

An Economic Impact of the Coosa River and Neely Henry Lake on Etowah County



Benjamin B. Boozer, Jr. PhD, Associate Professor of Finance
Jennifer Green, MBA, Director
Jeff Hooie, MBA, Research Analyst

Jacksonville State University
Center for Economic Development
and Business Research

May 3, 2019

Geography



Objective



The objective of this analysis is to:

Measure the economic impact and economic effect in finding total economic activity for Etowah County from the existence of Neely Henry Lake and contiguous river region during Fiscal Year 2017.

Total Economic Activity

FY 2017

(Includes Economic Impacts and Contributions)



Total economic activity attributable to Etowah County

= \$523.7 million

Explaining Economic Terminology



TERM	DEFINITION
Economic Activity	Dollars spent within region that are attributable to a given industry, event or policy.
Economic Activity Analysis	An analysis that tracks the flow of dollars spent within a region (market values). Both economic impact and economic contribution analysis are types of economic activity analysis.
Economic Contribution	The gross change in economic activity associated with an industry, event, or policy in an existing regional economy.
Economic Impact	The net changes in new economic activity associated with an industry, event or policy in an existing regional economy.

Study Area



Primary study area was Etowah County including the following municipalities:

- City of Gadsden
- City of Attalla
- City of Glencoe
- City of Hokes Bluff
- City of Rainbow City
- City of Southside

The regional analysis included geographies associated with Neely Henry in Calhoun and St. Clair counties.

Total Economic Activity

Etowah County and Region Analysis Area



REFERENCE AREA	DOLLAR VALUE OF ECONOMIC ACTIVITY FY17
Etowah County (Gadsden MSA)	\$523,731,618
Region Analysis Area	\$570,663,991

Total Economic Activity by Economic Variable



~ Table #11 ~
Neely Henry Lake Total Economic Activity by Economic Variable

Economic Activity by Area Analyzed		
Economic Variable	Etowah County (Gadsden MSA)	Region Analysis Area (Calhoun, Etowah, St. Clair counties)
Fiscal Impact Base Case	\$40,391,368	\$41,263,240
Lakefront Property value	\$51,285,420	\$93,905,170
Tournaments / championship	\$10,381,844	\$10,521,388
FERC Daily Use Visitor	\$1,628,060	\$1,645,865
Residents Contributions	\$966,490	\$976,506
Recreational HH Spending	\$5,850,674	\$7,021,660
Boat Sales	\$6,657,600	\$8,760,000
Employment by Sector	\$304,182,486	\$304,182,486
Goodyear payroll	\$75,011,697	\$75,011,697
Gadsden Water Works payroll	\$3,825,000	\$3,825,000
Dam Operations	\$13,407,379	\$13,407,379
Steam Plant Operations	\$10,143,600	\$10,143,600
Total Economic Activity	\$523,731,618	\$570,663,991

Note: Employment by sector, Goodyear payroll, Gadsden Water Works payroll, Dam Operations, and Steam Plant Operations are tallied for Etowah County and included in region analysis area contributions

Economic Impact Tournaments



In 2017, there were 90 local tournaments and 52 regional tournaments. There were a total of 8,490 anglers participating in these tournaments.

The total economic impact of the new economic activity these tournaments brought into the county was **\$10.4 million.**

Economic Impact Daily Use Visitors



According to Alabama Power's Federal Electric Regulatory Commission (FERC) Daily Use Visitor Data reports, in 2017, the economic impact generated by the daily use visitors is approximately **\$1.6 million** for Etowah County.

This represents a daily use average of 269 persons and a weekly use average of 1,885 persons.

What is IMPLAN



- IMPLAN is an economic impact assessment software and data tool
- Combines a set of extensive databases concerning economic factors, multipliers and demographic statistics with a highly refined and detailed system of modeling software
- Database includes information on 528 different industries.

