions used in the analysis. In general, the economic impact is grouped and reported in three primary components:

- 1) Business Operations and Activity
- 2) Capital Expenditure
- 3) Household Activity

The first two components are typical reporting aggregations for economic impact research projects, while the third component is a customized component for this project. In summary impact information below, the impacts associated with business operations/activity and capital expenditures are reported individually and combined. More detailed impact data is combined in reporting for these two components. The impact associated with household activity (consumer spending of The Landings residents) is reported separately in summary form and also in greater detail.

The key assumptions under-pinning the impact estimates are discussed next in sequence of their introduction above. In many cases, the assumptions used in the analysis are derived from pertinent survey data collected by the Gelfond Group and are reported when relevant in this section.

2.2.1 Key Assumptions for Business Operations and Activity

For the purpose of analysis, there are six components of Business Operations and Activity:

- 1) The Landings Association
- 2) The Landings Club
- 3) The Landings Company
- 4) Residential Construction, Addition, and Renovation
- 5) Visitor Spending
- 6) Home-Based Small Business

The Landings Association

The Landings Association performs a wide variety of operations, maintenance, and capital investment functions for residents of The Landings. Information obtained from the 2015 Budget of The Landings Association is used to categorize the organization's activities into different economic sectors (recall that the impact software allows for the modeling of impacts in up to 536 possible economic sectors).

The categorization followed the Association's departmental structure and various economic functions in the department categories are modeled with the impact software. For example,

IMPLAN sector 448 (accounting, tax preparation, bookkeeping, and payroll services) closely matches the Association's Finance Department activity. Similarly, IMPLAN sector 467 (investigation and security services) closely matches the Association's Security Department activity. However, for the Public Works Department, numerous IMPLAN sectors are used to model the department's economic activity. For Public Works, several example IMPLAN sector and commodity categories used include³:

IMPLAN sector 62: Maintenance and repair construction of nonresidential structures

IMPLAN sector 64: Maintenance and repair of streets, bridges, etc.

IMPLAN sector 469: Landscape and horticultural services

IMPLAN commodity 3402: Retail services - Gasoline stores

IMPLAN commodity 3405: Retail services - General merchandise stores

IMPLAN commodity 3437: Insurance

Expenditure data used in the modeling process was the four-year average of data from the 2015 Budget and Long Run Financial Plan (years 2015 to 2018) for the various departments.

The Landings Club

The Landings Club performs a wide variety of economic functions in the oversight of the community's resort-like amenities. Information used to model the economic activity of The Landings Club was obtained in an interview of the club's Executive Director, Steven Freund. Data pertaining to employment positions, budget, and capital expenditure are used as inputs in the impact modeling process.

The Landings Company

The Landings Company performs realtor and land development economic functions for the community. Information used to model the economic activity of The Landings Company was obtained in an interview of The Landings Company's President, Raoul Rushin. Data pertaining to employment positions, budget, and capital expenditure are used as inputs in the impact modeling process.

Residential Construction, Addition, and Renovation

Data provided by The Landings Association Community Development Department indicates that 35 permits for new residential construction had been issued in 2015⁴, 34 in 2014, and 26 in 2013. The average number of permits for new residential construction for the three years is 32 per year. Land costs are removed from the sale price of homes to estimate the cost of construction to be modeled with the software. Land costs are estimated by review of a sample of 18 newly constructed homes from 2013 through 2015 sold during the same period and for which the home

³This listing for Public Works is not meant to be exhaustive of all possible categories of economic activity performed by the department. It is merely illustrative of the methodology and assumptions.

⁴Through December 8, 2015.

sale price and land value (from SAGIS and Chatham County property records) is available. The land value of the parcels for which new homes had been permitted in 2015 is used to obtain the ratio of land value to home sale price from the sample of homes sold. The ratio is approximately 20%. This is used to obtain a figure of \$617,500 for construction costs for newly built homes, multiplied by 32 homes per year yields a figure of \$19.8 million per year for new home construction activity modeled with the software.

With respect to residential additions and renovation, Chatham County building permit data from 2008 to 2011⁵ indicates the ratio of the dollar value of residential additions and renovations permitted by the county is approximately 21% of the dollar value of new residential construction permitted by the county. Thus, total annual residential construction, addition, and renovation activity in The Landings is assumed equal to \$23.9 million.

Visitor Spending

Visitors staying in The Landings engage in economic activity (restaurants, retail trade, recreation, etc.) while in Chatham County and this represents an injection of “new money” into the county economy. As indicated above, approximately 32,800 visitors per year are hosted by 90.5% of residents in The Landings. About 98% of the visitors stayed for less than two weeks, with the average length of stay lasting 3.5 nights. This yields approximately 112,500 person-nights. In addition, The Landings Company hosted about 650 Discovery Visits, generating an estimated additional 1,200 person-nights of visitation.

Data from VisitSavannah and the Savannah Area Chamber of Commerce about visitor spending per-person, per day was used to model the spending behavior of visitors hosted in The Landings. The Chamber of Commerce data was adjusted to account for different expenditure behavior by Landings’ visitors as compared to the typical overnight tourist in Savannah. Spending on accommodations was not relevant for Landings’ visitors⁶, while (outside The Landings) restaurant and transportation spending is lower. Retail spending for Landings’ visitors was adjusted upward in reflection of the fact that visitors staying in The Landings are spending substantially less in restaurants outside The Landings. Longer-term (greater than two weeks) visitor spending was assumed to be about 50% of the spending of short-term visitors. In the aggregate, visitor spending is estimated to be \$3.8 million annually.

Home-Based Small Business

The Gelfond Group’s survey data suggests approximately 11% of The Landings households operate unobtrusive small business enterprises from their homes. In 22% of these enterprises,

⁵Data for 2012 and later is not available. County staff hopes to have online searchable capability available during 2016: 2011 Communication with Darrin K. Brown, Operations Coordinator, Building Safety & Regulatory Services and 2016 communication with Gregori S. Anderson, CBO Director, Chatham County Building Safety & Regulatory Services.

⁶The fees paid for Discovery visits are accounted for in the budgets of The Landings Club and The Landings Company and are modeled as elements of those units’ budgets.

owners work on a full-time basis, while 67% work less than 20 hours per week. Thirteen percent of the firms have additional employees who work a combined total of 24.5 hours per week. There are a total of 267 full-time equivalent workers in these home-based small businesses. These workers are modeled in the impact software as working in eight representative economic sectors including business research, consulting, marketing, accounting, legal services, and technical expertise, among others.

2.2.2 Key Assumptions for Capital Expenditures

Capital expenditure information was obtained from The Landings Club and The Landings Company through interviews mentioned above. In addition, the 2015 budget of The Landings Association along with additional data requests for actual 2013-2015 and projected 2016-2018 Capital Asset Management Plan expenditures provided the required data to complete the impact analysis. The Landings Club's \$4.4 million in annual capital expenditures are split roughly evenly across (1) golf course maintenance/improvements, (2) building maintenance, and (3) maintenance equipment. Approximately 81% of The Landings Association CAMP expenditures (\$2.1 million annual average, 2013 to 2018) are for marina infrastructure, roads and bridges, paths and trails, and lagoon work.

2.2.3 Key Assumptions for Household Activity

The roughly 8,500 residents of The Landings are distributed across various income categories. Although U.S. Census Bureau data for zip code 31411 include approximately 200 households in the South Harbor and Modena Island neighborhoods, those households constitute 4.8% of the combined 4,200 households in those two neighborhoods and The Landings. Further, it is unlikely the income distribution of those 200 households alters the ratio of households across income categories in zip 31411 in an analytically meaningful way in the present context. Thus, the most recent data from the U.S. Census Bureau's annual American Community Survey (ACS) program for zip code 31411 is used as a starting point in the analysis of household expenditures.

The five-year estimate⁷ (2010-2014) of the distribution of households across income (and benefits) categories for zip 31411 is truncated to exclude income categories of less than \$25,000 per household (7% of total households). These types of households are less likely to be found in The Landings and, if present, are likely to have other financial assets such that their expenditure patterns are more likely to reflect the expenditure pattern of higher income households. The percentage distribution of households across the remaining income categories is recomputed to account for the absence of

Adjusted Household Income Distribution	
Household Income and Benefits	Percent of Households
\$25,000 to \$34,999	6%
\$35,000 to \$49,999	8%
\$50,000 to \$74,999	14%
\$75,000 to \$99,999	14%
\$100,000 to \$149,999	24%
\$150,000 to \$199,999	13%
\$200,000 or more	21%

⁷Three-year estimates are no longer available through the ACS program.

the lowest income categories to obtain the distribution as presented in the table above. This distribution is then used along with the number of households in each category to estimate aggregate household income and benefits of \$556 million in the 4,000 households of The Landings. The computed aggregate figure of \$556 million was benchmarked such that it corresponds to the reported Census figure of \$138,985 as the average household income in zip code 31411.

Households in The Landings with aggregate income and benefits of \$556 million are modeled in the impact software to expend \$360 million in Chatham County per year. This is 65% of total household income and benefits and corresponds to the oft-cited figure that two-thirds of U.S. total national income (gross domestic product) is expended on consumer goods.

2.2.4 Key Assumptions Closure

The assumptions described above form the basis of the analytical approach used to model the economic activity originating in The Landings. The economic activity is characterized as (1) Business Operations and Activity, (2) Capital Expenditure, and (3) Household Activity. The economic impact modeling process yields estimates of employment, labor income, and business revenue in Chatham County that is supported by economic activity emanating from The Landings. These estimates are presented in the next section.

3. Economic Impact

This section reports the estimated annual economic impact of business operations and activity, capital expenditure, and household expenditure of The Landings on the Chatham County economy in terms of employment, business revenue, and labor income.

3.1 Economic Impact Summary

This section provides an overview of the estimated annual economic impact of economic activity in The Landings. The table on the following page provides a summary of the employment, business revenue and labor income impacts. The impacts for business revenue and labor income are reported in terms of 2015 dollars. The employment impacts are reported in terms of full-time and part-time employees.

The annual economic impact of business operation and capital expenditure in The Landings is the support of 1,738 jobs in Chatham County. The compensation for each position is \$37,500 per year, including pay and fringe benefits. The direct (in-side the gates) employment is 1,146 jobs per year and the secondary employment impact (the economic ripple effect) is 592 jobs per year. The employment multiplier is 1.5, which indicates that 5 additional jobs in the county are supported by every 10 jobs directly created by business activity in The Landings.

The total amount of labor income (earnings and benefits) is \$65 million, while the secondary labor income is \$20 million. The labor income multiplier is 1.4, meaning that for every \$10 earned

by workers directly related to business activity in The Landings, an additional \$4 is earned by other workers elsewhere in the county.

Economic Impact Summary					
	Business Operations/Activity and Capital Expenditure				Household Expenditure
	Direct Impact	Secondary Impact	Total Impact	Multiplier	Economic Impact
Employment	1,146	592	1,738	1.5	3,001
Labor Income*	\$45,116,000	\$19,997,000	\$65,113,000	1.4	\$116,800,000
Business Revenue*	\$113,715,000	\$69,663,000	\$183,378,000	1.6	\$360,200,000
Note: *Business Revenue and Labor Income are reported in 2015 dollars. Labor Income includes salaries, wages, benefits, and proprietor's income. Secondary impact includes indirect and induced impacts.					

The total impact on county business revenue is \$184 million. The direct effect is \$114 million and the secondary impact is \$70 million. The multiplier for business revenue is 1.6. This means that for every \$10 of revenue generated by business activity in The Landings, an additional \$6 in business revenue is generated for other enterprises in the Chatham County.

In addition to the business activity of entities in The Landings, households in the community also expend \$360 million per year in Chatham County. This supports another 3,001 jobs for which employees are compensated (earnings and benefits) in the amount of \$117 million (\$39,000 per job) per year.

3.2 Economic Impact Detail: Business Operations/Activity and Capital Expenditure

The table on the following page provides additional detail about the employment and business revenue economic impacts associated with business activity in The Landings. Additional detail about labor income impacts are reported in Appendix A.

Detail is provided for three primary sources of economic activity: business operations and activity, capital expenditure, and household activity.