Input-Output Model Defined



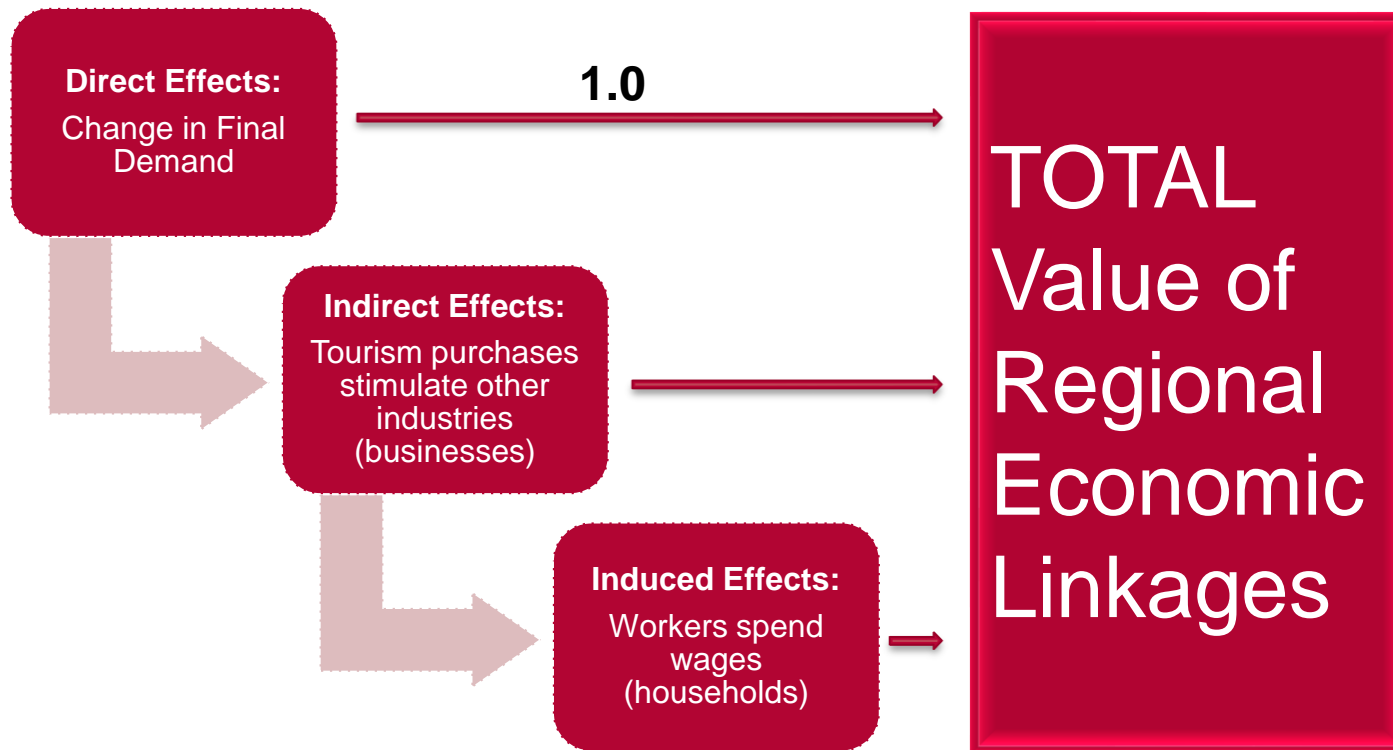
Input-output (I/O) analysis

- Creates a picture of a regional economy describing flows to and from industries and institutions (such as households and government)
- Based on the interdependencies between economic sectors and institutions, including input purchases, household spending, and taxes. This method is most commonly used for estimating the impacts of positive or negative economic shocks and analyzing the ripple effects throughout an economy.

Methodology



Economic Impact Input-Output Model – Economy Linkage Effects



Methodology



Sources of Effects

- **Direct Effect** – Initial effect as a result of money spent to pay for salaries, supplies, raw materials, operating expenses, and other capital
- **Indirect Effect** – measures business-to-business transactions indirectly caused by the direct effects. Businesses initially benefiting from the direct effects will subsequently increase spending at other local businesses, not including initial, direct round of spending

Methodology



Sources of Effects (continued)

- **Induced Effects** – measures increases in personal income caused by the direct and indirect effects. Businesses experiencing increased revenue from the direct and indirect effects will subsequently increase payroll expenditures (by hiring more employees, increasing payroll hours, raising salaries, etc.). Households will, in turn, increase spending at local businesses. The induced effect is a measure of this increase in household-to-business activity.

Acknowledgements



Dr. William T. Fielding, Ph.D.,
Dean of JSU School of Business and Industry

Ms. Nisa Miranda, Director,
University of Alabama Center for Economic Development

Designated officials and their staff from Alabama Power

Acknowledgements



Etowah County Tourism Board

Members:

Kendall Hamilton, Chair
Jamey Moore, Vice-Chair
Nanda Patel, Secretary
Jay Freeman
John Hatley
Harry McLendon
Jeff Overstreet
Joey Statum
Dave Tumlin

Non-members:

Hugh Stump, Executive Director
Todd Hindsman, Board Accountant/Treasurer
Emily Mills, Board Attorney
Christie Knowles, Board Attorney

Acknowledgements



Neely Henry Lake Association

Eugene Phifer, President
Hap Bryant, Vice President
Dave Tumlin, Secretary
Nancy Windham, Treasurer
Stace Beecham
Lisa Dover
Randy Elrod
Jerry McCain
Charlotte Phifer
Joey Statum
Hugh Stump
Kelly Stephens
Ken Swafford
Johnny Wheeler

Acknowledgements



City of Gadsden
Mayor Sherman Guyton

City of Attalla
Mayor Larry Means

City of Hokes Bluff
Mayor Scott Reeves

City of Southside
Mayor Wally Burns

Etowah County Commission
Joey Statum, President

City of Glencoe
Mayor Charles Gilchrist

City of Rainbow City
Mayor Terry John Calhoun