Notable findings include:

- The Landings Club supports the most employment: 475 full and part-time jobs.
- Small business activity is substantial: 281 full and part-time jobs.
 - Labor income for small business employment is \$53,400 per job.
 - Generates \$33.2 million in business revenue, and its ripple effect spawns an additional \$22 million in business revenue at other firms in the county.
- Residential construction, addition, and renovation supports 161 jobs.
 - Labor income for construction jobs is \$41,400 per job.

- The economic activity supported by consumer expenditure of residents at The Landings is immense:
 - \$360 million in business sales.
 - 3,001 jobs with compensation of \$117 million are supported.
- **The combined economic impact of the three components is:**
 - **4,739 jobs.**
 - **\$182 million in income and benefits.**
 - **\$544 million in business revenue.**

Annual Economic Impact, Detail						
	<u>Employment</u>		<u>Labor Income (\$)</u>		<u>Business Revenue (\$)</u>	
	Direct Effect	Secondary Effect	Direct Effect	Secondary Effect	Direct Effect	Secondary Effect
Business Operations and Activity						
The Landings Association	73	41	4,050,000	1,589,000	8,500,000	4,931,000
The Landings Club	475	158	15,000,000	6,000,000	32,000,000	19,456,000
The Landings Company	40*	25	557,000	928,000	5,780,000	2,919,000
Visitor Spending	77	19	1,681,000	774,000	3,806,000	2,398,000
Residential Construction, Adds, Reno	161	128	6,670,000	4,854,000	23,910,000	14,268,000
Home-Based Small Businesses	281	193	14,982,000	4,236,000	33,249,000	22,317,000
Subtotal, Business Operations	1,107	564	42,940,000	18,381,000	107,245,000	66,289,000
Capital Expenditures						
The Landings Association, CAMP	16	10	685,000	415,000	2,070,000	1,274,000
The Landings Club	23	18	1,491,000	1,201,000	4,400,000	2,100,000
Subtotal, Capital Expenditures	39	28	2,176,000	1,616,000	6,470,000	3,374,000
Subtotal, Business Ops. & Capital Exp.	1,146	592	45,116,000	19,997,000	113,715,000	69,663,000
Household Activity						
Household Expenditures		3,001		116,800,000		360,200,000
Combined Total	1,146	3,593	45,116,000	136,797,000	113,715,000	429,863,000
Note: Business revenue and labor income reported in 2015 dollars. *Includes 8 full-time and 32 independent contractors/agents.						

Employment Impact by Major Sector

Details on the direct employment impact are provided by selected sector in the table below. These are jobs primarily supported directly by the expenditures of The Landings Club, The Landings Association, The Landings Company, and home-based small business in the community. Note that jobs with The Landings Club, Association, and Company are categorized by functional area such that Landings Association workers in security, for example, are categorized in the table below as “security services.”

Direct Employment Impact: Top Ten Sectors		
	Direct Impact	Percent of Total
1. Recreation: golf, tennis, swimming, fitness	289	25.1%
2. Home-based small business	281	24.5%
3. Full-service restaurants	253	22.1%
4. Residential construction	161	14.0%
5. Real estate	43	3.7%
6. Security services	25	2.2%
7. Maintenance and repair of nonresidential structures	24	2.1%
8. Landscape services	20	1.7%
9. Ground passenger transportation	15	1.3%
10. Retail: building material and garden equipment and supplies stores	7	0.6%
Total Direct Employment	1,148	

The table below provides the top ten sectors in which economic activity was induced indirectly from the business activity in The Landings community. These are the economic ripple effects of the jobs created and reported in the previous table.

Secondary Employment Impact: Top Ten Sectors		
	Secondary Impact	Percent of Total
1. Real estate	51	8.6%
2. Employment services	30	5.1%
3. Full-service restaurants	26	4.4%
4. Limited-service restaurants	21	3.5%
5. Hospitals	20	3.4%
6. Wholesale trade	19	3.2%
7. Retail: Clothing and clothing accessories stores	17	2.9%
8. Retail: General merchandise stores	16	2.6%
9. Building services	14	2.3%
10. Retail: Miscellaneous store retailers	13	2.2%
Total Secondary Employment	593	

Business Revenue Impact by Major Sector

Details on the direct business revenue impact are provided by selected sector in the table below. This is business revenue primarily supported directly by the expenditures of The Landings Club, The Landings Association, The Landings Company, and home-based small business in the community. Note that budgetary expenditure by The Landings Club, Association, and Company is categorized by functional area.

Direct Business Revenue Impact: Top Ten Sectors		
	Direct Impact (\$)	Percent of Total
1. Home-based small business	35,773,000	31.5%
2. Residential construction	23,910,000	21.0%
3. Recreation: golf, tennis, swimming, fitness	22,400,000	19.7%
4. Full-service restaurants	13,564,000	11.9%
5. Real estate	5,780,000	5.1%
6. Maintenance and repair of nonresidential structures	3,895,000	3.4%
7. Landscape services	1,440,000	1.3%
8. Security services	1,440,000	1.3%
9. Ground passenger transportation	945,000	0.8%
10. Retail: Building material and garden equipment and supplies stores	673,000	0.6%
Total Direct Business Revenue	113,715,000	

The table below provides the top ten sectors in which economic activity was induced indirectly from the business activity in The Landings community. These are the economic ripple effects of the business revenue reported in the above table.

Secondary Business Revenue Impact: Top Ten Sectors		
	Secondary Impact (\$)	Percent of Total
1. Real estate	6,882,000	9.9%
2. Wholesale trade	4,255,000	6.1%
3. Hospitals	2,869,000	4.1%
4. Banking	2,474,000	3.6%
5. Electric power transmission and distribution	2,147,000	3.1%
6. Employment services	1,965,000	2.8%
7. Wireless telecommunications carriers	1,800,000	2.6%
8. Limited-service restaurants	1,562,000	2.2%
9. Retail: Clothing and clothing accessories stores	1,470,000	2.1%
10. Offices of physicians	1,423,000	2.0%
Total Secondary Business Revenue	69,663,000	

3.3 Economic Impact Detail: Household Activity

The approximately 8,500 residents of The Landings conduct their economic lives, engaging in numerous transactions per week. This generates about \$360 million of business revenue for firms in Chatham County. The economic impact of these consumer expenditures is detailed in the two tables below.

Employment Impact by Major Sector

Details on the direct employment impact are provided by selected sector in the table below. These are jobs supported by consumer expenditures of the residents in The Landings.

Employment Impact, Household Expenditure: Top Ten Sectors		
	Direct Impact	Percent of Total
1. Hospitals	208	6.9%
2. Full-service restaurants	176	5.9%
3. Limited-service restaurants	169	5.6%
4. Real estate	161	5.4%
5. Offices of physicians	103	3.4%
6. Retail: food and beverage stores	102	3.4%
7. Retail: general merchandise stores	94	3.1%
8. Bars, taverns (drinking estabs) and catering, contracted cafeteria food service (other food)	91	3.0%
9. Wholesale trade	85	2.8%
10. Nursing and community care facilities	81	2.7%
Total Employment	3,001	

Business Revenue Impact by Major Sector

Details on the direct business revenue impact are provided by selected sector in the table below. This is business revenue generated as a result of consumer expenditures by residents of The Landings.

Business Revenue Impact, Household Expenditure: Top Ten Sectors		
	Direct Impact (\$)	Percent of Total
1. Hospitals	29,184,000	8.1%
2. Real estate	21,618,000	6.0%
3. Wholesale trade	19,381,000	5.4%
4. Offices of physicians	14,479,000	4.0%
5. Limited-service restaurants	12,624,000	3.5%
6. Banking	12,232,000	3.4%
7. Wireless telecommunications carriers	9,525,000	2.6%
8. Electric power transmission and distribution	7,767,000	2.2%
9. Full-service restaurants	7,642,000	2.1%
10. Financial investment activities	6,633,000	1.8%
Total Business Revenue	360,240,000	

4. Fiscal Impact

This section considers the fiscal impact of economic activity originating in The Landings on municipal government finance in Chatham County. As indicated above, The Landings supports 4,739 jobs generating \$182 million in labor income, and resulting in \$544 million in business revenue in Chatham County. This substantial level of economic activity is characterized by business and individual transactions that generate sales tax revenue, property taxes, fees and other revenue for the municipal governments in Chatham County.

The bulk of funding for most local government is derived from taxes on real estate and personal property. On Skidaway Island, the 2014 tax digest reports \$2.1 billion in total residential real estate valuation. The combined valuation of 267 residential parcels of others on Skidaway (Modena Island, South Harbor, Green Island Road residential areas) was \$136 million in the 2014 tax digest, implying that residential property in The Landings provides 93.5% of the total residential land valuation on Skidaway Island.

In Chatham County, 40% of real estate valuation is assessed for property tax levies, after exemptions. Homeowners may claim a \$12,000 homestead exemption and the Stephens-Day exemption.⁸ In The Landings, the estimated combined effect is to reduce the value of property subject to taxation from \$1.9 billion to \$987 million.⁹ The 32.654 millage rate is applied to 40% of the \$987 million – yielding \$12.9 million in property tax revenue for Chatham County.

Other tax revenue flows described in greater detail below yield an additional \$7.8 million annually for Chatham County and its municipalities. Total annual revenue flow is \$20.7 million.

Sixty-six percent of households in The Landings reported paying taxes on personal property such as boats, aircraft, recreational vehicles, and similar taxable personal property. From these responses, it is estimated that approximately \$4.4 million in property taxes of this type is paid to Chatham County.

Annual Tax Revenue Flow to Municipal Governments in Chatham County	
Real estate property taxes (The Landings' residential properties)	\$12,886,000
Other personal property taxes	4,400,000
Vehicle sales taxes	1,794,000
Retail sales taxes	907,000
Real estate property taxes (The Landings' business units)	424,100
Home based business license and other taxes/fees	161,000
Cable franchise fee	97,000
Total Annual Tax & Fee Revenue	\$20,669,100

⁸In short, the Stephens-Day exemption is equal to the difference between the fair market value and the property value in the year prior to the application for the homestead exemption, plus any improvements since the application. See <http://boa.chathamcounty.org/Homestead-Exemptions> for additional details.

⁹Pat Monahan of Governomics, Inc. Monahan is the retired assistant county manager (finance) of Chatham County.

Seventeen percent of households in The Landings reported paying sales tax on a vehicle purchased during the previous twelve months. The average tax payment was \$2,710, and with an estimated 662 Landings households purchasing a vehicle annually, this yields a vehicle sales tax revenue stream of \$1.8 million per year from Landings’ residents.

The economic impact discussed above generates an estimated amount of \$30.2 million in taxable retail sales activity on an annual basis. The county-wide 3% sales tax levy generates \$907,000. One-third of this amount (ESPLOST) goes to the Savannah Chatham County Public School System to fund school district capital investment projects. Two-thirds (LOST and SPLOST) is divided among the eight municipalities in Chatham County and the county government.

Business units of The Landings are the owners of record on 61 parcels on Skidaway Island. A list of individual parcels, property values and tax assessments is provided in Appendix B and are mapped on the following page. The table below provides summary data for the 61 parcels and indicates annual property tax revenue payments of \$424,141 in 2014 for commercial property held by The Landings business units.

Chatham County Property Values and Taxes Paid Business Units of The Landings, 2014					
Owner of Record	Real Estate Value (\$)	Land Value (\$)	Building Value (\$)	Total Assessment (\$)	2014 Property Tax (\$)
The Landings Association, Inc.	4,508,350	4,402,534	105,816	1,803,340	58,926
The Landings Club, Inc.	25,471,400	7,174,300	18,297,100	10,188,560	332,696
The Landings Company	941,700	366,800	574,900	376,680	12,343
The Landings Yacht Club, Inc.	1,544,700	184,200	1,360,500	617,880	20,176
All	32,466,150	12,127,834	20,338,316	12,986,460	424,141

Ten percent of home-based small business owners reported paying taxes and/or fees to Chatham County in addition to the annual business license fee. Including other fees along with the business license fee yields an estimated annual revenue stream of approximately \$161,000.

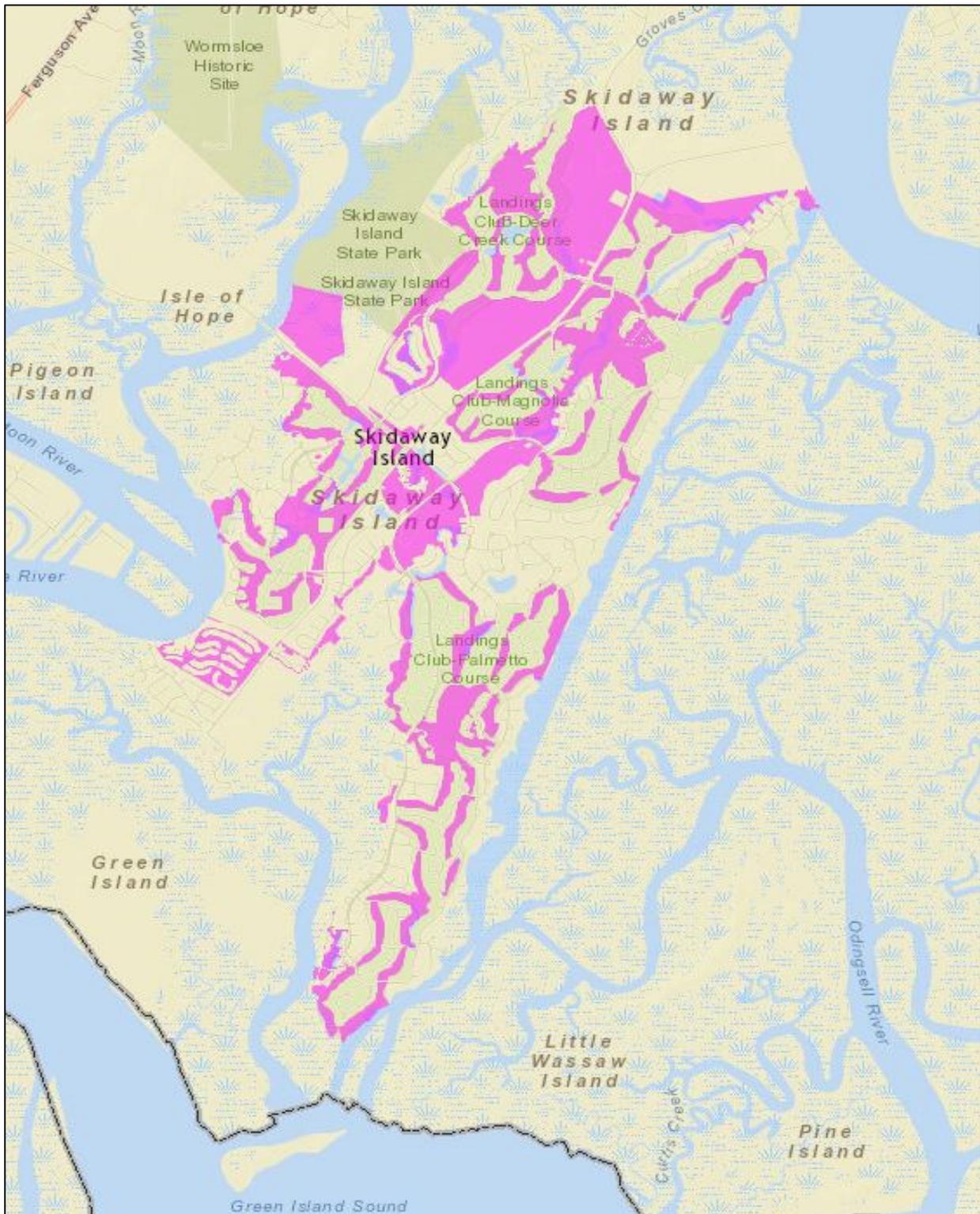
Cable franchise fee revenue accruing to Chatham County is estimated at \$97,000, assuming a mid-range channel selection subscription (\$50/month) and an 83% video penetration ratio.¹⁰

Lastly, because The Landings provides for road construction and maintenance along with bridge and drainage infrastructure, and provides greenspace, trails, parks and other recreational assets, Chatham County government is relieved of the fiscal burden it otherwise would carry to build and maintain these assets in The Landings. Using the Chatham County’s FY 2016 budget and the 2014 U.S. Census estimate of Chatham County population, this means the county “saves” or redirects \$510 per person for 8,500 residents of The Landings in annual operating and capital budget expenditures to other functions elsewhere in the county; a total of \$4.3 million per year.

In summary, Chatham County receives the bulk of the annual flow of \$20.7 million in tax revenue paid to local governments that is linked to business and economic activity in The Landings.

¹⁰Comcast video penetration ratio provided by Karl Stephens. January 2016.

Sixty-one parcels on Skidaway Island under ownership of The Landings Association, The Landings Club, The Landings Company, and The Landings Yacht Club are indicated on the map.

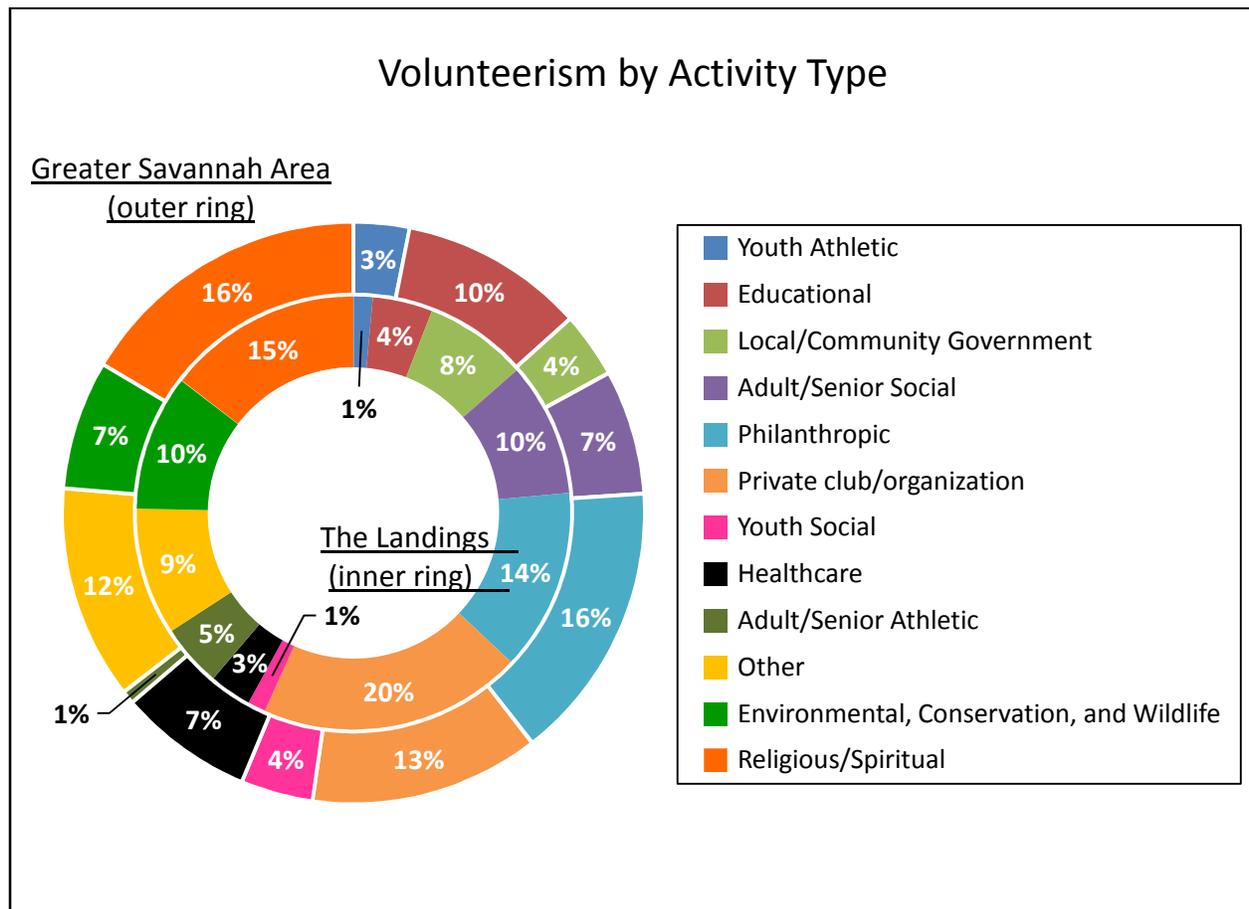


5. Community and Civic Engagement

The impact of The Landings extends beyond economic facets into the arena of community-minded philanthropic endeavors. In brief, this includes volunteer hours of service to many organizations, membership on the boards of directors or other leadership positions, and financial and in-kind support to organizations in the region.

Volunteer Participation

Residents of The Landings were surveyed on their volunteer engagement with organizations “inside the gate” (within The Landings) as well as with organizations “outside the gate” in the greater Savannah area. Of the survey respondents, 20% did not respond to the questions about volunteering. Among those residents who did respond, 77% noted they volunteer with organizations within The Landings or the greater Savannah area. Using a conservative assumption that non-respondents to the questions about volunteering did not volunteer, this implies that 61% of Landings households volunteer in some capacity with organizations in the area. Similarly, 44% of households volunteer with organizations in The Landings and 48% volunteer with organizations in the greater Savannah area. Volunteerism by organizational type is depicted in the following chart.

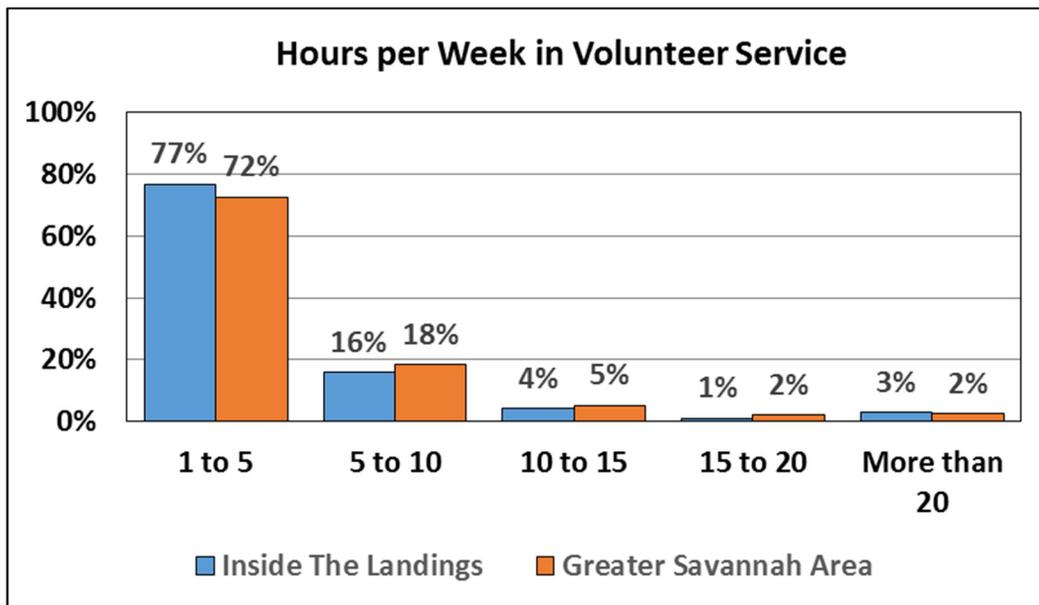


Twelve different types of organizations are identified. The outer ring of the figure provides the distribution of volunteers across organizations in the greater Savannah area. For example, 16% of survey respondents indicating they volunteered “outside the gates” with religious or spiritual organizations. The inner ring of the chart provides the distribution of volunteers across organizations “inside the gate.” For example, 14% of the respondents volunteering for organizations in The Landings, did so for a philanthropic organization.

Volunteerism in the greater Savannah area tends to be more concentrated in Youth Athletic, Youth Social, Educational, and Healthcare organizations as compared to volunteerism inside The Landings. Volunteerism “inside the gates” tends to be more concentrated in community governance, private clubs, and adult social and athletic groups.

Hours of Service per Week

Those volunteering within The Landings typically volunteered for five or less hours per week (77% of respondents), while 72% of those volunteering in the greater Savannah area offered a similar amount of time. The average number of volunteer hours per week is estimated to be 5.1 hours for organizations in the Savannah community and 4.8 hours for groups in The Landings.



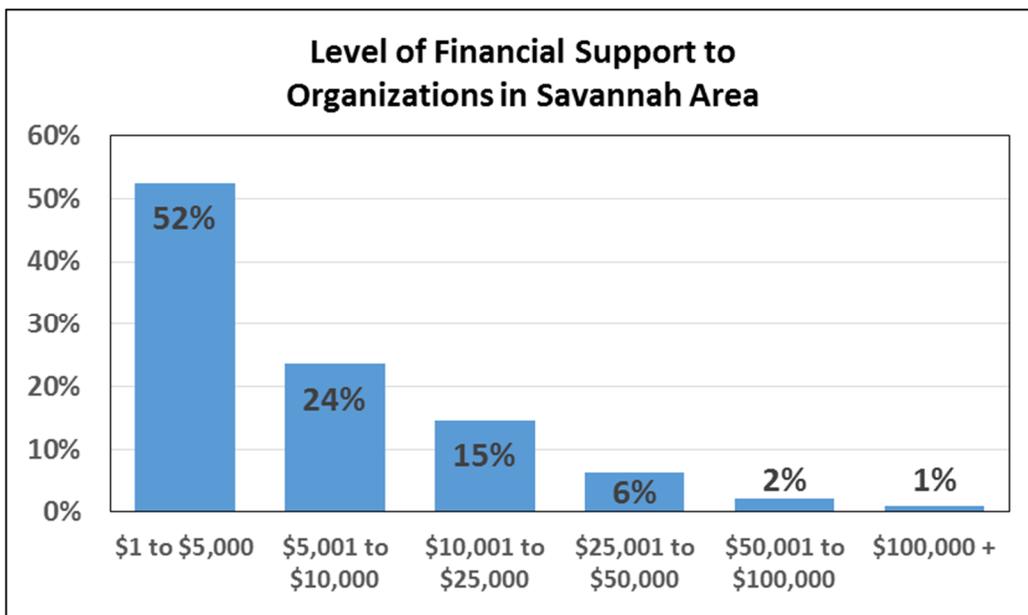
Leadership Roles

Residents of The Landings were surveyed about the number of leadership positions (board of directors, executive committee, or similar) they held in the organizations for which they volunteered. Twenty-one percent of responding households indicated they served in a leadership capacity. Of those volunteering, 59% reported serving in more than one leadership role. The total number of leadership positions held was 989 in 450 volunteer-leadership households and the average number of leadership positions held per household was 2.2.



Financial Support and In-Kind Support

Approximately 73% of Landings households reported providing financial support to organizations serving people in the greater Savannah area. Fifty-two percent of survey respondents providing information about the level of financial support gave up to \$5,000 per year. Three percent of respondents reported financial support in excess of \$50,000 per year. In-kind support was offered by 36% of households in The Landings, with the average amount of in-kind support valued at \$1,317 (median in-kind gift of \$1,000).



APPENDIX A. Labor Income Impacts

This appendix provides detail about the generation of employee compensation and benefits resulting from economic activity originating in The Landings. The labor income impacts are detailed first for business operation/activity and capital expenditures and then for the impact attributable to household consumer activity.

Business Operations/Activity and Capital Expenditure Labor Income Impact by Major Sector

Details on the direct labor income impact are provided by selected sector in the table below. This is labor income primarily supported directly by the expenditures of The Landings Club, The Landings Association, The Landings Company, and home-based small business in the community. Note that budgetary expenditure by The Landings Club, Association, and Company for labor is categorized by functional area.

Direct Labor Income Impact: Top Ten Sectors		
	Direct Labor Income(\$)	Percent of Total
1. Home-based small business	16,069,000	35.6%
2. Recreation	9,115,000	20.2%
3. Full-service restaurants	6,695,000	14.8%
4. Residential construction	6,670,000	14.8%
5. Maintenance and repair of nonresidential structures	1,089,000	2.4%
6. Security services	869,000	1.9%
7. Landscape services	750,000	1.7%
8. Real estate	557,000	1.2%
9. Ground passenger transportation	327,000	0.7%
10: Retail: building material and garden equipment and supplies stores	286,000	0.6%
Total Direct Labor Income	45,116,000	

The table below provides the top ten sectors in which labor income was generated indirectly from business activity in The Landings community. These are secondary economic ripple effects on labor income beyond those reported in the above table.

Secondary Labor Income Impact: Top Ten Sectors		
	Secondary Impact (\$)	Percent of Total
1. Hospitals	1,398,000	7.0%
2. Wholesale trade	1,324,000	6.6%
3. Employment services	1,120,000	5.6%
4. Offices of physicians	947,000	4.7%
5. Accounting, tax preparation, bookkeeping, and payroll services	665,000	3.3%
6. Real estate	664,000	3.3%
7. Architectural, engineering, and related services	659,000	3.3%
8. Full-service restaurants	555,000	2.8%
9. Legal services	500,000	2.5%
10. Non-banking finance	493,000	2.5%
Total Secondary Labor Income	19,997,000	

Household Activity

Labor Income Impact by Major Sector

The approximately 8,500 residents of The Landings conduct their economic lives, engaging in numerous transactions per week. This generates about \$360 million of business revenue for firms in Chatham County. Workers in these firms derive income (and benefits) from the business revenue attributable to household spending by residents in The Landings. The labor income associated with this is detailed below.

Labor Income Impact, Household Expenditure: Top Ten Sectors		
	Labor Income Impact (\$)	Percent of Total
1. Hospitals	14,225,000	12.2%
2. Offices of physicians	9,635,000	8.2%
3. Wholesale trade	6,033,000	5.2%
4. Full-service restaurants	3,772,000	3.2%
5. Higher education (colleges, universities, professional schools)	3,309,000	2.8%
6. Limited-service restaurants	2,902,000	2.5%
7. Automotive repair and maintenance	2,730,000	2.3%
8. Retail: food and beverage stores	2,611,000	2.2%
9. Nursing and community care facilities	2,574,000	2.2%
10. Home health care services	2,533,000	2.2%
Total Labor Income	116,800,000	

APPENDIX B. Property Tax Detail

Parcels Owned in Chatham County by The Landings' Business Units

Chatham County Property Values and Taxes Paid, 2014, by Parcel						
PIN	Owner of Record	Real Estate Value (\$)	Land Value (\$)	Building Value (\$)	Total Assessment (\$)	2014 Property Tax (\$)
1-0149 -01-004	The Landings Association, Inc.	907,200	907,200	-	362,880	11,849
1-0149 -01-005	The Landings Association, Inc.	116,100	109,200	6,900	46,440	1,516
1-0149 -01-006	The Landings Association, Inc.	10	9	1	4	-
1-0163 -01-029	The Landings Association, Inc.	2,900	2,900	-	1,160	38
1-0164 -03-012	The Landings Association, Inc.	1,200	1,200	-	480	16
1-0164 -03-013	The Landings Association, Inc.	10	10	-	4	-
1-0164A-02-031	The Landings Association, Inc.	10	10	-	4	-
1-0164A-04-010	The Landings Association, Inc.	125,700	125,700	-	50,280	1,642
1-0192 -01-003	The Landings Association, Inc.	13,500	13,500	-	5,400	176
1-0195A-01-068	The Landings Association, Inc.	10	10	-	4	-
1-0197 -04-040	The Landings Association, Inc.	35,000	30,800	4,200	14,000	457
1-0199 -02-028	The Landings Association, Inc.	10	10	-	4	-
1-0202A-01-015	The Landings Association, Inc.	500	500	-	200	7
1-0215 -01-002	The Landings Association, Inc.	210,300	170,700	39,600	84,120	2,747
1-0218A-01-002	The Landings Association, Inc.	1,197,000	1,197,000	-	478,800	15,635
1-0219 -01-003	The Landings Association, Inc.	10	10	-	4	-
1-0257 -07-011	The Landings Association, Inc.	96,000	96,000	-	38,400	1,254
1-0259 -03-028	The Landings Association, Inc.	10	10	-	4	-
1-0259 -07-001	The Landings Association, Inc.	196,500	160,000	36,500	78,600	2,567
1-0259 -07-003	The Landings Association, Inc.	40,200	29,500	10,700	16,080	525
1-0259A-08-010	The Landings Association, Inc.	10	10	-	4	-
1-0259H-03-008	The Landings Association, Inc.	184,800	184,800	-	73,920	2,414
1-0260 -01-025	The Landings Association, Inc.	10	5	5	4	43
1-0260 -02-001	The Landings Association, Inc.	10	10	-	4	-
1-0260 -02-001M	The Landings Association, Inc.	10	-	10	4	-
1-0260B-01-019	The Landings Association, Inc.	10	10	-	4	-
1-0261 -01-008	The Landings Association, Inc.	10	10	-	4	-
1-0261 -01-009	The Landings Association, Inc.	10	10	-	4	-
1-0263 -02-006	The Landings Association, Inc.	540,000	540,000	-	216,000	7,053
1-0263 -02-007	The Landings Association, Inc.	10	10	-	4	-
1-0315 -05-011	The Landings Association, Inc.	10	10	-	4	-
1-0316 -05-001	The Landings Association, Inc.	37,300	37,300	-	14,920	487
1-0316 -05-002	The Landings Association, Inc.	33,100	28,000	5,100	13,240	432
1-0318 -03-006	The Landings Association, Inc.	10	10	-	4	-
1-0324 -04-003	The Landings Association, Inc.	80,000	80,000	-	32,000	1,045
1-0324 -04-010	The Landings Association, Inc.	10	10	-	4	-

Chatham County Property Values and Taxes Paid, 2014, by Parcel (Continued)						
PIN	Owner of Record	Real Estate Value (\$)	Land Value (\$)	Building Value (\$)	Total Assessment (\$)	2014 Property Tax (\$)
1-0325 -01-006	The Landings Association, Inc.	108,300	105,500	2,800	43,320	1,415
1-0325 -01-007	The Landings Association, Inc.	513,000	513,000	-	205,200	6,701
1-0339 -01-035	The Landings Association, Inc.	69,500	69,500	-	27,800	908
1-0339 -01-037	The Landings Association, Inc.	10	10	-	4	-
1-0340 -01-003	The Landings Association, Inc.	10	10	-	4	-
1-0340 -01-027	The Landings Association, Inc.	10	10	-	4	-
1-0340 -01-043	The Landings Association, Inc.	10	10	-	4	-
1-0340 -01-076	The Landings Association, Inc.	10	10	-	4	-
1-0340 -02-001	The Landings Association, Inc.	10	10	-	4	-
1-0340 -02-021	The Landings Association, Inc.	10	10	-	4	-
1-0164B-01-001	The Landings Club, Inc.	6,393,200	1,665,500	4,727,700	2,557,280	83,505
1-0192 -01-004	The Landings Club, Inc.	1,503,200	1,440,000	63,200	601,280	19,634
1-0218A-01-001	The Landings Club, Inc.	3,422,800	1,095,100	2,327,700	1,369,120	44,707
1-0256 -01-001	The Landings Club, Inc.	6,772,200	1,612,200	5,160,000	2,708,880	88,456
1-0259 -03-027	The Landings Club, Inc.	1,684,300	151,400	1,532,900	673,720	22,000
1-0259F-02-024	The Landings Club, Inc.	100	100	-	40	-
1-0260C-01-001	The Landings Club, Inc.	5,518,000	1,032,400	4,485,600	2,207,200	72,074
1-0316 -05-003	The Landings Club, Inc.	107,800	107,800	-	43,120	1,408
1-0342B-05-008	The Landings Club, Inc.	69,800	69,800	-	27,920	912
1-0164A-02-030	The Landings Company	793,500	316,800	476,700	317,400	10,364
1-0195A-01-024	The Landings Company	148,200	50,000	98,200	59,280	1,979
1-0149 -01-001L	The Landings Yacht Club, Inc.	690,000	-	690,000	276,000	9,013
1-0192 -01-002	The Landings Yacht Club, Inc.	140,300	140,300	-	56,120	1,833
1-0325 -01-008	The Landings Yacht Club, Inc.	709,800	39,300	670,500	283,920	9,271
1-0325 -01-009	The Landings Yacht Club, Inc.	4,600	4,600	-	1,840	60
	The Landings Association, Inc.	4,508,350	4,402,534	105,816	1,803,340	58,926
	The Landings Club, Inc.	25,471,400	7,174,300	18,297,100	10,188,560	332,696
	The Landings Company	941,700	366,800	574,900	376,680	12,343
	The Landings Yacht Club, Inc.	1,544,700	184,200	1,360,500	617,880	20,176
	All	32,466,150	12,127,834	20,338,316	12,986,460	424,141